



Success, Efficiently

SUCCESS, EFFICIENTLY

A beehive is a timeless symbol of harmony, productivity and purpose.
Abans embodies these qualities at its core.

Like bees working in perfect coordination, each individual at Abans plays a distinct, essential role in driving the organization forward. At the heart of this hive stands Mrs. Aban Pestonjee, the visionary founder and Chairperson, whose leadership mirrors the queen bee's role in guiding, nurturing, and sustaining the colony. Her foresight, resilience, and values provide the unifying force that shapes the direction and culture at Abans.

With strategic focus on talent, innovation, and operational excellence, Abans utilizes its resources as instinctively and efficiently as bees use theirs. The hive's enduring structure reflects the company's strong foundation, while its adaptability symbolizes Abans' agility in a rapidly evolving landscape. Supported by robust risk management, Abans continues to function as a well-orchestrated hive, stable, forward looking, and built for sustainable success.





Vision

To keep empowering people with a better way to life.



Mission

We at Abans, through our products and services; empower people to a better way to life by empowering them to make better choices, while protecting the environment for an even better tomorrow.



Values

Visionary

Seeing the bigger picture backed by entrepreneurial, risk-taker attitude while protecting your lifestyle.

Relentless

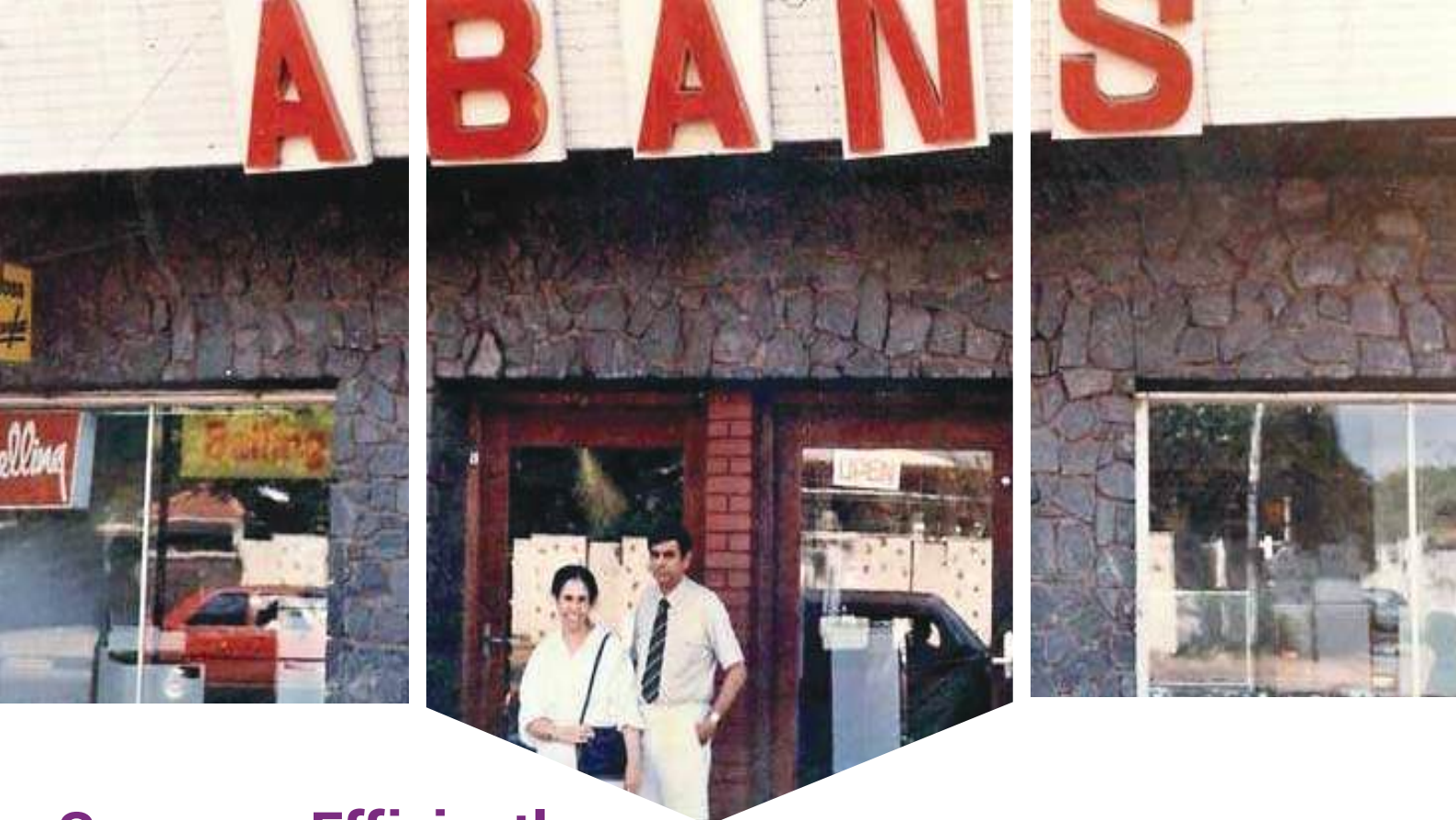
Unwavering determination for progression.

Empowering

As an employer, as a business partner, as a socially responsible group we empower people to enhance their lives.

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Success, Efficiently : From a single goal to a unified hive

Abans has stood for over fifty years as a symbol of resilience, innovation and purposeful growth, much like the timeless symbol of a beehive.

Under the visionary guidance of Mrs. Aban Pestonjee, who took upon the selfless initiative to make the lives of other homemakers easier, Abans has grown from a humble corner store at Galle Road to one of the most significant conglomerates within Sri Lanka. The journey of the conglomerate has evolved from a modest appliance repair business into a multifaceted enterprise, leading to success more efficiently than ever.

During the 1970s, she not only managed to expand, but continued to ease the burden of other homemakers in Sri Lanka with the acquisition of Electrolux as the very first international brand, which was later followed by other UK brands such as Belling and Hoover. Abans in 1985, became the first company to launch a South Korean electronics brand in Sri Lanka, then known as GoldStar, which later became LG.

Over the years, Abans diversified its operations across seven sectors,

encompassing retail, services, finance, logistics, manufacturing, real estate, and hospitality, boasting an extensive network of over 400 showrooms nationwide. Despite the formidable challenges posed by the civil war and economic uncertainties of the 1980s and 1990s, Abans efficiently navigated through these hurdles. The addition of the second generation to the business further fueled these diversification efforts.

Subsequently, with the inclusion of the third generation, Abans has ventured into initiatives such as establishing Sri Lanka's inaugural international mall, Colombo City Centre, as well as initiating a refrigerator manufacturing plant, enriching the organization's value proposition significantly.

Keeping with the cornerstone of her principles; honesty, hard work and perseverance, the Abans story has grown exponentially to become synonymous with household appliances in Sri Lanka today. Mrs. Aban Pestonjee has ensured that the company has diversified interests, becoming not only a transformative brand in the country, but one that has inspired many, with a 3.5 million customer base, representing over 120

brands and employing over 10,000 personnel. Abans thrives on its seamless integration of diverse sectors, each contributing to the greater whole. The company's operations hum with the same kind of industrious energy that defines a colony of bees; relentless, efficient, and collectively directed toward sustainable growth.

At its core, Abans reflects the core of wisdom within the beehive: success is most powerful when guided by efficiency, shared values and a clear purpose. Through decades of innovation and adaptability, the company continues to shape Sri Lanka's future while honouring the principles that define its legacy; vision, collaboration, and tireless drive.

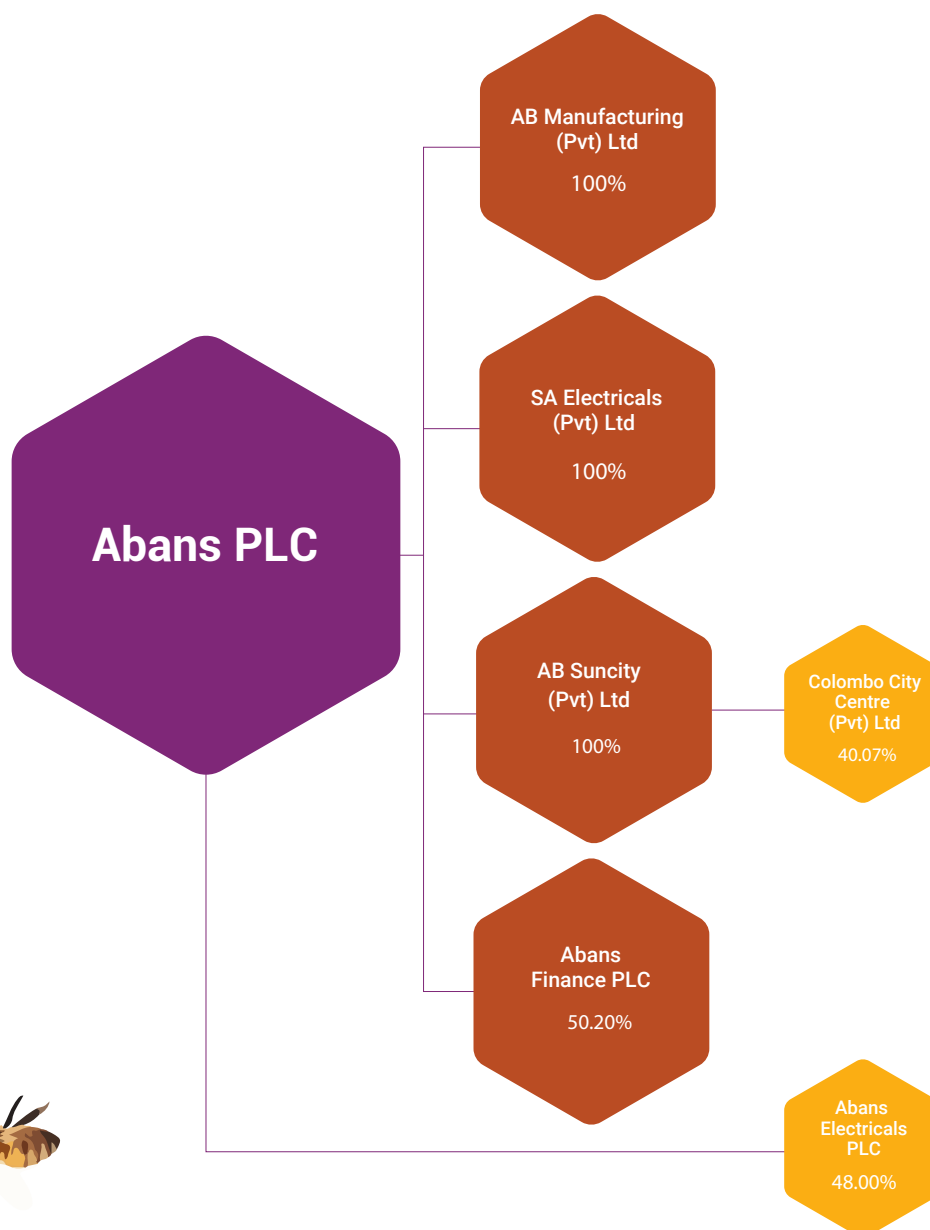
Abans remains vibrant with purpose, resonating with untapped potential, and meticulously built to thrive and endure for generations to come, like a beehive, unified towards a single goal.

Abans Group

PARENT

SUBSIDIARIES

ASSOCIATES



Abans Milestones

1978

Abans ties up with 'Electrolux'

1981

Incorporation of Abans Electricals (Pvt) Ltd. and Abans (Pvt) Ltd

1985

Abans ties up with 'GoldStar'

1995

Goldstar rebrands as LG, which Abans successfully introduces to SL market

1999

First flagship showroom opens at No.498, Galle Road, Colombo 03

2004

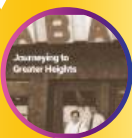
Achieves milestone of First 100 showrooms

2005

Incorporation of Abans Finance PLC

1968

Mrs. Aban Pestonjee opens her First corner store in Bambalapitiya



2018

Abans Celebrates
50th Anniversary
Opens Colombo
City Centre, first
international mall

2017

Introduces
Hugo Boss
Becomes the
Authorized
Distributor for
Apple in
Sri Lanka

2014

Lists on the
Colombo Stock
Exchange
changing the
name to
Abans PLC

2020

Becomes the sole
agent for Under
Armour

2021

Becomes the owner of
Miniso Franchise

2022

Becomes the partner for
Lenovo

AB Manufacturing Pvt Ltd
commences commercial
operations

Abans Electricals PLC is
awarded
"Merit" in National
Business Excellence

2023

Opens "Courtyard by Marriott
Colombo"

"Abans Green Pro" refrigerator is
awarded Energy Rating Label of
4.1 by SLSEA

Abans commences Solar
Business Solutions

2024

Asia Pacific Institute of Digital
Marketing recognizes "Abans" as
5th Most Visible online Brand

Opens LG Air Conditioning
Academy with University of
Moratuwa

2025

Asia Pacific Institute of Digital
Marketing recognizes "Abans" as 3rd Most
Visible online Brand

Abans PLC is awarded with a commendation
award at the prestigious National Supply Chain
Excellence Awards 2024

Abans PLC is awarded Gold at SLITAD People
Development Awards

Becomes the National Distributor for OPPO,
RealMe, Motorola and ITTEL Brands

The Courtyard by Marriott Colombo is awarded
'The Best Four-Star Hotel in the City' at the
prestigious Sri Lanka Tourism Awards 2024 and
was Certified with Green Globe certification

Financial Highlights - Group

Earning Highlights		2024/25	2023/24	Change %	2022/23
Revenue	LKR	52,156,513,266	42,638,843,884	22.3%	35,599,593,779
Gross Profit	LKR	19,233,037,636	13,887,305,385	38.5%	14,771,900,168
Result From Operating Activities	LKR	4,930,336,603	3,631,884,143	35.8%	5,482,666,915
Profit Before Income Tax & VAT	LKR	4,312,612,856**	5,167,503,883**	-16.5%	4,502,259,903
Profit After Tax	LKR	2,996,276,527**	4,403,005,387**	-31.9%	3,489,875,880
Profit Attributable to Owners of the Parent	LKR	2,784,335,378**	4,351,065,905**	-36.0%	3,313,125,772
Dividends	LKR	488,687,015	-	-	1,710,404,554*
Gross Profit Margin	%	36.9	32.6	13.2%	41.5
Operating Profit Margin	%	9.5	8.5	11.0%	15.4
Net Profit Margin	%	5.7	10.3	-44.4%	9.8
Earnings per Share	LKR	1.25	1.96	-36.0%	1.49
Return on Capital Employed (ROCE)	%	10.9	10.6	2.5%	20.1
Interest Cover	No. of times	2.2	1.8	23.8%	2.5

*Dividends paid in 22/23 out of profits of : FY20/21-Rs.333,195,692 | FY21/22-Rs.1,044,013,169 | FY22/23-Rs.333,195,692

** Includes Investment Property Fair Value Gain from Colombo City Centre (Pvt) Ltd: FY24/25-Rs.143,220,798 | FY23/24-Rs.3,811,873,781

Financial Position Highlights		2024/25	2023/24	Change %	2022/23
Total Assets	LKR	67,676,445,961	50,858,733,205	33.1%	41,185,241,002
Total Borrowing	LKR	22,775,820,328	14,148,473,876	61.0%	11,545,043,487
Current Assets	LKR	38,893,099,739	31,752,905,139	22.5%	25,665,470,506
Current Liability	LKR	32,837,754,781	26,053,622,334	26.0%	21,442,003,445
Equity Attributable to Equity Holders of the Parents	LKR	20,895,340,367	18,601,741,867	12.3%	14,258,950,022
Total Equity	LKR	22,637,400,109	20,133,060,572	12.4%	15,735,931,354
Debt to Equity Ratio	%	100.6	70.3	43.2%	73.4
Debt/(Debt+Equity) Ratio	%	50.2	41.3	21.5%	42.3
Equity Asset Ratio	%	33.4	39.6	-15.5%	38.2
Net Assets per Share	LKR	10.2	9.1	12.4%	7.1
Current Ratio	No.of Times	1.2	1.2	0.0%	1.2





Message From The Chairperson

“Over the decades, we have weathered economic storms and set new benchmarks by introducing high-quality consumer electronics and home appliances, and by continuously diversifying our product and service portfolio to meet the evolving needs of our customers. Guided by our enduring ethos of Honesty, Hard Work and Perseverance, we have remained true to the values that built this company.”

Dear Stakeholders,

A Legacy of Resilience and Reinvention

As I pen this message for Abans PLC's 2024/25 Annual Report, I am filled with both pride and humility reflecting on our journey. Rooted in our vision, Abans has grown from a modest entrepreneurial venture into a pillar of Sri Lanka's retail and manufacturing sector. Over the decades, we have weathered economic storms and set new benchmarks by introducing high-quality consumer electronics and home appliances, and by continuously diversifying our product and service portfolio to meet the evolving needs of our customers. Guided by our enduring ethos of Honesty, Hard Work and Perseverance, we have remained true to the values that built this company.

The past year unfolded against a backdrop of cautious economic recovery in Sri Lanka. After a contraction of 2.3% in 2023, the country's economy rebounded with approximately 5% growth in 2024. This turnaround reflected a return of investor confidence and structural reforms underpinned by international support. In this recovering market environment, Abans demonstrated the resilience inherent in our heritage. We turned challenges into opportunities – optimizing our operations, enhancing efficiency, and maintaining strategic focus – to sustain growth and deliver value to all stakeholders.

'Success, Efficiently'

Operational efficiency has long been one of our core strengths—but in FY 2024/25, we elevated it to a strategic differentiator. Through tighter controls, smarter inventory

planning, streamlined logistics, and a sharper focus on customer-centricity, we were able to optimize performance across all business segments.

Our digital journey, too, continues to gather pace. Investments in ERP modernization, online platforms, and data-driven decision-making are enabling us to drive productivity, reduce costs, and anticipate consumer trends with greater accuracy. These improvements are not only enhancing our bottom line, but also improving the experience we deliver to millions of Sri Lankans every day.

Strength in Numbers: Financial Performance at a Glance

The financial performance of Abans PLC for the FY 2024/25 is a reflection of our success and how efficiently we have delivered value across our ecosystem.

- The company revenue reached a record Rs.47.9Bn, up from Rs.38.9Bn the previous year, driven by strong performance across all sectors.
- Profit Before Tax (PBT) increased 22.6% YoY to Rs.2.4Bn, while profit after tax (PAT) rose to Rs.1.8Bn, up from Rs.1.3Bn.
- At Group level, revenue stood at Rs.52.2Bn, and Group PBT was Rs.4.3Bn, inclusive of revaluation gains from our investment property in Colombo City Centre (Pvt) Ltd.
- We paid Rs. 1Bn in taxes, distributed Rs.1.9Bn in employee remuneration, and channeled Rs.53.9Bn to local & foreign suppliers and partners—demonstrating broad-based value creation.

- Earnings per share (EPS) and net assets per share also saw a healthy uplift, while Fitch Ratings Lanka upgraded Abans PLC's rating to 'AA (Stable Outlook)'—a significant endorsement of our financial health and strategic outlook.

Anchored in Values, Driven by People

Our accomplishments extend well beyond financial performance. As one of Sri Lanka's pioneering retailers, Abans has a proud history of building partnerships and uplifting communities. This year we continued initiatives that reflect our commitment to national development.

Our 'Abans - Hithawathkama' project brought some comfort to dialysis patients across the country by donating televisions to over 40 hospital units. In education, we supported digital learning by helping establish 200 smart classrooms and distributing 2,000 tablets to students, aligning with the nation's vision for a technology-driven future.

In sustainability, our long-running 'Green Isle' reforestation initiative in collaboration with LG and conservation partners entered its fifth year, restoring urban wildlife habitat, and on World Environment Day we mobilized teams for a coastal clean-up – showcasing our belief that sustainability requires action. We also partnered with the government to launch School-Industry & Commerce Entrepreneurship Circles, inspiring the next generation of Sri Lankan innovators. Each of these efforts reflects our commitment to social responsibility and to nurturing the country we serve.

A Future Built on Innovation and Impact

Looking ahead, I am confident in our direction. We will build on our heritage of trust, quality, and innovation while accelerating boldly into the digital age. Our customer-centric vision will drive enhanced shopping experiences – both online and in-store – coupled with personalized service that meets people where they are. At the same time, we will uphold the highest standards of governance and corporate citizenship, knowing that our legacy depends on the values we live by. Every member of the Abans family – from our founders' generation to today's passionate team – is committed to these ideals. Together, we stand ready to write the next chapter of Abans' story.

Closing Thoughts: Pride in the Past, Purpose in the Future

In closing, I extend my heartfelt gratitude to our Board of Directors and leadership team for their unwavering guidance and insight. I am especially grateful to our Managing Director, Mr. Rusi Pestonjee, whose vision and resilience have steered us through another transformative year. I would like to extend my earnest appreciation to our Executive Directors, Dr. Saroshi Dubash and Chandrika Perera, for their steadfast leadership, strategic insight, and unwavering commitment to our long-term vision. A special note of appreciation goes to our Non-Executive Directors, Rajaratnam Selvaskandan and Dinesh Weerakkody, whose independent perspectives, sound judgment, and dedication to good governance have been instrumental in guiding our progress.

Further, I am pleased to extend a warm welcome to our newly appointed Non-Executive Director, Hiran Embuldeniya. With a wealth of experience and a strong track record in Investment Banking and Strategy Consulting, he brings valuable insights and a fresh perspective to the Board. We look forward to his contributions as we continue to strengthen our governance, pursue strategic growth, and deliver value to all our stakeholders. Collective experience and wisdom of all of you continue to strengthen our decision-making and ensure we remain accountable to our stakeholders at every step.

We also remember and honor the visionary leadership of our late Managing Director, Mr. Behman (Tito) Pestonjee, whose legacy continues to inspire us. To all our employees, partners, customers and shareholders – thank you for your passion, loyalty and trust. It is your confidence in Abans that empowers us to pursue excellence. Together, we remain committed to creating lasting value and carrying forward the proud legacy of Abans for generations to come.



Aban Pestonjee
Chairperson
27th June 2025





Managing Director's Review of Performance

“ The year marked a period of enhanced overall performance for Abans PLC where revenue reached an all-time high at Rs.47.9Bn as opposed to Rs.38.9Bn last year. Further, Gross Profit Margins were maintained at 33.61% compared to 31.21% last year, reflecting strategic handling of its Product and Channel portfolio against market dynamics. **”**

Overview

This fiscal year has been a defining chapter for Abans Group. Guided by our theme "Success, Efficiently", we delivered strong operational results while sharpening our focus on efficiency and strategic investment. We navigated Sri Lanka's evolving economy by turning macroeconomic shifts into momentum for growth and innovation. I am pleased to present this review of our performance and to outline the clear direction we have set for the future.

Economic and Industry Context

Sri Lanka's economy showed resilient recovery in FY 2024/25, supported by sustained reforms and external assistance. Growth rebounded sharply to around 5% following the prior year's contraction. Inflation moderated and an accommodative monetary policy helped stabilize the environment, though fiscal consolidation (including VAT adjustments) kept consumer demand cautious. Value and affordability became paramount for many households. In this context, Abans remained agile. We focused on operational discipline and market responsiveness, ensuring that our offerings and costs aligned with shifting customer needs.

Operational and Financial Performance

Abans PLC Group reported a consolidated revenue of Rs.52.2Bn compared to Rs.42.6Bn last year. The group reflected an increase in revenue stemming from Abans PLC's revenue increase of Rs.9.0Bn representing a 23% growth compared to the previous year. Abans PLC Group's Profit Before Tax stood at Rs.4.3Bn compared to Rs.5.2Bn last year. Profits include revaluation gain from Investment Property of Colombo City Centre Pvt Ltd.

The year marked a period of enhanced overall performance for Abans PLC where revenue reached an all-time high at Rs.47.9Bn as opposed to Rs.38.9Bn last year. Further, Gross Profit Margins were maintained at 33.61% compared to 31.21% last year, reflecting strategic handling of its Product and Channel portfolio against market dynamics. Accordingly, Profit Before Tax (PBT) of the company stood at Rs.2.4Bn compared to Rs.1.95Bn last year.

Beyond the headline figures, we continued to reinforce our value proposition ensuring customers receive only the best. We enriched our product range by being appointed the national distributor for leading smartphone brands), expanding choice and innovation for consumers. In after-sales service, we deployed new systems and response mechanisms to reduce turnaround times and improve satisfaction. These steps deepened customer trust and loyalty, reinforcing the Abans promise of quality and value.

Innovation, Digitalization, and Governance

Technology and innovation remained at the forefront of our strategy. This year we advanced our digital transformation journey: a key milestone was the successful roll-out of our new SAP S/4HANA ERP platform, which is already delivering tighter financial controls and more agile supply chains. We also introduced in-store digital kiosks and enhanced our online presence, giving customers seamless new ways to explore our offerings.

In parallel, we strengthened our IT governance and security. Our IT Shared Services arm now operates with ISO 27001 certified processes and an empowered IT steering committee. These measures ensure our digital backbone is robust, secure and resilient. Looking forward, this foundation will enable us to harness

data-driven insights and emerging technologies to improve efficiency and customer experience.

Sustainability and Community

Abans is committed to making a positive impact beyond business. Our Hithawathkama project continued to bring comfort to dialysis patients by donating entertainment televisions to over 40 government hospital units, reflecting our care for community well-being.

On the environmental front, our Green Isle initiative with LG and conservation partners entered its fifth year. By restoring wetland habitats expanding our mangroves, planting native trees and being key partners in the Beira Lake and surrounds maintenance projects, we are helping to protect biodiversity and create green lungs for urban Colombo to help our City to breathe. We also organized a national beach clean-up on World Environment Day, mobilizing our people and loyalty members to remove waste and raise awareness about marine conservation.

In education, we partnered with government and international stakeholders to equip 200 classrooms with smart technology and distribute 2,000 tablets free of charge to students in the Southern Province. These efforts support the nation's vision for a modern education system and empower our youth for the future. Furthermore, through the School-Industry Entrepreneurship Circles launched with the Industrial Development Board and ministries, we are mentoring young innovators – ensuring that Abans' spirit of entrepreneurship is passed to the next generation.

Each of these initiatives reaffirms our belief that a leading business must also be a responsible citizen, contributing to Sri Lanka's sustainable development.

Developments & Expansion

As part of our ongoing development and expansion, Abans PLC has introduced innovative in-store kiosks across select showrooms, empowering customers to browse and select products with greater ease and convenience. Renovation efforts have also been undertaken to enhance the in-store ambiance, creating a more engaging and comfortable shopping experience. We continued to strengthen our customer loyalty program, fostering long-term relationships through added value and rewards. In line with our sustainability goals, we placed a renewed focus on promoting solar panels for domestic use, contributing to energy efficiency while making meaningful improvements to our overall carbon footprint.

Further, Abans Group's continued commitment to innovation and strategic growth is reflected in the ongoing success of our flagship development, the Colombo City Centre. This landmark mixed-use project featuring luxury residences, a premium shopping mall, and the Courtyard by Marriott hotel has solidified our position as a transformative force in Sri Lanka's real estate and lifestyle sectors. Over the past year, Colombo City Centre Mall has experienced steady growth in footfall and a healthy influx of new tenants, including franchises such as "Barbecue Nation", strengthening both revenue generation and the Group's brand presence. The Courtyard by Marriott, in particular, has established itself as a preferred destination for business and leisure travelers alike, reinforcing our presence in the hospitality industry. These milestones exemplify our long-term vision of evolving beyond traditional retail into delivering integrated lifestyle experiences that elevate urban living in Sri Lanka.

Looking Forward

As Sri Lanka's economy gradually stabilizes, Abans moves forward with confidence. We will continue delivering value "efficiently" through lean operations and strategic foresight. Plans are underway to expand our local manufacturing of high-demand products, supporting import substitution and cost efficiency while strengthening domestic capabilities.

Our omnichannel strategy will further integrate online and offline experiences – meeting customers where they are. We will also scale up digital marketing and analytics to personalize engagement and reach more Sri Lankans.

Importantly, our investments in innovation and governance will not waver. We will harness emerging technologies to improve productivity and customer satisfaction, while upholding the highest standards of corporate governance and sustainability. Our ongoing development projects, such as Colombo City Centre (with its luxury mall and Marriott hotel), exemplify our ambition to shape modern lifestyles in Sri Lanka. We are confident these ventures will continue to enhance shareholder value and enrich our community.

Acknowledgements

Our success is built on the dedication of many. I extend my heartfelt appreciation to our Chairperson, Mrs. Aban Pestonjee, whose vision and values are our guiding light. I am grateful to our Board of Directors; Saroshi Dubash, Chandrika Perera, Rajaratnam Selvaskandan, and Dinesh S. Weerakkody, whose contributions have been instrumental in guiding our efforts. We also fondly remember our late former Managing Director, Mr. Behman

Pestonjee, whose legacy remains a cornerstone of our values and achievements. Further, I am pleased to welcome Mr. Hiran Embuldeniya to the Board of Abans PLC as a Non-Executive Director, and I look forward to the fresh perspectives and contributions he will bring as we drive forward.

I would also like to extend my sincere gratitude to our senior leadership team for their steadfast commitment and vision, which continue to guide our progress. A heartfelt thank you to our principals and partners, particularly LG, whose long-standing collaboration and trust have been integral to our success. We also acknowledge our capital providers for their continued confidence and support, enabling us to grow with strength and purpose. Together, we will carry Abans' proud legacy forward, ensuring the next chapter of our story is defined by value creation, integrity and excellence.



Rusi Pestonjee
Managing Director
27th June 2025

Board of Directors



Aban Pestonjee
Chairperson



Rusi Pestonjee
Managing Director



Saroshi Dubash
Executive Director



Chandrika Perera
Executive Director



Dinesh S. Weerakkody
Senior Independent Director



Rajaratnam Selvakandan
**Independent
Non-Executive Director**



Hiran Embuldeniya
**Non-Independent
Non-Executive Director**
(With effect from 01st October 2024)

Board of Directors and Profiles

Aban Pestonjee Chairperson

Mrs. Aban Pestonjee is a dynamic and accomplished business leader with over five decades of experience in the business world. Mrs. Pestonjee's vision, leadership and entrepreneurial spirit have been instrumental in driving the growth and success of the Abans Group. She is an embodiment of the company's ethos of 'identifying a need and fulfilling it'. Mrs. Pestonjee's passion, drive and courage as a South Asian woman in a male-dominated business world have served as an inspiration to subsequent generations of Sri Lankan businesswomen.

Among the repertoire of accolades received by Mrs. Pestonjee is the Global Strategy Leadership Award presented at the World Strategy Summit; Award of Excellence for Women Achievers for Outstanding Achievements, presented by the SAARC Women's Association and the Bronze Award, under the large business category at the Women Entrepreneur of the Year awards by the Women's Chamber of Industry and Commerce, both in the year 2000; KOTRA Plaque of Appreciation presented in 2005, for forging strategic foreign economic ties between Korea and Sri Lanka; Leading Woman Entrepreneur of the World Award presented by the Princess of Thailand in 2006; Woman Entrepreneur of the Year Award by the Women's Chamber of Industry and Commerce at the Woman Entrepreneur of the Year 2017 Awards as well as the Gold Award in the Extra Large Business Enterprise Category and Sri Lanka's Entrepreneur of the Year Award at the Derana Sri Lankan of the Year Awards 2017.

In 2021 she was recognized 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. Mrs. Pestonjee has been interviewed by The Harvard Business School, and the transcript

of the interview is held in the school's Baker Library, available to students for research and case studies.

Mrs. Pestonjee also holds directorships at Abans Electricals 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 and Colombo City Centre (Pvt) Ltd.

Rusi Pestonjee Managing Director

Mr. Rusi Pestonjee started his career in finance and tax planning at the age of 19 and is the founder of diverse businesses within the Abans Group and responsible for bringing them to leadership positions. He is an expert in family business strategy and an alumnus of the Indian School of Business.

He is the Managing Director of Abans PLC, Chairman of Colombo City Centre and Past Chairman of Abans Finance PLC and is also a director of various companies outside the Abans group with regional presence which span to logistics, security solutions, cash warehousing, food processing and modern agriculture.

Mr. Rusi Pestonjee holds various directorships within the Abans Group of Companies, including Colombo City Centre (Pvt) Ltd, Abans Finance PLC, Abans International (Pvt) Ltd, Abans Retail Holdings (Pvt) Ltd, Abans Environmental Services (Pvt) Ltd, Abans Land (Pvt) Ltd, Crown City Developers (Pvt) Ltd, ABS Courier (Pvt) Ltd, Abans Investments (Pvt) Ltd and AB Real-estate (Pvt) Ltd. Through his astute guidance and unwavering commitment, Mr. Rusi Pestonjee has helped drive the Abans Group's phenomenal growth and success.

Dr. Saroshi Dubash Executive Director

Dr. Saroshi Dubash is responsible for overseeing various aspects of the supply chain functions, such as import / purchasing, wharf clearance, warehousing, inventory control, distribution and information systems. In addition, she also manages the finance, human resources, training and internal audit departments.

Dr. Dubash currently holds the position of Managing Director at Abans Electricals PLC, the primary service division of the Abans Group, which also manufactures select products within the Abans portfolio.

She is also the Managing Director of Abans Logistics (Pvt) Ltd and a Director to several other Abans 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 and Crown City Developers (Pvt) Ltd.

Dr. Dubash is highly involved in the business community and has held several leadership positions. Previously, she served as the Chairperson of the Women's Chamber of Industry and Commerce and was also a representative on the Ceylon Chamber of Commerce Board. Additionally, she is a member of Women in Logistics and Transport (WILAT) and serves as a committee member of the Australian New Zealand Business Committee and the Canadian Business Committee. Dr. Dubash is also a member of SLID and the WCD, which is a global organisation for women directors. She is an accomplished professional with a PhD in Philosophy, an MBA (US), and an honours degree in chemistry (London).

Chandrika Perera **Executive Director & Group Chief Financial Officer**

Mrs.Chandrika Perera brings a wealth of experience and leadership to her role as Executive Director and Chief Financial Officer at Abans Group. With over three decades of experience in financial management, she was appointed to the Abans PLC Board in June 2020, where she has spearheaded transformative financial strategies across the Group. Prior to her tenure at Abans, Chandrika served as Executive Vice President for the Leisure Sector (Cinnamon Hotels & Resorts) at John Keells Group, where she played a pivotal role in strategic investments and divestments. She also served as the Group Financial Controller for John Keells Holdings PLC, overseeing financial operations of all its subsidiaries covering multiple industries.

Mrs.Perera's illustrious career extends across various industries, including listed and private companies such as Keells Food Products PLC, Kandy Walk Inn Pvt Ltd, and Keells Agro Products Ltd, Jaykay Marketing Pvt Ltd, among others. Her leadership extends beyond corporate roles, as evidenced by her active participation in committees within the Institute of Chartered Accountants of Sri Lanka (ICASL), where she contributed to financial reporting, taxation, and statutory accounting standards.

A fellow member of the Institute of Chartered Accountants of Sri Lanka and the Society of Certified Management Accountants of Sri Lanka, Mrs.Chandrika Perera holds a Master's in business administration with a specialization in Finance from the University of Queensland. Her dedication to advancing the field of finance, coupled with her commitment to mentorship and advocacy for gender equality, exemplifies her exemplary leadership within the profession.

Recently honoured with the prestigious SAFA Lifetime Woman Leadership

Award, Mrs.Chandrika's achievement underscores her unwavering dedication, innovative spirit, and significant contributions to her organization and society at large. Her remarkable journey serves as an inspiration to aspiring professionals and underscores the transformative impact of women's leadership in the accountancy profession.

Rajaratnam Selvaskandan **Independent Non-Executive Director**

Mr.Rajaratnam Selvaskandan is an Independent Non-Executive Director at Abans PLC, a position he has held for several years. With more than four decades of experience in legal practice and management, Mr.Selvaskandan is a highly accomplished Attorney-at-Law (SL) and admitted as a Solicitor of England & Wales, Canberra and Hong Kong. He is an expert in corporate and commercial transactions, mergers and acquisitions, banking and financing matters, investment structuring and project development.

Mr.Selvaskandan is a Senior Partner at Varners, a leading law firm in Sri Lanka, where he has served since 2004. He was admitted to the Supreme Court of Sri Lanka as an Attorney-at-Law in 1982 and has since built an impressive career in private practice and public service. He was a State Counsel at the Attorney General's Department in Sri Lanka before serving as a Partner in a renowned law firm in Hong Kong for more than two decades.

In addition to his role at Abans, Selvaskandan is also Director of CT Land Development PLC and serves on the Board of several other prominent companies, including the Laugfs Gas PLC and Abans Electricals PLC.

As an Independent Non-Executive Director at Abans PLC, Selvaskandan brings a wealth of legal knowledge and business acumen to the Board. He is committed to ensuring that the company operates with integrity

and transparency and that it meets the highest standards of corporate governance.

Dinesh S. Weerakkody **Senior Independent Director**

Mr.Dinesh Weerakkody is the former Chairman of Hatton National Bank PLC and Commercial Bank of Ceylon PLC, and a former Director of DFCC Bank. He has also held key leadership roles in the public sector. Currently, he serves as the Chairman of Union Bank of Colombo, the Employers Federation of Ceylon, and is the immediate Past Chairman of the International Chamber of Commerce Sri Lanka. Additionally, he is the Senior Vice Chairman of the Sri Lanka Institute of Directors and a Director of several leading companies. Weerakkody is a Graduate in Business Administration UK, a Fellow Member of both the Chartered Institute of Management Accountants UK and the Certified Management Accountants of SL, Professional Member of the Singapore Human Resource Institute and holds an MBA from the University of Leicester, United Kingdom.

Hiran C. Embuldeniya **Non-Independent Non-Executive Director (with effect from 01st October 2024)**

Mr.Hiran C. Embuldeniya has an MBA from the Harvard Business School and a Meng (Hons) in Engineering, Economics and Management, from University of Oxford. He is currently Managing Partner of Ironwood Capital Partners, Sri Lanka's leading private equity fund. He has previously worked for 10 years with Goldman Sachs and McKinsey & Company where he helped, develop and execute the corporate strategies and M & A transactions for some of the leading banks and industrial companies in Europe, Middle East and South Asia.

CORPORATE GOVERNANCE

The Board of Directors is unwavering in its commitment to uphold the highest standards of corporate governance, ensuring excellence in every facet of the Company's operations. The core purpose of governance is to generate long-term, sustainable value for shareholders through strategic, effective management. The Board plays a critical role in shaping corporate strategies, overseeing their execution by management, and enforcing robust controls to mitigate risks. Above all, the Board's primary responsibility is to ensure that the Company operates in strict adherence to all relevant laws and regulations, with comprehensive internal controls safeguarding all key operations, while proactively managing and mitigating significant risks.

Framework and Structure

The Board retains effective control through the Board-approved governance framework which provides for delegation of authority with clearly defined mandates and authorities while retaining accountability. The governance framework is reviewed, when necessary, to adapt to internal developments and reflects best practices. Central functions such as Group Finance & Investments division, Human Resources, Group Information Technology, and Group Risk & Control set the guidelines and the framework for a sustainable business operation and report to the Board.

Internal Governance Structure



INTEGRATED GOVERNANCE

- Integrated Governance Systems and Procedures
- Strategy Formulation and Decision-Making Process
- Human Resource Governance
- Integrated Risk Management
- IT Governance
- Tax Governance
- Stakeholder Management and Effective Communication

ASSURANCE MECHANISM

- Articles of Association
- Abans Code of Conduct
- Senior Independent Director
- Board Committee
- Internal Control
- Enterprise Risk Management Framework
- HR Policies

REGULATORY BENCHMARKS

- Companies Act No. 7 of 2007 Mandatory Compliance
- Listing Rules of the Colombo Stock Exchange (CSE) Mandatory compliance
- Sri Lanka Accounting Standards (LKAS and SLFRS)
- The Code of Best Practice on Corporate Governance (2023) published by the institute of Chartered Accountants, Sri Lanka (CA Sri Lanka) Voluntary compliance
- GRI Guidelines on Sustainability
- Independent Audit

Role of the Chairperson and Managing Director

The role of the Chairperson is separate from that of 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 Director roles & responsibilities list down

While the Chairperson remains as the executive head of the Board, a Senior Independent Director has been appointed in compliance with section 9.6.3 (a) of Listing Rules of Corporate Governance. The presence of the Senior Independent Director ensures none of the Board Members has unbound authority over decision-making, and Board discussions facilitate independent thought by individual Directors. The SID makes himself available to any Director and any member of Management Committee to have confidential discussions on the affairs of the Company, should the need arise.

Report of the Senior Independent Director

The Independence of each Director has been established based on the information and declarations submitted by them. The Board has concluded that all Independent Non-Executive Directors meet the criteria of Independence.

In accordance with regulatory standards, and beyond informal and unstructured communications, the Independent Directors convened a meeting excluding the Executive Directors.

These meetings were dedicated to discussing matters related to their duties and responsibilities as Non-Executive Directors. The challenges and risks arising from volatile global geo-political developments and local economic conditions were discussed and management and mitigation of these risks received special attention.

The feedback and recommendations regarding the discussed matters were appropriately communicated to the Chairperson and other Board members. The meeting minutes were shared with the Board for documentation and transparency purposes. In general, the Non-Executive directors are kept informed of key progressions and are facilitated with means to provide them with any clarifications as and when they arise.

The Non-Executive Directors also evaluated the performance of the Executive Members of the Board during the year.

The Senior Independent Director and Non-Executive Directors express their gratitude to the Chairperson, Managing Director, Chief Financial Officer and other members of the Board of Abans PLC for their transparency and cooperation on all matters where their input was requested by the Non-Executive Directors.



Dinesh S. Weerakkody

Senior Independent Director
27th June 2025

Responsibilities of the Board	Chairperson's Responsibilities	Managing Director's Responsibilities
Formulation, implementation and monitoring of business strategy	Ensure that the new Board members are given appropriate induction	Formulate, obtain approvals and implement the Company's strategies and manage the day-to-day operations of the Company
Place effective systems to secure the integrity of information, internal controls, business continuity and risk management	Lead the Board, preserve order and facilitate the effective discharge of board functions.	Develop and recommend budgets to the Board
Compliance with laws, regulations and ethical standards	Maintain a balance of power between Executive & Non-executive directors	Continuously monitor and report to the Board on the performance of the Company
Consider the interests of all stakeholders in corporate decisions	Ensure that the Board members receive accurate, timely information to enable them to take clear and sound decisions	Establish an optimum organizational structure which is appropriate for the execution of the Company's strategy
Fulfilling other board functions as are vital, given the scale, nature and complexity of the business concerned.	Approve the agenda for each Board meeting. Ensure regular meetings, the minutes of which are accurately recorded and where appropriate include the individual and collective views of the Directors	Ensure compliance with all applicable legal and regulatory obligations
	Facilitate and encourage discussions among all Directors in decision making	Manage the financial and business risks of the company's operations and identify the potential risks of the company
	Represent the views of the Board to all stakeholders	

The Board has appointed four sub-committees to assist it with the performance of its duties. These committees, which include the Audit Committee, Remuneration Committee, Related Party Transaction Review Committee & Nominations & Governance Committee, function within the mandates approved by the Board. The committees have an appropriate balance of skills, expertise, and independence to discharge their responsibilities effectively. The structure and operations of these committees are illustrated in this report.

Board Committee	Composition of Directors	Areas of Oversight
Audit Committee	<ul style="list-style-type: none"> ▪ Dinesh S. Weerakkody (Chairman) ▪ Rajaratnam Selvaskandan ▪ Hiran C. Embuldeniya (member since 01st October 2024) 	<ul style="list-style-type: none"> ▪ Integrity of Financial Statements ▪ Risk management ▪ Business Ethics ▪ Internal Controls ▪ Compliance with legal and regulatory requirements ▪ External Audit & Internal Audit
Remuneration Committee	<ul style="list-style-type: none"> ▪ Rajaratnam Selvaskandan (Chairman) ▪ Dinesh S. Weerakkody ▪ Hiran C. Embuldeniya (member since 01st October 2024) 	<ul style="list-style-type: none"> ▪ The Company's remuneration philosophy and the principles of its remuneration policy ▪ Company's framework of executive remuneration ▪ The level and structure of remuneration for Senior Management

Board Committee	Composition of Directors	Areas of Oversight
Related Party Transaction Review Committee	<ul style="list-style-type: none"> ▪ Rajaratnam Selvaskandan (Chairman) ▪ Dinesh S. Weerakkody ▪ Rusi Pestonjee (member since 24th June 2024) 	<ul style="list-style-type: none"> ▪ Related party transaction identification and disclosure ▪ Company Policies and procedures on Related Party transactions ▪ Shareholder and Company Interest Optimization
Nominations & Governance Committee (formed on 01 st October 2024)	<ul style="list-style-type: none"> ▪ Dinesh S. Weerakkody (Chairman) ▪ Rajaratnam Selvaskandan ▪ Hiran C. Embuldeniya 	<ul style="list-style-type: none"> ▪ Nomination of Directors ▪ Effectiveness of the Board ▪ Evaluation of Board performance & succession planning ▪ Corporate Governance abidance

CORPORATE GOVERNANCE

Attendance at Board Meetings

The Board of Directors performs the role of leading the Company primarily through participation in Board meetings and Board Sub-Committee meetings. The Board and the Committees constructively use the time and agenda of these meetings to perform their roles effectively. The attendance of the directors at meetings of the Board and the Sub-committees during the year is detailed below.

Name of the Director	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Related Party Transaction Review Committee Meetings	Nominations & Governance Committee Meetings
1. Aban Pestonjee (Chairperson)	4/4	N/A	N/A	N/A	N/A
2. Rusi Pestonjee (Managing Director)	4/4	N/A	N/A	2/3	N/A
3. Saroshi Dubash (Executive Director)	4/4	N/A	N/A	N/A	N/A
4. Chandrika Perera (Executive Director)	4/4	N/A	N/A	N/A	N/A
5. Rajaratnam Selvaskandan (Independent Non-Executive Director)	4/4	4/4	2/2	4/4	1/1
6. Dinesh S. Weerakkody (Senior Independent Director)	4/4	4/4	1/2	4/4	1/1
7. Hiran C. Embuldeniya (Non-Independent Non-Executive Director) (With effect from 01 st October 2024)	2/2	2/2	1/1	N/A	1/1

Governance Practices Adopted by Abans

The Board is headed by the Chairperson who is responsible for overseeing the Board and ensuring its effectiveness in all aspects of its role. The Board is collectively responsible for the long-term success of Abans.

The Board consists of Executive Directors, a Non-Executive Director, a Non-Independent Non-Executive Director and Senior Independent Director who contribute different perspectives to its decision-making process. The composition of the Board complies with the Colombo Stock Exchange continuing listing rules.

There is a clear division of responsibilities between the Board and Corporate Management. The Board is responsible for setting the strategic direction and ensuring that the underlying objectives are achieved by the management as per the Board-approved policies and plans.

Code of Best practice on Corporate Governance

We set out below, corporate governance practices adopted and practiced by the Company, the extent of adoption of the code of Best Practice on Corporate Governance issued in 2017 jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities of Exchange Commission of Sri Lanka.

Code Ref	Compliance and Implementations	Compliance
A. Directors		
A.1 An effective Board should direct, lead and control the Company	The profile of the Board is provided on pages 20 & 21	✓
A.1.1 Frequency of Board Meetings	The Board meets on a quarterly basis and attendance at meetings is given on page 25.	✓
A.1.2 Role & Responsibilities of the Board	Please refer "Responsibilities of the Board" on page 24.	✓
A.1.3 Compliance with laws and access to independent professional advice	A statement of applicable laws and regulations is given on page 22 by the Board of Directors.	✓
A.1.5 Independent judgement	Each Director brings independent judgment to bear, in discharging their duties & responsibilities on matters relating to the board including strategy, performance, resource allocation, risk management, compliance and standards of business conduct	✓
A.1.6 Dedicate adequate time and effort	During the financial year 2024/25 a total of 04 Board meetings were held by Abans PLC. All Directors dedicated sufficient time to review board papers and obtain additional information for clarification, and followed-up on issues consequent to the meeting. Supplemented time were allocated by Directors for familiarization with business operations, risks & controls.	✓
A.1.7 Calls for resolutions	One third of Directors can call for a resolution to be presented to the Board if deemed necessary.	✓
A.1.8 Board induction and training	The Directors are given the opportunity to have sufficient exposure and expertise in their relevant areas to fulfil their duties and responsibilities owing to the Board.	✓
A.2 Chairperson & Managing Director	The roles of the Chairperson and Managing Director are segregated at Abans. The Chairperson's main responsibility is to lead, direct and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The MD is responsible for the day-to-day operations of the Company and the Group.	✓
A.3 Chairperson's role in preserving good Corporate Governance	Please refer "Chairperson's Responsibilities" on page 24.	✓

Code Ref	Compliance and Implementations	Compliance
A.4 Availability of financial acumen	The Board is equipped with qualified Directors in the field of Finance and accountancy and possesses the necessary financial wisdom. The Board has the privilege of having Directors who possess qualifications in the field of finance and accountancy to obtain advice and guidance. The Finance Division is also well equipped in financial capabilities having qualified Chartered Accountants and experienced personnel to support the Board of Directors.	✓
A.5 Board Balance		
A.5.1 Majority of Non-Executive Directors	There are only three Non-Executive Directors and hence, Executive Directors form majority of the Board. The Board is reviewing this requirement at present with a view on compliance with the same.	Under review
A.5.2 If only 3 NEDs, they should be independent	The Board is reviewing the requirement A.5.1	Under review
A.5.3 Independence of Directors	Two out of Three Non-Executive Directors 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 Signed declarations of independence by the Non-Executive Directors	Non-Executive Directors of the company has made written submissions as to their independence as per Schedule C of the code.	✓
A.5.5 Determination of independence of the Directors by the Board	Based on the written submissions made by the following Non-Executive Directors as per code, the Board deems the said Directors "Independent" as of 31st March 2025. 1. Mr. Dinesh S. Weerakkody 2. Mr. R. Selvaskandan	✓
A.5.6 Alternate Directors	Not applicable as no Alternate Director was appointed during 2024/2025.	✓
A.5.7 Senior Independent Director	Senior Independent Director was appointed as per Section 9.6.3 (A) II of Amended Listing Rules of Corporate Governance.	✓
A.5.8 Confidential discussion with the Senior Independent Director	No meeting has been held since the appointment of the Senior Independent Director.	✓
A.5.9 Meeting of Non-Executive Directors	Meeting was held by Senior Independent Director with other Non-Executive Directors accordingly. The report from SID is included in page 23.	✓
A.5.10 Recording of concerns in Board minutes	Company Secretary records any concerns raised by the Directors during the year in Board minutes with sufficient details.	✓
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 information from the Management in a timely manner. The Board receives regular reports and presentations on strategies and developments in relation to its business lines and performance.	✓

Code Ref	Compliance and Implementations	Compliance
A.6.2 Adequate time for effective Board meetings	Agenda together with high-quality information is circulated seven days prior to the Board meeting to discharge the Board obligations effectively as a practice. The minutes of the meeting are ordinarily provided to directors two weeks after the meeting date.	✓
A.7 Appointments to the Board & Re-election	New appointments are decided by the formal Nominations & Governance committee.	✓
A.7.1, A.7.5 Composition of Nominations & Governance Committee	Nominations & Governance committee comprising of 3 Non-Executive Directors (2 Independent) has been formed on 01st of October 2024. The committee is chaired by the Senior Independent Director. Refer the committee Report in Page 57 of the Annual Report.	✓
A.7.2 Assessment of Board composition	The Nominations & Governance committee carried out an annual assessment of Abans PLC Board's Composition to assess the level of skills, experience, qualifications, and knowledge of the Board members to address the growing strategic needs of the Company.	✓
A.7.4 Disclosure of details of new Directors to shareholders	All new Board appointments as it happens are communicated to shareholders via the Colombo Stock Exchange. A summary of the new Director appointed including the qualifications, experiences, names of the companies in which the Director holds directorships, and memberships in Board Sub Committees is usually given in the Annual Report.	✓
A.9 Appraisal of Board & Committee Performance	The performance of the Board and sub-committee is reviewed and evaluated by the Board and Chairperson on self-appraisal basis.	✓
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 pertaining to all Abans PLC Directors is made available to the shareholders through the Annual report.	✓
A.10.1 Disclosure of information in respect of Directors	Information pertaining to Directors is provided on pages 20 & 21.	✓

Code Ref	Compliance and Implementations	Compliance
A.11 Appraisal of the MD	The Board of Directors should at least annually assess the performance of the MD.	✓
A.11.1 Target/Goals for the MD	During the fiscal year, the Board in consultation with MD, set, in line with the short, medium, and long-term objectives of Abans PLC, reasonable financial and non-financial targets that should be met by the MD during the year	✓
A.11.2 Evaluation of the performance of the MD	The performance of the MD is evaluated in relation to the achievement of business targets and if not, whether the failure to meet such targets was reasonable in the circumstance.	✓
B. Director's Remuneration		
B.1 Remuneration Procedure		
B.1 Remuneration policy	There is a formal and transparent procedure in place for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director is involved in deciding his or her own remuneration.	✓
B.2 Remuneration Committee	The level and makeup of remuneration of both executive and non-executive directors should be sufficient to attract and retain the directors needed to run the company successfully.	✓
B.2.1 Framework for Remuneration	The Remuneration Committee advises the Board on compensation for the MD, Directors, and senior management, including post-employment benefits, ensuring fairness and transparency.	✓
B.2.2, B.2.15 Composition of the Remuneration Committee	Remuneration Committee comprises all Non-Executive Directors and the Chairman of the Committee is Mr. R Selvaskandan. The report of the Remuneration Committee is given on Page 56 in the annual report. The Remuneration Committee composition and details of meetings held, and participation status is given on page 56.	✓
B.2.3, B.2.4, B.2.5 Remuneration of Executive Directors & Senior Management	<p>The Remuneration Committee consults with the Chairperson and/or Managing Director on proposals regarding the remuneration of executive directors and senior management and seeks professional advice both internally and externally to fulfill its responsibilities.</p> <p>The Board together with the Remuneration Committee aims to attract, retain and motivate high calibre individuals for top executive positions.</p> <p>Executive Directors' remuneration is structured to promote the company's short, medium, and long-term performance.</p>	✓



Code Ref	Compliance and Implementations	Compliance
B.2.6 Comparison of remuneration with other companies	When positioning remuneration levels relative to other companies in the industry, Remuneration Committee reviews the information related to the Executive Directors' pay level against the industry.	✓
B.2.7 Comparison of remuneration with other companies in the Group	The Remuneration Committee considers remuneration and employment conditions within the company or group, particularly when determining annual salary increases.	✓
B.2.8 Performance-related payments for MD	Please refer principle B.2 and Code B.2.1 above. Also, the committee annually reviews the Managing Director and Executive Directors' performance and recommends changes to remuneration and incentives.	✓
B.2.9 Executive share options	There was no executive share options scheme offered to any Director during 2024/25.	✓
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 an event of early termination of a director, remuneration will be concluded based on the scenario.	✓
B.2.13, B.12.14 Remuneration of Non-Executive Directors	The Board has the authority on deciding the Non-Executive Directors' remuneration packages which is a collective decision. The Non-Executive Directors are paid a fee for attending Board or other Committee meetings or carrying out other Non-Executive duties based on responsibilities assigned.	✓
B.3 Disclosure of Remuneration	The Remuneration Committee operates within agreed terms of reference and is committed to the principles of accountability and transparency	✓
B.3.1 Disclosure of Remuneration	Details of Remuneration Committee composition with meetings held and participation status of members are provided on page 56. Related Party Disclosure Note on page 153 in the notes to financial statements provides information on transactions with key management personal of the company.	✓

Code Ref	Compliance and Implementations	Compliance
C. Relations with Shareholders		
C.1 Constructive use of the Annual General Meeting (AGM) and Conduct of General Meetings	The notice of the AGM & related papers is sent to shareholders before the meeting. AGM will be held on 05 th August 2025 and all shareholders are encouraged to participate at the AGM.	✓
C.1.2 Separate resolution for all separate issues	Company passed separate resolutions for the adoption of the "Report of the Directors" and "Statement of Financial report 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 that is released with adequate prior notice to all shareholders in accordance with the Companies Act.	✓
C.1.4 Availability of all Board Sub-Committee Chairmen at the Annual General meeting	All Board members which include Chairmen of all the Board Sub-committees, namely, Audit Committee, Remuneration Committee, and Related Party Transactions Review Committee are presented at the AGM to answer any questions coming under the purview of their Committee.	✓
C.1.5 Procedures of voting at General Meetings	Voting procedures at the General Meetings are circulated to the shareholders.	✓
C.2 Communication with shareholders	Extensive financial and non-financial information on the company's activities are provided to shareholders through the Annual Report and the Interim Reports published on a quarterly basis.	✓
C.2.1 Channel to reach all shareholders of the Company	Formal communications with the shareholders are conducted through Notices to shareholders, Annual Report, Quarterly Financial Statements, and general meetings of shareholders. All the financial information such as Annual Reports, Interim Reports are made available to shareholders via CSE website.	✓
C.2.2 Policy and methodology for communication with shareholders	Policy has been adapted.	✓
C.2.3 Implementation of the policy and methodology for communication with shareholders	The Communication Policy is implemented through the exchange of Memos, Electronic Mail, Board Papers and Presentations.	✓
C.2.4, C.2.6 Contact person in relation to shareholders' matters	As per the general practice of the company, the main point of contact for the shareholders for their concerns and clarification is the Board of directors.	✓
C.2.5 Process to make all Directors aware of major issues and concerns of shareholders	Material issues and concerns of the shareholders are communicated to the Board by company management and family directors via weekly meetings held to discuss business matters.	✓
C.2.7 The process of responding to shareholder matters	According to Abans PLC's "Communication Policy", all shareholder-related material matters are handled promptly and attentively by the Board upon being informed	✓

Code Ref	Compliance and Implementations	Compliance
C.3 Major and Material Transactions	Abans PLC Board has established a process to capture and disclose any material transactions proposed that would alter or vary the net asset position of the Company either through its audited financial statements or in interim publication or by making an announcement to the Colombo Stock Exchange.	✓
C.3.1, C.3.2, C.3.3 Major transactions	Material-related party transactions or corporate transactions involving acquisitions, mergers or disposal, which materially affect Abans PLC net assets position, are disclosed on page 152.	✓
D Accountability and Audit		
D.1 Financial Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.	✓
D.1.1 Statutory and Regulatory Reporting	Abans PLC has reported a true and fair view of its financial position and performance for the year ended 31st March 2025 and at the end of each quarter of 2024/25 financial year. The Board ensures that the quarterly and annual Financial Statements of the Company and Group are prepared and published in compliance with the requirements of 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	The Annual Report of the Board of Directors (Directors' Report) provided on pages 53 to 54 gives an affirmation of the Company's compliance with laws and regulations, confirms the going concern assumption and the effectiveness of the Internal Control System that is in place.	✓
D.1.3, D.1.4, D.1.5 Statement of Directors' and Auditors' responsibility for the Financial Statements	The statement of Directors' responsibility for Financial Reporting given on page 55 provides a statement setting out the responsibilities of the Board for the preparation and presentation of the Financial Statements	✓
D.1.6 Management Discussions and Analysis	Management commentary covering all requirements is given on pages 49 to 51 in the "Financial Review Section".	✓
D.1.7 Summoning an Extra Ordinary General Meeting (EGM) to notify serious loss of capital	A situation of a serious loss of capital is unlikely to arise	✓
D.1.8 Related Party Transaction Disclosure	An adequate and accurate disclosure of related party transactions is given in Note 30 to the Financial Statements on pages 150 to 153.	✓

Code Ref	Compliance and Implementations	Compliance
D.2 Risk Management & Internal Control	The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the company's assets.	✓
D.2.1 Risk Management Framework	The Board should establish a risk management framework with clear responsibilities to identify, assess, monitor, and manage risks, supporting the company's strategic, operational, and financial goals	✓
D.2.1.1, D.2.1.2, D.2.1.7 Risk Management Framework	The board assesses key risks, including threats to the company's model and performance, and outlines the risk management framework and mitigation strategies in pages 38 to 48 of the annual report.	✓
D.2.1.3 & D.1.2.4 Formation of a Risk Committee	The role of audit, internal controls & risk functions are under the scope of the Audit committee. Refer D.3.1	✓
D.2.2 Internal audit function	Abans PLC's Internal Audit division, which is centrally located, provides independent and objective assurance with respect to the adequacy of the design and operating effectiveness of internal controls and governance process across the company.	✓
D.2.2.1, D.2.2.3 Review of the process and effectiveness of internal controls by the Audit Committee	The Audit Committee continuously reviewed the effectiveness of internal controls and ensured the soundness of the internal controls and managed to report any deficiencies and matters to the Board with recommendations	✓
D.2.2.4 Responsibilities of Directors in maintaining a sound system of internal control	The Board Statement on Internal Controls given on page 53 complies with the contents in Schedule L of the code.	✓
D.3 Audit Committee	The Board of Abans PLC has established an Audit Committee that operates independently under specified terms of reference covering review of financial reporting aspects, internal controls and maintaining relationships with company auditors, internal and external in accordance with the provisions of this Code and other regulatory requirements.	✓
D.3.1 Composition of the Audit Committee	Audit Committee comprises all Non-Executive Directors and the Chairman of the Committee is Mr. Dinesh S. Weerakkody. The details of members, Meeting participation level, secretary, and invitees of the Committee are disclosed on page 58.	✓
D.3.2 Terms of Reference of the Audit Committee	The Board approved written terms of reference governs all activities of the Audit Committee. The Terms of Reference have been drawn after giving due reference to the "Code of Best Practices on Audit Committee"	✓
D.3.3 Disclosures of the Audit Committee	Please refer page 58. for the Audit Committee Report. The External Auditor has provided a Confirmation of Independence in compliance with the "Guidelines for Appointment of Auditors of Listed Companies" issued by SEC.	✓

Code Ref	Compliance and Implementations	Compliance
D.5 Related Party Transactions Review Committee		
D.5.1 Related Party Transactions Review Committee	The board establishes a procedure to ensure the company avoids transactions with related parties that offer them more favorable treatment than third parties. Related party transactions are defined in LKAS 24 and section	✓
D.5.2 Composition of the Related Party Transaction Review Committee	The Committee comprises of Non-Executive Independent Directors & MD and the Chairman of the Committee is Mr. R. Selvaskandan. The details of members, Meeting participation level and invitees of the Committee are disclosed on page 60.	✓
D.5.3 Terms of Reference of Related Party Transaction Review Committee	The RPT review committee has written terms of reference outlining its authority and duties, which are approved by the board of directors.	✓
D.6 Code of Business Conduct and Ethics	High standards in business conduct and ethics are an integral part of Abans PLC's culture. In keeping with Abans PLC's practiced value system, an organization-wide human resource policy document is in place which defines clear HR policies and procedures to the employee.	✓
D.6.1 to D.6.6 Code of Business Conduct and Ethics	The HR division has devised a formal document incorporating human resource procedures including aspects on employee conduct.	✓
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 to requirements of the company on specified business conduct and ethics is given in the "Chairperson's Message" on pages 12 to 14.	✓
D.7 Corporate Governance Disclosures	Abans PLC Board of Directors upholds adopting sound corporate governance practices while improving the overall governance year on year.	✓
D.7.1 Disclosure of Corporate Governance	Abans PLC's Corporate Governance report of FY 2024/25 provides a comprehensive disclosure of the company's corporate governance framework and practices indicating Code of best practices on corporate governance issued in 2012.	✓
E. Institutional Investors		
E.1 Shareholders voting	Institutional shareholders are required to make considerable use of their votes and are encouraged to ensure their voting intentions are translated into practice.	✓
E.1.1 Dialogue with shareholders	The Company has the Debt listing status in Colombo Stock Exchange, Main Board since 2013. Refer Principle C.2 above.	✓
E.2 Evaluation of Corporate Governance initiatives	Matters relating to governance are communicated effectively to all shareholders via the Annual Report and through AGM. Views and other material matter of shareholders are subsequently taken up at Board meetings as necessary.	✓

Code Ref	Compliance and Implementations	Compliance
F. Other Investors		
F.1 Investing/Divesting decision		
F.1 Individual shareholders	Individual shareholders are encouraged to carry out adequate analysis and seek independent advice prior to making investments or divestments directly in shares of the Company.	
F.2 Individual shareholders voting	Individual shareholders are encouraged to participate in the Annual General Meeting and to exercise their voting rights.	

Section 9 - CSE Listing Rules

Code Ref	Compliance and Implementations	Compliance
9.2	Establishment & Disclosure of Policies	✓
9.3	Availability of Compulsory Board Committees	✓
9.4	Conduct of all General Meetings with shareholders	✓
9.5	Policy on matters relating to the Board of Directors	✓
9.6	Chairperson, MD & Requirement of SID	✓
9.7	Fitness assessment of Directors & MD	✓
9.8	Board Composition	✓
9.9	Alternate Director	No Requirement
9.10	Disclosure relating to Directors	✓
9.11	Composition, Functions & Disclosures of Nominations & Governance Committee	✓
9.12	Composition, Functions & Disclosures of Remuneration Committee	✓
9.13	Composition, Functions & Disclosures of Audit Committee	✓
9.14, 9.15	Composition, Functions & Disclosures of Related Party Transaction Review Committee	✓
9.16	Additional Declarations by the Board of Directors	✓



UNDER ARMOUR



Risk Management

Our leadership team led by the Board of Directors and Senior Management has continued to prioritize on strengthening the Risk Management framework of the Group in order to remain responsive, resilient and competitive in a dynamic risk and business landscape.

Driving business growth to remain competitive in a transitional period post socio economic crisis and increased taxes leaving consumers with diminished purchasing power remained a challenge. Managing credit exposure and profitability whilst maintaining sustainable credit portfolios, maintaining optimal inventory levels and ensuring uninterrupted distribution amidst new import regulations and procedures, driving innovation and adopting to technological changes and addressing

the growing need for Environmental, Social and Governance (ESG) aspects remained a challenge which was effectively managed through proactively responding to changes, streamlining credit control and monitoring, prioritizing and driving innovation and ESG initiatives.

The Risk Management framework is inculcated into the organizational culture with the following strategic objectives,

- To identify, analyze, evaluate, treat, monitor, and manage significant risks of the group.
- Define Company's risk appetite and align Company's business strategy according to the defined risk strategy to reduce and eliminate harmful threats.

- Support efficient management of resources to ensure business growth backed by effective risk management.
- To develop a well-defined risk management culture within the group facilitated by better communication within the group.

Approach to Risk Management

The Board and Management of the Group has implemented a sound and contemporary risk management framework through which the risk universe is constantly surveilled to identify and categorize dynamic principal risk factors for which effective and tailored risk responses are initiated through strengthening the key elements of risk awareness culture, risk management process, risk control architecture, risk governance and oversight to either avoid, mitigate, transfer or accept risk under the established risk tolerance levels and overall risk appetite of the group.

Risk Management Structure





Risk Governance Committees

Board Level Committees

- Board Audit Committee
- Remuneration Committee
- Related Party Transactions Review Committee
- Nominations and Governance Committee

Executive Level Committees

- Management Committee
- Hire Purchase Committee
- Credit Committee

Three Lines of Defense

At Abans, we recognize the importance of having a risk culture. Therefore, management focuses on enhancing and implementing best practices. This is supported by the Three Lines of Defense Model which has largely been viewed as the basis for sound risk management of the group.

Three Lines of Defense Model helps organizations to better identify and structure interactions and responsibilities of key players towards achieving more effective alignment, collaboration, accountability. Accordingly, different groups within the organization play a distinct role within the Three Lines of Defense Model, from business units to finance, credit, inventory, supervision, other risk management personnel and audit.

1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Business Lines	Risk Management and Control	Assurance
Self-assessment of risk and controls. Ensure risks are within the risk management policies.	Setting up a Risk Management Framework and independently monitoring the effective implementation of the framework.	Comprises internal audit, external audit and provides independent assurance to the Board over the first and second lines of defence.

Risk Assessment Matrix

The below depicted matrix is used to identify the risk level of each core risk. The risk ratings of the risk incidents have been determined based on the likelihood and impact on the Company.

Likelihood	Certain	Medium	High	High	Extreme	Extreme
	Likely	Medium	Medium	High	High	Extreme
	Possible	Low	Medium	Medium	High	High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium
		Negligible	Marginal	Moderate	Significant	Critical
		Significance/Impact				

Extreme High Medium Low

Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
				2022/23	2023/24	2024/25

Economic & Business Risk

Changes in Import Regulations and Procedures	Changes to import regulations, procedures and implementation process impact our core business by prolonging lead time and in increased costs.	<p>Despite the full relaxation of Temporary Suspensions (TS) imposed on our product portfolio led to less stress on our overall management of the supply chain in the financial year, certain changes to import regulations negatively impacted operations.</p> <p>The changes to Compulsory Import Inspection Schemes (CIIS) implemented by Sri Lanka Standards Institute (SLSI) together with Sri Lanka Customs primarily impacted on our lead times and related costs.</p> <p>Technological reforms and other initiatives by Import regulatory authorities compelled us to adopt with changes to our existing processes and procedures including additional resources.</p>	<p>Proactively responding to changes to ensure full compliance whilst ensuring unhindered operations with,</p> <ul style="list-style-type: none"> • Strengthening internal systems and processes with adequate training and resources. • Pre arrival approvals to curtail delays and other certain costs. <p>Continued to leverage and expand on our local manufacturing operations to minimize the reliance on imports.</p>			
Purchasing Power of Consumers	On the backdrop of the economic crisis leaving consumers with diminished purchasing power due to increased direct and indirect taxes, price and cost hikes, geopolitical tensions could exacerbate the situation through supply chain disruptions and increase of import cost impacting demand and profitability.	<p>Despite the deflationary economic outlook and greater stability in the economy the consumer continued to rationalize on products due to the aftermath from preceding years. An increase in consumer spending was witnessed during the year</p> <p>The Colombo Consumer Price Index (CCPI) and National Consumer Price Index (NCPI) recorded a rate of -2.6% and -1.9% respectively in March 2025 as opposed to 0.9% and 2.5% in March 2024.</p> <p>Whilst the previously estimated world economic growth for 2023 was revised from an estimated 2.6% to an actual of 2.7% by the Global Economic Prospects Report published by World Bank, the forecasted economic growth for 2024 was revised from a forecast of 2.4% to an estimated 2.7% and forecasted to remain same until 2026.</p> <p>The World Bank has declared in January 2025 that the Sri Lankan economy has contracted by 2.3% in 2023 whilst estimating a growth of 4.4% in 2024 and a forecasted growth of 3.5% and 3.1% in 2025 and 2026 respectively.</p>	<p>Continuous review of Pricing Strategies to remain competitive.</p> <p>Continued to leverage on existing Buy Now Pay Later (BNPL) schemes through negotiations with Finance Institutions.</p> <p>Continuous review of credit policies and improvements to strengthen the processes</p> <p>Continued to increase Hire Purchase granting's and portfolio under stringent monitoring.</p> <p>Leveraging on new product lines such as Solar to diversify the concentrations on existing products</p>			

Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
				2022/23	2023/24	2024/25
Market Place Risk						
Competition	Change in competitive landscape with more flexible market entrants as the consumer focus diverted towards e commerce & online platforms and emergence of gray markets for cheaper alternatives impacted overall market share and profitability of the company.	<p>Significant development in gray markets as consumers become more price sensitive and look for cheaper alternatives including direct imports.</p> <p>Surge in consumer preferences towards energy saving products and personalize solutions driven by technology</p> <p>Increase in the presence of international players through e commerce and online platforms and intense digital marketing by local players.</p> <p>Relaxation of import of vehicles has created a competition for the disposable income of consumers with changes in spending patterns.</p>	<p>Through incremental impact assessment by enhancing the omnichannel digital strategy, ensuring seamless integration between online and offline experiences.</p> <p>Map customer personas for personalized marketing to tailor content and offers to specific audience segments.</p> <p>Build trust through digital campaigns centered on sustainability, showcasing energy-efficient and eco-friendly products to resonate with conscious consumers.</p> <p>Utilize new digital platforms to effectively target and engage Gen Z segments, creating fresh, engaging experiences on platforms they frequent.</p> <p>Continue the use of chatbots for real-time customer support, improving engagement and streamlining the customer journey.</p> <p>Continuous development of competitive pricing and marketing strategies to remain competitive.</p>	<div></div>	<div></div>	<div></div>
Seasonality	Unpredictable spending patterns influenced by economic conditions and seasonal variations, making it challenging to forecast sales as seasonal peaks are vital and contribute significantly to revenue and profitability	<p>Increase in use of Generative AI Technology tools for creating digital content, allowing for more personalized and engaging campaigns during seasonal promotions</p> <p>Use of data analytical tools to better understand changing consumer preferences, enabling more responsive and targeted marketing strategies.</p>	<p>Conducting successful targeted promotional campaigns to drive seasonal sales.</p> <p>Diversifying the digital channel mix to include various platforms.</p> <p>Implementing more dynamic research methods to capture real-time shifts in consumer behavior and market trends.</p> <p>Emphasizing a digital-first strategy during major campaigns to maximize reach and engagement through online channels.</p>	<div></div>	<div></div>	<div></div>







Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
				2022/23	2023/24	2024/25
Fast Changing Technology and Customer Preferences	<p>Hyper-personalization and experimental marketing together with AI based solutions are revolutionizing customer preferences whilst demand for energy saving and eco-friendly products have increased</p> <p>Level of adaptability to fast changing consumer preferences and technology post a considerable challenge to long term sustainability</p>	<p>Customers are shifting from just purchasing products to seeking experiential marketing.</p> <p>Location-based and real-time engagement are becoming crucial</p> <p>Personalized content and experiences are expected by consumers, particularly in the fashion and lifestyle sector</p>	<p>Use digital research tools to adapt to changing preferences.</p> <p>Expand location-based marketing to drive targeted campaigns.</p> <p>Continue chatbot integration for real-time, personalized customer service.</p> <p>Building a separate digital brand identity for the fashion and lifestyle cluster, to engage with customers through personalized and curated content.</p> <p>Driving product innovation for energy efficient products.</p>	■	■	■

Operational Risk




Inventory Management	<p>Optimal Inventory Management and liquidating stocks is vital to reduce holding and ordering costs which could be jeopardized due to supply chain disruptions caused by external and internal inefficiencies and conditions.</p>	<p>Continuous improvement on streamlining processes, procedures and controls through review of Standard Operating Procedures (SOPs) to achieve supply chain excellence.</p> <p>Supply chain disruptions due to changes in local regulations, procedures and geopolitical tensions.</p>	<p>Strengthened the Supply Chain Management function of the group</p> <p>Proactive and swift responses to minimize loss sales caused by external environment conditions by expediting island-wide distribution through effective internal coordination.</p> <p>Continued to leverage on improved focused pricing and proactively monitoring and clearing aging inventories.</p> <p>Review of existing policies and procedures related to managing inventory</p> <p>Expanding local manufacturing operations to manage lead times and overall inventory.</p>	■	■	■
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Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
				2022/23	2023/24	2024/25
Fraudulent and dishonest activities	Overtrading by managers to improve sales through credit and hire sales may result in unsustainable portfolio coupled with inability to align the monitoring system/ mechanism elevate the possibilities of misuse/ misappropriation of company assets and override controls.	<p>Significant growth in the Hire Purchase portfolio and overall operations amidst the backdrop of the economic crisis and diminished purchasing power required stringent monitoring and controls to be deployed through,</p> <ul style="list-style-type: none"> • Strengthening the supervision and credit control mechanisms • Risk Based Internal Audit focusing on the core business • Emphasis on Data Analytics for Anti-Fraud activities • Review of existing policies and procedures 	<p>Stringent monitoring and fraud risk mitigation measures were deployed through,</p> <ul style="list-style-type: none"> • Improved frequency of planned shop checks by Credit and Supervision • Data driven Internal Audits to concentrate on high-risk areas whilst increasing the efficiency of frequent shop verifications • Assessing and implementing controls based on independent views from outsourced audits • Review of key policies and procedures to strengthen the Internal controls landscape • Addressing root causes and Thematic Analysis to identify Systemic Issues • Continued to Strengthen the Three Lines of Defense 	■	■	■
Attrition of employees	Retention of staff continued to be a challenge particularly in the frontline operations which could impact the productivity levels as new recruitments take time.	<p>During the year we have managed to bring down the attrition compared to previous years. It will be a continuous effort to further control the same to a sustainable level.</p> <p>Workforce migrations continued at a considerable level adding challenges to talent management. This phenomenon has had significant implications, both in terms of sourcing suitable talent and retaining key talent and key positions.</p> <p>Further as the talent market has shrunk over the last few years due to macro conditions, talent acquisition function too faced with challenges in acquiring competent people, at the right time</p>	<p>Following measures enable us to manage the risk effectively,</p> <ul style="list-style-type: none"> • The organization has reviewed its Comp and Ben Strategy to enhance the retention of Key Talent and enabling the organization to acquire competent resources from the market. • Organization has also been building talent pipelines for verticals faced with high attrition, as a sourcing strategy to expedite the sourcing efforts. <p>Engagement strategies were rolled out to augment staff retention.</p>	■	■	■

Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
Strategic Risk				2022/23	2023/24	2024/25
Cybersecurity & IT	Failure to facilitate requirements on Information security, data protection and IT infrastructure to facilitate growing business landscape and mitigate rising external threats could hinder business continuity and possible losses due to data breaches	<p>Increase need for vulnerability audits and data security measures for websites and e commerce platforms exposed to the public</p> <p>Emphasis on Data Protection requirements and regulations</p> <p>Requirement to effectively manage change management within the group</p>	<p>All websites / e-Commerce sites exposed to the public are now inspected at multiple levels</p> <p>All new websites / e-Commerce sites are subjected to a vulnerability audit prior to going live</p> <p>All customer / vendor related personal data in all databases within the company will be encrypted in preparation for the Sri Lanka Data Protection act</p> <p>Prioritizing change request through IT steering committee and focusing on most important initiatives.</p>	■	■	■
Environment, Social and Governance	Inability to adopt and align business operations to facilitate growing emphasis on ESG could result in loss of customers and increase risk of non-compliance	<p>Growing consumer preference for environmentally friendly and energy efficient products.</p> <p>Introduction of new Sustainability Accounting Standards with mandatory compliance for listed entities</p> <p>Increasing Community and business focus on ESG initiatives and impact on competitive advantage</p>	<p>The following strategic and operational measures have been taken by the group to ensure compliance and successful implementation of ESG initiatives,</p> <ul style="list-style-type: none"> • Strengthening the sustainability governance structure of the group and creating awareness across SBUs • Formalization of an Integrated Sustainability Structure and reporting hierarchies • Development of sustainable supply chain initiatives • Investment in sustainability related projects and alignment with overall sustainability goals. • Driving innovation for sustainable and energy efficient products and businesses. 			■

Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
				2022/23	2023/24	2024/25
Financial Risk						
Forex rate Risk	While Sri Lanka has seen improvements in foreign exchange reserves and signs of macroeconomic stabilization towards end of 2024 compared to that of 2023, foreign exchange risk remains elevated due to ongoing political uncertainty, reliance on multilateral support, and the structural challenges of a prolonged economic recovery.	In 2024–2025, Sri Lanka has made notable progress in stabilizing its foreign exchange reserves, supported by improved export performance, increased remittances, and inflows from multilateral and bilateral financing arrangements. However, the country continues to face structural challenges, as its foreign reserve position remains heavily dependent on official financing sources such as IMF support and loans from friendly nations. Limited access to international capital markets, due to credit rating constraints and investor caution, continues to restrict Sri Lanka’s ability to independently mobilize foreign capital.	Transaction risk arising from unforeseen exchange rate fluctuations is mitigated by incorporating anticipated currency movements into the company’s costing and pricing strategies. This approach involves forecasting exchange rates using available market information and insights gained through consultations with banks and other relevant stakeholders. Where appropriate, the company also utilizes forward contracts as a risk mitigation measure to protect against potential losses			
Interest Rate Risk	Sri Lanka’s interest rate environment continued to be influenced by evolving economic conditions and monetary policy decisions. The Central Bank of Sri Lanka (CBSL) has maintained a cautious approach, gradually easing interest rates following the tight monetary stance of previous years. This shift reflects efforts to support economic recovery while managing inflationary pressures and ensuring financial system stability.	<p>In 2024–2025, Sri Lanka’s monetary policy continued to evolve in response to macroeconomic conditions. In November 2024, the Central Bank of Sri Lanka (CBSL) introduced a single policy rate mechanism, setting the Overnight Policy Rate (OPR) at 8% to streamline monetary policy and support economic recovery. This move replaced the previous dual-rate system comprising the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR), which were discontinued. Throughout 2025, the CBSL maintained the OPR at 8%, aiming to balance inflation control with economic growth objectives.</p> <p>Inflation remained subdued, aligning with the CBSL’s target, contributing to a stable economic environment.</p>	<p>The Company managed its debt and interest costs effectively during the financial year 2024/25 through a combination of supplier credit arrangements and access to competitive interest rates.</p> <p>At the beginning of the financial year, the Average Weighted Prime Lending Rate (AWPLR) stood at approximately 10.7%, and further declined to around 8.4% by the end of March 2025. This downward trend in market rates supported the Company’s efforts to optimize its financing costs and preserve liquidity.</p>			

Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
				2022/23	2023/24	2024/25
Liquidity Risk	Liquidity risk refers to the risk that the Group may be unable to meet its financial obligations as they fall due, or may be required to do so at an unreasonably high cost. For the financial year 2024/25, the Group continued to monitor and manage its liquidity position using key metrics such as the current ratio and the quick asset ratio, ensuring sufficient short-term assets were maintained to cover liabilities and operational needs.	<p>Driven by a higher level of operational activity during FY 2025/26 compared to the previous year, short-term borrowings increased by 14% year-over-year to support working capital needs.</p> <p>However, due to increased investment in inventory, current ratio was maintained at 1.2 times for FY 23/24, FY 24/25.</p>	<p>Overall, the Company maintained adequate cash flows throughout the financial period, enabling it to effectively support operational needs and meet its financial obligations to stakeholders.</p> <p>To ensure adequate liquidity while optimizing returns on surplus cash, the Company strategically invested in wealth funds, money market instruments, and other low-risk, liquid financial assets. Such investments provided the dual benefit of capital preservation and steady returns, while allowing the Company to maintain the flexibility to meet operational and financial obligations as they arose.</p>			
Credit Risk	Abans serves a diverse clientele comprising corporate entities, government institutions, and the general public. While credit facilities are extended to corporate and government customers, retail consumers predominantly engage through hire purchase schemes. As a result, the Company's credit risk is arising from multiple revenue streams and business divisions, reflecting the varied nature of its customer base.	The Company effectively managed credit risk across its diverse clientele through a combination of proactive strategies and relationship-based approaches. Hire Purchase collections were closely monitored and supported by targeted collection initiatives, including structured follow-ups and customer engagement programs, which proved effective even amid challenging economic conditions. For dealer, corporate, and government clients, strong and long-standing relationships facilitated smooth collections, underpinned by trust, consistent communication, and the Company's reliable service delivery. These measures collectively contributed to maintaining a healthy receivables position throughout the financial year.	<p>A robust credit risk mitigation framework was maintained during the financial year 2024/25, ensuring prudent management of receivables across all client segments. An effective and dynamic credit policy was consistently applied, with periodic reviews of client creditworthiness conducted using updated financial data, market intelligence, and internal scoring models.</p> <ul style="list-style-type: none"> Formal contractual agreements were executed for all major transactions, with large-value payments secured through bank guarantees, post-dated cheques, or corporate guarantees, depending on the client segment. A detailed debtor ageing analysis was carried out on a scheduled basis, enabling early identification of overdue accounts and facilitating timely collection efforts. 			

Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
				2022/23	2023/24	2024/25
			<ul style="list-style-type: none"> The Credit Supervision Team monitored risk exposures in real time, working closely with divisional heads and the finance team to flag potential credit concerns and initiate corrective actions. To improve collections from the retail (Hire Purchase) segment, a dedicated Call Centre was established, enabling more structured and responsive follow-ups with customers. Cross-functional collaboration between the Sales, Legal, and Finance teams helped enforce credit discipline and resolve disputes more efficiently, minimizing legal escalations. 			
Investment Risk	In the highly competitive environment in which Abans operates, strategic investments are essential to sustain growth and remain relevant. These include showroom expansions, partnerships with new international and local brands, digital transformation initiatives, and both backward and forward integration. While these investments present opportunities for growth and efficiency, they also expose the Company to varying levels of financial and operational risk,	<p>In the financial year 2024/25, investment risk remained a critical consideration for Abans, influenced by both global economic trends and domestic factors. It is projected that global GDP growth to moderate to 3.1% in 2025, down from 3.2% in 2024, citing persistent inflationary pressures and heightened trade barriers as significant contributors to this slowdown. Regionally, Sri Lanka's economy is projected to expand by 3.5% in 2025, reflecting moderate recovery momentum despite external headwinds such as elevated U.S. tariffs and internal challenges including persistent poverty rates which remains at 24.5% and structural vulnerabilities.</p> <p>Industrial production is anticipated to continue its upward trajectory, supported by increased domestic demand and improved investor confidence. This growth is expected to contribute positively to GDP.</p> <p>The government's ongoing reforms, including restructuring state-owned enterprises and encouraging private</p>	<p>The management adopts a structured and prudent approach to evaluating investment opportunities, ensuring that capital is allocated efficiently and responsibly.</p> <ul style="list-style-type: none"> Each potential investment undergoes a rigorous appraisal process, including comprehensive market assessments to identify opportunities for product development and geographic or segment expansion. Detailed due diligence is conducted to ensure that the projected returns meet or exceed the Company's internal hurdle rate, with sensitivity analyses performed on key variables. Where appropriate, measures are taken to 			



Risk Exposure	Potential Impact	Developments in 2024/25	Mitigation	Net Risk Assessment		
				2022/23	2023/24	2024/25
	which are carefully evaluated through structured feasibility and risk assessment processes.	sector participation, are expected to gradually improve the business climate and create new investment opportunities.	<p>hedge against adverse fluctuations.</p> <ul style="list-style-type: none">Financial projections are developed using conservative assumptions to ensure feasibility assessments reflect realistic outcomes. <p>Post-investment performance is continuously tracked against initial benchmarks to ensure accountability and to refine future investment decisions.</p>			

Financial Review

This Financial Commentary should be read in conjunction with the Audited Consolidated Financial Statements of Abans PLC and its subsidiaries (the 'Group') for the year ended 31st March 2025. References to the 'Company' pertains solely to Abans PLC.

Basis of preparation

The Financial Statements were prepared in accordance with the Sri Lankan Accounting Standards (also referred to as SLFRSs & LKASs) issued by the Institute of Chartered Accountants of Sri Lanka, the requirements of the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995 and Companies act No.07 of 2007.

Prologue

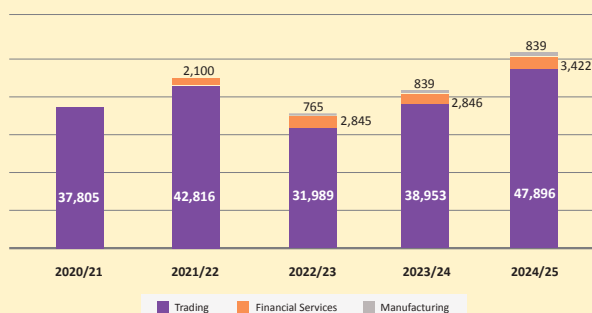
The financial year 2024/25 stands as a testament to Abans PLC's unwavering commitment to delivering "Success, Efficiently". In the face of evolving market dynamics, we maintained a clear strategic focus and operational discipline, enabling us to create sustained value for our stakeholders. As we reflect on the year, our results reaffirm our position as a resilient and a forward-focused organization, dedicated to growth with purpose.

Profitability

Revenue

Group revenue consists of Trading, Manufacturing & Financial Service segments related to Abans PLC, AB Manufacturing (Pvt) Ltd and Abans Finance PLC. For the financial year ended 31st March 2025, the Group recorded revenue of LKR 52.2Bn, reflecting a robust year-on-year growth of 22% compared to the previous year. The Company, which contributes the majority share of Group revenue, achieved a 23% increase, driven by strategic optimization of its product and channel portfolio, despite the macroeconomic challenges faced during FY24/25.

**GROUP REVENUE OVER THE YEARS
(LKR' MILLIONS)**



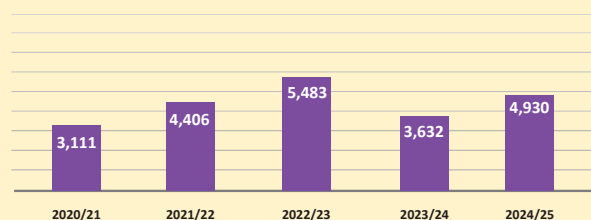
Gross Profit

Driven by improved operational efficiencies and the effective management of its product and channel portfolios, Abans PLC enhanced its gross profit margin to 33.6%, up from 31.2% in the previous year. In line with this, the Group also recorded an improvement in its gross profit margin, which rose to 36.9% from 32.6% year-on-year. This translated into a significant increase in gross profit for the reporting period, reaching Rs.19.2Bn compared to Rs.13.9Bn in the prior year..

Operating Profit

With the expansion of Abans PLC's operations, selling and distribution expenses increased by Rs. 2.1 billion compared to the previous year. This strategic investment was aimed at broadening Abans' market reach through enhanced brand visibility and improved product accessibility across all customer segments nationwide. Additionally, administrative expenses rose by Rs. 1.7 billion year-on-year, reflecting ongoing investments in strengthening the Company's operational infrastructure, talent, and systems to support sustainable growth. Despite the increased amount spent on operations, the Company's operating profit increased to Rs. 3.5 billion from Rs. 3.2 billion last year along with improved operations and gross margins. Similarly, the Group's operating profit grew to Rs. 4.9 billion, with an improved operating profit margin of 9.5%, compared to 8.5% in the previous year.

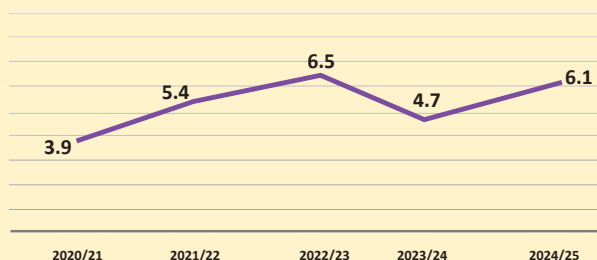
**GROUP OPERATING PROFIT OVER
THE YEARS
(LKR' MILLIONS)**



Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

For the year under review, driven by enhanced margins across all operational sectors, the Group's EBITDA increased to Rs. 6.1 billion, up from Rs. 4.7 billion in the previous year.

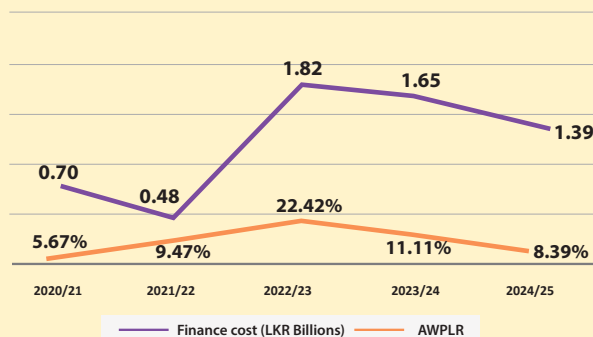
**EBITDA OVER THE YEARS
(LKR'BILLIONS)**



Net Finance cost

Despite improved operational activities along with the increased revenue, the Group net finance cost reduced to Rs.1.4Bn from Rs.1.7Bn due to the efficient management of working capital aided by reduced government policy rates during financial year 2024/25. Finance cost includes Rs.366Mn interest on IFRS 16 related lease liability for FY24/25 compared to that of Rs.371Mn in last year. Similarly, company net finance cost also reduced to Rs.1.1Bn from Rs.1.2Bn LY.

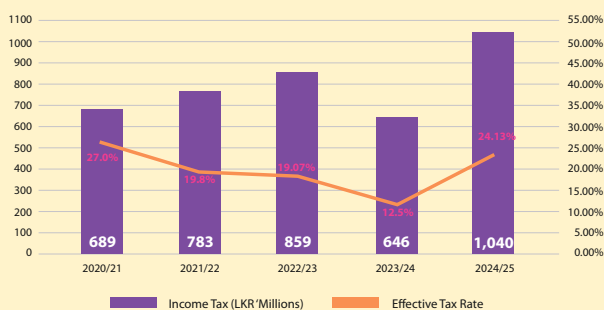
AWPLR vs. ABANS GROUP NET FINANCE COST



Taxation

The Group's income tax expense for the financial year 2024/25 amounted to Rs.1.0Bn, compared to Rs.646Mn in the previous year. The effective tax rate for the period stood at 24.13%. This tax charge includes a reversal of deferred tax amounting to Rs.1.5Mn, compared to a deferred tax charge of Rs.82Mn in the prior year.

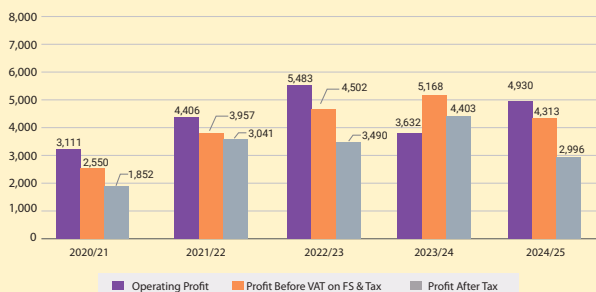
GROUP INCOME TAX OVER THE YEARS



Net Profit after Income Tax & VAT

For the year under review, the Group reported a net profit after tax of Rs.3.0Bn, compared to Rs.4.4Bn in the previous year which included a valuation gain from the Investment Property of Colombo City Centre (Pvt) Ltd. Abans PLC, supported by improved operational performance, recorded a net profit of Rs.1.7Bn, up from Rs.1.3Bn last year.

ABANS GROUP - PROFIT OVER THE YEARS (LKR' MILLIONS)



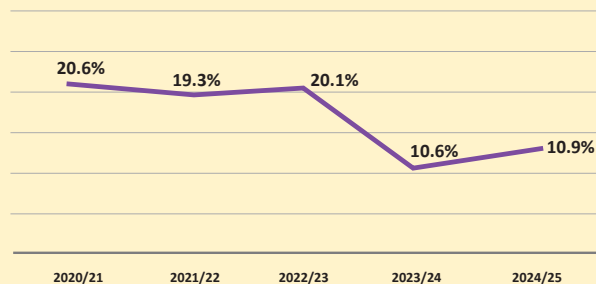
Earnings Per Share (EPS)

Group earnings per share stood at Rs. 1.25, compared to Rs. 1.96 in the previous year. Meanwhile, the Company's earnings per share increased to Rs. 0.79 from Rs. 0.58 last year, driven by improved profitability during the period under review.

Return on Capital Employed (ROCE)

For the year under review, the Group achieved a return on capital employed (ROCE) of 10.9%, a slight increase compared to the previous year. This improvement was driven by higher operating profits, which resulted from enhanced operations supported by increased borrowings. Despite challenging macroeconomic conditions, Abans Group has consistently maintained a satisfactory return on capital employed.

RETURN ON CAPITAL EMPLOYED OVER THE YEARS

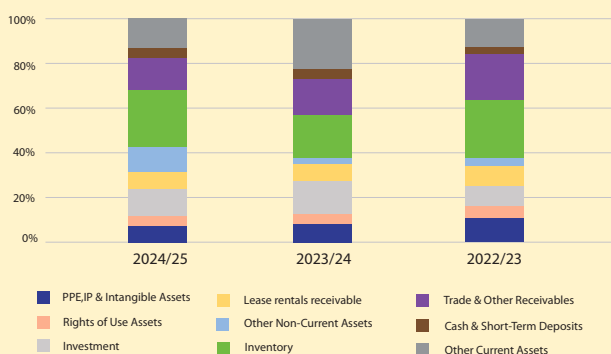


Financial Position

Assets

Assets of the Group increased to Rs.67.7Bn as of 31st March 2025 compared to Rs.50.9Bn at the beginning of the year. The rise in Non-Current Assets was mainly attributable to higher investments in equity-accounted investees, while the increase in Current Assets resulted from a higher inventory holding compared to the previous year.

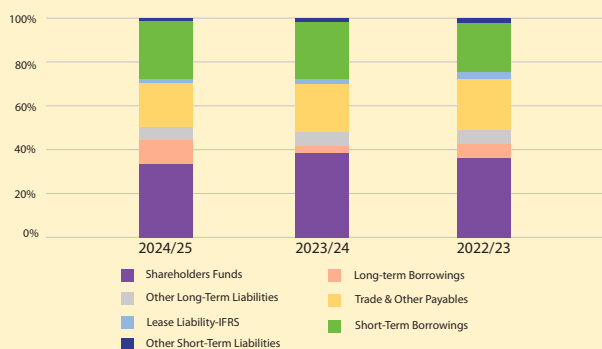
TOTAL ASSET COMPOSITION - ABANS GROUP



Liabilities

Group liabilities increased to Rs.45.0Bn at the end of the year in review compared to Rs.30.6Bn at the beginning of the year. This stems mainly from the increased borrowing during the period to support improved operational working capital requirement.

EQUITY & TOTAL LIABILITIES COMPOSITION - ABANS GROUP

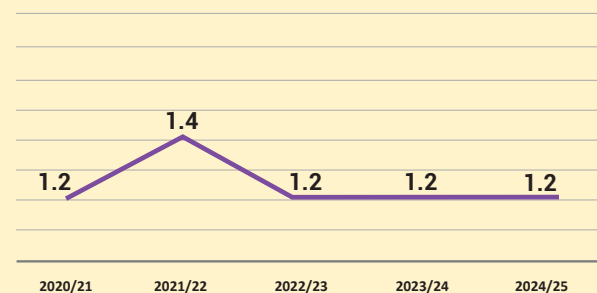


Ratios

Liquidity

Group liquidity (Current Ratio) was maintained at 1.2x towards the end of the reporting period similar to LY. This is due to increased short-term borrowings obtained to support the working capital requirements that arose due to improved operations.

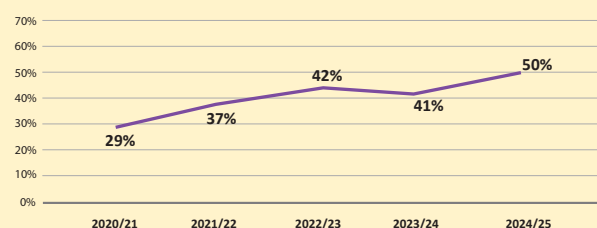
LIQUIDITY OVER THE YEARS



Leverage

The Group's Debt to Debt/Equity ratio increased to 50% as at 31st March 2025, compared to 41% in the previous year. This increase was primarily due to higher borrowings undertaken to support enhanced operational activities, including increased inventory levels driven by the Group's strong sales performance.

LEVERAGE OVER THE YEARS



BOSS



Annual Report of the Board of Directors

The Board of Directors of Abans PLC takes pleasure in presenting the Annual Report and the Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31st March 2025.

Principal Activities

The principal activities of Abans PLC are importing and retailing consumer electronics, home appliances, IT products and mobile phones, crockery, and cookware, sanitary and a host of other household items and lifestyle products. The Group has the Company (Abans PLC), Subsidiaries and Associate Companies of which the structure is given on page 7 of this Annual Report.

Business Review

A review of the financial and operational performance and future business developments of the group, sectors, and its business units are described in the Message from the Chairperson, Managing Director's Review of Performance and Financial Review of this Annual Report.

These Reports together with the Audited Financial Statements reflect the state of affairs of the Group. Segment-wise contribution to Group Revenue, Results, Assets and Liabilities are provided in Note 04 to the Financial Statements.

Results and Appropriations

Revenue generated by the Group for the year under review amounted to Rs.52Bn which was derived by Abans PLC, Abans Finance PLC and AB Manufacturing Pvt Ltd

Financial Statements and the Report of the Auditors

The Financial Statements of the Group for the year ended 31st March 2025 as approved by the Board of Directors on 27th June 2025 are given on pages 66 to 71. The Auditors' Report on the Financial Statements of the Group is given on pages 61 to 65.

Accounting Policies

The Accounting Policies adopted in the preparation and presentation of the Financial Statements are given on pages 72 to 105. There were no material changes in the Accounting Policies adopted by the Company and the Group during the year.

Investments

Total investments of the Company in its Subsidiaries, Associates, and Equity investments amounted to Rs.5,807Mn. The details of the investments are given on Pages 121 to 124.

Property, Plant and Equipment

The Net Book Value of Property, Plant and Equipment as at year end amounted to Rs.2,009Mn and Rs.4,591Mn for the Company and the Group. Total capital expenditure during the year for acquisition of property, Plant and Equipment by the Company and the Group amounted to Rs.443Mn and Rs.644.6Mn respectively. Details of Property, Plant and Equipment are given in Note 08 to the Financial Statements.

Stated Capital and Reserves

The Stated Capital of the Company as at 31st March 2025 was Rs. 500.9Mn consisting of 2,221,304,615 ordinary voting shares. The total Group equity was Rs. 22.7Bn as at 31st March 2025.

Internal Control and Risk Management

The Directors acknowledge their responsibility for the Group's system of internal control. These systems are designed to provide reasonable assurance that the assets of the Group are safeguarded and to ensure that proper accounting records are maintained. The Board of Directors, having reviewed the system of internal control, is satisfied with the systems and measures in effect at the date of signing this Annual Report.

Human Resources

The Company has an equal employment opportunity policy, and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equal opportunities for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. Further, the Company continues to develop the team and focus on their contribution towards the achievement of corporate goals.

Board of Directors

The Board of Directors of the Company as of 31st March 2025 and their brief profiles are given on pages 20 & 21. The following persons were the Directors of the Company as of 31st March 2025

- (a) Mrs. Aban Pestonjee – Chairperson/ Executive Director
- (b) Rusi Pestonjee - Managing Director/ Executive Director
- (c) Dr. Saroshi Dubash - Executive Director
- (d) Mrs. Dona Agnes Ramani Chandrika Perera – Executive Director
- (e) Mr. Rajaratnam Selvaskandan - Independent Non- Executive Director
- (f) Mr. Dinesh Stephan Weerakkody - Senior Independent Director
- (g) *Mr. Hiran Chaminda Embuldeniya – Non-Independent Non- Executive Director

*Mr. Hiran Embuldeniya was appointed as a Non-Independent Non-Executive Director with effect from 01st October 2024.

Fit and proper assessment of Directors

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

Re-Election of Directors

The Company has received a special notice from the shareholder of the Company communicating its intention to move a resolution at the Annual General Meeting for the re-election of Mrs. Aban Pestonjee, who is over 70 years of age, as provided in the Companies Act No.07 of 2007.

In accordance with Article 4.2 of the Company's Articles of Association, Mr.Hiran Chaminda Embuldeniya is to be re-elected as a Director at the Annual General Meeting.

Board Committees

The Board has appointed four Sub- Committees i.e. Audit Committee, Remuneration Committee, Related Party Transaction Review Committee and Nominations & Governance Committee. The composition and responsibilities of the said Committees are detailed in the respective reports.

Interest Register

The Company maintains an Interest Register in compliance with the Companies Act No. 07 of 2007. In compliance with the requirements of the Companies Act, this Annual Report also contains particulars of entries made in the Interest Register.

Directors' interest in Contracts

Directors' interest in contracts are disclosed in the related party transactions under Note 30 to the Financial Statements.

Donations

No Donations were made by the Company during the year.

Directors' Shareholding

The shareholding of the Directors of the Company as at 31st March 2025 and as defined under the Listing Rules of the Colombo Stock Exchange is NIL.

Directors' Remuneration

Directors' remuneration is established within a framework approved by the Remuneration Committee. Directors' remuneration in respect of the Company for the year is given in Note 30.6 to the Financial Statements.

Share Information

Information relating to earnings, dividends and net assets are given on page 154. The distribution and the composition of shareholding are given on page 154 of this Annual Report.

Listed Debt

Information relating to the listed debentures is given on page 154.

Corporate Governance

The Board of Directors has endeavored to ensure that the Company has complied with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka. Directors are committed to the furtherance of Corporate Governance principles of the Company. The measures taken in this regard are set out in the Corporate Governance Report on pages 22 to 36 of this Annual Report. Further, the Directors declare that the Company has not engaged in any activity which contravenes laws and regulations. All material interests in contracts involving the Company have been declared by the Directors and they have refrained from voting on matters in which they were materially interested.

The Company has made all endeavors to ensure the equitable treatment of shareholders. Business is a going concern and a review of internal controls covering financial, operational and compliance controls and risk management have been conducted. The Directors have obtained reasonable assurance of the controls' effectiveness and successful adherence.

Statutory Payments

The Board of Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its Subsidiaries and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at year end have been paid or, where relevant provided for.

Auditors

The financial statements for the year ended 31st March 2025 have been audited by Messrs Ernst & Young, Chartered Accountants, who have expressed their willingness to continue in office. In accordance with Section 158 of the Companies Act No.07 of 2007, the auditors will be deemed to have been re-appointed at the forthcoming Annual General Meeting and accordingly a resolution authorizing the Board of

Directors to determine their remuneration will be proposed thereat. Total audit fees paid to Messrs. Ernst & Young by the Company and its Subsidiaries are disclosed in Note 5.5 to the Financial Statements. The Company or the Group has not obtained any service from Ernst & Young other than auditing during the financial year.

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

Annual General Meeting

The Annual General Meeting will be held on 05th August 2025 at 10.00 a.m. as an online Audio - Visual meeting. The Notice of Meeting appears in the supplementary information section of the comprehensive Annual Report.

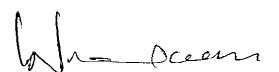
This Annual Report is signed for and on behalf of the Board of Directors of Abans PLC.



Rusi Pestonjee
Managing Director



Dr. Saroshi Dubash
Executive Director



Varners International (Pvt.) Ltd.
Company Secretaries

27th June 2025

Statement of Directors' Responsibility

The following statement sets out the responsibility of Directors in relation to the financial statements of the Company and Group. The responsibility of independent auditors in relation to the financial statements prepared in accordance with the provision of Companies Act No. 07 of 2007(" the Act") and SLFRS is set out in the independent auditors' report. Statement of profit or loss and other comprehensive income, which presents a true and fair view of the profit and loss of the Company and the Group for the financial year; and Statement of financial position, which presents a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and which comply with the requirements of The Companies' Act and SLFRS. The Directors are required to ensure that, in preparing these financial statements:

- Appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained.
- All applicable accounting standards (SLFRS/LKAS) issued by The Institute of Chartered Accountants of Sri Lanka, as relevant have been followed.

Judgements and estimates have been made which are reasonable and prudent. The Directors are also required to ensure that the Company and the Group have adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and

the Group and also to ensure that the financial statements presented comply with the requirements of the Act. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group and in this regard, to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities. The internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting. The Audit Committee of the Company meets periodically with the internal auditors and the independent external auditors to review the manner in which these auditors are performing their responsibilities and discuss auditing, internal control and financial reporting issues. To ensure complete independence, the independent auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance. The Directors are required to prepare financial statements and provide independent external auditors with every opportunity to take whatever steps and undertake whatever inspections that they may consider appropriate in order to enable them to give the independent auditors' opinion. The Directors are of the view that they have discharged their responsibilities as set out in this statement.

The Directors confirm that to the best of their knowledge, all taxes, duties and

levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of employees of the Company and its subsidiaries and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for.

By order of the Board,



Aban Pestonjee
Chairperson



Dr. Saroshi Dubash
Executive Director

27th June 2025

Board Remuneration Committee Report

"The main purpose of the Remuneration Committee is to ensure that Abans PLC is adopting a fair and transparent remuneration policy, to facilitate the organization's Human Capital Management Strategy, enabling the organization to attract, retain and grow the required capabilities."

The Role of the Committee

The Remuneration Committee has been established to assist the Board in developing and administering a fair and transparent procedure for formulating policies on the remuneration of Directors and Key Management Personnel (KMPs) of the Company and to review and oversee the Company's overall Compensation and benefits strategy. This is with the objective of ensuring that the Company is geared to attract, retain, and grow management capabilities required for the organization to have a competitive edge through Human Capital.

Members

The Board Remuneration Committee comprises of the following members:

- Mr. Rajaratnam Selvaskandan (Chairman) - Independent Non-Executive Director
- Mr. Dinesh S. Weerakkody – Senior Independent Director
- Mr. Hiran C. Embuldeniya – Non-Independent Non-Executive Director (member since 01st October 2024)

The committee met on 02 occasions during the year under review. The Executive Directors, Group Chief Human Resources Officer, and members attended such meetings by invitation, when necessary.

The attendance of the members at these meetings were as follows:

Mr. Rajaratnam Selvaskandan 2/2
Mr. Dinesh S. Weerakkody 1/2
Mr. Hiran C. Embuldeniya 1/1

Remuneration and Benefits provided:

Remuneration of staff is based on the profile of the job holder and encompasses the base salary, benefits, and fixed allowances (which is considered as guaranteed remuneration), alongside a variable pay scheme. Such variable pay schemes are designed to drive business goals and have been aligned with the goals of corporate governance.

Based on market surveys carried out, the Company has adopted measures while ensuring internal and external parity, which will support the organization to attract the right talent from external talent pools and retain high performers within the organization. Further, the company has established and adapted a policy on formulating remuneration of Directors during FY24/25. No remuneration is paid to the Non-Executive Directors other than the Directors' fees paid for participation at Board meetings.

We continue to pursue Internal Talent Mobility and adaptive careers as strategies to optimize internal talent, enhance employee retention. It helps create a positive impact on the organizational performance, keeping in line with our Employee value Proposition "Enhancing Potential, Unleashing Passion." It helps our employees to learn new skills and move into roles that they are passionate about.

Further, the committee regularly reviewed employee productivity vs employee cost to ensure that employee productivity is maintained above the industry norms.

Conclusion

Following the discussions held at Committee meetings, the Chairman of the Committee reports to the Board on the Committee's findings and recommendations, on matters relating to Remuneration and Performance Management. The Committee is satisfied that the Company follows appropriate recruitment, appraisal, and remuneration policies and procedures, which reasonably ensure that the Human Capital of the Company is retained and developed. There is severe competition for talent in the market and the Company will be required to continuously evolve in this area, to keep abreast with the growth aspirations of the organization. Technology will also increasingly influence the approach taken towards talent management.



Rajaratnam Selvaskandan

Chairman

Remuneration committee

27th June 2025

Nominations and Governance Committee Report

The primary purpose of the Nominations & Governance Committee is to assist the Board of Directors in fulfilling their responsibilities related to the nomination of directors, the effectiveness of the Board, and corporate governance practices within Abans PLC. The Committee ensures that the Board and its committees are composed of individuals who are qualified, capable, and independent, and that governance practices meet the highest standards.

The Role of the Committee

The Nominations and Governance Committee is mainly responsible for the following:

- Evaluate the structure, size, and composition of the Board and its Committees to ensure the effective discharge of duties and responsibilities.
- Implement and maintain an effective process for the periodic evaluation of the Board and Managing Director's performance.
- Formulate a succession plan for the Board of Directors and Key Management Personnel.
- Implement and maintain a formal, transparent procedure for evaluating, selecting, and appointing Directors.
- Assess the appointment of Directors to the Board and its committees.
- Establish and maintain selection criteria for Directors, considering business nature and industry-specific requirements.
- Advise on the re-appointment or re-election of current Directors.
- Assess and recommend the corporate governance framework of Abans PLC.
- Regularly review and update Abans PLC's Corporate Governance Policies/ Framework to align with regulatory and legal developments, following best practices.
- Obtain reports from Management on compliance with the Abans PLC's

corporate governance framework and applicable laws, highlighting any deviations or non-compliance and their justifications.

The Composition of the Committee

The Nominations & Governance Committee was formed with effect from 01st of October 2024 in order to comply with the new Listing Rule 9.11.

The members of the Committee during the year under review are as follows:

- Mr. Dinesh S. Weerakkody (Chairman)
- Senior Independent Director
- Mr. Rajaratnam Selvaskandan –
Independent Non-Executive Director
- Mr. Hiran Embuldeniya –
Non-Independent Non-Executive Director

The committee met once during the year under review. The Executive Directors, Secretary and relevant individuals attended the meeting by invitation, when the committee requested their presence. The Secretary of Abans PLC, or the Secretary to the Board, serves as the Secretary to the Committee. The attendance of the members at the meeting was as follows:

Mr. Dinesh S. Weerakkody 1/1
Mr. Rajaratnam Selvaskandan 1/1
Mr. Hiran C. Embuldeniya 1/1

Re-Election of Directors

The Company has received a special notice from the shareholder of the Company communicating its intention to move a resolution at the Annual General Meeting for the re-election of Mrs. Aban Pestonjee, who is over 70 years of age, as provided in the Companies Act No.07 of 2007.

In accordance with Article 4.2 of the Company's Articles of Association, Mr. Hiran Chaminda Embuldeniya to be re-elected as a director at the Annual General Meeting.

Disclosures

At Abans PLC, the Board values diversity in experience, skills, and gender, recognizing its importance for effective decision-making and strong governance. This diversity, including cultural and geographical representation, enables the

Board to approach challenges with a broad perspective, aligning both global trends and local needs to support Abans PLC's long-term success. Brief profiles of the Board members are given on pages 20 & 21 of the Annual Report.

The Directors of Abans PLC meet the independence criteria outlined by Section 9.8 of CSE Listing Rules, ensuring they are free from any relationships that could affect their ability to exercise independent judgment. This commitment upholds the company's strong governance standards and ensures that decisions are made in the best interest of the shareholders and stakeholders.

The Company complies with the Corporate Governance requirements outlined in the Listing Rules of the Colombo Stock Exchange. Detailed information regarding the adherence to these requirements can be found on pages 22 to 36 of the annual report, where a comprehensive overview of the policies, practices, and governance structures in place to ensure alignment with the regulatory standards set by the Exchange is provided.

Conclusion

The newly appointed Nominations and Governance Committee is committed to effectively fulfilling its role in overseeing Board composition, director appointments, and succession planning, while ensuring alignment with governance best practices. The Committee has looked at maintaining diversity, independence, and compliance, all of which have contributed to the Board's effectiveness. Moving forward, the Committee will continue to uphold high standards of governance to support the company's long-term success.

On behalf of the Nomination and Governance Committee,



Dinesh S. Weerakkody

Chairman

Nomination and Governance Committee
27th June 2025

Board Audit Committee Report

The Board Audit Committee (here-in-after referred to as the 'Committee') assists the Board of Directors (here-in-after referred to as the 'Board') in the discharge of its responsibilities by providing necessary oversight to Abans PLC's (here-in-after referred to as the 'Company') and the Group's financial reporting, internal controls, risk management, regulatory compliance and 'internal and external' audit practices.

Roles and Responsibilities

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the Financial Statements of the Company and the Group, the Internal Control and Risk Management systems of the Group, the Compliance with Legal and Regulatory Requirements, the External Auditor's Performance, Qualifications, Independence, and the adequacy in performance of the Internal Audit function undertaken by the Group Internal Audit Department. The scope of functions and responsibilities are adequately set out in the Charter and Terms of Reference of the Committee which are reviewed and approved annually.

The key responsibilities of the Committee include:

- Reviewing Financial Information of the Group, in order to monitor the integrity of the Financial Statements of the Group, Accounts and Quarterly Reports prepared for disclosure.
- Reporting to the Board on the quality and acceptability of the Group's Accounting Policies.
- Assessing the reasonability of the underlying assumptions for estimates and judgements made in preparing the Financial Statements.
- Reviewing Risk Management Processes and the Regulatory Compliance.

- Reviewing of the Financial Statements (including Quarterly Financial Statements) to ensure compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) and the Accounting Policies.
- Reviewing Internal Audit results and liaising with Senior Management of the Company in taking precautionary measures to minimize and control weaknesses, procedure violations, frauds, and errors.
- Assessing the independence and monitoring the performance and functions of the Internal Audit including overseeing the appointment or termination of the Group Chief Internal Auditor.
- Overseeing the appointment, compensation, resignation, and dismissal of the External Auditor, including review of the External Audit function, its cost-effectiveness and monitoring of the External Auditor's independence.

Composition

The Committee consists of three Non-Executive Directors majority being Independent. Mr. Hiran Chaminda Embuldeniya (Non-Independent Non-Executive) was appointed to the committee with effect from 01st October 2024

Audit Committee Members

- Mr. Dinesh S. Weerakkody (Chairman) – Senior Independent Director
- Mr. Rajaratnam Selvaskandan – Independent Non-Executive Director
- Mr. Hiran Chaminda Embuldeniya – Non-Independent Non-Executive Director

Brief profiles of the members of the Committee are given on pages 20 & 21 of the Annual Report.

The Chairman of the Committee, Mr. Dinesh Weerakkody, (Senior Independent Director) is a Fellow Member of the Chartered Institute of Management Accountants (UK) and the Institute of Certified Management Accountants of Sri Lanka.

Varners International (Private) Limited serves as the Secretary to the Committee.

Both Non-Executive Directors satisfy the criteria of Independence as specified within the Listing Rules of the Colombo Stock Exchange (CSE) and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Meetings

The Committee met on Four (04) occasions on quarterly basis (via video conferencing) during the year. The proceedings of these meetings with adequate details of matters discussed were regularly reported to the Board. The attendance of the members at these meetings were as follows.

Mr. Dinesh Weerakkody (Chairman) 4/4

Mr. Rajaratnam Selvaskandan 4/4

Mr. Hiran Chaminda Embuldeniya 2/2

The Executive Directors including the Group Chief Financial Officer, Group Chief Internal Auditor and the External Auditors also attended these meetings by invitation. Further, members of the Senior Management of the Company were invited to participate at the meetings as and when a necessity arose.

Reporting of Financial Statements

The Committee assisted the Board in its oversight on the preparation, presentation, and adequacy of disclosures in the Financial Statements in accordance with the Sri Lanka Accounting Standards. As such the Committee reviewed and discussed the Quarterly and Annual Financial Statements.

Internal Controls and Risk Management Procedure

The Company and the Group followed a Risk-Based Audit Methodology for assessing the effectiveness of internal control procedures for the management of significant risks.

Internal Audit

The Internal Audit function is an independent, objective assurance and consulting activity designed to add value and improve the operations of the Company and the Group. The Committee monitored and reviewed the scope, extent, efficiency, and effectiveness of the activity of the Internal Audit Department. This included reviewing of updates on audit activities and the progress of the Internal Audit Department, advising Senior Management to take precautionary measures on significant audit findings and assessment of resource requirements of the Internal Audit Department. The Committee had necessary interaction with the Group Chief Internal Auditor throughout the year.

During the year, the Committee reviewed the progress of the Internal Audit function, and continuously monitored the progress of the Audit Plan on a regular basis. The sections covered and the regularity of the Audits depended on the risk level of each section, with higher risk sections being audited more frequently.

The Committee reviewed the significant findings and recommendations which were prioritized based on the level of risk. The Committee followed up on Internal Audit recommendations with the Senior Management. Internal Audit Reports were made available to External Auditors as well.

During the year under review, 528 Showroom Audits were carried out in addition to the Departmental Audits and

the Committee received the attention of significant findings on operating and design effectiveness.

External Audit

The following were the key functions of the Committee in respect of the External Audit:

- Monitored and evaluated the independence and objectivity of the External Auditor and the effectiveness of the Audit process.
- Discussed with the External Auditor on their audit approach and procedure, including matters relating to the Scope of the Audit and the Auditor's Independence.
- Reviewed the Financial Statements with the External Auditor responsible for expressing an opinion on its conformity with the Sri Lanka Accounting Standards.
- Reviewed non-audit services provided by the Auditors to ensure such services will not impair the External Auditor's independence and objectivity.

The Committee also met the External Auditors, without management being present, prior to the finalization of the Financial Statements to obtain their input on specific issues and to ascertain whether they had any areas of concern relating to their work.

The Committee has recommended to the Board that Messrs. Ernst and Young, Chartered Accountants, be reappointed for the financial year ending 31st March 2026, subject to the approval of the shareholders at the next Annual General Meeting.

Ethics and Governance

The Company's Whistle Blowing Policy encourages staff to whistle blow (raise concerns), in the case of suspicious wrongdoing or other irregularities. Independent investigations would be

carried out with regard to whistle blowing, and the Whistle Blowing Policy ensures the maintenance of strict confidentiality of the identity of the whistle blowers.

Evaluation of the Committee

The annual evaluation of the Committee is conducted by the Board.



Dinesh S. Weerakkody

Chairman
Board Audit Committee

27th June 2025

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee which is appointed by the Board of Directors of the Company, consists of Managing Director and the below mentioned Independent Non-Executive Directors who possess in-depth expertise and knowledge in Business, Finance & Legal etc.

- Mr. Rajaratnam Selvaskandan (Chairman)
- Independent Non-Executive Director
- Mr. Dinesh S. Weerakkody- Senior Independent Director
- Mr. Rusi Pestonjee- Managing Director (member since 24th June 2024)

Information on above committee members could be referred to through the profile descriptions on pages 20 & 21 of this report.

The Committee has reviewed the related party transactions during the financial year and has communicated the observations to the Board of Directors. At the invitation of the Committee, Executive Director Finance attended these meetings. Messrs. Varners International (Pvt) Ltd functions as the Company Secretaries to the Related Party Transactions Review Committee.

The Committee met 04 times on a quarterly basis during the financial year ended 31st March 2025, and the attendance of committee members at meetings are as follows.

Mr. Rajaratnam Selvaskandan – 4/4
Mr. Dinesh S. Weerakkody – 4/4
Mr. Rusi Pestonjee – 2/3

Committee Charter

The Related Party Transactions Review Committee was established by the Board of Directors to assist the Board in reviewing all Related Party Transactions carried out by the Company in terms of the CSE Listing Rules that require mandatory compliance. Accordingly, except for exempted transactions, all other Related Party Transactions are required to be reviewed by the Related Party Transactions Review Committee, prior to the transaction being

entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

During the period, Abans PLC lent Rs.6Bn to Colombo City Centre Pvt Ltd, one of its Associate companies, to settle their existing Long- term debt. The Related Party Transactions Review Committee is of the view that this transaction is on normal commercial terms and not prejudicial to the interests of Abans PLC. This transaction has been duly disclosed in Colombo Stock Exchange as per rule 9.14.7(1) of its listing rules.

Terms of Reference of the Committee

Terms of Reference (TOR) considers the responsibilities of the Related Party Transactions Review Committee in terms of the CSE Listing Rules. It sets out the guidelines on Related Party Transactions and their reporting. The Terms of Reference (TOR) of the Related Party Transactions Review Committee was approved by the Board of Directors and is reviewed annually as per regulatory and operational requirements. The Related Party Transactions Review Committee conducts its activities as per its Charter, Policy and Guidelines and is entrusted with the task of reviewing Related Party Transactions other than those transactions explicitly exempted under the Listing Rules of the Colombo Stock Exchange.

Objectives, Responsibilities and Duties

The Related Party Transactions Review Committee carries out the following duties and responsibilities:

- Reviewing Related Party Transactions of the Company except those explicitly exempted under the Listing Rules.
- Adopting policies and procedures to review Related Party Transactions of the Company and setting out guidelines and methods for capturing and reviewing of Related Party Transactions.
- Assessing whether the Related Party Transactions are in the best interests of the Company and its Shareholders as a whole.

- Updating the Board of Directors on the Related Party Transaction of the Company on a quarterly basis and determining whether Related Party Transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the Company.
- To set out guidelines and methods for capturing and reviewing of Related Party Transactions, based on the nature of such transactions in line with the business of the Company as Recurrent Related Party Transactions and Non- Recurrent Related Party Transactions, for Senior Management.
- Advising the Board in making immediate market disclosures and other appropriate disclosures on applicable Related Party Transactions as required by Section 9 of the Continuing Listing Requirements of the CSE and Best Practices on Related Party Transactions issued by the SEC

The Committee is supported in its task of reviewing Related Party Transactions by way of confirmation reports produced by the Management on Related Party Transactions that took place during each quarter. These reports primarily confirm to the Committee whether a Related Party Transaction occurred on an arms-length basis or not and the reasons for conducting such transactions with a related party.



Rajaratnam Selvaskandan,
Chairman
Related Party Transactions Review Committee
27th June 2025



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

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABANS PLC

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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

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 our 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.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
<p>Existence and carrying value of Inventories</p> <p>As at 31 March 2025, the carrying value of inventories amounted to Rs. 16,840Mn after considering a provision of Rs. 843 Mn for slow moving inventories, as disclosed in Note 2.3.17 and 16 to the financial statements.</p> <p>Existence and carrying value of inventories was a key audit matter due to:</p> <ul style="list-style-type: none"> - the materiality of the reported inventory balance which represented 25% of the Group's total assets as of the reporting date; - inventories being held at multiple locations comprising warehouses and showrooms island wide; and - judgements applied by the management in determining the provision for slow-moving and obsolete inventories as disclosed in Note 2.3.17 to the financial statements. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> - 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 inventories were 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 and obsolete inventories. Our procedures included testing the accuracy and completeness of inventory age reports used in the estimation of provision for slow moving inventories. <p>We also evaluated the adequacy of the disclosures in Note 2.3.17 and 16 to the financial statements.</p>
<p>Allowance for impairment losses of Loans & Advances, Lease Rentals Receivable and Trade Receivables stated at amortized cost</p> <ul style="list-style-type: none"> - Allowances for Impairment Losses of Loans & Advances, Lease Rentals Receivable and Trade Receivables measured at amortised cost as stated in notes 10 and 15 respectively, is determined by the management based on the accounting policies described in Note 3.1.10 to the financial statements. <p>This was a key audit matter due to</p> <ul style="list-style-type: none"> - the involvement of significant management judgements, assumptions and level of estimation uncertainty associated in management's expectation of future cash flows to recover such financial assets; and - the materiality of the reported amount of allowance of expected credit losses. <p>Key areas of significant judgements, assumptions and estimates used by management in the assessment of the allowances for expected credit losses for loans and lease receivables include forward-looking macroeconomic scenarios and their associated weightages. These are subject to inherently heightened levels of estimation uncertainty and subjectivity.</p>	<p>In addressing the adequacy of the allowances for expected credit losses of loans and lease receivables, our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> - Assessed the alignment of the Company's allowances for expected credit losses computations and underlying methodology including responses to economic conditions with its accounting policies, on the best available information up to the date of our report. - Evaluated the design, implementation and operating effectiveness of controls over estimation of expected credit losses, which included assessing the level of oversight, review and approval of allowances for expected credit losses, policies and procedures by the Board and the management. - Tested the completeness, accuracy and reasonableness of the underlying data used in the expected credit loss computations by cross checking to relevant source documents and accounting records of the Company. - Evaluated the reasonableness of credit quality assessments and related stage classifications. - In addition to the above, the following procedures were performed: - Assessed the reasonableness of judgements, assumptions and estimates used by the Management in the underlying methodology and the management overlays. Our testing included evaluating the reasonableness of forward-looking information used, economic scenarios considered, and probability weighting assigned to each scenario. <p>We also assessed the adequacy of the related financial statement disclosures set out in notes 10 and 15.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Revenue earned from sale of goods</p> <p>The Group derived its revenue from the sale of consumer durable goods of Rs. 48,626 Mn through showroom sales, online sales and other distribution channels as disclosed in note 5 to the financial statements.</p> <p>Revenue was a key audit matter due to:</p> <ul style="list-style-type: none"> - the materiality of the reported amount, which represents 91% of the group's total revenue coupled with the increase of 22% compared to the previous year.; and - complexity due to various contractual arrangements with customers including those related to hire purchase. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> - Tested relevant key controls relating to revenue from sale of goods. Our procedures included testing the general IT control environment and the key IT application controls relating to the most significant IT systems relevant to revenue. - Performed appropriate analytical procedures to understand and assess the reasonableness of reported revenue. - Tested the revenue transactions by reviewing the sales invoices, delivery notes, hire purchase 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 and testing journal entries recognised to revenue. - Based on the respective terms and conditions of Hire Purchase contracts, we assessed whether income recognised over the period is in line with the group's accounting policy for revenue recognition. <p>We also assessed the adequacy of related disclosures in Note 2.3.5 and 5 to the financial statements.</p>

Other Information included in the 2025 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4184.



27th June 2025
Colombo

STATEMENT OF PROFIT OR LOSS

Year ended 31 March

	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Continuing Operations					
Revenue	5.1	52,156,513,266	42,638,843,884	47,895,595,120	38,940,558,869
Cost of Sales		(32,923,475,630)	(28,751,538,499)	(31,797,507,324)	(26,788,087,535)
Gross Profit		19,233,037,636	13,887,305,385	16,098,087,796	12,152,471,334
Other Operating Income	5.2	464,486,808	218,325,151	434,352,309	217,629,168
Selling & Distribution Expenses		(7,500,776,841)	(5,188,125,498)	(7,192,999,997)	(5,045,645,229)
Administrative Expenses		(7,266,411,000)	(5,285,620,895)	(5,826,255,366)	(4,135,919,233)
Results from Operating Activities		4,930,336,603	3,631,884,143	3,513,184,742	3,188,536,040
Finance Cost	5.3	(2,244,507,991)	(2,046,381,475)	(1,974,435,479)	(1,639,284,874)
Finance Income	5.4	857,666,760	395,298,156	852,778,982	394,742,107
Change in Fair Value of Investment Properties	9.1	11,050,000	7,100,000	11,050,000	7,100,000
Share of Results of Equity Accounted Investee (Net of Tax)	13.4	758,067,484	3,179,603,059	-	-
Profit before Income Tax and Value Added Tax on Financial Services from Continuing Operations	5.5	4,312,612,856	5,167,503,883	2,402,578,245	1,951,093,273
Value Added Tax on Financial Services		(275,891,903)	(118,350,460)	(28,153,193)	(13,715,443)
Income Tax Expense	6.1	(1,040,444,426)	(646,148,036)	(625,972,137)	(643,502,911)
Profit for the Year		2,996,276,527	4,403,005,387	1,748,452,915	1,293,874,919
Attributable to:					
Equity Holders of the Parent		2,784,335,378	4,351,065,905	1,748,452,915	1,293,874,919
Non-Controlling Interests		211,941,149	51,939,482	-	-
		2,996,276,527	4,403,005,387	1,748,452,915	1,293,874,919
Earnings Per Share -Basic / Diluted - From Continuing Activities	7.1	1.25	1.96	0.79	0.58
Dividend Per Share	7.2	0.22	-	0.22	-

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 72 to 153 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March

	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Profit for the Year		2,996,276,527	4,403,005,387	1,748,452,915	1,293,874,919
Other Comprehensive Income		-	-	-	-
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods :					
Revaluation Gains from Land and Buildings	8	7,145,000	3,412,500	-	-
Actuarial Gain/(Loss) on Employee Benefits Liabilities	23.2	(50,150,977)	6,525,315	(40,535,784)	3,948,497
Tax Effect on above	6.5	12,901,793	(2,981,195)	12,160,735	(1,184,400)
Revaluation Gain from Equity Accounted Investee- Associate (Net of Tax)	13.4.3	29,356,656	(10,850,660)	-	-
Actuarial Gain/(Loss) from Equity Accounted Investee- Associate	13.4.3	(2,502,447)	(1,982,129)	-	-
Net Other Comprehensive Income for the Year from Discontinued Operations		-	-	-	-
Net Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods		(3,249,975)	(5,876,169)	(28,375,049)	2,764,097
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods :		-	-	-	-
Other Comprehensive Income for the Year, Net of Tax		(3,249,975)	(5,876,169)	(28,375,049)	2,764,097
Total Comprehensive Income for the Year, Net of Tax		2,993,026,552	4,397,129,218	1,720,077,866	1,296,639,016
Attributable to:					
Equity Holders of the Parent		2,782,285,515	4,342,791,846	1,720,077,866	1,296,639,016
Non-Controlling Interests		210,741,037	54,337,372	-	-
		2,993,026,552	4,397,129,218	1,720,077,866	1,296,639,016

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 72 to 153 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Year ended 31 March

		Group		Company	
ASSETS	Note	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Non-Current Assets					
Property, Plant and Equipment	8	4,591,446,910	4,322,976,623	2,009,083,383	1,799,889,653
Investment Properties	9	228,050,000	217,000,000	228,050,000	217,000,000
Right of Use Assets	28	2,390,992,305	2,143,875,668	2,211,044,409	2,001,426,554
Intangible Assets	11	238,920,032	272,368,113	218,370,335	248,683,484
Investments in Subsidiaries	12	-	-	5,718,785,075	4,785,008,502
Investment In Equity Accounted Investee	13	9,386,933,955	8,163,008,397	78,212,351	78,212,351
Deferred Tax Assets	6.5	546,200,183	466,643,209	546,200,183	413,413,295
Other Non-Current Financial Assets	14	10,080,400	10,080,400	10,000,000	10,000,000
Lease Rentals Receivable	10.1	5,055,274,312	3,268,380,465	-	-
Loans and Advances	10.2	6,335,448,125	241,495,191	6,000,000,000	-
		28,783,346,222	19,105,828,066	17,019,745,736	9,553,633,839
Current Assets					
Inventories	16	16,839,609,037	9,758,997,000	16,522,770,921	8,805,935,289
Trade and Other Receivables	15	10,714,582,040	9,286,489,698	10,369,448,817	9,167,794,585
Lease Rentals Receivable	10.1	4,742,249,813	3,507,031,556	-	-
Loans and Advances	10.2	969,180,894	631,336,316	64,090,826	-
Other Current Financial Assets	14	3,273,757,048	6,701,236,781	2,355,455,710	4,401,880,083
Securities Purchased under Repurchase Agreement	17	4,403,264	315,294,233	-	-
Cash and Short Term Deposits	18	2,349,317,643	1,552,519,555	1,872,323,871	1,376,221,704
		38,893,099,739	31,752,905,139	31,184,090,145	23,751,831,661
Total Assets		67,676,445,961	50,858,733,205	48,203,835,881	33,305,465,500
EQUITY AND LIABILITIES					
Equity					
Stated Capital	19	500,869,225	500,869,225	500,869,225	500,869,225
Other Components of Equity	20	1,098,097,115	1,506,346,057	463,417,223	463,417,223
Retained Earnings		19,296,374,027	16,594,526,585	13,922,993,040	12,691,602,189
Equity Attributable to Equity Holders of the Parent		20,895,340,367	18,601,741,867	14,887,279,488	13,655,888,637
Non-Controlling Interests		1,742,059,742	1,531,318,705	-	-
Total Equity		22,637,400,109	20,133,060,572	14,887,279,488	13,655,888,637
Non-Current Liabilities					
Interest Bearing Borrowings	21	7,481,319,720	785,513,158	7,122,071,678	245,333,346
Lease liabilities	28.1.2	2,200,845,590	1,829,106,875	1,989,078,902	1,693,103,519
Deferred Tax Liabilities	6.5	193,475,105	128,307,171	-	-
Employee Benefits Liabilities	23	470,189,537	390,675,509	395,679,852	336,281,912
Trade and Other Payables	24	1,855,461,119	1,538,447,586	-	-
		12,201,291,071	4,672,050,299	9,506,830,432	2,274,718,777
Current Liabilities					
Warranty Provision	22	572,791,919	342,403,822	572,791,920	342,403,823
Trade and Other Payables	24	15,753,948,643	11,284,566,280	8,296,788,693	5,152,224,170
Income Tax Liabilities		689,173,177	409,067,207	423,460,783	351,006,586
Lease liabilities	28.1.2	527,340,434	654,624,307	525,583,620	621,342,234
Interest Bearing Borrowings	21	15,294,500,608	13,362,960,718	13,991,100,945	10,907,881,273
		32,837,754,781	26,053,622,334	23,809,725,961	17,374,858,086
Total Equity and Liabilities		67,676,445,961	50,858,733,205	48,203,835,881	33,305,465,500

These Financial Statements are in compliance with the requirements of the Companies Act No: 07 of 2007.

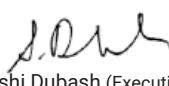


Chandrika Perera (Group Chief Financial Officer)

The Board of Directors is Responsible for the Financial Statements Signed for and on Behalf of the Board By.



Rusi Pestonjee (Managing Director)



Saroshi Dubash (Executive Director)

The Accounting Policies and notes on pages 72 to 153 form an integral part of these financial statements.

27th June 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March

Group	Attributable to the Equity Holders of the Parent					Non-Controlling Interest LKR	Total Equity LKR
	Stated Capital LKR	Revaluation Reserve LKR	Other Reserves LKR	Retained Earnings LKR	Total LKR		
Balance as at 31 March 2023	500,869,225	724,516,495	1,050,829,372	11,982,734,929	14,258,950,021	1,476,981,333	15,735,931,354
Net Profit for the Year	-	-	-	4,351,065,905	4,351,065,905	51,939,482	4,403,005,387
Other Comprehensive Income	-	1,199,630	-	(9,473,689)	(8,274,059)	2,397,890	(5,876,169)
Total Comprehensive Income	-	1,199,630	-	4,341,592,216	4,342,791,846	54,337,372	4,397,129,218
Transfers to/(from) during the year	-	-	(270,199,440)	270,199,440	-	-	-
Dividend Paid	-	-	-	-	-	-	-
Balance as at 31 March 2024	500,869,225	725,716,125	780,629,932	16,594,526,585	18,601,741,867	1,531,318,705	20,133,060,572
Net Profit for the Year	-	-	-	2,784,335,378	2,784,335,378	211,941,149	2,996,276,527
Other Comprehensive Income	-	2,511,753	-	(4,561,616)	(2,049,863)	(1,200,112)	(3,249,975)
Total Comprehensive Income	-	2,511,753	-	2,779,773,762	2,782,285,515	210,741,037	2,993,026,552
Right Issue of shares	-	-	-	-	-	-	-
Transfers to/(from) during the year	-	-	(410,760,695)	410,760,695	-	-	-
Dividend Paid	-	-	-	(488,687,015)	(488,687,015)	-	(488,687,015)
Balance as at 31 March 2025	500,869,225	728,227,878	369,869,237	19,296,374,027	20,895,340,367	1,742,059,742	22,637,400,109

Company	Stated Capital LKR	Revaluation Reserve LKR	Other Reserves LKR	Retained Earnings LKR	Total LKR
Balance as at 31 March 2023	500,869,225	463,417,223	-	11,394,963,173	12,359,249,621
Net Profit for the Year	-	-	-	1,293,874,919	1,293,874,919
Other Comprehensive Income	-	-	-	2,764,097	2,764,097
Total Comprehensive Income	-	-	-	1,296,639,016	1,296,639,016
Dividend Paid	-	-	-	-	-
Balance as at 31 March 2024	500,869,225	463,417,223	-	12,691,602,189	13,655,888,637
Net Profit for the Year	-	-	-	1,748,452,915	1,748,452,915
Other Comprehensive Income	-	-	-	(28,375,049)	(28,375,049)
Total Comprehensive Income	-	-	-	1,720,077,866	1,720,077,866
Dividend Paid	-	-	-	(488,687,015)	(488,687,015)
Balance as at 31 March 2025	500,869,225	463,417,223	-	13,922,993,040	14,887,279,488

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 72 to 153 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March

	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cash Flows From/(Used in) Operating Activities					
Profit before Tax from Continuing Operation		4,312,612,856	5,167,503,883	2,402,578,245	1,951,093,273
Adjustments for:					
Depreciation - Property Plant & Equipment	8	366,903,818	300,033,738	217,711,665	167,776,682
Change in Fair Value of Investment Properties	9.1	(11,050,000)	(7,100,000)	(11,050,000)	(7,100,000)
Amortization of Intangible Assets & Prepaid Rent	11.1	41,589,817	9,740,874	33,904,193	3,541,994
Change in Fair Value of Quoted Shares		(70,800)	(42,000)	(70,800)	(42,000)
Impairment Charge on Equity Investments		(5,000,000)	5,000,000	(5,000,000)	5,000,000
Finance Income		(857,666,760)	(395,298,156)	(852,778,982)	(394,742,107)
Income from Investments		-	(48,552)	-	(10,474,095)
Profit on Disposal of Assets		3,383,715	(4,833,379)	3,358,607	(4,874,045)
Depreciation of right-of-use assets	27.1	779,781,715	769,139,342	734,106,275	720,727,659
Finance Costs	5.3	2,244,507,991	2,046,381,475	1,974,435,479	1,639,284,874
Share of results from Associate	13.4	(758,067,484)	(3,179,603,059)	-	-
Provision for Warranty	22	946,500,186	587,591,730	946,500,186	587,591,730
Short term Leases and Variable Lease payments	27	273,825,981	15,746,462	273,825,981	15,746,462
Impairment provision for Trade & Other Receivables	15.2	93,641,104	(199,139,917)	74,620,677	43,712,488
Impairment provision for Inventories	16	120,531,166	(156,929,388)	100,842,497	(161,783,830)
Employee Benefit Obligation Transferred	23	-	(1,184,214)	-	(1,184,214)
Provision for Employee Benefits Liabilities	23	87,338,701	103,290,105	70,506,640	87,787,419
Operating Profit before Working Capital Changes		7,368,762,006	5,060,248,944	5,963,490,663	4,642,062,290
(Increase)/Decrease in Inventories		(7,201,143,203)	2,325,237,179	(7,817,678,129)	2,891,500,237
Decrease in Trade and Other Receivables		(11,050,151,717)	(1,067,040,785)	(7,410,039,129)	(2,357,054,206)
Decrease in Trade and Other Payables		4,786,395,896	2,502,356,954	3,144,564,523	1,439,827,638
Cash Generated from Operations		(5,826,137,018)	8,820,802,292	(6,119,662,072)	6,616,335,959
Finance Cost Paid		(1,713,841,371)	(1,300,640,004)	(1,536,204,892)	(1,200,870,068)
Employee Benefits Liabilities Paid	23	(57,975,650)	(51,844,514)	(51,644,484)	(45,624,514)
Warranty Charges Paid	22	(716,112,089)	(520,878,575)	(716,112,089)	(520,878,575)
Income Tax Paid		(1,037,717,606)	(1,104,095,173)	(702,297,286)	(840,711,742)
Net Cash Flows Generated/ (Used in) Operating Activities		(9,351,783,734)	5,843,344,026	(9,125,920,823)	4,008,251,060
Cash Flows from / (Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	8	(644,642,042)	(991,431,280)	(443,167,071)	(645,101,232)
Acquisition of Intangible Assets	11	(9,766,736)	(258,517,139)	(5,216,044)	(251,760,585)
Proceeds from Sale of Property, Plant and Equipment		14,654,222	21,025,650	14,528,069	21,183,791
Finance Income Received		711,093,110	89,728,652	706,205,332	120,408,144
Proceeds from/ Investment in Other Investments		3,579,124,183	(4,696,007,283)	2,198,068,823	(3,373,186,756)
Dividend Received		24,530,688	12,313,896	-	10,474,095
(Acquisition)/ Proceeds From disposal of Subsidiaries	28	-	-	(933,776,573)	(1,461,319,500)
Investments in Associates	13.4.3	(463,534,553)	(937,000,000)	-	-
Securities Purchased under Repurchase Agreement		310,890,969	(43,962,294)	-	-
Net Cash Flows Generated/ (Used in) Investing Activities		3,522,349,841	(6,803,849,798)	1,536,642,536	(5,579,302,043)

STATEMENT OF CASH FLOWS

Year ended 31 March

	Note	Group 2025 LKR	2024 LKR	Company 2025 LKR	2024 LKR
Cash Flows From/(Used in) Operating Activities					
Cash Flows from (Used in) Financing Activities					
Lease Rentals Paid	27.1	(1,348,067,261)	(1,117,696,478)	(1,288,851,513)	(1,058,944,953)
Proceeds from Import Financing Loans	21	24,259,105,804	14,259,185,923	22,323,887,071	13,565,259,569
Repayment of Import Financing Loans	21	(27,968,194,227)	(10,705,307,922)	(25,565,926,198)	(10,755,307,921)
Proceeds from Bank Loans	21	32,734,941,375	21,801,450,210	29,960,000,000	19,874,950,210
Repayment of Bank Loans	21	(19,901,136,601)	(21,679,332,384)	(16,886,145,812)	(19,695,796,988)
Proceeds from Commercial Papers	21	-	83,246,843	-	83,246,843
Repayment of Commercial Papers	21	-	(2,623,694)	-	(2,623,694)
Proceed/ (Repayment) of					
Debentures - Listed - Unsecured	21	50,000,000	(70,179,733)	50,000,000	(70,179,733)
Proceeds from Securitization	21	-	225,000,000	-	-
Repayment of Securitization		(529,022,964)	(1,843,698,583)	-	-
Dividends Paid	7.2	(488,687,015)	-	(488,687,015)	-
Net Cash Flows Used in Financing Activities		6,808,939,111	950,044,182	8,104,276,533	1,940,603,333
Net Increase/(Decrease) in Cash and Short Term Deposits		979,505,218	(10,461,590)	514,998,246	369,552,350
Cash and Short Term Deposits					
at the beginning of the Year	18	1,335,632,565	1,346,094,155	1,341,743,023	972,190,673
Cash and Short Term Deposits at the end of the Year	18	2,315,137,783	1,335,632,565	1,856,741,269	1,341,743,023
Analysis of cash and cash equivalents					
Cash in hand and at bank	18.1	2,349,317,643	1,552,519,555	1,872,323,871	1,376,221,704
Bank Overdraft	18.2	(34,179,860)	(216,886,990)	(15,582,602)	(34,478,681)
Cash and cash equivalents at the end					
for the purpose of statement of cash flow		2,315,137,783	1,335,632,565	1,856,741,269	1,341,743,023

Note - Figures in brackets indicate deductions

The Accounting Policies and notes on pages 72 to 153 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

1. CORPORATE INFORMATION

1.1 Reporting Entity

Abans PLC is a Limited Liability Company incorporated and domiciled in Sri Lanka and listed in Colombo Stock Exchange. The registered office of the Company and the principal place of business are situated at No. 498, Galle Road, Colombo 03. The staff strength of the Company as at 31st March 2025 was 1,541 (2024 – 1,494)

1.2 Consolidated Financial Statements

The consolidated financial statements of Abans PLC, as at and for the year ended 31 March 2025, encompasses the Company, its subsidiaries (together referred to as the “Group”) and the Group’s interests in Equity Accounted investees (Associates and Joint Ventures).

1.3 Parent Entity and Ultimate Parent Entity

The Company’s parent entity as at 31 March 2025 is Abans Retail Holdings (Pvt) Ltd and the ultimate parent of the Company is Abans International (Pvt) Ltd. On 29 March 2018 Abans Retail Holdings (Pvt) Ltd acquired entire shares of Abans PLC. and became a wholly owned Subsidiary of Abans Retail Holdings (Pvt) Ltd.

1.4 Approvals of Financial Statements

The Financial Statements of Abans PLC and Its Subsidiaries for the year ended 31 March 2025 were authorized for issue in accordance with a resolution of the Board of directors on the 27th June 2025.

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”.

1.6 Principal Activities & Nature of Operations

Parent Company- Abans PLC

During the year, the principal activities of the Company were importing and marketing of electrical and electronic home appliances, crockery and cookware, sanitary and light fittings, a host of other household items, footwear and textile and carrying out electro-mechanical contract work.

Subsidiary - Abans Finance PLC

During the year, the principal activities of the Company were acceptance of Deposits, granting Lease facilities, Hire Purchase, Mortgage Loans and other credit facilities, Real Estate Development and related services.

Subsidiary - AB Manufacturing (Pvt) Ltd

During the year, the principal activities of the Company were to manufacture and sale of Refrigerators, Deep Freezer and Stand Fans.

Other Subsidiaries

Apart from above, the group also hold A.B Suncity (Pvt) Ltd, the subsidiary which holds the group's investment in Colombo City Centre (Pvt) Ltd.

Associate - Abans Electricals PLC

The principal activities of the Company were manufacturing and assembling household electrical and electronic appliances and providing repairs and maintenance and technical services of similar type of appliances.

Associate - Colombo City Centre (Pvt) Limited

The principal activity of the Company is to carry out mix development project. The project consists of mall, residency and a hotel.

2. GENERAL ACCOUNTING POLICIES**2.1 Basis of Preparation and Measurement**

The Financial Statements of the company and group have been prepared on the historical cost basis, except for Land and Buildings, Fair value through profit or loss financial assets. As per SLFRS 9- Financial Assets, FVTOCI and defined benefit plans which are measured at present value of retirement benefits obligation as explained in the respective notes in the financial statement.

2.1.1 Statement of Compliance

The Financial Statements of the company and group which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows together with the Accounting Policies and Notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

2.1.2 Changes in Accounting Policies

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

2.1.3 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. Details of comparative information where presentation and classification have been amended are more fully described in note 32.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

2.1.4 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2025, based on available information, the management has assessed the existing and anticipated effects of adverse government policy changes and current political and socio-economic status on the Group of Companies and the appropriateness of the use of the going concern basis.

The strategic initiatives taken by the Group has allowed the business to be more resilient during these challenging market conditions stemmed by unfavourable macro-economic factors.

The Company, its subsidiaries and associates have adequate resources to continue in operational existence for the foreseeable future driven by the well diversified portfolio, cost management, ability to defer non-essential capital expenditure, strong market share, strong gearing position, digital transformative initiatives and healthy relationships with our principals.

Abans Group does not anticipate any significant change or impairment in fair-values of the assets in the Balance Sheet due to adverse economic factors or possible other impacts.

Hence, the Directors have made an assessment of the Group's ability to continue as a going concern and they do not intend either to liquidate or cease trading.

2.1.5 Presentation and Functional Currency

The Financial Statements are presented in Sri Lankan Rupees (LKR), the Group functional and presentation currency, which is the primary economic environment in which the Holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

2.1.6 Materiality and Aggregation

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

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Group and its Subsidiaries as at 31 March 2025. Control is achieved when the Group is exposed or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual agreement(s) with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Group's voting rights and potential voting rights

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

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

2.3 Summary of Material Accounting Policy Information

2.3.1 Investment in an Associate and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the Subsidiaries of the associate or joint venture.

The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit or Loss.

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

In the separate Financial Statements, Investment in Joint Ventures and Investments in Associates are carried at cost.



2.3.2 Transactions with Non-Controlling Interests

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, is disclosed separately under the heading 'Non- controlling Interest'.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.3.3 Current Versus Non-Current Classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- Or
- It does not have a right at the reporting date to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

2.3.4 Fair Value Measurement

The Group measures financial instruments such as investment in equity securities and non-financial assets such as land and buildings, at fair value at each balance sheet date. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Notes 25.3)
- Quantitative disclosures of fair value measurement hierarchy (Note 25.2)
- Property, plant and equipment under revaluation model (Note 08)
- Financial instruments (including those carried at amortised cost) (Note 25.1)

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 by the Group.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described in Note 25.2.

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

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as employee benefit liability.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.3.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes. The following specific recognition criteria are used for the purpose of recognition of revenue that are in the scope of SLFRS 15:

2.3.5.1 Sale of Goods and Services

Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., subsequent services, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer.

(a) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(b) Warranty Obligation

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (Significant accounting judgments, estimates and assumptions)

(c) Loyalty points programme

The Group has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

(d) Free services/maintenance

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

2.3.5.2 Interest income and Interest Expense

Interest income and interest expense is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under SLFRS 9, similarly to interest bearing financial assets classified as available-for-sale or held to maturity under LKAS 39 is also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

The EIR (and therefore, the amortised cost of the asset/liability) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset/liability are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the Statement of Financial Position with an increase or reduction in interest income/interest expense. The adjustment is subsequently amortised through Interest income/Interest expense in the income statement.

When a financial asset becomes credit-impaired (as set out in Note 25.4.1) and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate under net interest income.

Fee and Commission Income and Expenses

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Fee and Commission income – including account Credit related fees & commission, Service charge, Transfer Fees and other fees income – is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Fees earned for the provision of services over a period of time are accrued over that period

A contract with a customer that results in a recognised financial instrument in the Company's financial statements may be partially in the scope of SLFRS 9 and partially in the scope of SLFRS 15. If this is the case, then the Company first applies SLFRS 9 to separate and measure the part of the contract that is in the scope of SLFRS 9 and then applies SLFRS 15 to the residual.

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

2.3.5.3 Income from Government Securities and Securities purchased under Re-Sale Agreement

Discounts/ premium on Treasury bills & Treasury bonds are amortised over the period to reflect a constant periodic rate of return. The coupon interest on treasury bonds is recognised on an accrual basis. The interest income on securities purchased under resale agreement is recognised in the Income Statement on an accrual basis over the period of the agreement.

2.3.5.4 Dividend

Dividend income is recognised in profit or loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

2.3.5.5 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.

2.3.5.6 Other income

Other income is recognized on an accrual basis.

2.3.6 Expenditure Recognition

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Profit or Loss.

2.3.7 Finance Costs

Finance costs 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 Group incurs in connection with the borrowing of funds.

2.3.8 Taxes**2.3.8.1 Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted 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.

2.3.8.2 Deferred Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

- 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 recognised 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 utilised

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

2.3.8.3 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.

2.3.8.4 VAT on Financial Services

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

2.3.9 Foreign Currencies

The Financial Statements are presented in Sri Lanka Rupees, which is the Group's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group entities 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 using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.3.10 Property, Plant and Equipment

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Plant and equipment, construction in progress except for land & building are stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing component parts of the Property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

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A revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

A transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets are disclosed in Note 8.11.

An item of property, plant and equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the statement of profit or loss in the year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.3.11 Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Lease hold Lands - 99 Years
- Lease hold Buildings – 5 to 15 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in Note No 28.1.2

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable

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rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.3.12 Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the statement of profit or loss in the year in which they arise. Fair values are evaluated with sufficient frequency by an accredited external, independent valuer. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on retirement or disposal are recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use for a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted using Group accounting policy for property, plant and equipment.

2.3.13 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit or Loss when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite live are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of Profit or Loss when the asset is derecognised.

2.3.14 Financial Instruments-Initial Recognition, Classification and Subsequent Measurement

2.3.14.1 Date of Recognition

All financial assets and liabilities are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. This includes “regular way trades”. Regular way trade means purchases or sales of financial assets with in the time frame generally established by regulation or convention in the market place.

2.3.14.2 Initial measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL), transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for “Day 1 profit or loss”, as described below.

2.3.14.3 'Day 1' profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Company recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in the Income Statement over the tenor of the financial instrument using effective interest rate method. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the Income Statement when the inputs become observable, or when the instrument is derecognised.

2.3.14.4 Measurement categories of Financial Assets and Financial Liabilities

On initial recognition, a financial asset is classified as measured at,

- Amortised cost,
- fair value through other comprehensive income (FVOCI) or
- Fair value through profit or loss. (FVTPL)

Financial liabilities are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

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2.3.14.4(i). Financial Assets at Amortised cost:

The Group only measures loans, receivables, and other financial investments, 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 (SPPI) on the principal amount outstanding.

Financial Assets consist of cash and bank balances, securities purchased under repurchase agreements, placement with banks, lease rentals receivable & stock out on hire, loan receivables, and other financial assets.

The categorization of the financial assets is based on the Satisfaction of SPPI Test by the financial assets and the business model applicable thereto.

Business model assessment

The Group determines its business model at the level that best reflect how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair values of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms of that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

2.3.14.5 (ii) **Equity instruments at FVOCI**

Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Currently, the Group has recorded its non- quoted equity investments FVOCI at cost less ECL if any. The details of equity instruments at FVOCI are given in Note 14 to the Financial Statements.

2.3.14.6 (iii) **Debt issued and other borrowed funds**

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

Currently, the Group has recorded Debt issued and other borrowed funds as Financial Liabilities at Amortised Cost in the form of term loans, short term loans and securitizations.

2.3.14.7 **Classification and Subsequent Measurement of Financial Liabilities**

Financial liabilities, other than loan commitments and financial guarantees, are classified as,

- (i) Financial liabilities at Fair Value through Profit or Loss (FVTPL)
 - a) Financial liabilities held for trading
 - b) Financial liabilities designated at fair value through profit or loss
- (ii) Financial liabilities at amortised cost, when they are held for trading and derivative instruments or the fair value designation is applied.

The subsequent measurement of financial liabilities depends on their classification.

i. Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial Liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Subsequent to initial recognition, financial liabilities at FVTPL are fair value, and changes therein recognized in Income Statement.

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ii. Financial Liabilities at Amortised Cost

Financial Instruments issued by the Group that are not designated at fair value through profit or loss, are classified as financial liabilities at amortised cost under 'bank overdraft', 'due to other customers', 'debt issued and other borrowed funds' and 'other payables' as appropriate, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial assets for a fixed number of own equity shares at amortised cost using EIR method.

After initial recognition, such financial liabilities are substantially measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are integral part of the EIR. The EIR amortisation is included in 'interest expenses' in the Income Statement. Gains and losses are recognized in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

Currently, the Group has recorded Debt issued and other borrowed funds as Financial Liabilities at Amortised Cost in the form of term loans, short term loans and debentures.

2.3.14.8 Reclassifications of Financial assets and Financial Liabilities

From 01 April 2024, the Group did not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2024/2025.

2.3.14.9 Derecognition of Financial Assets and Financial Liabilities

2.3.14.9 (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 Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

- The Group 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.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

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

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises as associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2.3.14.9 (b) Derecognition - 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.

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2.3.14.10 Determination of Fair Value

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 by the Group.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The disclosure of fair value of financial instruments is disclosed in Note 25.3 to the Financial Statements.

2.3.14.11 Impairment of Financial Assets

a. Overview of the expected credit loss (ECL) principles

The Group recognises expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment under SLFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below.

- Stage 1:** When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
- Stage 3:** Loans considered credit-impaired. The Group records an allowance for the LTECLs.
- POCI:** Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

b. The Calculation of Expected Credit Loss (ECL)

The Group calculates ECLs based on four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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The mechanics of the ECL calculations are outlined below and the key elements are, as follows.

- PD** : The probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD** : The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued interest from missed payments.
- LGD** : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanism of the ECL method are summarised below.

- Stage 1** : The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation of the original EIR.
- Stage 2** : When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3** : For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan Commitments:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. ECLs are calculated and presented with the loan.

Financial Guarantee contracts:

The Group's liability under each guarantee is measured at the higher of the initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within provisions.

c. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the Statement of Financial Position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to Income Statement. The accumulated loss recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

d. Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rate
- Central Bank base rates
- Inflation

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the Financial Statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

2.3.14.11 Reversals of impairment

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the income statement.

2.3.14.12 Renegotiated Loans

The Group makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan reinitiated when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Renegotiated loans may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of the terms. It is the Group's policy to monitor renegotiated loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 renegotiated asset until it collected or written off.

From 1 January 2018, when the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk, as set out in Note 26.5.1. The Group also considers whether the assets should be classified as Stage 3.

If modifications are substantial, the loan is derecognised as explained in Note 2.3.15.9.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

2.3.14.13 Write-off of Financial Assets at Amortised Cost

The Group's accounting policy under SLFRS 9 remains the same as it was under LKAS 39. Financial Assets (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, this is generally after receipt of any proceeds from the realisation of security.

2.3.14.14 Collateral Valuation

The Group seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, gold, securities, letter of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the guidelines issued by the Central Bank of Sri Lanka.

To the extent possible, the Group uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Nonfinancial collateral, such as real estate, is valued based on data provided by third parties such as independent valuers, Audited Financial Statements and other independent sources.

2.3.14.15 Collateral repossessed

The Group's accounting policy under SLFRS 9 remains same as it was under LKAS 39. The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations will be transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset.

2.3.14.16 Offsetting Financial Assets and Liabilities

Financial assets and financial liabilities are off set and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the Statement of Financial Position.

Income and expenses are presented on a net basis only when permitted under LKAS/ SLFRS, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

2.3.14.17 Other Financial Assets

Other Financial Assets includes the Other Receivables and Refundable Deposits. Refundable Deposits are initially recorded at Fair value and subsequently measured and amortized cost.

2.3.14.18 Other Financial Liabilities

Other Financial liabilities including Due to Customer (Deposits), Due to Banks, Debt issued and other borrowed funds are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortised cost using the Effective Interest Rate method.

Amortised cost is calculated by taking in to account any discount or premium on the issue and costs that are an integral part of the Effective Interest Rate.

a) Renegotiated Loans

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to a criterion are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

2.3.15 Repurchase Agreement

Securities purchased under agreements to resell at a specified future date are not recognised in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is recorded in 'Net interest income' and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Financial liabilities held for trading' and measured at fair value with any gains or losses included in 'Net trading income'.

2.3.16 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The provision for obsolete and slow-moving items is based on periodical reviews performed by the Group. All inventory provisioning requires a level of judgement on how the condition of inventory is impacted by factors such as Shelf life.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae: -

Trading Stock	-	At Actual Cost, based on specific identification
Work-in-Progress	-	At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity.
Goods in Transits	-	At Purchase Price

2.3.17 Real Estate Stock

Real estate stock comprises all costs of purchase, cost of conversion and other costs incurred in bringing the real estate to its saleable condition.

Purchase Cost	-	Land Cost with legal charges
Cost of Conversion	-	Actual Development Cost

2.3.18 Impairment of Non-Financial Assets

The Group 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 Group makes an estimate of the assets recoverable amount. An assets' recoverable amount is higher of assets' 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 Group 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.

2.3.19 Cash and Short-Term Deposits

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and short-term deposits consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.3.21 Employee Benefits

2.3.21.1 Defined Benefit Plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Group measures the cost of defined benefit plan-gratuity, every financial year using the Projected Unit Credit Method, as recommended by LKAS 19 – Employee Benefits, with the advice of an actuary.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 23.3. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 - Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

Actuarial gains and losses are recognised in the Statement of Other Comprehensive Income (OCI) in the period in which it arises.

The item is stated under Employee Benefit Liability in the Statement of Financial Position.

This is not an externally funded defined benefit plan.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

2.3.21.2 Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

All employees who are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions are covered by relevant contribution funds in line with respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.3.22 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method"

Regulatory provisions

a Statutory Reserve Fund

The statutory reserve fund is maintained as required by Finance Companies (Capital Funds) Direction No.1 of 2003 issued by Central Bank of Sri Lanka. As per the said Direction, every Registered Finance Group shall maintain a reserve fund, out of the net profit for each year after provisions for taxation and bad and doubtful debts. Accordingly, 20% of the net profit for the year transferred to Reserve Fund as required by Section 3(b) ii of the said Direction.

b Deposit Insurance and Liquidity Support Scheme

In terms of the Finance Group's Act Direction No. 2 of 2010 "Insurance of Deposit Liabilities" issued on 27 September 2010 and subsequent amendments there to all Registered Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No. 1 of 2010 issued under Sections 32E of the Monetary Law Act with effect from 1 October 2010. The said scheme was renamed as the "Sri Lanka Deposit Insurance and Liquidity Support Scheme" as per the Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulation No. 1 of 2013.

Deposits to be insured include demand, time and savings deposit liabilities and exclude the following;

- a) Deposit liabilities to member institutions
- b) Deposit liabilities to Government of Sri Lanka
- c) Deposit liabilities to Directors, key management personnel and other related parties as defined in Banking Act Direction No 11 of 2007 on Corporate Governance of Licensed Commercial Banks
- d) Deposit liabilities held as collateral against any accommodation granted
- e) Deposit liabilities falling within the meaning of abandoned property in terms of the Banking Act and dormant deposits in terms of the Finance Companies Act funds of which have been transferred to Central Bank of Sri Lanka.

Registered Finance Companies are required to pay a premium of 0.15% on total amount of eligible deposits as at end of the month with in a period of 15 days from the end of the respective month

c Crop Insurance Levy (CIL)

In terms Section 15 of the Finance Act No 12 of 2013 all institutions under the purview of Banking Act No 30 of 1988, Finance companies Act No 78 of 1988 and Regulation of Insurance Industry Act No 43 of 2000 are required to pay 1% of the profit after tax as Crop Insurance Levy to the National Insurance Trust Fund Board effective from 01 April 2013.

Interest paid is classified as operating cash flow. Dividend received and investments in joint venture are classified as cash flows from investing activities. Dividend paid are classified as financing cash flows.

2.3.23 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale?

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

The Group ceases to classify non-current assets or disposal groups as held for sale when the above criteria for such classification are no longer met. Financial statements for the periods since classification as held for sale are amended accordingly if the disposal group or non-current asset that ceases to be classified as held for sale is a subsidiary, joint operation, joint venture, associate, or a portion of an interest in a joint venture or an associate. When the Group ceases to classify such component as held for sale, the results of operations of the component previously presented in discontinued operations are reclassified and included in income from continuing operations for all periods presented. The amounts for prior periods are described as having been re-presented.

The Group measure a non-current asset or disposal group that ceases to be classified as held for sale at the lower of;

- its carrying amount before the asset or disposal group was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

2.4 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 and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace IFRS 4 Insurance Contracts (SLFRS 4). SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) 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 application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17. However, SLFRS 17 will be neither affected nor applied to the Group since Group has not been engaged in Insurance contracts.

International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group /Company's financial statements.

Classification of Liabilities as Current or Non-current - Amendments to LKAS 1

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group /Company's financial statements.

Disclosures: Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group /Company's financial statements.

Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16

The amendments to SLFRS 16 Leases specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group /Company's financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with SLFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies, management has made following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in these financial statements.

a) Revaluation of Property, Plant and Equipment and Investment properties

The Group uses the revaluation model for measurement of land and buildings which are recognised as property plant and equipment and fair valuation model for measurement of land and buildings which are recognised as investment property. The Group engaged independent expert valuers, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties.

Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. The valuation techniques used are appropriate in the circumstances, for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The changes in fair value of Investment properties are recognised in the Statement of Profit or Loss and the changes in Property Plant and Equipment are recognised in other comprehensive income and in the statement of equity.

Further details about revaluation of property, plant and equipment are given in Note 8.13 and investment properties in Note 9.2.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

b) Impairment losses on Loans and Advances (Finance Leases, Hire Purchases, Mortgage Loans, Revolving Loans and Business/Personal Loans)

The measurement of impairment losses under SLFRS 9 and LKAS 39 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their independencies. The elements of the ECL models that are considered accounting judgements and estimates include.

- The Company's internal credit grading system, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss (LTECL) basis and the qualitative assessment
- The segmentation of financial assets when their fair values when their ECL is assessed on a collective basis.
- Development of ECLs, models, including the various formulas and the choice of inputs
Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values and the effect on probability of default (PDs), Exposure at default (EADs) and loss given default (LGDs).
- Selection of forward –looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

c) Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its Value In Use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

d) Defined Benefit Plans

The cost as well as the present value of defined benefit plans - gratuity is determined using Actuarial Valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currency consistent with the currency of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases, and pension increases are based on expected future inflation rates.

Further details about defined benefit obligations are given in Note 23.

e) Deferred Tax

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

f) Transfer Pricing

The Group is subject to income taxes and other taxes including transfer pricing regulations. Management has used its judgement on the application of such laws and regulations aspects including but not limited to identifying associated undertaking, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

g) Warranty Provision

Provisions for warranty-related costs are recognised when the product is sold, or service provided to the customer. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated possibilities. This represents a general provision for future warranty expenses on sales up to the end of the financial period based on past trend for warranty claims. Due to the significance of the estimation made by the Company the actual payment could vary from the provision made.

h) Right-of-Use Assets and Operating Lease Liability

The Group uses its judgment to determine whether an operating lease contract qualifies for recognition of right-of-use assets. The Group applies judgements in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic benefit for it to exercise either the renewal or termination. Further, the Group cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate to measure operating lease liability. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in similar economic environment.



4. SEGMENT REPORTING

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

Segment results that are reported to the Chairperson include items directly attributable to a segment as well as those that can be allocated on reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

Segment Information

For management purposes, the Group is organised into business units based on their products and services and has two reportable segments, as follows:

Trading

This segment includes importing and marketing of electrical and electronic home appliances, crockery and cookware, sanitary and light fittings, a host of other household items, foot wares and textile and carrying out electro mechanical contract work.

Financial Services

The Financial Services segment provide services such as, acceptance of Deposits, granting Lease facilities, Hire Purchase, Mortgage Loans and other credit facilities, Real Estate Development and related services.

	Trading		Manufacturing		Financial Services		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue	47,895,595,120	38,953,146,410	838,693,187	839,279,957	3,422,224,959	2,846,417,517	52,156,513,266	42,638,843,884
Segment Results (Operating Profit)	3,356,896,307	3,121,751,940	596,959,061	269,459,985	976,481,235	240,672,218	4,930,336,603	3,631,884,143
Finance Costs	(1,974,435,478)	(1,639,449,840)	(244,957,653)	(380,307,276)	(25,114,860)	(26,624,359)	(2,244,507,991)	(2,046,381,475)
Finance Income	857,666,760	395,298,156	-	-	-	-	857,666,760	395,298,156
Change in Fair Value of Investment Properties	11,050,000	7,100,000	-	-	-	-	11,050,000	7,100,000
Profit/ (Loss) before Income Tax	2,251,177,589	1,884,700,256	352,001,408	(110,847,291)	951,366,375	214,047,859	3,554,545,372	1,987,900,824
VAT on Financial Services	(28,153,193)	(13,715,443)	-	-	(247,738,710)	(104,635,017)	(275,891,903)	(118,350,460)
Income Tax Expense	(653,146,966)	(674,012,404)	(109,425,418)	32,939,159	(277,872,042)	(5,074,791)	(1,040,444,426)	(646,148,036)
Profit/ (Loss) for the year	1,569,877,430	1,196,972,409	242,575,990	(77,908,132)	425,755,623	104,338,051	2,238,209,043	1,223,402,328
Share of Profit of Equity Accounted								
Investee (Net of Tax)	-	-	-	-	-	-	758,067,484	3,179,603,059
Profit/ (Loss) for the year	1,569,877,430	1,196,972,409	242,575,990	(77,908,132)	425,755,623	104,338,051	2,996,276,527	4,403,005,387

	Trading		Manufacturing		Financial Services		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Assets and Liabilities								
Non Current Assets	20,609,682,260	12,261,682,092	2,375,187,718	2,388,509,901	5,798,476,244	4,455,636,073	28,783,346,222	19,105,828,066
Current Assets	30,104,349,761	23,755,904,202	1,102,299,358	1,442,316,077	7,686,450,620	6,554,684,860	38,893,099,739	31,752,905,139
Total Assets	50,714,032,021	36,017,586,294	3,477,487,076	3,830,825,978	13,484,926,864	11,010,320,933	67,676,445,961	50,858,733,205
Non-Current Liabilities	9,143,834,442	3,422,978,981	931,570,261	998,908,765	2,125,886,368	250,162,553	12,201,291,071	4,672,050,299
Current Liabilities	23,570,505,771	15,927,764,817	1,410,671,723	2,444,817,568	7,856,577,287	7,681,039,949	32,837,754,781	26,053,622,334
Total Liabilities	32,714,340,213	19,350,743,798	2,342,241,984	3,443,726,333	9,982,463,655	7,931,202,502	45,039,045,852	30,725,672,633
Other Disclosures								
Amortization of Intangible Assets	33,904,192	3,541,994	432,023	216,011	7,253,602	5,982,869	41,589,817	9,740,874
Depreciation for the Year	217,711,666	171,614,124	122,003,995	108,152,032	27,188,157	20,267,582	366,903,818	300,033,738
Purchase of Property, Plant and Equipment	443,167,070	649,064,827	162,385,420	304,787,606	39,089,552	37,578,847	644,642,042	991,431,280
Purchase of Intangible Assets	9,766,736	258,517,139	-	1,728,090	4,550,692	5,028,464	14,317,428	265,273,693
Expenses on Employee Benefit Liability	70,506,640	87,787,419	3,716,206	3,193,429	13,115,855	12,309,257	87,338,701	103,290,105
Deferred Tax Assets	546,200,183	413,396,733	-	53,246,476	-	-	546,200,183	466,643,209
Deferred Tax Liabilities	137,004,007	109,812,615	56,471,098	-	-	18,494,556	193,475,105	128,307,171
Summarised Statement of Cash Flows								
Net Cash flow from operating activities	(9,431,565,050)	4,691,375,075	626,856,903	(1,019,934,002)	(547,075,588)	2,171,902,953	(9,351,783,734)	(5,843,344,026)
Net Cash flow from investing activities	3,356,948,658	(6,009,726,019)	(157,497,642)	(306,117,786)	122,898,825	(488,005,993)	3,399,451,016	(6,803,849,798)
Net Cash flow from financing activities	7,440,896,090	990,738,929	(200,773,009)	1,200,498,108	(431,183,969)	(1,241,192,855)	6,808,939,111	950,044,182
Net Increase/(Decrease) in Cash and Cash Equivalents	1,566,279,699	(327,612,015)	268,586,252	(125,553,680)	(855,360,732)	442,704,105	856,606,393	(10,461,590)

5. REVENUE/OTHER INCOME AND EXPENSES

Revenue

Sale of Goods Revenue is recognised upon satisfaction of performance obligation.

Revenue from sale of goods is recognised when the control of goods have been transferred to the buyers, usually on delivery of the goods.

Interest income and expenses under SLFRS 9 is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVPL and FVOCI.

5.1 Revenue from Contract with customers

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Sale of Goods & Rendering of Services	47,626,295,674	39,185,985,789	46,397,910,143	38,094,002,731
Interest Income	4,530,217,592	3,452,858,095	1,497,684,977	846,556,138
Net Revenue	52,156,513,266	42,638,843,884	47,895,595,120	38,940,558,869

5.2 Other Operating Income

Dividend income is recognised when the Group's right to receive the payment is established.

Rental income is recognised on an accrual basis.

Commission income is recognised as the related services are performed.

Sundry income is recognised on an accrual basis.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Dividend Income	-	48,552	-	10,474,095
Dividend Income from Subsidiaries and Associate	-	-	-	-
Commission Income	58,120,323	58,711,206	58,120,323	58,711,206
Rent Income	10,483,590	8,304,481	10,483,590	8,304,481
Sundry Income	386,763,292	134,236,525	356,603,685	123,074,333
Income from Investments	11,092	-	11,092	-
Profit from Disposal of Assets	(3,383,715)	4,833,379	(3,358,607)	4,874,045
Fines and Surcharges	12,492,226	12,191,008	12,492,226	12,191,008
	464,486,808	218,325,151	434,352,309	217,629,168

5.3 Finance Cost

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

No borrowing cost has been incurred by the Group and the Company on qualifying assets during the current financial year 2024/25.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Interest Expense on Overdrafts	10,044,215	9,000,410	2,191,199	3,841,860
Interest Expense on Borrowings	1,834,530,499	1,634,785,957	1,597,425,863	1,259,472,264
Interest Expenses on Lease Liabilities	366,306,425	371,397,613	341,191,565	344,773,255
Debenture Interest	33,626,852	31,197,495	33,626,852	31,197,495
	2,244,507,991	2,046,381,475	1,974,435,479	1,639,284,874

5.4 Finance Income

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Interest Income on Staff Loans	1,296,172	935,300	1,296,172	935,300
Interest Income on Bank Deposits	709,796,938	88,793,352	704,909,160	119,472,844
Fair Value Gain on Unit Trust Investment	146,573,650	305,569,504	146,573,650	274,333,963
	857,666,760	395,298,156	852,778,982	394,742,107

5.5 Profit Before Tax

Group classifying expenses by "function".

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

Stated after Charging /(Crediting) all expenses and
Income Including the Following:

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Employees Benefits including the following				
- Defined Benefit Plan Costs - Gratuity	87,338,701	100,154,338	70,506,640	87,721,152
- Defined Contribution Plan Costs - EPF & ETF	479,903,359	373,267,980	434,400,810	334,482,144
Amortization of Intangible Assets	41,589,817	9,740,874	33,904,193	3,541,994
Director's Emoluments	63,318,397	48,111,605	50,013,397	40,911,605
Legal Fees	52,362,948	34,062,340	49,874,046	23,708,908
Donation	3,682,549	2,945,450	2,686,170	2,662,050
Staff Cost	2,498,510,762	1,965,757,477	1,910,984,685	1,606,918,306
Amortisation of Right of use Assets	779,781,715	769,139,342	734,106,275	720,727,659
Depreciation	408,493,635	300,033,738	251,615,858	167,776,682
Exchange (Gains)/Loss	12,661,477	34,930,847	12,661,477	34,930,847
Auditors' Remuneration	7,515,237	6,174,110	3,266,621	2,751,878
- Audit Services	7,880,121	1,435,171	2,640,437	1,435,171
- Non-audit Services	53,859,572	42,309,572	32,299,107	30,635,948
Transport Costs	959,670,941	639,364,903	953,440,015	631,903,294
Advertising Costs				

6. INCOME TAX

6.1 Statement of Profit or Loss

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current Income Tax:				
Current Tax Expense for the Year (Note 6.3)	1,073,308,313	627,733,380	773,460,782	578,069,401
Under Provision of Taxes in respect of Prior Year	(31,376,639)	(63,948,180)	(26,862,492)	(16,179,876)
Deferred Tax:				
Deferred Taxation Charge/(Reversal)	(1,487,248)	82,362,836	(120,626,153)	81,613,386
Income Tax Expense Reported in the Statement of Profit or Loss	1,040,444,426	646,148,036	625,972,137	643,502,911

6.2 Statement of Other Comprehensive Income

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Deferred Tax Related to Items Charged or Credited to Other Comprehensive Income:				
Revaluation Gains from Land and Buildings	2,143,500	1,023,750	-	-
Actuarial (Gain)/Loss on Employee Benefits Liabilities	(15,045,293)	1,957,445	(12,160,735)	1,184,400
Income Tax Charged Directly to Other Comprehensive Income	(12,901,793)	2,981,195	(12,160,735)	1,184,400

6.3 Reconciliation of Accounting Profit to Current Tax Expense/(Income)

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Accounting Profit (Profit before Tax) from Continuing Operations	4,312,612,856	5,167,503,883	2,402,578,245	1,951,093,273
Share of results of equity accounted investees (net of tax)	(758,067,484)	(3,179,603,059)	-	-
Other consolidation adjustments	(91,450,276)	(37,685,951)	-	-
Income not Subject to Tax	(871,193,623)	(439,670,564)	(870,965,058)	(439,670,564)
Adjusted accounting profit chargeable to income taxes	2,591,901,473	1,510,544,309	1,531,613,187	1,511,422,709
Aggregate Disallowed Items	3,664,020,172	2,679,885,217	2,767,325,734	1,852,140,940
Aggregate Allowable Expenses	(3,304,438,601)	(2,725,501,901)	(2,532,253,207)	(1,871,429,105)
Taxable income	2,951,483,044	1,464,927,625	1,766,685,714	1,492,134,544
Other Sources of Income Liable for Tax	626,211,333	627,541,254	811,516,894	434,787,741
Business Profit/(Loss)	3,577,694,377	2,092,468,879	2,578,202,608	1,926,922,285
Taxable Income	3,577,694,377	2,092,468,879	2,578,202,608	1,926,922,285
Tax Loss Utilized	-	-	-	-
Total Assessable Income	3,577,694,377	2,092,468,879	2,578,202,608	1,926,922,285
Tax Rates at -				
30%	1,073,308,313	627,726,096	773,460,782	578,062,117
15%	-	7,284	-	7,284
	1,073,308,313	627,733,380	773,460,782	578,069,401
Current Tax Expense for the Year from Continuing Operations	1,073,308,313	627,733,380	773,460,782	578,069,401
	1,073,308,313	627,733,380	773,460,782	578,069,401

6.4 Reconciliation between Current Tax Expense/(Income) and the Product of Accounting Profit

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Adjusted accounting profit chargeable to income taxes from Continuing Operations	2,591,901,473	1,510,544,309	1,531,613,187	1,511,422,709
Tax effect on chargeable profits	777,570,442	453,163,293	459,483,956	453,426,813
Tax effect on non-deductible expenses	1,099,206,052	803,950,997	830,197,720	555,627,714
Tax effect on deductions claimed	(991,331,580)	(817,562,761)	(759,675,962)	(561,428,732)
Tax effect on Other sources of income	187,863,400	188,269,660	243,455,068	130,443,606
Tax Assessment Payment	-	54,036,896	-	54,036,896
Under/(over) provision for previous years	(31,376,639)	(117,985,076)	(26,862,492)	(70,216,772)
Net tax effect of unrecognized deferred tax assets for the year	(1,487,248)	82,275,027	(120,626,153)	81,613,386
Tax expense	1,040,444,426	646,148,036	625,972,137	643,502,911
Income Tax Expense Reported in the Statement of Profit or Loss	1,040,444,426	646,148,036	625,972,137	643,502,911
	1,040,444,426	646,148,036	625,972,137	643,502,911

6. INCOME TAX (Contd...)

6.5 Summarised Deferred Tax Assets, Liabilities and Income Tax relate to the following:

6.5.1 Reconciliation of Deferred Tax Asset

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at 01 April	(466,643,209)	(516,250,775)	(413,413,295)	(496,211,081)
Charge/(Release) Made during the Year	(79,556,974)	49,607,566	(132,786,888)	82,797,786
Balance as at 31 March	(546,200,183)	(466,643,209)	(546,200,183)	(413,413,295)
6.5.2 Reconciliation of Deferred Tax Liability				
Balance as at 01 April	128,307,171	92,570,706	-	-
Charge Made during the Year	65,167,934	35,736,465	-	-
Balance as at 31 March	193,475,105	128,307,171	-	-
Net Deferred Tax Asset	(352,725,078)	(338,336,038)	(546,200,183)	(413,413,295)

6.5.1.1 The Summarised Closing Deferred Tax Assets & Liability Balance Relate to the Following, Group

	Assets		Liabilities	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Capital Allowances for Tax Purposes	48,166,251	196,056,303	188,355,982	9,897,612
Revaluation of Land & Building	241,336,507	217,894,138	7,050,893	27,885,722
Revaluation of Investment Property	21,479,284	18,164,284	-	-
Undistributed share of profit of Associate	-	-	137,004,007	109,812,615
Employee Benefits Liabilities	(136,301,525)	(104,817,205)	(3,951,309)	(11,237,884)
Warranty Provision	(171,837,576)	(102,721,147)	-	-
Inventory Provision	(243,877,288)	(216,646,719)	(8,928,780)	-
ROU Assets & Lease Liabilities	(88,070,304)	(164,814,848)	(83,209,025)	(8,050,894)
Provision for Impairment on Trade Receivables	(217,095,532)	(210,718,314)	-	-
Carried forward Tax Loss	-	(99,039,701)	(42,846,663)	-
	(546,200,183)	(466,643,209)	193,475,105	128,307,171

6.5.2.1 Deferred Tax Assets, Liabilities and Income Tax relate to the following:

Group	Statements of Financial position		Statements of Other Comprehensive Income		Statement of Profit or Loss	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Deferred Tax Liability						
Capital Allowances for Tax Purposes						
- Property, Plant and Equipment & Investment Property	217,638,494	191,771,410	-	-	25,867,084	63,716,849
- Intangible Assets	18,883,739	14,182,505	-	-	4,701,234	14,035,020
Revaluation of Land						
-Property Plant & Equipment	200,362,423	197,754,883	2,143,500	1,023,750	464,040	30,056,416
-Investment Property	20,005,500	16,939,500	-	-	3,066,000	2,289,900
Revaluation of Building						
-Property Plant & Equipment	48,024,977	48,024,977	-	-	-	(30,056,416)
-Investment Property	1,473,784	1,224,784	-	-	249,000	(159,900)
Undistributed share of profit of Associate	137,004,007	109,812,615	-	-	27,191,392	30,492,933
	643,392,924	579,710,674	2,143,500	1,023,750	61,538,750	110,374,802
Deferred Tax Assets						
Employee Benefits Liabilities	(140,252,834)	(116,055,089)	(15,045,293)	1,957,445	(9,152,452)	(14,089,571)
Warranty Provision	(171,837,576)	(102,721,147)	-	-	(69,116,429)	(20,013,947)
Inventory Provision	(252,806,069)	(216,646,719)	-	-	(36,159,350)	47,078,816
ROU Assets & Lease Liabilities	(171,279,329)	(172,865,742)	-	-	1,586,413	91,303,681
Provision for Impairment on Trade Receivables	(217,095,532)	(210,718,314)	-	-	(6,377,218)	(68,459,395)
	(953,271,340)	(819,007,011)	(15,045,293)	1,957,445	(119,219,036)	35,819,584
Carried forward Tax Loss	(42,846,663)	(99,039,701)	-	-	56,193,038	(63,831,550)
	(42,846,663)	(99,039,701)			56,193,038	(63,831,550)
Deferred Tax Charge/(Reversal)			(12,901,793)	2,981,195	(1,487,248)	82,362,836
Net Deferred Tax Liability/(Asset)	(352,725,079)	(338,336,038)				

6.5.2.2 Company

Company	Statements of Financial position		Statements of Other Comprehensive Income		Statement of Profit or Loss	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Deferred Tax Liability						
Capital Allowances for Tax Purposes						
- Property, Plant and Equipment & Investment Property	20,673,689	52,951,069	-	-	(32,277,380)	6,929,362
- Intangible Assets	18,883,739	14,182,505	-	-	4,701,234	14,035,020
Revaluation of Land						
- Property Plant & Equipment	162,818,268	162,818,268	-	-	-	-
- Investment Property	20,005,500	16,939,500	-	-	3,066,000	2,289,900
Revaluation of Building						
- Property Plant & Equipment	48,024,977	48,024,977	-	-	-	-
- Investment Property	1,473,784	1,224,784	-	-	249,000	(159,900)
	271,879,957	296,141,103	-	-	(24,261,146)	23,094,382
Deferred Tax Assets						
Employee Benefits Liabilities	(118,703,957)	(100,884,575)	(12,160,735)	1,184,400	(5,658,647)	(12,293,459)
Warranty Provision	(171,837,576)	(102,721,147)	-	-	(69,116,429)	(20,013,947)
Inventory Provision	(243,877,288)	(213,624,539)	-	-	(30,252,749)	48,535,149
ROU Assets & Lease Liabilities	(161,206,647)	(164,814,848)	-	-	3,608,201	37,230,878
Provision for Impairment on Trade Receivables	(122,454,672)	(127,509,289)	-	-	5,054,617	5,060,383
	(818,080,140)	(709,554,398)	(12,160,735)	1,184,400	(96,365,007)	58,519,004
Deferred Tax Charge/(Reversal)			(12,160,735)	1,184,400	(120,626,153)	81,613,386
Net Deferred Tax Liability/(Asset)	(546,200,183)	(413,413,295)				

7.EARNINGS PER SHARE & DIVIDEND PAID

- 7.1 Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue or a share split.

The following reflects the income and share data used in the basic Earnings Per Share computations.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Net Profit Attributable to Ordinary Equity Holders of the Parent				
- From Continuing Activities	2,784,335,378	4,351,065,905	1,748,452,915	1,293,874,919
	2,784,335,378	4,351,065,905	1,748,452,915	1,293,874,919
	Number	Number	Number	Number
Ordinary Shares	2,221,304,615	2,221,304,615	2,221,304,615	2,221,304,615
	2,221,304,615	2,221,304,615	2,221,304,615	2,221,304,615
Earnings Per Share -Basic / Diluted				
- From Continuing Activities	1.25	1.96	0.79	0.58

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements. Therefore diluted earnings per share is same as basic earning per share.

7.2 Dividend Per Share - Company/Group

	2025		2024	
	Per Share	LKR	Per Share	LKR
1st Interim Dividend out of Profits of 2023/24	0.06	133,278,277	-	-
2nd Interim Dividend out of Profits of 2024/25	0.16	355,408,738	-	-
	0.22	488,687,015	-	-

8. PROPERTY, PLANT & EQUIPMENT Group

8.1	Gross Carrying Amounts	Re-Presented Balance As at 01 April 2024 LKR	Additions LKR	Disposals LKR	Revaluation LKR	Transfers LKR	Balance As at 31 March 2025 LKR
	At Cost or Valuation						
	Land	1,099,385,551	-	-	7,145,000	-	1,106,530,551
	Buildings	1,118,589,847	-	(272,011)	-	80,006,470	1,198,324,306
	Building Improvements	253,306,182	180,171,355	-	-	-	433,477,537
	Plant and Machinery	1,269,882,675	40,894,295	(686,734)	-	-	1,310,090,236
	Furniture and Fittings	767,079,296	186,728,121	(34,457,716)	-	(123,992)	919,225,709
	Office Equipment	309,210,195	51,091,570	(9,726,926)	-	231,192	350,806,031
	Motor Vehicles	184,983,234	-	(12,286,595)	-	-	172,696,639
	Computer Equipment	518,401,869	70,469,623	(10,999,112)	-	(107,200)	577,765,180
	Telephone	4,683,918	1,029,997	(244,547)	-	-	5,469,368
	Service Equipment	52,327,397	6,042,128	-	-	(25,500,068)	32,869,457
	Fixtures & Fittings	70,744,208	6,489,862	(79,805)	-	25,500,068	102,654,333
	Generators	5,701,698	-	(516,743)	-	-	5,184,955
		5,654,296,070	542,916,951	(69,270,189)	7,145,000	80,006,470	6,215,094,302
	In the Course of Construction						
	Capital Working Progress	83,553,749	101,725,091	-	-	(80,006,470)	105,272,370
	Total Gross Carrying Amount	5,737,849,819	644,642,042	(69,270,189)	7,145,000	-	6,320,366,672

8.2	Depreciation & Impairment	Balance As at 01 April 2024 LKR	Charge for the year LKR	Disposals LKR	Revaluation LKR	Transfers LKR	Balance As at 31 March 2025 LKR
	At Cost or Valuation						
	Buildings	29,861,834	37,727,203	(272,011)	-	(196,793)	67,120,233
	Building Improvements	78,884,227	42,244,644	-	-	-	121,128,871
	Plant and Machinery	111,667,660	87,955,141	(661,625)	-	-	198,961,176
	Furniture and Fittings	460,879,100	72,961,840	(26,045,753)	-	38,406	507,833,593
	Office Equipment	185,424,058	31,989,630	(8,164,867)	-	(8,107)	209,240,714
	Motor Vehicles	146,792,252	10,820,669	(6,725,528)	-	(746,015)	150,141,378
	Computer Equipment	351,518,073	65,699,779	(9,950,341)	-	1,380	407,268,891
	Telephone	3,544,176	459,959	(244,300)	-	76	3,759,911
	Service Equipment	9,534,099	3,735,031	-	-	(5,941,363)	7,327,767
	Fixtures & Fittings	31,199,777	13,252,296	(75,668)	-	6,645,189	51,021,594
	Generators	5,567,940	57,626	(516,742)	-	6,810	5,115,634
	Total Depreciation	1,414,873,196	366,903,818	(52,656,835)	-	(200,417)	1,728,919,762

Company

8.3	Net Book Values	2025 LKR	2024 LKR
	At Cost or Valuation		
	Land	1,106,530,551	1,099,385,551
	Buildings	1,131,204,073	1,088,728,013
	Building Improvements	312,348,666	174,421,955
	Plant and Machinery	1,111,129,060	1,158,215,015
	Furniture and Fittings	411,392,116	306,200,196
	Office Equipment	141,565,317	123,786,137
	Motor Vehicles	22,555,261	38,190,982
	Computer Equipment	170,496,289	166,883,796
	Telephone	1,709,457	1,139,742
	Service Equipment	25,541,690	42,793,298
	Fixtures & Fittings	51,632,739	39,544,431
	Generators	69,321	133,758
		4,486,174,540	4,239,422,874
	In the Course of Construction		
	Capital Work In Progress	105,272,370	83,553,749
	Total Carrying Amount of Property, Plant and Equipment	4,591,446,910	4,322,976,623

8 PROPERTY, PLANT & EQUIPMENT (Contd...)

Company

8.4	Gross Carrying Amounts	Balance As at 01 April 2024 LKR	Additions LKR	Disposals LKR	Transfers LKR	Balance As at 31 March 2025 LKR
	At Cost or Valuation					
	Land	743,039,001	-	-	-	743,039,001
	Buildings	302,172,838	-	-	-	302,172,838
	Building Improvements	253,306,181	180,171,355	-	-	433,477,536
	Furniture and Fittings	678,798,858	170,263,848	(33,951,259)	-	815,111,447
	Office Equipment	274,802,644	32,099,524	(7,732,164)	-	299,170,004
	Motor Vehicles	175,059,235	-	(12,286,595)	-	162,772,640
	Computer Equipment	371,740,094	54,210,061	(10,542,784)	-	415,407,371
	Telephone	4,683,918	1,029,997	(244,547)	-	5,469,368
	Service Equipment	50,352,439	3,045,300	-	(25,500,068)	27,897,671
	Fixtures & Fittings	35,154,890	2,346,986	(2,068)	25,500,068	62,999,876
	Generators	5,701,697	-	(516,743)	-	5,184,954
	Total Gross Carrying Amount	2,894,811,795	443,167,071	(65,276,160)	-	3,272,702,706
8.5	Depreciation & Impairment	Balance As at 01 April 2024 LKR	Charge for the Year LKR	Disposals LKR	Transfers LKR	Balance As at 31 March 2025 LKR
	At Cost or Valuation					
	Buildings	8,971,427	15,108,642	-	(196,793)	23,883,276
	Building Improvements	78,884,227	42,244,644	-	-	121,128,871
	Furniture and Fittings	396,104,289	64,156,800	(25,561,644)	28,808	434,728,253
	Office Equipment	166,195,140	28,121,990	(6,271,841)	(8,107)	188,037,182
	Motor Vehicles	143,064,293	9,580,169	(6,725,528)	(746,015)	145,172,919
	Computer Equipment	257,003,915	45,286,518	(9,494,013)	1,380	292,797,800
	Telephone	3,544,175	459,959	(244,300)	76	3,759,910
	Service Equipment	9,330,030	3,313,305	-	(5,931,765)	6,711,570
	Fixtures & Fittings	26,256,706	9,382,012	1	6,645,189	42,283,908
	Generators	5,567,940	57,626	(516,742)	6,810	5,115,634
	Total Depreciation	1,094,922,142	217,711,665	(48,814,067)	(200,417)	1,263,619,323
8.6	Net Book Values				2025 LKR	2024 LKR
	At Cost or Valuation					
	Land				743,039,001	743,039,001
	Buildings				278,289,562	293,201,411
	Building Improvements				312,348,665	174,421,954
	Furniture and Fittings				380,383,194	282,694,569
	Office Equipment				111,132,822	108,607,504
	Motor Vehicles				17,599,721	31,994,942
	Computer Equipment				122,609,571	114,736,179
	Telephone				1,709,458	1,139,743
	Service Equipment				21,186,101	41,022,409
	Fixtures & Fittings				20,715,968	8,898,184
	Generators				69,320	133,757
	Total Carrying Amount of Property, Plant and Equipment				2,009,083,383	1,799,889,653

- 8.7 The Lands & Buildings of the Group were revalued on 31 March 2025 and such assets were valued on an open market value for existing use basis. The result of the revaluation have been incorporated in to the prior year financial statements. The surplus arising from the revaluation was transferred to a revaluation reserve. Land and Buildings have been revalued by an independent valuer, Mr.Lochana I. Silva (Chartered Valuation Surveyor).

The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost LKR	Accumulated Depreciation If assets were carried at cost LKR	Net Carrying Amount 2025 LKR	Net Carrying Amount 2024 LKR
Land	205,163,951	-	205,163,951	104,748,451
Building	195,056,101	(74,491,937)	120,564,164	4,864,626

8.8 During the year Fixed Assets Addition & Cash Payment

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Addition	644,642,042	991,431,280	443,167,071	645,101,232
Cash Payment	644,642,042	991,431,280	443,167,071	645,101,232

- 8.9 The amount of borrowing costs capitalised with property, plant and equipment during the year ended 31 March 2025 of the Group/Company was Rs Nil. (2024 - Rs. Nil)
- 8.10 The Cost of Fully Depreciated Property, plant and equipment of the Group and the Company which are still in use respectively amount of LKR 810,337,109/- and LKR 648,622,213/- (2024 -LKR 704,652,607/- and LKR 561,647,913/-).
- 8.11 The useful lives of the assets is estimated as follows;

	2025	2024
Buildings	20 Years	20 Years
Building Improvements	5-10 Years	5-10 Years
Service Equipment	8 Years	8 Years
Office Equipment	8 Years	8 Years
Furniture and Fittings	8 Years	8 Years
Motor Vehicles	4-10 Years	4-10 Years
Computer Equipment	4 Years	4 Years
Telephone	4 Years	4 Years
Generators	4 Years	4 Years
Plant, Machinery and Equipment	5-10 Years	5-10 Years
Fixtures & Fittings	8 Years	8 Years

8.12 Property plant & equipment pledged as security against borrowings (Group & Company)

There were no Property, plant and equipment pledged as Security for term Loans obtained.

PROPERTY, PLANT & EQUIPMENT (Contd....)

8.13 Details of Land & Buildings Revaluation

Name of the Company	Location	Extent		Number	Method of Valuation and Significant Unobservable Inputs	2025	2024	Valued in 31/03/2025 Valuation LKR	Valued in 31/03/2024 Valuation LKR
						Range of Estimate for Unobservable Inputs	Range of Estimate for Unobservable Inputs		
Abans PLC	Freehold Property at Liberty Plaza			01	Income method				
	Shopping Block at Liberty Plaza	435	sq.ft	01	Gross monthly rental Per Sq ft.	260	260	19,000,000	19,000,000
	Colombo				Estimated Outgoing Expenses	30.00%	30.00%		
Abans PLC	Freehold Property at Kandy				Cost method				
	Land	11.094	P	01	Value per perch of Land	14,500,000	14,500,000	160,863,000	160,863,000
	Building	4,415	sq.ft	01	Value per sq.ft for Building	4,000	4,000	17,660,000	17,660,000
Abans PLC	Freehold Property at Kalutara				Cost method				
	Land	24.46	P	01	Value per perch of Land	1,165,372	1,165,372	28,505,000	28,505,000
	Building	9,403	sq.ft	01	Value per sq.ft for Building	3,800	3,800	35,731,400	35,731,400
Abans PLC	Freehold Property at Gampaha				Cost method				
	Land	17.52	P	01	Value per perch of Land	3,850,000	3,850,000	67,452,000	67,452,000
	Building	833	sq.ft	01	Value per sq.ft for Building	4,358	4,358	3,630,000	3,630,000
Abans PLC	Freehold Property at Kurunegala				Cost method				
	Land	50	P	01	Value per perch of Land	2,403,000	2,403,000	120,150,000	120,150,000
	Building	4,300	sq.ft	01	Value per sq.ft for Building	829	829	3,564,000	3,564,000
Abans PLC	Freehold Property at Rajagiriya				Cost method				
	Land	22	P	01	Value per perch of Land	3,000,000	3,000,000	66,000,000	66,000,000
	Building	3,687	sq.ft	01	Value per sq.ft for Building	1,800	1,800	6,636,600	6,636,600
Abans PLC	Freehold Property at Rathmalana				Cost method				
	Land	15.00	P	01	Value per perch of Land	1,250,000	1,250,000	18,750,000	18,750,000
	Building	3,157	sq.ft	01	Value per sq.ft for Building	3,800	3,800	11,996,600	11,996,600
Abans PLC	Freehold Property at Rathmalana				Cost method				
	Land	17.1	P	01	Value per perch of Land	1,250,000	1,250,000	21,375,000	21,375,000
	Building	3,690	sq.ft	01	Value per sq.ft for Building	3,600	3,600	13,284,000	13,284,000
Abans PLC	Freehold Property at Nawala Road, Nugegoda				Cost method				
	Land	17.45	P	01	Value per perch of Land	6,562,321	6,562,321	114,512,500	114,512,500
	Building	4,925	sq.ft	01	Value per sq.ft for Building	6,600	6,600	32,505,000	32,505,000
Abans PLC	Freehold Property at Jaffna				Cost method				
	Land	32.04	P	01	Value per perch of Land	865,137	865,137	27,719,000	27,719,000
	Building	11,400	sq.ft	01	Value per sq.ft for Building	9,448	9,448	107,704,236	107,704,236
Abans PLC	Freehold Property at Wellawaththa				Cost method				
	Land	12.86	P	01	Value per perch of Land	5,652,916	5,652,916	72,696,500	72,696,500
Abans PLC	Freehold Property at Galle				Cost method				
	Land	13.24	P	01	Value per perch of Land	3,400,000	3,400,000	45,016,000	45,016,000
	Building	12,365	sq.ft	01	Value per sq.ft for Building	4,081	4,081	50,461,000	50,461,000
Abans Finance PLC	Freehold land at Awissawella Road Galwana,Mulleriyawa				Market Comparable method				
	Land	71.45	P	01	Price per perch of Land	1,750,000	1,650,000	125,037,500	117,892,500
AB Manufacturing (Pvt) Ltd	Dodamgahahena watta, Arakagoda, Millaniya				Cost method				
	Land	870.02	P	02	Value per perch of Land	230,374	274,083	238,454,050	238,458,050
	Building	124,513	sq.ft	03	Value per sq.ft for Building	6,555	6,555	896,151,467	816,145,500

9. INVESTMENT PROPERTIES

Group/Company

9.1 Carrying Amounts

	Balance As at 01 April 2024 LKR	Additions /Transfers LKR	Disposals/ Transfers LKR	Change in Fair Value during the year LKR	Balance As at 31 March 2025 LKR
Land	202,595,000	-	-	10,220,000	212,815,000
Buildings	14,405,000	-	-	830,000	15,235,000
	217,000,000	-	-	11,050,000	228,050,000

9.2 Details of Investment Properties Fair Valuation

2025 Locations	Valuation Technique	Land (P)	Building (sq.ft)	Range of Estimate for Unobservable Inputs		Value of Building	Value of Land	Total 31 March 2025
				Land	Building			
Investment Property at Rathmalana	Market Comparable method	14.9	5,162	1,628,523	2,951.38	15,235,000	24,265,000	39,500,000
Investment Property at Wellawaththa	Market Comparable method	25.65	-	7,350,877	-	-	188,550,000	188,550,000
						15,235,000	212,815,000	228,050,000

2024 Locations	Valuation Technique	Land (P)	Building (sq.ft)	Range of Estimate for Unobservable Inputs		Value of Building	Value of Land	Total 31 March 2024
				Land	Building			
Investment Property at Rathmalana	Market Comparable method	14.9	5,162	1,550,000	2,790.59	14,405,000	23,095,000	37,500,000
Investment Property at Wellawaththa	Market Comparable method	25.65	-	6,799,220	-	-	179,500,000	179,500,000
						14,405,000	202,595,000	217,000,000

Fair Value Hierarchy

The fair value of the Group's/Company's investment property are categorised into Level 3 of the fair value hierarchy.

- 9.3 The Valuation of group's investment properties were carried out by an Independent Valuer, Lochana I Silva, Chartered Valuation Surveyor as at 31 March 2025 & 31 March 2024 is a specialist in valuing these types of investment properties.
- 9.4 No direct operating expenses incurred for the investment properties at Wellawaththa and Rathmalana. Rental income earned from those investment properties are disclosed in Note 28.2

10. LEASE RENTALS RECEIVABLE AND LOANS AND ADVANCES

10.1 Lease rentals Receivable

Group	Within One Year		1-5 Years		Over 5 years		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Gross Receivable								
- Lease Rentals	7,650,973,926	5,994,299,290	6,913,371,918	4,165,511,232	-	-	14,564,345,844	10,159,810,522
- Amounts receivable from Hirers	21,630,289	20,644,899	842,886	1,534,559	-	-	22,473,175	22,179,458
	7,672,604,215	6,014,944,189	6,914,214,804	4,167,045,791	-	-	14,586,819,019	10,181,989,980
Less: Unearned Income	(2,356,752,509)	(1,652,466,187)	(1,623,530,719)	(898,665,326)	-	-	(3,980,283,228)	(2,551,131,513)
Net Investment	5,315,851,706	4,362,478,002	5,290,684,085	3,268,380,465	-	-	10,606,535,791	7,630,858,467
Less:								
- Allowances For Impairment								
Losses (Note 10.1.2)	(793,244,113)	(855,579,354)	(235,409,773)	-	-	-	(1,028,653,886)	(855,579,354)
- Rentals received in advance	219,642,220	-	-	-	-	-	219,642,220	-
- Finance charges in suspense	-	132,908	-	-	-	-	-	132,908
	4,742,249,813	3,507,031,556	5,055,274,312	3,268,380,465	-	-	9,797,524,125	6,775,412,021

10.1.1 Analysis of Lease Rental Receivable & Stock Out on Hire on Maximum Exposure to credit Risk as at 31 March 2025

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Lease Receivables	-	-	94,838,255	94,838,255
Lease Rental Receivable & Stock out of Hire subject to Collective Impairment	7,533,443,785	1,702,443,322	1,495,452,649	10,731,339,756
Allowances for Expected Credit Losses	(197,069,552)	(71,313,448)	(760,270,886)	(1,028,653,886)
	7,336,374,233	1,631,129,874	830,020,018	9,797,524,125

Analysis of Lease Rental Receivable & Stock Out on Hire on Maximum Exposure to credit Risk as at 31 March 2024

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Lease Receivables	-	-	114,174,210	114,174,210
Lease Rental Receivable & Stock out of Hire subject to Collective Impairment	3,844,863,634	1,319,887,434	2,352,066,097	7,516,817,166
Allowances for Expected Credit Losses	(129,261,523)	(73,920,461)	(652,397,372)	(855,579,355)
	3,715,602,112	1,245,966,974	1,813,842,936	6,775,412,021

10.1.2 Allowance for Impairment

	2025 LKR	2024 LKR
As at 01 April	855,579,354	763,242,481
Charge for the year	173,074,532	92,336,873
As at 31 March	1,028,653,886	855,579,354

10.1.3 Movement in Allowance for Expected Credit Loss (ECL) - 2025

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Balance as at 01 April 2024	129,261,523	73,920,461	652,397,370	855,579,354
Charge/(Reversal) to Income Statement	67,808,029	(2,607,013)	304,749,177	369,950,194
Reclassification			30,437,718	30,437,718
Balance as at 31 March 2025	197,069,552	71,313,448	987,584,265	1,255,967,265

Movement in Allowance for Expected Credit Loss (ECL) - 2024

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Balance as at 01 April 2023	145,756,402	110,561,656	506,924,423	763,242,481
Charge/(Reversal) to Income Statement	(16,494,879)	(36,641,195)	145,472,947	92,336,873
Balance as at 31 March 2024	129,261,523	73,920,461	652,397,370	855,579,354

10.2 Loans and Advances

10.2.1 Group

	Within One Year		Over One Year		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Loans and Advances	1,302,995,924	934,115,342	6,423,452,929	321,354,189	7,726,448,853	1,255,469,531
Less : Allowance for Impairment						
Losses (Note 10.2.1)	(333,815,030)	(302,779,026)	(88,004,804)	(79,858,998)	(421,819,834)	(382,638,024)
	969,180,894	631,336,316	6,335,448,125	241,495,191	7,304,629,019	872,831,507

10.2.2 Company

	Within One Year		Over One Year		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Loans and Advances (Loan Given to Related party)	64,090,826	-	6,000,000,000	-	6,064,090,826	-
	64,090,826	-	6,000,000,000	-	6,064,090,826	-

*During the financial period, the Company (Abans PLC) granted a long-term loan of Rs. 6 billion to Colombo City Centre (Pvt) Ltd and Rs. 64 million to Abans Electricals PLC

10. LEASE RENTALS RECEIVABLE AND LOANS AND ADVANCES (Contd...)

10.2.3 Analysis of Loans and Advances on Maximum Exposure to credit Risk as at 31 March 2025 Group

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Loans and Advances	6,064,090,826	-	368,544,913	6,432,635,739
Loans and Advances subject to Collective Impairment	926,345,849	202,662,410	164,804,856	1,293,813,114
Allowances for Expected Credit Losses	(18,511,632)	(8,465,854)	(394,842,349)	(421,819,835)
	6,971,925,043	194,196,556	138,507,420	7,304,629,019

Analysis of Loans and Advances on Maximum Exposure to credit Risk as at 31 March 2024 Group

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Loans and Advances	-	-	342,468,716	342,468,716
Loans and Advances subject to Collective Impairment	596,583,263	133,801,467	182,616,085	913,000,814
Allowances for Expected Credit Losses	(17,768,343)	(14,604,523)	(350,265,158)	(382,638,024)
	578,814,919	119,196,944	174,819,643	872,831,507

10.2.4 Allowance for Impairment

	2025 LKR	2024 LKR
As at 01 April	382,638,024	335,402,350
Reclassification	794,679	-
Charge for the year	38,387,132	47,235,674
As at 31 March	421,819,834	382,638,024
Individual Impairment	258,506,591	293,491,679
Collective Impairment	163,313,243	89,146,344
	421,819,834	382,638,024

Movement in Allowance for Expected Credit Loss (ECL) -2025

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Balance as at 01 April 2024	17,768,343	14,604,523	350,265,158	382,638,024
Charge/(Reversal) to Income Statement	743,288	(6,138,668)	43,782,512	38,387,132
Reclassification to expected credit loss	-	-	794,679	794,679
Balance as at 31 March 2025	18,511,632	8,465,854	394,842,349	421,819,834

Movement in Allowance for Expected Credit Loss (ECL) -2024

	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Balance as at 01 April 2023	11,667,792	10,907,395	312,827,163	335,402,350
Charge/(Reversal) to Income Statement	6,100,552	3,697,128	37,437,995	47,235,674
Balance as at 31 March 2024	17,768,343	14,604,523	350,265,158	382,638,024

11. INTANGIBLE ASSETS

- 11.1 This includes only locally purchased software where it is estimated that these software will bring economic benefits to the Company over period of 4 years, and is being amortized over a period of 4 years.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 01 April	272,368,113	23,591,848	248,683,484	464,893
Acquired during the year	9,766,736	258,517,139	5,216,044	251,760,585
Charge for the year	(41,589,817)	(9,740,874)	(33,904,193)	(3,541,994)
Disposals	(1,625,000)	-	(1,625,000)	-
As at 31 March	238,920,032	272,368,113	218,370,335	248,683,484

11.2 Intangible Assets

	Useful Life	Type
HRIS	4 years	Acquired
Mobile App	4 years	Acquired
Backup Application	4 years	Acquired
Hsenid License	4 years	Acquired
SAP ERP System	4 years	Acquired

Impairment testing is done when indicators of impairment exists. The amortisation method is reviewed at each financial year end.

12. INVESTMENTS IN SUBSIDIARIES

12.1 Quoted Cost	Effect Holding - %		Number of Shares		Cost	
	2025	2024	2025	2024	2025 LKR	2024 LKR
Abans Finance PLC	50.22	50.22	37,010,472	37,010,472	472,008,992	472,008,992
			37,010,472	37,010,472	472,008,992	472,008,992
12.2 Non-Quoted						
AB Manufacturing (Pvt) Ltd	100.00	100.00	100,000,001	50,000,001	1,000,000,010	500,000,010
A.B. Sun City (Pvt) Ltd.	100.00	100.00	424,677,607	378,299,950	4,246,776,073	3,782,999,500
S A Electricals (Pvt) Ltd	100.00	N/A	400,000	400,000	30,000,000	30,000,000
Less : Impairment			-	-	(30,000,000)	-
			525,077,608	428,699,951	5,246,776,083	4,312,999,510
Total Carrying Value of Investments in Subsidiaries			562,088,080	465,710,423	5,718,785,075	4,785,008,502

12.3 Market Value

	Market Valuation 2025 LKR	Market Valuation 2024 LKR
Abans Finance PLC	1,639,563,910	777,219,912
	1,639,563,910	777,219,912

*Abans Finance PLC was Listed in Colombo Stock Exchange in June 2011

12. INVESTMENT IN SUBSIDIARIES (Contd...)

12.4 Investment in Subsidiary - Abans Finance PLC

The Company has 50.22.% (2024 - 50.22%) interest in Abans Finance PLC, which is provides a comprehensive range of financial services encompassing Acceptance of Fixed Deposits, Maintenance of saving Deposits, Providing Finance Leases, Hire Purchase, Mortgage Loans, Personal Loans and Other Credit Facilities. The registered office of the Company is located at No.498, Galle Road, Colombo 03 and the principal place of business is situated at No.456, R.A.De Mel Mawatha, Colombo 03.

12.4.1 Abans Finance PLC Summarised Statement of Profit or Loss

	2025 LKR	2024 LKR
Revenue	3,422,224,959	2,846,417,517
Operating Expenses	(2,470,858,584)	(2,632,369,659)
Profit before tax for the Year	951,366,375	214,047,858
Taxes on Financial Services	(247,738,710)	(104,635,017)
Income Tax	(277,872,042)	(5,074,791)
Profit after Tax	425,755,622	104,338,050
Other Comprehensive Income		
Revaluation Gain from Land and Buildings Net of Tax	5,001,500	2,388,750
Actuarial Gain/(Loss) on Employee Benefits Liabilities Net of Tax	(7,412,331)	2,428,225
Other Comprehensive Income for the Year, Net of Tax	(2,410,831)	4,816,975
Total Other Comprehensive Income for the Year, Net of Tax	423,344,792	109,155,024

12.4.2 Abans Finance PLC Summarised Statement of Financial Position

	2025 LKR	2024 LKR
Total Assets	13,484,926,873	11,010,320,936
Total Liabilities	(9,982,463,655)	(3,079,118,427)
Total Shareholders' Funds	3,502,463,218	7,931,202,509

12.4.3 Summarised Statement of Cash Flows

Net Cash flow from operating activities	(547,075,588)	2,171,902,953
Net Cash flow from investing activities	122,898,825	(488,005,993)
Net Cash flow from financing activities	(431,183,969)	(1,241,192,855)
Net Increase/(Decrease) in Cash and Cash Equivalents	(855,360,732)	442,704,105

13. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

13.1 Investment Details

Investor	Investee/Relationship	Holding - %		Cost		Market Valuation	
		2025	2024	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Abans PLC	Abans Electricals PLC -Associate	48.00%	48.00%	78,212,351	78,212,351	948,723,662	391,264,187
A.B. Sun City (Pvt) Ltd.	Colombo City Centre (Private) Limited - Associate	40.07%	37.39%	4,346,536,013	3,883,001,460	Not a Listed Company	

13.2 Investment in an Associate - Abans Electrical PLC

The Group/ Company has 48% (2024 - 48%) interest in Abans Electricals PLC, which is involved in the manufacturing and assembling household electrical and electronic appliances and providing repairs, maintenance and technical services of similar type of appliances. The principal places of business are situated at No. 126, Airport Road, Ratmalana, and No. 506/B, Galle Road, Colombo 06.

Abans Electricals PLC is a public quoted entity listed in Colombo Stock Exchange.

13.3 Investment in an Associate - Colombo City Centre (Private) Limited

The Group had 37.39% interest in Colombo City Centre Partners (Private) Limited, an Associate which carries out mix development project. The group held the associate through Its Subsidiary, AB Sun City (Pvt) Ltd. The principal places of business are situated at No.137, Sir James Pieris Mawatha, Colombo 02.

13. INVESTMENT IN EQUITY ACCOUNTED INVESTEE (Contd...)

- 13.4 The Group's interest in Abans Electricals PLC & Colombo City Centre Partners (Private) Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Abans Electricals PLC & Colombo City Centre (Private) Limited;

Group	Colombo City Centre		Abans Electricals		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
13.4.1 Summarised Statement of Profit or Loss						
Revenue	4,294,191,753	3,062,708,499	6,707,213,593	6,123,805,633	11,001,405,346	9,186,514,132
Operating Expenses	(1,475,811,050)	11,071,547,526	(6,011,902,709)	(5,378,153,893)	(7,487,713,759)	5,693,393,633
Finance Cost	(1,143,094,805)	(1,203,719,474)	(20,944,581)	(144,759,233)	(1,164,039,386)	(1,348,478,707)
Profit before tax for the Year	1,675,285,898	12,930,536,551	674,366,303	600,892,507	2,349,652,201	13,531,429,058
Tax	(357,519,549)	(5,048,079,570)	(213,447,230)	(117,412,585)	(570,966,779)	(5,165,492,155)
Profit after Tax	1,317,766,349	7,882,456,981	460,919,073	483,479,922	1,778,685,421	8,365,936,903
Group's Share of Profit/(Loss) for the Year	528,013,529	2,947,532,696	230,053,955	232,070,363	758,067,484	3,179,603,059
Other Comprehensive Income						
Revaluation Gain from Land and Buildings Net of Tax	73,265,573	-	-	(4,129,436)	73,265,573	(4,129,436)
Actuarial Gains on Employee Benefits Liabilities Net of Tax	-	-	(5,213,431)	(22,605,542)	(5,213,431)	(22,605,542)
Total Other Comprehensive Income for the Year, Net of Tax	73,265,573	-	(5,213,431)	(26,734,977)	68,052,142	(26,734,977)
Group's Share of Comprehensive Income for the Year, Net of Tax	29,356,656	-	(2,502,447)	(12,832,789)	26,854,209	(12,832,789)
13.4.2 Summarised Statement of Financial Position						
Non-Current Assets	33,299,088,315	33,417,342,304	1,466,241,715	1,362,039,541	34,765,330,030	34,779,381,845
Current Assets	2,693,793,535	2,468,867,015	3,787,777,795	3,841,523,726	6,481,571,330	6,310,390,741
Non-Current Liabilities	(14,986,918,042)	(13,450,476,226)	(310,149,342)	(348,024,943)	(15,297,067,384)	(13,798,501,169)
Current Liabilities	(827,272,391)	(3,543,557,562)	(2,250,628,435)	(2,566,930,411)	(3,077,900,826)	(6,110,487,973)
Equity	20,178,691,417	18,892,175,531	2,693,241,733	2,288,607,914	22,871,933,150	21,180,783,445
Group's Carrying Amount of the Investment	8,085,365,123	7,064,460,385	1,301,568,832	1,098,548,012	9,386,933,955	8,163,008,397

Summarised Statement of Cash Flows	Colombo City Centre		Abans Electricals		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Net Cash flow from operating activities	510,672,022	302,000,599	1,169,149,418	777,424,086	1,679,821,440	1,079,424,685
Net Cash flow from investing activities	(18,806,104)	(1,287,632,520)	(133,700,354)	133,181,715	(152,506,458)	(1,154,450,805)
Net Cash flow from financing activities	(74,996,189)	1,296,430,719	(804,130,202)	(615,255,478)	(879,126,391)	681,175,241
Net Increase/(Decrease) in Cash and Cash Equivalents	416,869,729	310,798,798	231,318,862	295,350,323	648,188,591	606,149,121

13.4.3 Equity Reconciliation

	Colombo City Centre		Abans Electricals		Total Investment	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Carrying Value as at 01 April	7,064,460,385	3,179,927,689	1,098,548,012	891,575,782	8,163,008,397	4,071,503,471
Investment Made during the Year	463,534,553	937,000,000	-	-	463,534,553	937,000,000
Share of Profits/(Loss) Net of Tax	528,013,529	2,947,532,696	230,053,955	232,070,363	758,067,484	3,179,603,059
Revaluation Gain Net of Tax	29,356,656	-	-	(10,850,660)	29,356,656	(10,850,660)
Actuarial Gain /(Loss)	-	-	(2,502,447)	(1,982,129)	(2,502,447)	(1,982,129)
Dividend Received	-	-	(24,530,688)	(12,265,344)	(24,530,688)	(12,265,344)
Carrying Value as at 31 March	8,085,365,123	7,064,460,385	1,301,568,832	1,098,548,012	9,386,933,955	8,163,008,397
Share of results from investment in associates to recognize to the profit and Loss						
Share of Profits/(Loss) Net of Tax	528,013,529	2,947,532,696	230,053,955	232,070,363	758,067,484	3,179,603,059
	528,013,529	2,947,532,696	230,053,955	232,070,363	758,067,484	3,179,603,059

13.5 Other Material Disclosures related to Equity Accounted Investees

13.5.1 Investment Properties - Colombo City Centre Partners (Pvt) Ltd

"As at 31 March 2025, Colombo City Centre Partners (Pvt) Ltd held following investment property accounted in line with the fair value model described in Note 2.3.12 to these financial statements. Valuation of the investment property was carried out by an Independent Valuer, H.A. Jayaratne, Chartered Valuer as at 31 December 2024 who is a specialist in valuing these types of investment properties.

The fair value of the investment property carried out below is categorised into Level 3 of the fair value hierarchy."

Description of Property	Location	Extent	Significant Unobservable Inputs Input	Range	LKR Fair Value
Retail Shopping Mall	No.137, Sir James Pieris Mawatha, Colombo 02.	189,049 Sq. Ft	Gross monthly rental per sq. ft. Occupancy rate Estimated outgoing rate Yield	Rs. 500/- to 750/- 85% 20% 5.50%	21,550,000,000

Following are the amounts recognised in the statement of profit or loss of the associate for the year ended 31 March 2025

	LKR
Fair Value Gain	510,624,220
Deferred Tax Charge on above	(153,187,266)
Impact to the Group's share of profits from the above Fair value gain (net of tax)	357,436,954

14. OTHER FINANCIAL ASSETS

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Non-Current				
Measured at Fair Value through Other Comprehensive Income (14.2 & 14.4)	10,080,400	10,080,400	10,000,000	10,000,000
	10,080,400	10,080,400	10,000,000	10,000,000
Current				
Measured at Fair Value Through Profit or Loss (Note 14.1)	856,424,050	4,277,557,039	539,352,613	3,685,708,163
Measured at Amortized Cost (Note 14.3)	2,417,332,998	2,423,679,742	1,816,103,097	716,171,920
	3,273,757,048	6,701,236,781	2,355,455,710	4,401,880,083

14.1. Financial assets measured at Fair Value Through Profit or Loss

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Investment In Quoted Equity Shares				
Royal Ceramic Lanka PLC	444,000	373,200	444,000	373,200
Investment In Unit Trust				
NDB Wealth management Fund (14.1.1)	855,980,050	4,277,183,839	538,908,613	3,685,334,963
	856,424,050	4,277,557,039	539,352,613	3,685,708,163

14.1.1. Investment In Unit Trust Movement

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Opening Balance	4,277,183,839	133,613,335	3,685,334,963	125,000,000
Acquisition	3,616,298,740	9,009,236,541	2,850,000,000	8,426,001,000
Withdrawal	(7,223,000,000)	(5,171,235,541)	(6,143,000,000)	(5,140,000,000)
Fair Value Gain/(Loss)	185,497,471	305,569,504	146,573,650	274,333,963
Closing Balance	855,980,050	4,277,183,839	538,908,613	3,685,334,963

14.2 Measured at Fair Value through Other Comprehensive Income

Group	2025	2024	Carrying Value 2025 LKR	Carrying Value 2024 LKR
Investment in Ordinary Shares				
International Restaurant Systems (Pvt) Ltd.	500,000	500,000	-	5,000,000
Less : Impairment Provision	-	-	-	(5,000,000)
			-	-
Investment in Preference Shares				
Abans Investment (Pvt) Ltd.	1,000,000	1,000,000	10,000,000	10,000,000
AB Leisure (Pvt) Ltd.	500,000	500,000	5,000,000	5,000,000
Credit Information Bureau of Sri Lanka	1,000	1,000	80,400	80,400
Less : Impairment - AB Leisure (Pvt) Limited			(5,000,000)	(5,000,000)
			10,080,400	10,080,400
			10,080,400	10,080,400

14.3 Measured at Amortized Cost

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current				
Treasury Bills	631,753,297	430,455,264	-	-
Fixed Deposits	1,785,579,701	1,993,224,478	1,816,103,097	716,171,920
Total Measured at Amortized Cost	2,417,332,998	2,423,679,742	1,816,103,097	716,171,920

14.4 Measured at Fair Value through Other Comprehensive Income

Company	No. of Shares		Carrying Value 2025 LKR	Carrying Value 2024 LKR
	2025	2024		
Investment in Ordinary Shares				
International Restaurant Systems (Pvt) Ltd.	-	500,000	-	5,000,000
Less : Impairment Provision			-	(5,000,000)
			-	-
Investment in Preference Shares				
Abans Investment (Pvt) Ltd.	1,000,000	1,000,000	10,000,000	10,000,000
AB Leisure (Pvt) Ltd.	500,000	500,000	5,000,000	5,000,000
Less : Impairment - AB Leisure (Pvt) Limited			(5,000,000)	(5,000,000)
			10,000,000	10,000,000
			10,000,000	10,000,000

15. TRADE AND OTHER RECEIVABLES

15.1

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Receivables - Related Parties	-	660,898	-	660,898
- Other	7,051,781,583	4,496,741,958	6,985,975,402	4,422,891,006
Less: Provision for Impairment	(408,182,238)	(425,030,962)	(408,182,238)	(425,030,962)
	6,643,599,345	4,072,371,894	6,577,793,164	3,998,520,942
Other Debtors - Related Parties	906,265,840	1,490,884,667	897,046,920	1,727,591,020
- Other	2,539,878,981	3,389,581,179	2,380,776,773	3,213,813,290
Less: Provision for Impairment	(643,290,625)	(681,871,521)	(612,069,090)	(631,629,559)
	9,446,453,541	8,270,966,219	9,243,547,767	8,308,295,693
Loans and Advances				
Staff Loans	64,057,372	78,518,703	18,594,832	14,582,306
	9,510,510,913	8,349,484,922	9,262,142,599	8,322,877,999
Advances and Prepayments	1,204,071,127	937,004,776	1,107,306,218	844,916,586
	10,714,582,040	9,286,489,698	10,369,448,817	9,167,794,585

15. TRADE AND OTHER RECEIVABLES (Contd..)

15.2 Provision for Impairment

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
At the Beginning of the Year	1,106,902,483	1,168,200,227	1,056,660,521	1,100,373,009
Write-off during the year	38,211,484	(260,437,661)	38,211,484	-
Provision Made During the Period	(93,641,104)	199,139,917	(74,620,677)	(43,712,488)
At the End of the Year	1,051,472,863	1,106,902,483	1,020,251,328	1,056,660,521

The Aging Details of Trade & Other Receivables are given on Note Number 25.4.1.1

15.3 Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2025

Group	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	4,151,655,946	4,151,655,946
Trade Receivable Collective Impairment	5,735,874,453	352,461,664	257,934,341	6,346,270,458
Allowances for Expected Credit Losses	(149,173,575)	(93,438,469)	(808,860,819)	(1,051,472,863)
5	5,586,700,878	259,023,195	3,600,729,468	9,446,453,541

Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2024

Group	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	5,479,129,537	5,479,129,537
Trade Receivable Collective Impairment	3,235,972,340	414,562,747	248,204,078	3,898,739,165
Allowances for Expected Credit Losses	(81,906,147)	(143,048,527)	(881,947,809)	(1,106,902,483)
	3,154,066,193	271,514,220	4,845,385,806	8,270,966,219

15.4 Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2025

Company	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	3,917,528,637	3,917,528,637
Trade Receivable Collective Impairment	5,735,874,453	352,461,664	257,934,341	6,346,270,458
Allowances for Expected Credit Losses	(149,173,575)	(93,438,469)	(777,639,284)	(1,020,251,328)
	5,586,700,878	259,023,195	3,397,823,694	9,243,547,767

Analysis of Trade and Other Receivables on Maximum Exposure to credit Risk as at 31 March 2024

Company	Stage 01 LKR	Stage 02 LKR	Stage 03 LKR	Total LKR
Individually Impaired Trade Receivables	-	-	5,466,217,049	5,466,217,049
Trade Receivable Collective Impairment	3,235,972,340	414,562,747	248,204,078	3,898,739,165
Allowances for Expected Credit Losses	(81,906,147)	(143,048,527)	(831,705,847)	(1,056,660,521)
	3,154,066,193	271,514,220	4,882,715,280	8,308,295,693

15.5 Terms & Conditions of Related Party Balances

Terms and Conditions of the outstanding balances of related party receivables stated in Note 15.1 are as follows

Type of Related party Balance	Terms and conditions of the related party transaction
Trade Receivables - Related Party	- Settlement on demand
Other Receivables - Related Party	- Settlement on demand

16. INVENTORIES	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trading Stock	16,938,228,727	9,335,404,278	17,186,105,870	9,264,307,636
Work in Progress	704,583,519	1,105,475,066	149,589,346	253,709,451
Real Estate Stock	39,483,688	40,273,387	-	-
Less: Provision for Slow Moving Inventory (Note 16.1)	(842,686,897)	(722,155,731)	(812,924,295)	(712,081,798)
Total Inventories at the Lower of Cost and Net Realizable Value	16,839,609,037	9,758,997,000	16,522,770,921	8,805,935,289

16.1 Provision for Slow Moving Inventory	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
At the Beginning of the Year	722,155,731	879,085,119	712,081,798	873,865,628
Charge / (Reversal) for the year	120,531,166	(156,929,388)	100,842,497	(161,783,830)
At the End of the Year	842,686,897	722,155,731	812,924,295	712,081,798

17. SECURITIES PURCHASED UNDER REPURCHASE AGREEMENT

Group	2025 LKR	2024 LKR
Repurchased Agreements -REPO	4,403,264	315,294,233
	4,403,264	315,294,233

18. CASH AND SHORT-TERM DEPOSITS	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
18.1 Favourable Cash and Short-Term Deposits				
Cash and Bank Balances	2,349,317,643	1,552,519,555	1,872,323,871	1,376,221,704
	2,349,317,643	1,552,519,555	1,872,323,871	1,376,221,704
18.2 Unfavourable Cash and Short-Term Deposits				
Bank Overdraft (Note 21.1)	(34,179,860)	(216,886,990)	(15,582,602)	(34,478,681)
Total Cash and Short-Term Deposits For the purpose of Cash flow Statement	2,315,137,783	1,335,632,565	1,856,741,269	1,341,743,023

19. STATED CAPITAL	2025		2024	
	No of Shares	LKR	No of Shares	LKR
Ordinary Shares *	2,221,304,615	500,869,225	2,221,304,615	500,869,225
	2,221,304,615	500,869,225	2,221,304,615	500,869,225

19. Stated Capital (Contd...)

19.1 Rights Preference and restrictions of Classes of Capital

*The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company.

**The holders of non-voting ordinary shares are entitled to receive dividends as declared from time to time at the discretion of the directors. The holders of these shares are not entitled to vote at a meeting of the Company.

20. OTHER COMPONENTS OF EQUITY

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revaluation Reserve (Note 20.1)	728,227,878	725,716,125	463,417,223	463,417,223
Other Reserves (Note 20.2)	369,869,237	780,629,932	-	-
	1,098,097,115	1,506,346,057	463,417,223	463,417,223

20.1 Revaluation Reserve

	2025 LKR	2024 LKR	2025 LKR	2024 LKR
On: Land and Buildings				
Balance as at the Beginning of the Year	725,716,125	724,516,495	463,417,223	463,417,223
Increase in Revaluation Reserve Net of Tax	2,511,753	1,199,630	-	-
Balance as at the End of the Year	728,227,878	725,716,125	463,417,223	463,417,223

20.2 Other Reserves

20.2.1 Statutory Reserve

	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at the Beginning of the Year	300,139,225	294,922,322	-	-
Transfer to Statutory Reserve Fund	21,287,781	5,216,903	-	-
Balance as at the End of the Year	321,427,006	300,139,225	-	-

20.2.2 Regulatory Risk Allowance Reserve

	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at the Beginning of the Year	480,490,707	755,907,050	-	-
Transfer to Reserve Fund / (To Retained Earnings)	(432,048,476)	(275,416,343)	-	-
Balance as at the End of the Year	48,442,231	480,490,707	-	-
Total Other Reserves	369,869,237	780,629,932	-	-

The statutory reserve fund is maintained as required by Finance Companies (Capital Funds) Direction No.1 of 2003 issued by Central Bank of Sri Lanka. As per the said Direction, every Registered Finance Company shall maintain a reserve fund, out of the net profit for each year after provisions for taxation and bad and doubtful debts. Accordingly 5% of the net profit for the year transferred to Reserve Fund as required by Section 3(b) ii of the said Direction.

Regulatory Risk Allowance Reserve

In terms of the section 7.0 on Classification and Measurement of Credit Facilities Direction No. 01 of 2020, ensure the following.

Section 7.1.3

Where the loss allowances for expected credit loss falls below the regulatory provisions (i.e., provision and accrued interest in NPL), Company shall maintain the additional loss allowance in a non-distributable regulatory loss allowance reserve (RLRA) through an appropriation of its retained earnings. The additional loss allowance shall be maintained in the RLAR at all times. When loss allowance for expected credit losses exceeds the regulatory provision, the Company may transfer the excess amount in the RLAR to its retained earnings.

Company has provided the difference of regulatory provision and impairment provision as per SLFRS 09, Rs.48,442,231/- as of 31.03.2025.

21. INTEREST BEARING BORROWINGS

21.1 Group

	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2025 Total LKR	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2024 Total LKR
Import Financing Loans	2,644,394,754	-	2,644,394,754	6,349,794,621	-	6,349,794,621
Bank Loans	12,338,446,223	7,181,319,720	19,519,765,943	5,867,750,092	731,133,346	6,598,883,438
Bank Overdrafts (Note 18.2)	34,179,860	-	34,179,860	216,886,990	-	216,886,990
Commercial Papers	115,881,228	-	115,881,228	109,083,768	-	109,083,768
Debentures - Listed - Unsecured	11,236,271	300,000,000	311,236,271	258,797,919	-	258,797,919
Securitization	150,362,272	-	150,362,272	560,647,328	54,379,812	615,027,140
	15,294,500,608	7,481,319,720	22,775,820,328	13,362,960,718	785,513,158	14,148,473,876

21.1.1 Changes in Interest Bearing Borrowings - Current Year

	As at 01 April 2024 LKR	Obtained during the year LKR	Repayments during the year LKR	Accrued Interest LKR	As at 31 March 2025 LKR
Import Financing Loans	6,349,794,621	24,259,105,804	(27,968,194,227)	3,688,556	2,644,394,754
Bank Loans	6,598,883,439	32,734,941,375	(19,901,136,601)	87,077,730	19,519,765,943
Commercial Papers	109,083,768	-	-	6,797,460	115,881,228
Debentures - Listed - Unsecured	258,797,919	300,000,000	(250,000,000)	2,438,352	311,236,271
Securitization	615,027,139	-	(529,022,964)	64,358,097	150,362,272
	13,931,586,886	57,294,047,179	(48,648,353,792)	164,360,195	22,741,640,468

Changes in Interest Bearing Borrowings - last Year

	Re-Presented As at 01 Apr 2023 LKR	Obtained during the year LKR	Repayments during the year LKR	Accrued Interest LKR	As at 31 Mar 2024 LKR
Import Financing Loans	2,782,311,446	14,259,185,923	(10,705,307,922)	13,605,174	6,349,794,621
Bank Loans	6,470,105,248	21,801,450,210	(21,679,332,384)	6,660,365	6,598,883,439
Commercial Papers	25,184,272	83,246,843	(2,623,694)	3,276,347	109,083,768
Debentures - Listed - Unsecured	258,877,987	-	(70,179,733)	70,099,665	258,797,919
Securitization	1,953,023,415	225,000,000	(1,843,698,583)	280,702,307	615,027,139
	11,489,502,368	36,368,882,976	(34,301,142,316)	374,343,858	13,931,586,886

21.2 Company

	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2025 Total LKR	Amount Repayable Within 1 Year LKR	Amount Repayable After 1 Year LKR	2024 Total LKR
Import Financing Loans	2,367,169,228	-	2,367,169,228	5,605,868,268	-	5,605,868,268
Bank Loans	11,481,231,616	6,822,071,678	18,303,303,294	4,899,652,637	245,333,346	5,144,985,983
Bank Overdrafts (Note 18.2)	15,582,602	-	15,582,602	34,478,681	-	34,478,681
Commercial Papers	115,881,228	-	115,881,228	109,083,768	-	109,083,768
Debentures - Listed - Unsecured	11,236,271	300,000,000	311,236,271	258,797,919	-	258,797,919
	13,991,100,945	7,122,071,678	21,113,172,623	10,907,881,273	245,333,346	11,153,214,619

21. INTEREST BEARING BORROWINGS (Contd...)

21.2.1 Changes in Interest Bearing Borrowings - Current Year

	As at 01 April 2024 LKR	Obtained during the year LKR	Repayments during the year LKR	Accrued Interest LKR	As at 31 March 2025 LKR
Import Financing Loans	5,605,868,268	22,323,887,071	(25,565,926,198)	3,340,087	2,367,169,228
Bank Loans	5,144,985,983	29,960,000,000	(16,886,145,812)	84,463,123	18,303,303,294
Commercial Papers	109,083,768	-	-	6,797,460	115,881,228
Debentures - Listed - Unsecured	258,797,919	300,000,000	(250,000,000)	2,438,352	311,236,271
	11,118,735,938	52,583,887,071	(42,702,072,010)	97,039,022	21,097,590,021

Changes in Interest Bearing Borrowings - Last Year	As at 01 Apr 2023 LKR	Obtained during the year LKR	Repayments during the year LKR	Accrued Interest LKR	As at 31 Mar 2024 LKR
Import Financing Loans	2,782,311,446	13,565,259,569	(10,755,307,921)	13,605,174	5,605,868,268
Bank Loans	4,959,172,396	19,874,950,210	(19,695,796,988)	6,660,365	5,144,985,983
Commercial Papers	25,184,272	83,246,843	(2,623,694)	3,276,347	109,083,768
Debentures - Listed - Unsecured	258,877,987	-	(70,179,733)	70,099,665	258,797,919
	8,025,546,101	33,523,456,622	(30,523,908,336)	93,641,551	11,118,735,938

21.3 Company Security and repayment terms -Import Finance Loans & Bank Loans

	Loan Outstanding	Tenor	Interest Rate	Collateral
Abans PLC				
Import Financing Loans	2,367,169,228	3-6 Months	AWPLR, OR +0.5% +1%	Books & Debts, Promisory Notes,
Term Loan -Sampath Bank PLC	62,000,000	4 Months	AWPLR+1.25%	Loan Agreement
Term Loan -NTB PLC	184,451,154	2Years	AWPLR+0.85%	Stocks & Book Debt
Short Term Loan - BOC PLC	2,001,265,753	6 Months	Market Rate - 7.70%	Mortgage Over Stock In Trade / Mortgage Over Land And Building
Short Term Loan -NTB PLC	300,000,000	6 Months	Market Rate - 8%	Stocks
Short Term Loan -SAM	750,821,918	6 Months	Market Rate - 8%	Stl Agreement
Short Term Loan -Seylan bank PLC	3,694,441,181	6 Months	Market Rate -7.8%	Mortgage Over Stocks
Short Term Loan -SBI PLC	420,000,000	6 Months	Market Rate -7.9%	Mortgage Over Stock In Trade / Mortgage Over Land And Building
Short Term Loan -HNB PLC	2,256,650,685	6 Months	Market Rate -8 - 8.2%	Mortgage Over Stock and book debts
Short Term Loan -PABC PLC	552,280,822	6 Months	Market Rate - 8%	Mortgage Over Stock and book debts
Short Term Loan -PB PLC	1,002,813,699	6 Months	Market Rate -7.9%	Mortgage Over Stock and book debts
Short Term Loan -UB PLC	501,839,726	6 Months	Market Rate -7.9%	Mortgage Over Stock and book debts
Commercial Papers	115,881,228	1-3 Month	AWPLR-Monthly/Weekly	No Collateral
Loan Term Loan - NDB	2,190,553,425	4 Years	12.60%	
Loan Term Loan - HNB	4,386,184,932	4 Years	12% - 12.5%	
Abans Finance PLC				
Securitization	150,362,272	19-20 Month	12%	Lease Portfolio
AB Manufacturing (Pvt)Ltd				
Bank Loans - NDB PLC	957,503,051	3-60 Month	AWPLR+1.25%	Stocks and Book Debtors, Land & Building
Bank Loans & Lease - Commercial Bank PLC	216,328,055	3 Month	AWPLR+0.5% +11.5%	Stocks and Book Debtors, Solar System
Bank Loans - Sampath Bank PLC	45,844,251	3 Month	AWPLR+1%	Stocks & Book Debts
Bank Loans - Seylan Bank PLC	-	3 Month	AWPLR+0.5%	Book Debts
Bank Loans - HNB PLC	273,619,790	3 Month	AWPLR+0.5%	Stocks & Book Debts

21.4 Debentures

Senior Listed Rated Unsecured Redeemable

Year of Issue	Face Value	Term	Issue Date	Maturity Date	Interest Rate	2025 LKR	2024 LKR
2019	250,000,000	5 Years	19/12/2019	19/12/2024	12.50%	-	258,797,919
2024	300,000,000	5 Years	18/12/2024	17/12/2029	13.00%	311,236,271	-

* The purpose of the Debenture issue was to Restructure the Capital of the Company and this was fully completed .

22. WARRANTY PROVISION

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at the beginning of the Year	342,403,822	275,690,667	342,403,823	275,690,668
Provision for the Year	946,500,186	587,591,730	946,500,186	587,591,730
Utilised during the Year	(716,112,089)	(520,878,575)	(716,112,089)	(520,878,575)
Balance as at the end of the Year	572,791,919	342,403,822	572,791,920	342,403,823

23. EMPLOYEE BENEFITS LIABILITIES

23.1 Employee Benefits Liability

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at 01 April	390,675,509	346,939,447	336,281,912	299,251,718
Provision for the Year	87,338,701	103,290,105	70,506,640	87,787,419
Net Actuarial (Gain)/Loss	50,150,977	(6,525,315)	40,535,784	(3,948,497)
Benefit Paid	(57,975,650)	(51,844,514)	(51,644,484)	(45,624,514)
Transferred from/(to) Intercompany (Note 23.8)	-	(1,184,214)	-	(1,184,214)
Balance as at 31 March	470,189,537	390,675,509	395,679,852	336,281,912

23.2 Expense on Benefits Plan

Current Service Cost	52,231,713	33,989,256	40,353,831	25,193,242
Interest Cost on Benefit Obligation	35,106,988	69,300,849	30,152,809	62,594,177
The Total Amount Charged to Statement of Profit or Loss	87,338,701	103,290,105	70,506,640	87,787,419
Actuarial (Gain)/Loss	50,150,977	(6,525,315)	40,535,784	(3,948,497)
Other Comprehensive Income charge	50,150,977	(6,525,315)	40,535,784	(3,948,497)

23.3 Actuarial & Management Consultants (Private) Limited Carried out an Actuarial Valuation of the Employed Benefit Plan - Gratuity on 31 March 2025. Appropriate and Compatible Assumptions were used in determining the cost of Retirement Benefit. The Group/Company used Projected unit credit (PCU) method of Actuarial valuation as at 31 March 2025 and 2024.

23.4 Financial Assumptions used

	Group		Company	
	2025	2024	2025	2024
Discount Rate	11% - 12%	12%	12%	12%
Salary Increment Rate	10%	10% - 12%	10%	10%

23.5 Other Inputs used in the estimation of retirement benefit liability

Staff Turnover Rate	14% - 20%	10% - 23%	20%	23%
Retirement Age	- Female	60 Years	60 Years	60 Years
	- Male	60 Years	60 Years	60 Years

23.6 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a possible change in key assumptions employed with all other variables held constant in the Employee Benefit Liability Measurement

	2025		2024	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Group				
Discount rate	448,513,709	488,033,912	376,799,132	405,148,032
Salary Increment Rate	489,763,210	446,576,314	407,421,829	374,974,318
Company				
Discount rate	380,009,486	412,670,419	325,584,914	347,191,461
Salary Increment Rate	414,070,307	378,430,745	349,191,461	324,056,107

23.7 Maturity profile of defined benefit liabilities

23.7.2 Weighted average future working life time

Group		Company	
2025	2024	2025	2024
4.5 - 5	3.7 - 7.67	4.5	3.7

23.6.2 Maturity analysis of defined benefit payments

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Within the next 12 month	86,978,671	88,971,869	74,457,538	82,932,235
Between 1-2 Year	128,530,177	119,401,385	100,537,223	102,080,399
Between 3-5 Years	112,230,596	75,966,909	108,865,964	72,602,277
Between 6-10 Years	102,774,447	79,526,097	86,000,555	65,664,294
Beyond 10 Years	36,933,286	26,809,249	25,818,572	13,002,707
	467,447,177	390,675,509	395,679,852	336,281,912

23.8 Employee Benefits Liability Transferred from/(to) Related Parties

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Abans Engineering (Pvt) Ltd	-	(899,012)	-	(899,012)
Colombo City Centre Partners (Private) Limited	-	(248,182)	-	(248,182)
Crown City Developers (Pvt) Ltd	-	(37,020)	-	(37,020)
	-	(1,184,214)	-	(1,184,214)

24. TRADE AND OTHER PAYABLES**24.1 Current**

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Payable - Related Parties	933,379,458	758,200,238	1,189,915,928	506,770,391
- Other	10,375,615,794	6,779,619,466	3,307,752,428	1,458,893,601
Other Payable - Related Parties	237,360,295	323,109,317	101,396,446	114,051,010
- Other	572,784,114	860,460,754	525,751,975	770,190,449
	12,119,139,661	8,721,389,775	5,124,816,777	2,849,905,451
Advances and Deposits	1,339,294,243	912,229,143	1,339,294,243	912,229,143
	13,458,433,904	9,633,618,918	6,464,111,020	3,762,134,594
Sundry Creditors Including Accrued Expenses	2,295,514,739	1,650,947,362	1,832,677,673	1,390,089,576
	15,753,948,643	11,284,566,280	8,296,788,693	5,152,224,170

24.2 Non-Current

Trade Payable - Other	1,855,461,119	1,538,447,586	-	-
	1,855,461,119	1,538,447,586	-	-

24.3 Terms & Conditions of Related Party Balances

Terms and Conditions of the outstanding balances of related party payables stated in Note 24.1 & 24.2 are as follows

Type of Related party Balance

Trade Payables - Related Party
Other Payables - Related Party

Terms and conditions of the related party transaction

- Settlement on demand
- Settlement on demand

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES

25.1 Financial Assets and Liabilities by Categories Group

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 09.

Financial Assets by Categories

		Notes	At Amortized Cost		Measured at Fair Value Through Profit or Loss		Measured at Fair Value Through Other Comprehensive Income	
			2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Financial instruments in non-current assets								
Other Financial Assets	14	-	-	-	-	10,080,400	10,080,400	
Lease Rentals Receivable	10.1	5,055,274,312	3,268,380,465	-	-	-	-	
Loans and Advances	10.2	6,335,448,125	241,495,191	-	-	-	-	
Financial instruments in current assets								
Lease Rentals Receivable	10.1	4,742,249,813	3,507,031,556	-	-	-	-	
Loans and Advances	10.2	969,180,894	631,336,316	-	-	-	-	
Trade and Other Receivables Excluding Pre-payments	15.1	9,510,510,913	8,349,484,922	-	-	-	-	
Other Financial Assets	14	2,417,332,998	2,423,679,742	856,424,050	4,277,557,039		-	
Cash and Short-Term Deposits	18.1	2,349,317,643	1,552,519,555	-	-	-	-	
Securities Purchased under Repurchase Agreement	17	4,403,264	315,294,233	-	-	-	-	
Total		31,383,717,962	20,289,221,980	856,424,050	4,277,557,039	10,080,400	10,080,400	

Financial Liabilities by Categories

Financial Liabilities by Categories	Notes	Financial Liabilities Measured at Fair Value		Financial Liabilities Measured at Amortized Cost	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Financial instruments in non-current liabilities					
Interest Bearing Borrowings	21.1	-	-	7,481,319,720	785,513,158
Financial instruments in current liabilities					
Interest Bearing Borrowings	21.1	-	-	15,294,500,608	13,362,960,718
Trade and Other Payables	24.1	-	-	15,753,948,643	11,284,566,280
Total					
		-	-	38,529,768,971	25,433,040,156

25.1.1 Financial Assets and Liabilities by Categories (Contd...)

Company

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 09.

Financial Assets by Categories	Notes	At Amortized Cost		Measured at Fair Value Through Profit or Loss		Measured at Fair Value Through Other Comprehensive Income	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Financial instruments in non-current assets							
Other Financial Assets	14.	-	-	-	-	10,000,000	10,000,000
Financial instruments in current assets							
Trade and Other Receivables Excluding Pre-payments	15.1	9,262,142,599	8,322,877,999	-	-	-	-
Other Financial Assets	14.	1,816,103,097	716,171,920	539,352,613	3,685,708,163	-	-
Cash and Short-Term Deposits	18.1	1,872,323,871	1,376,221,704	-	-	-	-
Total		12,950,569,567	10,415,271,623	539,352,613	3,685,708,163	10,000,000	10,000,000

Financial Liabilities by Categories	Notes	Financial Liabilities Measured at Fair Value		Financial Liabilities Measured at Amortized Cost	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Financial instruments in non-current liabilities					
Interest Bearing Borrowings	21.2	-	-	7,122,071,678	245,333,346
Financial instruments in current liabilities					
Trade and Other Payables	24.3	-	-	8,296,788,693	5,152,224,170
Interest Bearing Borrowings	21.2	-	-	13,991,100,945	10,907,881,273
Total		-	-	29,409,961,316	16,305,438,789

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

25.2 Fair Value Hierarchy

The Group/Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

The following tables sets out the group's and Company's asset and liabilities that are measured and recognised at fair value as at 31 March 2025.

Financial Assets - Group	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Recurring Fair Value Measurements				
Financial Assets:				
Measured at Fair Value Through Profit or Loss	444,000	855,980,050	-	856,424,050
Measured at Fair Value Through Other Comprehensive Income	-	-	10,080,400	10,080,400
Total Recurring Financial Assets	444,000	855,980,050	10,080,400	866,504,450
Non-Financial Assets:				
Land and Buildings	-	-	2,304,854,857	2,304,854,857
Investment Properties	-	-	228,050,000	228,050,000
Total Recurring Non-Financial Assets	-	-	2,532,904,857	2,532,904,857
Financial Assets - Company	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Recurring Fair Value Measurements				
Financial Assets:				
Measured at Fair Value Through Profit or Loss	444,000	538,908,613	-	539,352,613
Measured at Fair Value Through Other Comprehensive Income	-	-	10,000,000	10,000,000
Total Recurring Financial Assets	444,000	538,908,613	10,000,000	549,352,613
Non-Financial Assets:				
Land and Buildings	-	-	1,021,328,563	1,021,328,563
Investment Properties	-	-	228,050,000	228,050,000
Total Recurring Non-Financial Assets	-	-	1,249,378,563	1,249,378,563

The Group/Company does not have any financial liability which is carried at fair value in the statement of financial position. During the reporting period ended 31 March 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements. The group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Item and Valuation Approach	Key Comparable Data	Relationship Between Comparable Inputs to Fair Value
Unlisted Equity Securities Fair value is determined by Net Assets basis	Market value of assets, recoverable value of trade & other receivable, book value of liability	The Company's Adjusted Net Assets Value (ANAV) less than cost of investment immediately recognise as an impairment to the investment
Land and Buildings Fair value is determined by Cost Method	The valuations carried out on replacement cost method are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison. The valuation model is based on value per square meter.	The higher the value per perch/square feet, higher fair value and higher the Estimated Outgoing Expenses, lower the fair value.
Fair value is determined by Market Comparable method	Sale prices of comparable land in similar location are adjusted for differences in key attributes such as land size. The valuation model is based on value per square meter.	The higher the value per perch/square feet, higher fair value and higher the Estimated Outgoing Expenses, lower the fair value.
Fair value is determined by Income method	This method involves capitalisation of the expected rental income at an appropriate rate of years purchase currently characterised by the real estate market. Significant Unobservable Valuation Inputs includes Gross monthly rental Per Sq ft and Estimated Outgoing Expenses.	The higher the Gross monthly rental, higher fair value and higher the Estimated Outgoing Expenses, lower the fair value.

25.3 Fair Value of Financial Instruments not carried at fair value

Group	Note	2025		2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		LKR	LKR	LKR	LKR
Financial Assets					
Lease Rentals Receivable	A	9,797,524,125	10,494,199,969	6,775,412,021	7,054,754,471
Loans and Advances	A	7,304,629,019	7,671,820,216	872,831,507	1,251,832,171
Trade and Other Receivables Excluding Pre-payments	B	9,510,510,913	9,510,510,913	8,349,484,922	8,349,484,922
Securities Purchased under Repurchase Agreement	B	4,403,264	4,403,264	315,294,233	315,294,233
Cash and Short-Term Deposits	B	2,349,317,643	2,349,317,643	1,552,519,555	1,552,519,555
Other Financial Assets	B	2,417,332,998	2,417,332,998	2,423,679,742	2,423,679,742
Financial Liabilities					
Interest Bearing Borrowings	B	22,775,820,328	22,775,820,328	14,148,473,876	14,148,473,876
Trade and Other Payables	B	15,753,948,643	15,753,948,643	11,284,566,280	11,284,566,280
Company	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		LKR	LKR	LKR	LKR
Financial Assets					
Trade and Other Receivables Excluding Pre-payments	B	9,262,142,599	9,262,142,599	8,322,877,999	8,322,877,999
Loans and Advances	B	6,000,000,000	6,000,000,000	-	-
Cash and Short-Term Deposits	B	1,872,323,871	1,872,323,871	1,376,221,704	1,376,221,704
Other Financial Assets	B	1,816,103,097	1,816,103,097	716,171,920	716,171,920
Financial Liabilities					
Interest Bearing Borrowings	B	21,113,172,623	21,113,172,623	11,153,214,619	11,153,214,619
Trade and Other Payables	B	8,296,788,693	8,296,788,693	5,152,224,170	5,152,224,170

The following describes the method and assumptions used to determine the fair values for those financial assets and liabilities which are not already recorded at fair value in the financial statements;

Fair Value Hierarchy

A . Fixed Rate Financial Instruments

Carrying amounts are considered as Fair Values for short term credit facilities. All credit facilities with fixed interest rates were fair valued using market rates at which fresh credit facilities were granted during the last month of the reporting year. Conversely, fixed deposits with remaining tenors above one year and interest paid at maturity were discounted using current market rates offered to customers during the last month of the reporting year.

B. Assets & Liabilities for which Fair Value Approximates Carrying Value

The Following is a list of Financial Investments whose carrying amount is a reasonable approximation of Fair Value. Because for example, they are short-term in nature or reprice to current market rates Frequently:

Assets

Trade and Other Receivables Excluding Pre-payments
Securities Purchased under Repurchase Agreement
Cash and Short-Term Deposits
Other Financial Assets

Liabilities

Interest Bearing Borrowings
Trade and Other Payables

Reclassification of financial assets

There have been no reclassifications during 2025 & 2024.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

25.4 Financial Risk Management - Objective and Policies

The Group's risk management is overseen by the Company, in close co-operation with the board of directors and focuses on actively securing the group's short to medium term cash flows by minimizing the exposure to financial markets. Long term financial investments are managed to generate lasting returns. The group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the group is exposed are described below.

The Group is exposed to market risk, credit risk and liquidity risk.

25.4.1 Credit Risk

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

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, FVTOCI financial investments and other financial investments, the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

25.4.1.1 Trade & Other Receivables

Customers credit risk is managed by each business unit subject to the Group's established policies and procedures relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letter of credit or other forms of credit insurance.

The requirement for an impairment is analysed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data

Credit quality of trade receivables that are neither past due or impaired is explained below.

Group	Total LKR	Past Due Not Impaired					
		Neither Past Due nor Impaired LKR	< 30 days LKR	30-60 days LKR	61-90 days LKR	91-120 days LKR	> 120 days LKR
2025	6,643,599,345	3,147,378,813	1,198,685,550	715,330,782	386,862,807	244,520,605	950,820,789
2024	4,072,371,894	1,959,230,076	667,527,668	256,488,470	45,753,980	396,320,700	747,051,000

Company	Total LKR	Past Due Not Impaired					
		Neither Past Due nor Impaired LKR	< 30 days LKR	30-60 days LKR	61-90 days LKR	91-120 days LKR	> 120 days LKR
2025	6,577,793,164	3,147,378,813	1,142,812,510	711,066,886	386,451,908	244,050,558	946,032,490
2024	3,998,520,942	1,959,230,076	597,430,254	253,022,041	45,467,461	396,320,110	747,051,000

25.4.1.3 Cash in hand and at bank

In order to mitigate concentration, settlement and operational risks related to cash and cash equivalents, the group limits the maximum cash amount that can be deposited with a single counterparty. The Group and Company held cash and cash equivalents of LKR 2,349 Mn and LKR 1,872 Mn at 31 March 2025 (2024 - LKR 1,553 Mn and LKR 1,376 Mn).

25.4.1.4 Sensitivity Analysis : Impact of increase/(Decrease) of loss rate by 1% on collective allowance for expected credit losses

If the loss rates used by the Group in determining collective impairment has increased / decreased by 1%, ECL provision of the company as at 31 March 2025 would have increased / decreased by Rs. 46,188,481/- (2024- 44,180,739/-), Company Rs. 10,195,028/- (2024- 7,191,655/-).

25.4.2 Credit Exposure

Maximum Exposure to Credit risk

The following table shows the maximum exposure to credit risk by class of financial asset and the value of financial assets covered by the collateral.

Group

Type of Collateral 2025	Maximum Exposure to Credit Risk	Fair Value of Collateral Held				Total Collateral held	Net Exposure to Credit Risk
		Cash / Near Cash	Property Mortgages	Moveable Assets *	Other **		
Cash and Bank Balances (Excluding cash in hand)	2,342,538,657	-	-	-	-	-	2,342,538,657
Securities Purchased under Repurchase Agreement	4,403,264	-	-	-	-	-	4,403,264
Measured at Fair Value through Other Comprehensive Income	10,080,400	-	-	-	-	-	10,080,400
Measured at Fair Value Through Profit or Loss	856,424,050	-	-	-	-	-	856,424,050
Measured at Amortized Cost	2,417,332,998	-	-	-	-	-	2,417,332,998
Trade and Other Receivables excluding Prepayments	9,510,510,913	-	-	-	-	-	9,510,510,913
	15,141,290,282	-	-	-	-	-	15,141,290,282

Type of Collateral 2024	Maximum Exposure to Credit Risk	Fair Value of Collateral Held				Total Collateral held	Net Exposure to Credit Risk
		Cash / Near Cash	Property Mortgages	Moveable Assets *	Other **		
Cash and Bank Balances (Excluding cash in hand)	1,545,902,113	-	-	-	-	-	1,545,902,113
Securities Purchased under Repurchase Agreement	315,294,233	-	-	-	-	-	315,294,233
Measured at Fair Value through Other Comprehensive Income	10,080,400	-	-	-	-	-	10,080,400
Measured at Fair Value Through Profit or Loss	4,277,557,039	-	-	-	-	-	4,277,557,039
Measured at Amortized Cost	2,423,679,742	-	-	-	-	-	2,423,679,742
Trade and Other Receivables excluding Prepayments	8,349,484,922	-	-	-	-	-	8,349,484,922
Loans and Advances	1,298,247,793	591,528,895	580,010,500	725,386,000	-	1,896,925,395	-
Lease rentals receivable	7,630,935,603	-	-	10,305,300,363	-	10,305,300,363	-
	25,851,181,845	591,528,895	580,010,500	11,030,686,363	-	12,202,225,759	16,921,998,449

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

Company

Type of Collateral 2025	Maximum Exposure to Credit Risk	Fair value of Collateral held	Net Exposure to Credit Risk
Cash and Bank Balances (Excluding cash in hand)	1,865,544,885	-	1,865,544,885
Measured at Fair Value through Other Comprehensive Income	10,000,000	-	10,000,000
Measured at Fair Value Through Profit or Loss	539,352,613	-	539,352,613
Measured at Amortized Cost	1,816,103,097	-	1,816,103,097
Trade and Other Receivables excluding Prepayments	9,262,142,599	-	9,262,142,599
	13,493,143,194	-	13,493,143,194

Type of Collateral 2024	Maximum Exposure to Credit Risk	Fair value of Collateral held	Net Exposure to Credit Risk
Cash and Bank Balances (Excluding cash in hand)	1,369,604,262	-	1,369,604,262
Measured at Fair Value through Other Comprehensive Income	10,000,000	-	10,000,000
Measured at Fair Value Through Profit or Loss	3,685,708,163	-	3,685,708,163
Measured at Amortized Cost	716,171,920	-	716,171,920
Trade and Other Receivables excluding Prepayments	8,322,877,999	-	8,322,877,999
	14,104,362,344	-	14,104,362,344

25.4.2.1 Liquidity Risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium-term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans and overdrafts.

25.4.2.2 Liquidity risk management

The business units attempt to match contracted cash outflows in each time bucket using a combination of operational cash inflows and other inflows that can be generated through the liquidation of short-term investments, repurchase agreements or other secured borrowings.

Contractual maturity analysis

The below table summarizes the maturity periods of liabilities in due.

Group (As at 31 March 2025)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	15,294,500,608	1,481,319,720	6,000,000,000	22,775,820,328
Trade and Other Payables	15,753,948,643	-	-	15,753,948,643
	31,048,449,251	1,481,319,720	6,000,000,000	38,529,768,971
Group (As at 31 March 2024)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	13,362,960,718	400,513,158	385,000,000	14,148,473,876
Trade and Other Payables	11,284,566,280	-	-	11,284,566,280
	24,647,526,998	400,513,158	385,000,000	25,433,040,156
Company (As at 31 March 2025)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	13,991,100,945	1,122,071,678	6,000,000,000	21,113,172,623
Trade and Other Payables	8,296,788,693	-	-	8,296,788,693
	22,287,889,638	1,122,071,678	6,000,000,000	29,409,961,316
Company (As at 31 March 2024)	Less than 1 year LKR	1 to 2 years LKR	2 to 5 years LKR	Total LKR
Interest Bearing Borrowings	10,907,881,273	245,333,346	-	11,153,214,619
Trade and Other	5,152,224,170	-	-	5,152,224,170
	16,060,105,443	245,333,346	-	16,305,438,789

Due to recent economic developments, Group has given more focus on its liquidity position. Group has implemented procurement and vendor evaluation policies to prevent payment of excessive prices to suppliers and to obtain favorable credit periods in order to ensure a strong working capital position. Adequate short-term working capital facilities provided by banks are available to the Group which are utilised in the event of a requirement. The Group maintains a constant dialogue with the banking sector institutions to ensure that there are sufficient working capital facilities available whenever required and closely monitors their utilisation.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - OBJECTIVE AND POLICIES (Contd...)

25.4.2.3 Capital Management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure shareholder value is maximized.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025.

25.4.3 Market Risk

The group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk.

Foreign Currency Risk

Foreign 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 Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements.

The group has been closely monitoring the exchange rate fluctuations due to the recent market developments since significant inventories are purchased from the international markets. Close scrutiny is given to measures taken by the regulatory bodies to manage the exchange rates and selling prices of the products are aligned according to the currency fluctuations.

"The Sri Lankan Rupee witnessed significant volatility and the currency depreciated sharply during the year ended 31 March 2025. In addition to the depreciation of the currency, there were significant challenges in the foreign currency market on the back of a marked reduction in liquidity amidst declining confidence and a depletion of foreign currency reserves in the country. This resulted in a series of measures such as the continuation of certain import controls and stipulations on foreign currency conversions and remittances. The lack of confidence in the market however resulted in a sharp reduction in foreign currency employment remittances which exacerbated the liquidity situation. The Group adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows.

Following Table demonstrate the maturity profile of the foreign currency denominated Payables."

Foreign Currency Denominated Payable	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Foreign Currency Denominated Payable	1,607,743,041	430,652,679	1,159,103,408	265,087,941
	2025	2024	2025	2024
Foreign Currency Denominated payables maturity analysis Risk as at 31 March 2024	USD - \$	USD - \$	USD - \$	USD - \$
Within 03	5,425,186	1,328,442	3,911,302	817,440
More than Three Month	-	-	-	-
Total Foreign Currency Denominator payable	5,425,186	1,328,442	3,911,302	817,440

Exchange rate Sensitivity (Group/ Company)

If the closing exchange rate of Sri Lankan Rupee against 1 US dollar increase/decrease by 1 rupee per dollar, Group foreign currency denominated payables would have increased/decreased by Rs 1,328,442/-

25.4.4 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Long Term Loans @ Variable Interest	3,981,319,720	731,133,346	3,322,071,678	245,333,346
Long Term Loans @ Fixed Interest	3,800,000,000	54,379,812	3,800,000,000	-
Short Term Loans @ Variable Interest Rate	14,717,020,837	12,434,431,703	13,563,983,446	10,539,999,586
Short Term Loans @ Fixed Interest	277,479,771	928,529,015	427,117,499	367,881,687

Interest Rate Sensitivity

All of Group's borrowings with variable interest rates are linked with AWPLR - LKR. If the AWPLR rate increase/decrease by 1% during the year, profit for the year would have decreased/increased by Rs 157.6 Mn. (2024 - Rs 102.9 Mn)

Other Price Risk

The Group is exposed to equity price risk in respect of its listed equity securities and price risk for listed debentures. The Group manages those risks by monitoring the markets closely. According to Group policies amounts invested in volatile assets such as shares and debentures are restricted by limits set by Group management.

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - RISK CONCENTRATION

26.1 Analysis of Risk Concentration - Group

The following table shows the risk concentration by sector for the Financial Assets components of the Statement of Financial Position.

As at 31 March 2025 - Group

Purpose wise Breakdown	Cash and Bank Balances	Securities Purchased under Repurchase Agreement	Loans and Advances	Lease rentals receivables	Equity instruments at fair value through OCI	Debt instruments at amortised cost	Equity instruments at fair value through P&L	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	-	-	16,734,324	1,200,597,431	-	-	-	1,217,331,755
Manufacturing	-	-	66,964,880	596,343,471	-	-	-	663,308,351
Construction	-	-	81,509,942	529,541,363	-	-	-	611,051,305
Financial Services	2,349,317,643	-	25,380,862	64,162,316	80,400	1,785,579,701	-	4,224,520,922
Trading	-	-	85,257,232	342,280,269	-	6,643,599,345	-	7,071,136,846
Government	-	4,403,264	-	-	-	631,753,297	-	636,156,561
Hotels	-	-	6,011,423,830	121,282,294	-	-	-	6,132,706,124
Services	-	-	359,922,783	507,751,067	10,000,000	-	-	877,673,850
Others	-	-	657,435,166	6,435,688,654	-	2,866,911,568	444,000	9,960,479,388
Total	2,349,317,643	4,403,264	7,304,629,019	9,797,646,865	10,080,400	11,927,843,911	444,000	31,394,365,102

As at 31 March 2024 - Group

Purpose wise Breakdown	Cash and Bank Balances	Securities Purchased under Repurchase Agreement	Loans and Advances	Lease rentals receivables	Equity instruments at fair value through OCI	Debt instruments at amortised cost	Equity instruments at fair value through P&L	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	-	-	19,612,918	10,824,333	-	-	-	30,437,251
Manufacturing	-	-	31,152,111	12,871,494	-	-	-	44,023,605
Construction	-	-	51,398,059	4,335,127	-	-	-	55,733,186
Financial Services	1,552,519,555	-	48,221,297	4,041,991	80,400	1,993,224,478	4,277,183,839	7,875,271,560
Trading	-	-	31,356,197	15,067,717	-	4,072,371,894	-	4,118,795,808
Government	-	315,294,233	-	-	-	430,455,264	-	745,749,497
Hotels	-	-	22,854,039	4,052,028	-	-	-	26,906,067
Services	-	-	306,397,262	34,828,254	10,000,000	-	-	351,225,516
Others	-	-	361,839,622	6,689,391,080	-	4,277,113,028	373,200	11,328,716,930
Total	1,552,519,555	315,294,233	872,831,505	6,775,412,024	10,080,400	10,773,164,664	4,277,557,039	24,576,859,420

26.2 Analysis of Risk Concentration - Company

As at 31 March 2025- Company

Purpose wise Breakdown	Cash and Bank Balances	Securities Purchased under Repurchase Agreement	Loans and Advances	Lease rentals receivables	Equity instruments at fair value through OCI	Debt instruments at amortised cost	Equity instruments at fair value through P&L	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Financial Services	1,872,323,871	-	-	-	-	1,816,103,097	538,908,613	4,227,335,581
Trading	-	-	-	-	-	6,577,793,164	-	6,577,793,164
Hotels	-	-	6,000,000,000	-	-	-	-	6,000,000,000
Services	-	-	64,090,826	-	10,000,000	-	-	74,090,826
Others	-	-	-	-	-	2,684,349,435	444,000	2,684,793,435
Total	1,872,323,871	-	6,064,090,826	-	10,000,000	11,078,245,696	539,352,613	19,564,013,006

As at 31 March 2024 - Company

Purpose wise Breakdown	Cash and Bank Balances	Securities Purchased under Repurchase Agreement	Loans and Advances	Lease rentals receivables	Equity instruments at fair value through OCI	Debt instruments at amortised cost	Equity instruments at fair value through P&L	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Financial Services	1,376,221,704	-	-	-	-	716,171,920	3,685,334,963	5,777,728,587
Trading	-	-	-	-	-	3,998,520,942	-	3,998,520,942
Hotels	-	-	-	-	-	-	-	-
Services	-	-	-	-	10,000,000	-	-	10,000,000
Others	-	-	-	-	-	4,324,357,057	373,200	4,324,730,257
Total	1,376,221,704	-	-	-	10,000,000	9,039,049,919	3,685,708,163	14,110,979,786

27. ASSETS PLEDGED

The following assets have been pledged as security for Liabilities.

27.1 Assets Pledged by Abans PLC

Nature of Assets	Nature of Liability	Purpose	Carrying Amount Pledged	
			2025 LKR	2024 LKR
Finished Goods	Primary Mortgage Bond over Stock For LKR 5,845.5 Mn	Import Loans	-	8,805,935,289
Trade Debtors - Other	Primary Mortgage Bond over Debtors For LKR 5,845.5 Mn	Import Loans	-	3,998,520,942
Finished Goods and Trade Debtors	Primary Mortgage Bond over Debtors and Stock For LKR 2,635 Mn	Import Loans	23,100,564,085	12,804,456,231
Trade Debtors - H.P Debtors	Hire Purchased Receivable Securitization Loan-LKR 2,397 Mn	Term Loan	-	2,422,869,858
Finished Goods and Trade Debtors	Primary Mortgage Bond over Stock and Receivables of 520 Mn	Term Loan	-	12,804,456,231

27.2 Assets Pledged by Abans Finance PLC

Placement with Bank	Bank Overdraft	65,860,533	93,214,748
Lease & Hire Purchase Receivables	Term Loan	333,439,988	1,713,924,034

28. LEASES

28.1 Group as a lessee

Amounts recognised in the statement of financial position and income statement

Set out below, are the carrying amounts of the Group's right of use assets and the lease liability and the movements for the period ended 31 March 2025.

28.1.1 Right of use assets
Lease hold Lands

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 1 April	236,363,633	238,989,896	236,363,633	238,989,896
Depreciation expense	(2,626,259)	(2,626,263)	(2,626,259)	(2,626,263)
As at 31 March	233,737,374	236,363,633	233,737,374	236,363,633

Lease hold Buildings

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 1 April	1,907,512,035	1,349,149,034	1,765,062,921	1,197,773,603
Transfers - (SLFRS 16 Initial Recognition)				
Additions	1,131,986,640	507,534,962	1,027,175,655	468,049,596
Lease Modifications	(21,636,763)	870,016,485	-	870,016,485
Depreciation expense	(777,155,456)	(766,513,079)	(731,480,016)	(718,101,396)
Disposal	(83,451,525)	(52,675,367)	(83,451,525)	(52,675,367)
As at 31 March	2,157,254,931	1,907,512,035	1,977,307,035	1,765,062,921
Total ROU Assets as at 31 March	2,390,992,305	2,143,875,668	2,211,044,409	2,001,426,554

Estimated life time of ROU assets with respect to lease hold properties equals to its lease term. Lease terms with respect to above lease hold properties are disclosed in Note No 2.3.11

28. LEASES (Contd....)

28.1.2 Lease liability

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 1 April	2,483,731,181	2,037,381,709	2,314,445,753	1,871,259,359
Additions	1,060,706,286	351,736,105	982,367,324	316,445,860
Lease Modifications	-	870,016,489	-	870,016,489
Accretion of interest	366,306,425	371,397,613	341,191,565	344,773,255
Payments	(1,074,241,280)	(1,101,950,016)	(1,015,025,532)	(1,043,198,491)
Disposal	(108,316,588)	(44,850,719)	(108,316,588)	(44,850,719)
As at 31 March	2,728,186,024	2,483,731,181	2,514,662,522	2,314,445,753
Current	527,340,434	654,624,307	525,583,620	621,342,234
Non-Current	2,200,845,590	1,829,106,875	1,989,078,902	1,693,103,519
Total lease liability as at 31 March	2,728,186,024	2,483,731,182	2,514,662,522	2,314,445,753

The maturity analysis of gross lease liabilities as at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Within 01 Year	822,960,308	806,876,623	821,203,494	773,594,550
01 to 05 Years	2,335,867,432	2,099,279,175	2,250,927,389	2,003,574,044
More Than 05 Years	360,138,770	232,720,141	233,312,125	192,421,916
Total	3,518,966,510	3,138,875,939	3,305,443,008	2,969,590,510

Following are the amounts recognised in profit or loss for the year ended 31 March

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Depreciation of right-of-use assets	779,781,715	769,139,342	734,106,275	720,727,659
Interest expense on lease liabilities	366,306,425	371,104,715	341,191,565	344,480,357
Expense relating to short-term leases (included in Administrative Expenses)	160,608,756	7,963,697	160,108,756	7,963,697
Variable lease payments (included in Administrative Expenses)	113,217,224	7,782,765	113,217,224	7,782,765
Total amount recognised in profit or loss	1,419,914,121	1,155,990,519	1,349,123,821	1,080,954,478

The following provides information on the variable lease payments, including the magnitude in relation to fixed payments:

Group

	Fixed Payments		Variable Payments		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Rent Payments	1,074,241,280	1,109,913,713	113,217,224	7782765	1,348,067,261	1,117,696,478
	1,074,241,280	1,109,913,713	113,217,224	7782765	1,348,067,261	1,117,696,478

Company

	Fixed Payments		Variable Payments		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Rent Payments	1,015,025,532	1,051,162,188	113,217,224	7,782,765	1,348,067,261	1,058,944,953
	1,015,025,532	1,051,162,188	113,217,224	7,782,765	1,288,851,513	1,058,944,953

Sensitivity of Right-of use Assets /Lease Liability to Discount Rate -2025

	Group		Company	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
ROU Assets as at 31 March 2025	2,140,624,967	2,285,302,761	2,146,547,945	2,279,379,783
Lease Liability as at 31 March 2025	2,435,386,495	2,598,304,606	2,411,309,473	2,592,381,628
Impact to Profit or Loss for the year ended 31 March 2025	4,096,459	(4,623,612)	3,838,903	(4,366,056)

Sensitivity of Right-of use Assets /Lease Liability to Discount Rate -2024

	Group		Company	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
ROU Assets as at 31 March 2024	1,942,912,283	2,063,415,781	1,943,044,668	2,063,283,396
Lease Liability as at 31 March 2024	2,244,349,537	2,388,343,264	2,244,481,922	2,388,210,879
Impact to Profit or Loss for the year ended 31 March 2024	6,130,169	(6,284,902)	5,997,784	(6,152,517)

28.2 Group as a lessor**Group/Company**

The Group has entered into operating leases on its investment property portfolio consisting of certain Lands & office buildings (see Note 9). These leases have lease terms of 2 years.

Rental income recognised by the Group/Company during the year is Rs. 2,787,480/- (2024: Rs 2,787,480/-).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows

	2025 LKR	2024 LKR
Within one year	2,787,480	2,787,480
After one year but not more than five years	-	-
Total	2,787,480	2,787,480

29 COMMITMENTS AND CONTINGENCIES

There were no material Commitments and Contingencies as at the reporting date except followings.

29.1 Financial Contingencies

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Letters of Credit opened with Banks Favours Suppliers	7,616,595,027	5,670,791,608	7,167,955,394	5,408,030,108
Guarantees Issued by Banks	3,205,179,736	2,719,217,972	3,205,179,736	2,719,217,972

29.2 Tax Contingencies

Abans PLC -Company

VAT for periods between January 2014 to March 2014

- CGIR has issued assessment notices on Abans PLC pertaining to VAT for periods between January 2014 to March 2014. The Company has appealed to the Tax Appeal Commission against the determination made by the CGIR.

Surcharge Tax for the year of assessment 2020/2021

- Commissioner General of Inland Revenue (CGIR) has issued an assessment to Abans PLC on Surcharge Tax for the year of assessment 2020/2021. The Company has requested the CGIR to review the decision of Assessment.

Based on the advice of tax consultants (Amerasekara & Co), the management of the company is of the opinion that there is no basis for above assessments. Hence, no provision has been made in the Financial Statements as at 31 March 2025 with respect to above assessments.

29.3 Litigations

There were no material litigations against the Group as at reporting date which require adjustments to or disclosure in the financial statements.

29.4 Commitments

There were no significant capital commitments which have been approved or contracted for by the Company/Subsidiaries as at reporting date except for following

30. Related Party Disclosures

The Company Carried out Transactions in the Ordinary Course of its Business with Parties who are defined as Related Parties as Per Sri Lanka Accounting Standards LKAS-24 on "Related Party Disclosures". The Details of which are Reported Below,

30.1 Transaction with /between Immediate Parent - Abans Retail Holdings (Private) Limited

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at 01 April	298,847,221	139,958,157	298,847,221	139,958,157
Receipt of Services	(42,000,000)	(42,000,000)	(42,000,000)	(42,000,000)
Payments Received for Services	377,138,340	200,889,064	377,138,340	200,889,064
Dividend Paid	(488,687,015)	-	(488,687,015)	-
Balance as at 31 March	145,298,545	298,847,221	145,298,545	298,847,221

30.2 Transaction with /between Subsidiaries

	2025 LKR	2024 LKR
Balance as at 01 April	229,959,671	332,148,628
Nature of Transaction		
Sale of goods	1,614,314	(450,929,517)
Purchase of Goods	(3,869,666,982)	(1,891,346,207)
Rendering of Services	3,930,492	98,798,703
Receipts of Services	(2,383,716)	(32,731,166)
Fund collected on behalf of Abans Finance PLC	490,533,470	510,887,499
Rent Income	2,560,225	-
Investment in Subsidiary	(500,000,000)	-
Balance Transferred to Other	(278,067,052)	(94,065,230)
Net Payments for Purchase of Goods and Receipts of Services	4,268,030,411	2,051,961,316
Others	(692,170,321)	(294,764,354)
Balance as at 31 March	(345,659,487)	229,959,671

* Subsidiaries including

Abans Finance PLC, AB Manufacturing (Pvt) Ltd, SA Electricals (Pvt) Ltd & AB Sun City (Pvt) Ltd.

30.3 Transaction with /between Associate -Abans Electricals PLC & Colombo City Centre Partners (Private) Limited

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at 01 April	(709,716,644)	(281,084,504)	(445,705,426)	(281,084,504)
Nature of Transaction				
Sale of goods	182,068,657	144,975,547	50,290,263	118,605,825
Purchase of Goods	(2,017,998,930)	(1,949,496,546)	(1,507,650,022)	(1,588,543,757)
Receipt of Services	(1,181,933,993)	(1,252,824,454)	(1,063,270,045)	(1,251,783,954)
Rendering of Services	33,752,779	87,308,917	33,752,779	87,308,917
Rent Expenses	(126,054,975)	(183,765,973)	(126,054,975)	(183,765,973)
Intercompany Loan	6,064,090,826	-	6,064,090,826	-
Net Payments for Purchase of Goods and Receipts of Services	3,563,449,562	3,049,630,509	2,878,847,959	2,978,839,210
VAT Portion of Purchase of Goods	(470,327,859)	(324,460,141)	(470,327,859)	(325,281,191)
Balance as at 31 March	5,337,329,423	(709,716,644)	5,413,973,500	(445,705,426)

30 RELATED PARTY DISCLOSURES (Contd...)

30.4 Transaction with Others

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at 01 April	821,105,437	318,892,315	1,024,329,051	1,009,740,852
Transferred to Joint Venture				
Sale of goods	183,507,077	8,382,514	183,507,077	8,382,514
Purchase of Goods	(1,701,416)	(3,756,472)	-	(8,665,492)
Balance Transferred from Subsidiaries	-	115,692,746	-	115,692,746
Rendering of Services	163,239,024	376,269,951	163,239,024	376,269,951
Receipts of Services	(2,576,639,765)	(2,051,195,374)	(2,510,772,396)	(2,048,461,794)
Rent Expenses	(194,926,800)	(119,033,691)	(194,926,800)	(119,033,691)
Net Payments for Purchase of Goods and Receipts of Services	2,355,902,087	2,415,800,617	2,215,485,491	1,923,536,691
Other	(433,496,700)	(239,947,169)	(424,648,637)	(233,132,726)
Balance as at 31 March	316,988,945	821,105,437	456,212,810	1,024,329,051

* Other related parties including

Abans Office Automation (Pvt) Ltd, Abans Warehousing (Pvt) Ltd, ABS Gardner Dixon Hall International (Pvt) Ltd, Abans Investments (Pvt) Ltd, Crown City Developers (Pvt) Ltd, Abans Environmental Services (Pvt) Ltd, AB Leisure (Pvt) Ltd, Abans Constructions & Engineering (Pvt) Ltd, Cleantech (Pvt) Ltd, Abans Tourist Hotels (Pvt) Ltd, Abans Development (Pvt) Ltd, Abans Consolidated (Pvt) Ltd, A-Z Electronics (Pvt) Ltd, Sirius Technologies Services (Pvt) Ltd, A-Z Lanka (Pvt) Ltd, International Restaurant Systems (Pvt) Ltd, AB Securitas (Pvt) Ltd, S.A. Electricals (Pvt) Ltd, Aban Pestonjee Trust, Abans Courier (Pvt) Ltd., AB Logistics Ltd, AB Transport (Pvt) Ltd, Abans Marketing (Pvt) Ltd, Absgro (Pvt) Ltd, Logirite (Pvt) Ltd, Abans Resorts (Pvt) Limited, Abstract Lanka (Pvt) Ltd, Abans International (Pvt) Ltd, Abans Logistic (Pvt) Ltd, Abans Partnership, Ironwood Investment Holding (Pvt) Ltd, Abans Engineering (Pvt) Ltd, Abans Lands (Pvt) Ltd and Abans Information System (Pvt) Ltd.

30.5 Disclosures in relation to related party transactions in accordance with the continuing listing requirements of the Colombo Stock Exchange

Recurrent related party transactions

Nature of the transaction	Aggregate value of related party transactions entered into during the year	Aggregate value of related party transactions as % of Net revenue	Terms and conditions of the related party transaction
Rendering of Services	196,991,803	0.38%	Settlement on demand
Receipts of Services	(3,758,573,758)	-7.21%	Settlement on demand
Sale of goods	365,575,733	0.70%	Settlement on demand
Purchase of Goods	(1,953,253,018)	-3.74%	Settlement on demand
Rent Expenses	(320,981,774)	-0.62%	Settlement on demand
Fund Transfers	5,919,351,650	11.35%	Settlement on demand
Others	(433,496,700)	-0.83%	Settlement on demand
VAT Portion of Purchase of Goods	(470,327,859)	-0.90%	Settlement on demand

Non-recurrent related party transactions

Nature of the transaction	Aggregate value of related party transactions entered into during the year	Aggregate value of related party transactions as % of Equity	Aggregate value of related party transactions as % of Assets	Terms and conditions of the related party transaction
Dividend Paid	(488,687,015)	2.16%	0.72%	Board Resolution

30.6 Transactions with Key Management Personnel of the Company

The key management personnel include members of the Board of Directors of Abans PLC and its Subsidiary Companies including Abans Finance PLC

30.6.1 Transactions with Key Management Personnel of the Company

Key Management Personnel Compensation

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Short-term employee benefits	83,613,145	68,072,065	48,213,397	39,111,605
Post-employment benefits	4,050,000	4,050,000	1,800,000	1,800,000
	87,663,145	72,122,065	50,013,397	40,911,605

30.6.2 Other Transactions with Key Management Personnel

Key Management Personnel Compensation

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Fixed Deposits accepted during the year	45,200,000	95,645,000	-	-
Fixed Deposits held at the end of the year	205,224,980	218,557,261	-	-
Rent paid for the properties leased out	5,775,000	10,920,000	5,775,000	10,920,000

31 EVENTS OCCURRING AFTER THE REPORTING DATE

Events after the reporting period are those events, favourable and unfavourable, that occur between the reporting date and the date of the financial statements are authorised for issue.

There are no events occurring after the reporting date which require adjustments to or disclosure in the financial statements as at 31 March 2025.

32 RECLASSIFICATION OF COMPARATIVES

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

Impact on the Statement of Profit or Loss for the Year Ended 31st March 2024

	Previously Reported LKR	Impact of Adjustment LKR	Reclassified Amount LKR
Group			
Non-Current Assets			
Trade and Other Payables	-	1,538,447,586	1,538,447,586
Current Assets			
Trade and Other Payables	12,823,013,866	(1,538,447,586)	11,284,566,280

The above reclassification did not have any impact on other comprehensive income, statement of financial position, earnings per share, operating, investing and financing cash flows for the year ended 31 March 2024.

INVESTOR INFORMATION

1 STATED CAPITAL

Class of Shares	31 st March 2025		31 st March 2024	
	No. of Shares	LKR	No. of Shares	LKR
Ordinary Voting Shares	2,221,304,615	500,869,225	2,221,304,615	500,869,225
Class B Ordinary Management Non-Voting	-	-	-	-
Total Ordinary Shares (Voting & Non-Voting)	2,221,304,615	500,869,225	2,221,304,615	500,869,225

- 2 Stock Exchange Listing Issued Shares of the Company are not listed with the Colombo Stock Exchange of Sri Lanka. Only the Debentures (LKR 250 Million) of the Company are listed with Colombo stock exchange with effect from 27th December 2019.

3 DISTRIBUTION OF SHAREHOLDING

Total Ordinary Shares (Voting & Non-Voting)	31 st March 2025			31 st March 2024		
	No of Share Holders	No of Shares	Per Centum	No of Share Holders	No of Shares	Per Centum
1-1,000	-	-	-	-	-	-
1,001-10,000	-	-	-	-	-	-
over 1,000,000	1	2,221,304,615	100	1	2,221,304,615	100
Total	1	2,221,304,615	100	1	2,221,304,615	100

4 TWENTY LARGEST SHAREHOLDERS

Ordinary Voting Shares Class -A	Voting as at 31 st March 2025		Voting as at 31 st March 2024	
	No of Share	%	No of Share	%
Abans Retail Holdings (Private) Limited	2,221,304,615	100	2,221,304,615	100
	2,221,304,615	100	2,221,304,615	100

5 PUBLIC HOLDING

	2025	2024
Total number of shares Issued	2,221,304,615	2,221,304,615
No of Shares held by the Public	Nil	Nil
Percentage of Shares held by the Public	Nil	Nil

6 MARKET VALUE PER SHARE

Market value is not available since the shares of the company is not Publicly traded

7 NET ASSETS PER SHARE

	2025	2024
Group	10.19	9.06
Company	6.70	6.15

8 DEBT SECURITIES RELATED DETAILS

	Group		Company	
	2025	2024	2025	2024
Gearing Ratio	0.50	0.41	0.59	0.45
Quick Assets Ratio	0.67	0.84	0.62	0.86
Interest Coverage Ratio	2.20	1.77	1.78	1.95
Debt to Equity Ratio	1.01	0.70	1.42	0.82

9 INTEREST RATE OF COMPARABLE GOVERNMENT SECURITY

Debenture Issue - 5 years	2024	2019
Abans PLC	13%	12.50%
Government	10.75	9.87%

10 MARKET VALUE PER DEBENTURE

Debenture Issue - 5 years	2024	2019
	LKR	LKR
Highest Price	N/T	N/T
Lowest Price	N/T	N/T
Last Traded Price	N/T	N/T

N/T - Not Traded

* The 2019 debenture issue of LKR 250 million matured in December 2024, and a new debenture of LKR 300 million was issued in the same month

 TITAN



FIVE YEARS SUMMARY - STATEMENT OF FINANCIAL POSITION

As at 31 March	Group				
	2025 LKR	2024 LKR	2023 LKR	2022 LKR	2021 LKR
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4,591,446,910	4,322,976,623	3,644,358,852	2,414,881,684	1,601,623,008
Leasehold Land Payments	-	-	-	-	-
Investment Properties	228,050,000	217,000,000	209,900,000	199,800,000	338,010,500
Intangible Assets	238,920,032	272,368,113	23,591,848	29,589,336	41,336,633
Investments in Subsidiaries	-	-	-	-	-
Investment In Equity Accounted Investee	9,386,933,955	10,054,809,979	4,071,503,471	844,128,901	3,076,082,955
Right of Use Assets - Leasehold Properties	2,390,992,305	2,143,875,668	1,588,138,930	2,555,446,071	1,961,735,009
Deferred Tax Assets	546,200,183	466,643,209	516,250,775	325,178,261	272,179,487
Other Non-Current Financial Assets	10,080,400	10,080,400	23,693,735	306,283,375	15,080,400
Lease Rentals Receivable and Stock Out on Hire	5,055,274,312	3,268,380,465	5,048,397,461	4,027,360,100	2,495,559,878
Loans and Advances	6,335,448,125	241,495,191	402,548,759	345,080,945	412,946,182
	28,783,346,222	20,997,629,648	15,528,383,831	11,047,748,673	10,214,554,052
Current Assets					
Inventories	16,839,609,037	9,758,997,000	11,927,304,791	11,981,268,392	8,933,909,791
Trade and Other Receivables	10,714,582,040	9,286,489,698	7,074,871,159	10,452,563,512	6,054,143,715
Lease Rentals Receivable	4,742,249,813	3,507,031,556	2,739,085,887	2,972,398,795	3,531,574,071
Loans and Advances	969,180,894	631,336,316	551,623,462	711,040,243	913,111,895
Income Tax Receivables	-	-	-	-	-
Other Current Financial Assets	3,273,757,048	6,701,236,781	1,691,004,659	3,394,566,169	1,641,163,728
Securities Purchased under Repurchase Agreement	4,403,264	315,294,233	271,331,939	255,049,144	942,235,676
Cash and Short-Term Deposits	2,349,317,643	1,552,519,555	1,401,635,274	1,492,904,237	804,013,261
	38,893,099,739	31,752,905,139	25,656,857,171	31,259,790,492	22,820,152,137
Assets held for Sale	-	-	-	1,527,327	-
Total Assets	67,676,445,961	52,750,534,787	41,185,241,002	42,309,066,492	33,034,706,189
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	500,869,225	500,869,225	500,869,225	500,869,225	218,500,000
Other Components of Equity	1,098,097,115	1,506,346,057	1,775,345,867	986,933,238	900,871,480
Retained Earnings	19,296,374,027	18,486,328,167	11,982,734,929	11,663,859,983	8,613,288,309
Equity Attributable to Equity Holders of the Parent	20,895,340,367	20,493,543,449	14,258,950,021	13,151,662,446	9,732,659,789
Non-Controlling Interests	1,742,059,742	1,531,318,705	1,476,981,333	1,216,340,256	1,001,373,172
Total Equity	22,637,400,109	22,024,862,154	15,735,931,354	14,368,002,702	10,734,032,961
Non Current Liabilities					
Interest Bearing Borrowings	7,481,319,720	785,513,158	2,076,904,749	3,092,674,966	1,892,956,708
Lease liabilities	2,200,845,590	1,829,106,875	1,490,891,291	2,225,462,343	1,631,246,984
Deferred Tax Liabilities	193,475,105	128,307,171	92,570,706	86,447,977	66,307,821
Employee Benefits Liabilities	470,189,537	390,675,509	346,939,447	332,163,593	332,817,019
Trade and Other Payables	1,855,461,119	1,538,447,586	-	-	-
Total Non-Current Liabilities	12,201,291,071	4,672,050,299	4,007,306,193	5,736,748,879	3,923,328,532
Current Liabilities					
Warranty Provision	572,791,919	342,403,822	275,690,667	442,234,057	348,548,930
Trade and Other Payables	15,753,948,643	11,284,566,280	10,320,656,912	15,270,903,133	14,434,547,505
Income Tax Liabilities	689,173,177	409,067,207	831,026,720	501,439,428	496,562,647
Lease liabilities	527,340,434	654,624,307	546,490,418	651,654,621	624,604,812
Interest Bearing Borrowings	15,294,500,608	13,362,960,718	9,468,138,738	5,338,083,672	2,473,080,802
Total Current Liabilities	32,837,754,781	26,053,622,334	21,442,003,455	22,204,314,911	18,377,344,696
Total Equity and Liabilities	67,676,445,961	52,750,534,787	41,185,241,002	42,309,066,492	33,034,706,189

Company					
	2025 LKR	2024 LKR	2023 LKR	2022 LKR	2021 LKR
	2,009,083,383	1,799,889,653	1,338,874,847	1,285,276,956	1,455,581,294
	-	-	-	-	-
	228,050,000	217,000,000	209,900,000	199,800,000	338,010,500
	218,370,335	248,683,484	464,893	1,638,573	7,470,214
	5,718,785,075	4,785,008,502	3,323,689,002	436,144,346	3,112,824,336
	78,212,351	78,212,351	78,212,351	78,212,351	78,212,351
	2,211,044,409	2,001,426,554	1,436,763,499	2,380,320,788	1,899,244,138
	546,200,183	413,413,295	496,211,081	325,178,261	262,364,347
	10,000,000	10,000,000	15,000,000	15,000,000	15,000,000
	-	-	-	-	-
	6,000,000,000	-	-	-	-
	17,019,745,736	9,553,633,839	6,899,115,673	4,721,571,275	7,168,707,180
	16,522,770,921	8,805,935,289	11,535,651,696	11,945,887,245	8,902,843,065
	10,369,448,817	9,167,794,585	6,998,231,953	10,245,581,953	5,944,121,964
	-	-	-	-	-
	64,090,826	-	-	-	-
	-	-	-	-	-
	2,355,455,710	4,401,880,083	754,317,364	2,321,744,427	1,420,214,564
	-	-	-	-	-
	1,872,323,871	1,376,221,704	1,013,807,265	1,308,600,954	571,200,865
	31,184,090,145	23,751,831,661	20,302,008,278	25,821,814,579	16,838,380,458
	-	-	-	1,527,327	-
	48,203,835,881	33,305,465,500	27,201,123,951	30,544,913,181	24,007,087,638
	500,869,225	500,869,225	500,869,225	500,869,225	218,500,000
	463,417,223	463,417,223	463,417,223	464,612,254	464,612,254
	13,922,993,040	12,691,602,189	11,394,963,173	10,642,226,434	8,429,809,895
	14,887,279,488	13,655,888,637	12,359,249,621	11,607,707,913	9,112,922,149
	-	-	-	-	-
	14,887,279,488	13,655,888,637	12,359,249,621	11,607,707,913	9,112,922,149
	7,122,071,678	245,333,346	1,108,166,654	1,842,166,658	1,164,400,000
	1,989,078,902	1,693,103,519	1,355,815,256	2,076,887,208	1,594,535,258
	-	-	-	-	-
	395,679,852	336,281,912	299,251,718	304,562,980	305,802,093
	-	-	-	-	-
	9,506,830,432	2,274,718,777	2,763,233,628	4,223,616,846	3,064,737,351
	572,791,920	342,403,823	275,690,668	442,234,058	348,548,931
	8,296,788,693	5,152,224,170	3,712,396,532	10,212,316,893	8,922,784,939
	423,460,783	351,006,586	616,113,360	326,358,973	349,315,276
	525,583,620	621,342,234	515,444,103	619,135,867	598,008,253
	13,991,100,945	10,907,881,273	6,958,996,039	3,113,542,631	1,610,770,739
	23,809,725,961	17,374,858,086	12,078,640,702	14,713,588,422	11,829,428,138
	48,203,835,881	33,305,465,500	27,201,123,951	30,544,913,181	24,007,087,638

FIVE YEARS SUMMARY - STATEMENT OF PROFIT OR LOSS

Year Ended 31 March	Group				
	2025 LKR	2024 LKR	2023 LKR	2022 LKR	2021 LKR
Revenue	52,156,513,266	42,638,843,884	35,599,593,779	44,916,275,728	37,805,391,199
Cost of Sales	(32,923,475,630)	(28,751,538,499)	(20,827,693,611)	(31,973,795,730)	(27,878,664,567)
Gross Profit	19,233,037,636	13,887,305,385	14,771,900,168	12,942,479,998	9,926,726,632
Other Operating Income & Gain	464,486,808	218,325,151	186,300,329	239,690,977	173,930,113
Selling & Distribution Expenses	(7,500,776,841)	(5,188,125,498)	(4,033,778,873)	(4,415,785,833)	(4,015,404,932)
Administrative Expenses	(7,266,411,000)	(5,285,620,895)	(5,441,754,709)	(4,359,903,082)	(2,974,204,274)
Operating Profit	4,930,336,603	3,631,884,143	5,482,666,915	4,406,482,010	3,111,047,539
Finance Cost	(2,244,507,991)	(2,046,381,475)	(2,226,312,591)	(564,264,965)	(745,133,060)
Finance income	857,666,760	395,298,156	409,617,281	85,792,004	49,009,154
Change in Fair Value of Investment Properties	11,050,000	7,100,000	10,100,000	43,347,613	12,819,088
Share of Profit of Equity Accounted Investee (Net of Tax)	758,067,484	5,071,404,641	826,188,298	(14,820,083)	122,214,346
Profit/(Loss) Before Income Tax and Value Added					
Tax on Financial Services	4,312,612,856	7,059,305,465	4,502,259,903	3,956,533,579	2,549,957,067
Value Added Tax on Financial Services	(275,891,903)	(118,350,460)	(153,698,847)	(131,898,880)	(9,690,296)
Income Tax Expense	(1,040,444,426)	(646,148,036)	(858,685,176)	(783,284,713)	(688,527,048)
Profit / (Loss) for the year from continuing operations	2,996,276,527	6,294,806,969	3,489,875,880	3,041,349,986	1,851,739,723
Discontinued Operations :					
Profit for the year from discontinued operations	-	-	-	728,689,947	133,941,463
Profit for the year/ Comprehensive Income for the year, net tax	2,996,276,527	6,294,806,969	3,489,875,880	3,770,039,933	1,985,681,186
Profit/(Loss) attributable to;					
Equity holders of the parent	2,784,335,378	6,242,867,487	3,313,125,772	3,553,483,256	1,841,267,407
Non-Controlling Interest	211,941,149	51,939,482	176,750,108	216,556,677	144,413,779
	2,996,276,527	6,294,806,969	3,489,875,880	3,770,039,933	1,985,681,186
Earnings Per Share -Basic	1.25	2.83	1.57	1.37	0.83

Note - Figures in brackets indicate deductions

Company					
	2025 LKR	2024 LKR	2023 LKR	2022 LKR	2021 LKR
	47,895,595,120	38,940,558,869	32,629,450,511	42,818,157,810	37,809,532,938
	(31,797,507,324)	(26,788,087,535)	(19,556,344,119)	(31,420,694,817)	(27,878,354,219)
	16,098,087,796	12,152,471,334	13,073,106,392	11,397,462,993	9,931,178,719
	434,352,309	217,629,168	175,071,083	220,438,845	264,138,062
	(7,192,999,997)	(5,045,645,229)	(3,872,656,136)	(4,326,634,689)	(4,018,224,007)
	(5,826,255,366)	(4,135,919,233)	(4,652,960,011)	(3,634,602,515)	(2,974,482,576)
	3,513,184,742	3,188,536,040	4,722,561,328	3,656,664,634	3,202,610,198
	(1,974,435,479)	(1,639,284,874)	(1,997,646,121)	(550,724,189)	(745,133,060)
	852,778,982	394,742,107	409,617,281	85,792,004	49,009,154
	11,050,000	7,100,000	10,100,000	43,347,613	12,819,088
	-	-	-	-	-
	2,402,578,245	1,951,093,273	3,144,632,488	3,235,080,062	2,519,305,380
	(28,153,193)	(13,715,443)	(4,432,103)	(7,195,603)	(9,690,296)
	(625,972,137)	(643,502,911)	(702,175,115)	(591,513,498)	(672,247,025)
	1,748,452,915	1,293,874,919	2,438,025,270	2,636,370,961	1,837,368,059
	-	-	-	-	-
	1,748,452,915	1,293,874,919	2,438,025,270	2,636,370,961	1,837,368,059
	1,748,452,915	1,293,874,919	2,438,025,270	2,636,370,961	1,837,368,059
	-	-	-	-	-
	1,748,452,915	1,293,874,919	2,438,025,270	2,636,370,961	1,837,368,059
	0.79	0.58	1.1	1.19	0.83

Real Estate Portfolio

Location	Extent	Number	Range of Estimate for Unobservable Inputs	Valued in 31/03/2025 Valuation
			LKR	LKR
Dodamgahahena watta, Arakagoda, Milleniya				
Land	870.02P	01	230,374	238,454,050
Building	124,513 sq.ft	01	6,550	896,151,467
Freehold Property at Liberty Plaza				
Shopping Block at Liberty Plaza Colombo	435 sq.ft	01	260	19,000,000
			30.00%	
Freehold Property at Kandy				
Land	11.094 P	01	14,500,000	160,863,000
Building	4,415 sq.ft	01	4,000	17,660,000
Freehold Property at Kalutara				
Land	24.46 P	01	1,165,372	28,505,000
Building	9,403 sq.ft	01	3,800	35,731,400
Freehold Property at Gampaha				
Land	17.52 P	01	3,850,000	67,452,000
Building	833 sq.ft	01	2,200	3,630,000
Freehold Property at Kurunegala				
Land	50 P	01	2,403,000	120,150,000
Building	4,300 sq.ft	01	829	3,564,000
Freehold Property at Rajagiriya				
Land	22 P	01	3,000,000	66,000,000
Building	3,687 sq.ft	01	1,800	6,636,600
Freehold Property at Awissawella rd. Mulleriyawa				
Land	71.45 P	01	1,750,000	125,037,500
Freehold Property at Rathmalana				
Land	15.00 P	01	1,250,000	18,750,000
Building	3,157 sq.ft	01	3,800	11,996,600
Freehold Property at Rathmalana				
Land	17.1 P	01	1,250,000	21,375,000
Building	3,690 sq.ft	01	3,600	13,284,000
Freehold Property at Nawala Road, Nugegoda				
Land	17.45 P	01	7,000,000	114,512,500
Building	4,925 sq.ft	01	6,600	32,505,000
Freehold Property at Jaffna				
Land	32.04 P	01	865,137	27,719,000
Building	11,400 sq.ft	01	9,448	107,704,236
Freehold Property at Wellawatta				
Land	12.86 P	01	5,652,916	72,696,500
Freehold Property at Galle				
Land	13.24 P	01	3,400,000	45,016,000
Building	12,365 sq.ft	01	4,081	50,461,000



SKECHERS

Glossary

ACCOUNTING POLICIES

Specific principles, bases and procedures adopted by an organization in preparation and presentation of financial statements.

ACCOUNTS PAYABLE

A record of all short-term (less than 12 months) invoices, bills and other liabilities yet to be paid.

ACCOUNTS RECEIVABLE

A record of all short-term (less than 12 months) expected payments from customers, who have already received the goods/services but are yet to pay. These types of customers are called debtors and are generally invoiced by a business.

ACCRUAL ACCOUNTING

An accounting system that records transactions at the time they occur, whether the payment is made now or in the future.

ACCIDENT

An unexpected and unplanned occurrence, including acts of violence, arising out of or in connection with work which results in one or more workers incurring a personal injury, disease or death. As occupational accidents are to be considered travel, transport or road traffic accidents in which workers are injured and which arise out of or in the course of work, i.e. while engaged in economic activity, at work, or carrying on the business of the employer.

AMORTISATION

The process of expensing for intangible assets such as goodwill and intellectual property over a period of time.

AVAILABLE-FOR-SALE

All assets not in any of the 3 categories namely held to maturity, fair value through profit/loss and receivables. It is a residual category and does not mean that the entity stands ready for sale all this time.

AWPLR

Average Weighted Prime Lending Rate.

BENCHMARK

A set of conditions against which a product or business is measured.

BORROWINGS

All interest-bearing liabilities such as Overdraft, Bank Loans, etc.

BRAINSTORMING

Group creativity technique by which efforts are made to find a conclusion for a specific problem by gathering a list of ideas spontaneously contributed by its members.

CAPITAL

Wealth in the form of money or property owned by a business.

CASH EQUIVALENT

Liquid investment which is having a maturity of three months or less.

CASH FLOW

The measure of actual cash flowing in and out of a business.

COLLATERAL

(Also Known as Security), is property or assets that a lender can take possession of, in the event that a loan cannot be repaid.

COMPETITIVE ADVANTAGE

This is the attribute that allows an entity to outperform its competitors or gain superiority through its ability to provide the same value as competitors under lower costs or can charge higher prices by creating greater value through differentiation.

CONTINGENT LIABILITY

A liability that only needs to be paid if a particular event or circumstance occurs.

CURRENT RATIO

Current assets divided by Current Liabilities. This measures the ability of a business to repay Current Liabilities with its Current Assets.

DEFERRED TAX

A liability that results from income that has already been earned for accounting purposes but not for tax purposes.

DISPOSABLE INCOME

Also known as disposable personal income (DPI) is the amount of money that households have available for spending and saving after income taxes have been accounted for.

EARNINGS PER SHARE

Profits distributable to Ordinary shareholders divided by the weighted average number of ordinary shares in issue.

ECO-FRIENDLY

Not harmful to the environment.



EFFECTIVE TAX RATE

The average rate at which an individual or corporation is taxed.

EQUITY

The value of ownership interest in the business, calculated by deducting liabilities from assets. owner's interest in the company's Assets, also known as Net Assets.

ERP SYSTEM

Enterprise Resource Planning is business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back-office functions related to technology, services and human resources.

FACTORING

(Also known as debtors finance and accounts receivable finance) - is when a Factor company buys a business' outstanding invoices at a discount. The Factor company then chases up the debtors. Factoring is a way to get quick access to cash but can be quite expensive compared to traditional financing options.

FAIR VALUE

Fair value is the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction.

FISCAL POLICY

This is the Government spending and Taxation that influence the economy.

GEARING RATIO

Proportion of a Company's borrowed funds to its Equity.

GROSS PROFIT

The difference between sales and the direct cost of making the sales.

GUARANTOR

A person who promises to pay a loan in the event the borrower cannot meet the repayments. The guarantor is legally responsible for the debt.

HELD-TO-MATURITY

Assets acquired by the entity with the intention of holding till maturity.

HIRE-PURCHASE

A type of finance contract where a good is purchased through an initial deposit and then rented while the good is paid off in installments plus interest charges. Once the good is fully paid for, the ownership of the good transfers to the purchaser.

IMPAIRMENT

This occurs when the recoverable amount of an asset is less than its carrying value.

INCIDENT

The occurrence of an event that interrupts the completion of an activity. It may be a minor event or result of a crisis such as an accident.

INTANGIBLE ASSETS

Non-physical assets with no fixed value, such as goodwill and intellectual property rights.

NET PROFIT

(Also known as bottom line) is the total gross profit minus all business expenses.

NICHE OPPORTUNITIES

Opportunities arise which focus on the need for a product or service that has not been addressed by mainstream producers or try to satisfy a specific market need.

NON-CONTROLLING INTEREST

Equity in a subsidiary not attributable, directly or indirectly, to parent.

OCCUPATIONAL DISEASE

Any disease or disorder that occurs as a result of work or working conditions.

P/E RATIO

Price of a share divided by earnings of a share.

PLANT AND EQUIPMENT

A group of fixed assets used in the operation of a business such as furniture, machinery, fit-out, vehicles, computers and tools.

QUICK ASSETS RATIO

Measure's ability to meet its short-term obligations with its most liquid assets. (Current Assets-Inventory)/ Current Liabilities].

RELATED PARTIES

Parties who can control or significantly influence the financial and operating politics of the entity.

TURNOVER

The amount of money earned by a business in a particular period.

WORKING CAPITAL

The cash available to a business for day-to-day operations.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

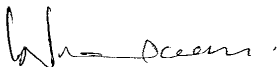
This image shows a single sheet of white paper with horizontal blue lines, similar to standard notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notice of meeting

Notice is hereby given that the ANNUAL GENERAL MEETING of the Company for the year 2025, will be held on 05th August 2025 at 10.00 a.m. as an online Audio-Visual Meeting 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 2025 and Report of the Auditors thereon.
2. To re-elect Mrs. Aban Pestonjee, Director of the Company, who being over seventy years of age, retires in accordance with Section 210 and 211 of the Companies Act No.07 of 2007. The Directors recommend the re-election of Mrs. Aban Pestonjee as a Director of the Company.
3. To re-elect Mr.Hiran Chaminda Embuldeniya who was appointed by the Board of Directors in terms of Article 4.2 – Part II of the Articles of Association of the Company, as recommended by the Directors.
4. To re-appoint M/s. Ernst & Young, Chartered Accountants, as the Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.

By order of the Board



Varners International (Pvt.) Ltd.

Company Secretaries

Level 14, West Tower
World Trade Centre
Echelon Square
Colombo 01.

I/We *
 being a member/members of Abans PLC, hereby appoint;

Mr. Hiran C. Embuldeniya..... of Colombo or failing him

	FOR	AGAINST
To receive and adopt the Report of the Directors and the Audited Financial Statements for the year ended 31 st March 2025 and the Report of the Auditors thereon.		
To re-elect Mrs. Aban Prestonjee, as a Director of the Company in terms of article 4.1 of Part II of the Articles of Associations and Section 210 and 211 of the Companies Act No.07 of 2007.		
To re-elect Mr.Hiran Chaminda Embuldeniya who was appointed by the Board of Directors in terms of Article 4.2 – Part II of the Articles of Association of the Company, as recommended by the Directors		
To re-appoint Messrs. Ernst & Young, Chartered Accountants, as the Auditors for the ensuing year and to authorize the Directors to determine their remuneration.		

(*Please delete inappropriate words.)

INSTRUCTIONS ON COMPLETING FORM OF PROXY

1. Please perfect the Form of Proxy after filling in legibly your name and address and by signing in the space provided and inserting the date of signatures.
2. Please return the completed Form of Proxy to the office of the Company Secretaries, Varners International (Private) Limited at Level 14, West Tower, World Trade Center, Echelon Square, Colombo 01, after crossing out one or the other of the alternate words indicated by asterisks on the body of the Form. The Form of Proxy shall be lodged with the Company Secretaries not less than forty-eight hours before the time appointed for holding the meeting.
3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if a Power of Attorney has not been already registered with the Company.
4. If the shareholder is a Company or a body corporate, the Form of Proxy should be under its Common Seal in accordance with its Articles of Association or Constitution.
5. If there is any doubt as to the manner in which the proxy should vote by reason of the manner in which instructions in 2 above have been carried out, the proxy holder will vote as she/he thinks fit.

Corporate Information

Company Name

Abans PLC

Legal Form

The Company was incorporated in Sri Lanka on 17th December 1981 as a Private Limited Liability Company under the provisions of the Companies Ordinance of 1938 and re-registered under the Companies Act No. 07 of 2007 as Abans (Pvt) Ltd. The Company changed its name in accordance with the provisions of Section 8 of the Companies Act No. 07 of 2007 to Abans Limited on 17th December 2012. Consequent to being listed on the Colombo Stock Exchange pursuant to its debenture issue, the Company name was changed to Abans PLC on 16th January 2014.

Registration Number

Old – PVS 8006

New – PV 5301 PB/PQ

Debenture Listing in Stock Exchange

Debentures of the Company were listed on the Colombo Stock Exchange on 18th December 2024.

Registered Office

No.498, Galle Road, Colombo 03.

Website

www.abansgroup.com

Auditors

Ernst & Young,
Rotunda Towers,
No. 109, Galle Road,
Colombo 03.
Sri Lanka.

Internal Auditors

Chief Internal Auditor.
Abans Group of Companies,
Abans PLC, No.498, Galle Road,
Colombo 03.

Company Secretaries

Varners International (Pvt) Ltd.
Level 14, West Tower, World Trade
Center, Echelon Square, Colombo 01.

Lawyers

Varners
Level 14, West Tower, World Trade
Center, Echelon Square, Colombo 01.

Bankers

Amana Bank Ltd.
Bank of Ceylon.
Cargills Bank Ltd.
Commercial Bank of Ceylon PLC.
DFCC Bank PLC.
Habib Bank Ltd.
Hatton National Bank PLC.
MCB Bank Ltd.
National Development Bank PLC.
Nations Trust Bank PLC.
Pan Asia Banking Corporation PLC.
People's Bank.
Sampath Bank PLC.
Seylan Bank PLC.
The Hongkong & Shanghai Banking
Corporation Ltd. (HSBC)
Union Bank of Colombo PLC.
State Bank of India.

VAT Registered No.

104080065 - 7000

Taxpayer Identification Number

104080065

Board of Directors

Mrs. Aban Pestonjee -
Chairperson/Executive Director

Mr. Rusi Pestonjee -
Managing Director/Executive Director

Dr. Saroshi Dubash -
Executive Director

Mrs. Chandrika Perera -
Executive Director

Mr. Dinesh S. Weerakkody -
Senior Independent Director

Mr. R. Selvaskandan -
Independent Non-Executive Director

Mr. Hiran C. Embuldeniya -
Non-Independent Non- Executive Director
(with effect from 01st October 2024)

Contact Number

+94 11 237 0777

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



