

**TIMELESS VISION  
BOUNDLESS  
POTENTIAL**



# TIMELESS VISION, BOUNDLESS POTENTIAL

At Vallibel One, our journey is guided by a vision that transcends the present— a vision rooted in strength, clarity, and purpose. As a dynamic and diversified conglomerate, we have built a portfolio that spans industries, yet remains unified in direction. From finance to manufacturing, retail to real estate, each enterprise is shaped by a long-term perspective and driven by a shared commitment to excellence.

Our holding leadership plays a pivotal role in nurturing synergy across subsidiaries, ensuring strategic alignment and sustainable performance. Through prudent stewardship and an unwavering focus on innovation, we continue to unlock new frontiers— creating enduring value in every venture we undertake.

In a world defined by change, our foundation remains constant: a belief in potential without limits, and progress without compromise. Guided by foresight and grounded in integrity, we continue to build on what matters most: enduring value, responsible leadership, and strategic growth. It is this unwavering commitment that defines Vallibel One's journey— a journey shaped by a timeless vision and driven by boundless potential.

Much like the hydrangea, intricate yet cohesive, resilient yet refined—Vallibel One embodies strength in unity, clarity in structure, and a steadfast commitment to growth. The interconnected nature of the flower mirrors our ability to adapt with agility, align strategy with execution, and lead with purpose. With a solid foundation and a carefully balanced focus, we remain dedicated to cultivating sustainable value, as we always have.

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**Vallibel | ONE**



# CONTENTS

## OVERVIEW

Board Responsibility Statement	6
About this Report	7
About the Group	
- A Commitment to Excellence	12
- Economic Value-Added Statement	13
- Portfolio at a Glance	14
- Group Structure	16
- Group at a Glance	16
- Sustainability at Vallibel One	20
Milestones	26
Investment Case	28
Financial Highlights	30
Non-Financial Highlights	32

## OUR LEADERSHIP

Chairman's Statement	36
Managing Director's Review	39
Board of Directors	42

## STRATEGY AND VALUE CREATION

Operating Environment	48
Managing Risks and Opportunities	54
Stakeholder Engagement	59
Materiality Assessment	64
Strategy and Resource Allocation	70
Value Creation Model	74



## SECTOR REVIEWS

Lifestyle	78
Finance	80
Aluminium	82
Leisure	84
Consumer	86
Investments and Others	88

## CAPITAL REPORTS

Financial Capital	92
Manufactured Capital	96
Human Capital	105
Intellectual Capital	117
Social and Relationship Capital	125
Natural Capital	134

## GOVERNANCE

Corporate Governance	146
Annual Report of the Board of Directors on the Affairs of the Company	158
Directors' Responsibility for Financial Reporting	163
Report of the Audit Committee	164
Related Party Transaction Review Committee	167
Nominations and Governance Committee Report	169
Remuneration Committee Report	174

## FINANCIAL REPORTS

Independent Auditor's Report	178
Statement of Financial Position	183
Statement of Profit or Loss	185
Statement of Other Comprehensive Income	186
Statement of Changes in Equity	187
Consolidated Statement of Cash Flows	190
Notes to the Financial Statements	192

## ANNEXES

Decade at a Glance	294
Group Value Added Statement	295
Indicative US Dollar Income Statements	296
Indicative US Dollar Statement of Financial Position	297
Shareholder Information	298
Subsidiary/Associate Companies of Vallibel One PLC	304

Independent Practitioner's Assurance Report	311
GRI Content Index	313
Glossary of Financial Terms	320
Notes	322
Notice of Annual General Meeting	323
Form of Proxy	325
Investor Feedback Form	327
Corporate Information	IBC



# Where Potential Blooms

At the heart of Vallibel One lies a bold and enduring vision— one that anchors our progress and drives every strategic move. Rooted in ambition, our journey as a modern, agile conglomerate continues to guide, nurture, and shape the collective strength of our diversified group. This central force fuels each business unit with purpose, precision, and a forward-thinking ethos.

*The apple blossom blooms in early spring, marking the end of dormancy and the start of the fruiting cycle. Its soft, pale petals are short-lived, yet they signal the tree's readiness to bear fruit. The timing of the bloom is crucial, as it coincides with the activity of pollinators and plays a vital role in the tree's development—setting the stage for fruit formation and supporting the continuation of its growth cycle.*



# BOARD RESPONSIBILITY STATEMENT

The Board of Directors of Vallibel One PLC hereby present the Group's 9th integrated report, which outlines the organisation's financial and non-financial performance for the financial year ended 31st March 2025. This integrated report provides a holistic view on how the Group's vision articulates and drives the organisation's strategy, value creation, and stakeholder engagements within the context of an ever-evolving operating environment. In addition to the organisation's qualitative and quantitative results, this report further outlines the Group's outlook, and an assurance of its ability to generate long-term value.

This year's theme, 'Timeless Vision, Boundless Potential' encapsulates the Group's commitment towards achieving sustainable, long-term progress across its sphere of impact. While on the one hand, it reflects Vallibel One's clarity of purpose, and vision for the future, it also highlights the Group's capacity to facilitate endless opportunities for growth, and generate a positive impact across Sri Lanka and beyond.

The contents of this report also highlight Vallibel One's unwavering commitment to sustainable development, which is seamlessly integrated across all aspects of its operations. It reflects on the Group's six core capitals, including its people, partners, processes, and resources, which have been instrumental in navigating the challenges faced during the period under review. The report also offers insights into the Group's forward-thinking approach, outlining future prospects and strategic initiatives in view of both emerging risks and opportunities.

The Group remains steadfast in its pursuit of excellence in social, governance, and environmental performance, with the report offering comprehensive disclosures on these areas. This holistic approach to value creation continues to reinforce Vallibel One's standing as a stable, trusted, and sustainable entity.

The Board of Directors are responsible for the oversight of the sustainability policies and disclosures mentioned within this report. In accordance with the organisation's commitment towards transparency and accountability, this report has been prepared in line with all material requirements pertaining to applicable statutes and regulations, including the Companies Act No. 7 of 2007, the Global Reporting Initiative (GRI) Standards 2021, and the Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC)

The Corporate and Strategic Management teams provided direction and guidance for the preparation of the contents of this report, which have undergone comprehensive evaluation by both internal staff and external consultants for accuracy.

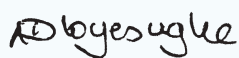
In recognition of its full and final responsibility for ensuring the integrity of the report and its contents, the Board employed its collective expertise to review and evaluate the report to ensure that it complies with all applicable standards and frameworks, including the Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC).

The Board deems that this report provides a fair, transparent, and impartial assessment of Vallibel One's performance, strategy, operating environment, and impact on stakeholders. The Board members further attest that the report accurately portrays the Group's mechanisms for governance and controls, as well as its business model, and strategy for creating long-term value.

The Board has evaluated each piece of information for validity, accuracy, and decision-making impact. The Board concludes that all material information relevant to Vallibel One's stakeholders has been duly disclosed.

Thus, under the direction of the Board Audit Committee, on 27th May 2025, the Board of Directors approved Vallibel One's Integrated Annual Report 2025.

**Vallibel One PLC**



**P W Corporate Secretarial (Pvt) Ltd**  
Secretaries

3 June 2025

## ABOUT THIS REPORT



### INTEGRATED ANNUAL REPORT



Welcome to the 9th Integrated Annual Report of Vallibel One PLC. This report serves as the Group's primary channel of communication with its stakeholders, providing a clear, concise, and balanced overview of its financial, environmental, social, and governance performance over the past year.

This Annual Report also outlines the Group's operating context during the year, along with the strategies, governance structures, and risk management practices that enabled it to remain resilient in a challenging environment. The Group's forward-looking strategy and outlook are reflected throughout the report, highlighting its long-term vision and readiness for the future.

In line with its commitment to continuous improvement and excellence, the report features further enhancements in content and presentation—guided by the principles of the Integrated Reporting Council and the sustainability reporting standards of the Global Reporting Initiative.

#### **BASIS OF PREPARATION**

##### **Reporting Period**

This report covers Vallibel One PLC's annual reporting cycle from 1 April 2024 to 31 March 2025. To support informed decision-making and analysis, the Group presents its performance in comparison with the previous financial year. Accordingly, the audited financial statements and related notes include comparative information and analysis against the 2023/24 results. Further details on the Group's future outlook, strategy, and objectives for the reporting period are available in the section titled 'Forward-looking Statements'.

##### **Reporting Boundary**

This Annual Report presents a review of the activities and financial performance of the holding company, Vallibel One PLC (hereafter referred to as 'the Group'), along with its subsidiaries. The reported results cover six key industry segments: Lifestyle, Finance, Aluminium, Leisure, Consumer, and Investments & Others. Unless otherwise stated, all information pertains to the consolidated performance of the Vallibel One Group.

## ABOUT THIS REPORT

### INTEGRATED REPORTING BOUNDARY



### FINANCIAL REPORTING BOUNDARY

Vallibel One PLC (the Group)



Financial



Manufactured



Human



Intellectual



Social and  
Relationship



Natural

57 COMPANIES

**56**

SUBSIDIARIES

**01**

ASSOCIATE

### REPORTING SCOPE

This report has been prepared in accordance with the GRI Standards: Core option. It adopts a double materiality perspective, prioritising issues that significantly affect the Group's ability to meet stakeholder expectations and create value over the short, medium, and long term.

The Group identifies and prioritises its material topics through management insights, a comprehensive review of stakeholder concerns, risk assessments, and analysis of trends within the operating environment. Details of the Group's

materiality assessment process can be found on pages 64 to 69 of this report.

Further, the report outlines how the Group integrates various capitals into its operations to drive value creation for both the organisation and its shareholders. It underscores the Group's commitment to transparency and accountability by highlighting robust risk management, compliance, and governance frameworks. Strategy and performance are presented at both the Group and sector levels.

No restatements of information have been made during the reporting period.

### REPORTING STANDARDS AND FRAMEWORKS

In order to adhere to the best practices in reporting, the contents of this integrated annual report were developed in accordance with globally and locally recognised reporting and regulatory standards, concepts, frameworks, and legislation.



Reporting Framework/Regulation	Integrated Reporting	Sustainability Reporting	Financial Statements	Corporate Governance
Sri Lanka Financial Reporting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)		●	●	●
International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework	●	●		
GRI Standards- 'In Accordance- Core' - Global Reporting Initiative		●		
The United Nations Sustainable Development Goals (SDGs)		●		
International Financial Reporting Standards (IFRS)			●	
Code of Best Practice on Corporate Governance 2017 issued by CA Sri Lanka				●
Code of Best Practices on Corporate Governance jointly advocated by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)				●
The Companies Act No. 7 of 2007			●	●
Continuous Listing Requirements of the Colombo Stock Exchange			●	●

● Mandatory      ● Voluntary

## REPORTING PRINCIPLES AND IMPROVEMENTS

This report is prepared in line with the guiding principles of integrated reporting outlined below. Throughout the year, several enhancements have been made to improve the clarity, structure, and overall quality of the Group's reporting.

Guiding Principle Approach Reporting Improvements	Approach	Reporting Improvements
Strategic Focus and Future Orientation	<ul style="list-style-type: none"> <li>A comprehensive report on the organisation's strategy, impact on capitals, and its ability to create value over time.</li> <li>Integrating strategy and future outlook across reporting content.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening reporting on strategic imperatives by reporting on future outlook and oversight.</li> <li>Reporting on key projects and their link to strategy.</li> </ul>
Connectivity of Information	<ul style="list-style-type: none"> <li>Maintaining connectivity across the report, displaying the interrelatedness and dependencies between capitals, strategy, material topics, risks, and value creation.</li> </ul>	<ul style="list-style-type: none"> <li>Integrating strategy and future outlook across reporting content.</li> </ul>
Stakeholder Relationships	<ul style="list-style-type: none"> <li>Ensuring stakeholder considerations are integrated to reporting content through material topics.</li> <li>Comprehensively reporting on stakeholder relationships and communication channels.</li> </ul>	<ul style="list-style-type: none"> <li>Reporting on responsibility and oversight for each stakeholder group.</li> </ul>
Materiality	<ul style="list-style-type: none"> <li>All reporting content is based around topics deemed material to operations and stakeholder interests.</li> </ul>	<ul style="list-style-type: none"> <li>Revision of material topics to encompass emerging dynamics.</li> </ul>
Conciseness	<ul style="list-style-type: none"> <li>Relying on infographics to present information in a clear and concise manner.</li> </ul>	<ul style="list-style-type: none"> <li>-</li> </ul>
Reliability and Completeness	<ul style="list-style-type: none"> <li>A comprehensive review process encompassing internal assessments and external audits.</li> <li>Disclosures are made impartially, with full transparency, including negative findings.</li> </ul>	<ul style="list-style-type: none"> <li>External assurance on integrated reporting obtained.</li> </ul>
Consistency and Comparability	<ul style="list-style-type: none"> <li>Reporting in accordance with industry best practices to ensure comparability.</li> <li>Ensuring consistency of reporting content, with any restatements or reporting boundaries duly disclosed.</li> </ul>	-
New Content Inclusions	<ul style="list-style-type: none"> <li>The inclusion of an ESG Policy to denote the organisation's commitment to sustainability and social well-being.</li> <li>Enhancing disclosures across operational and governance dimensions, including disclosures on Group policies.</li> </ul>	

## ABOUT THIS REPORT

### DATA AND INFORMATION COLLECTION

The data, information, and figures presented in this report were gathered from the Group's relevant departments and from companies within sectors material to its operations. This compilation process was supported by the Vallibel One Sustainability Portal, which enables the collation of verified information from the Group's diverse subsidiaries. Additional data was sourced through questionnaires and interviews, conducted with the support of both sector-level and Group-level management. To identify historical, current, and emerging trends in the external environment, a wide range of sources was consulted, including international and government publications, management reports, audited financial statements, and their accompanying notes. The Group is reasonably assured that all pertinent information has been captured and documented in this report, and that the accuracy of the data has been verified at both the Company and Group levels.

### TARGETED AUDIENCE

The primary purpose of this report is to assist both current and prospective investors in making informed and educated decisions regarding the Vallibel One Group. Additionally, it addresses the information needs of other key stakeholders, including clients, employees, business partners, regulatory bodies, and capital providers.

### QUALITY ASSURANCE

This report is meticulously prepared in accordance with the best reporting practices, ensuring that the data and information presented uphold the highest standards of accuracy, reliability, comprehensiveness, and clarity. The external auditors, Messrs. Ernst & Young, have provided independent assurance on both the financial and sustainability reporting. In line with the Sri Lanka Standard on Assurance Engagements, Pages 311 and 312 offers assurance on integrated reporting, while Pages 178 to 182 presents the independent assurance on the Group's consolidated financial statements and accompanying notes. These assurances confirm the report's quality and the absence of any material errors.

### FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements regarding the Group's operations, highlighting its objectives, plans, and anticipated operational and financial outcomes. While these statements are made responsibly, the Group advises readers to exercise caution, as outcomes may be subject to change. We do not assume responsibility for these statements beyond the publication date of this report, nor are we obligated to update or amend them publicly.



### FEEDBACK AND SUGGESTIONS

Vallibel One welcomes any comments, queries and suggestions for improvement pertaining to this report and its contents. Please direct your feedback to:

Assistant Manager – Finance, Vallibel One PLC  
29th Floor, West Tower,  
World Trade Center,  
Echelon Square, Colombo 1.  
Telephone: 0112445577  
Fax: 0112445500  
Email Address: [info@vallibel.com](mailto:info@vallibel.com)

Our feedback form can also be found on page 324 of this report.

# Mission

Achieve uniqueness through diversity, leadership, creativity and inspiration.

# Vision

To run healthy core businesses, leverage strengths into new ventures, work together with people to be Sri Lanka's corporate leader.

# Core Values

Wealth creation is our reason for being. It drives us to create value for our stakeholders. It is a vision that is powered by our core guiding philosophy; a uniqueness that stems from five core values



Diversity



Creativity



People



Innovation



Leadership

*Like the life cycle of a flower, our purpose unfolds in stages—each vital to the whole.*

**Our core values**, like the bud, are the source of all growth—shaping who we strive to become and grounding our actions with clarity and purpose.

**Our mission**, like a flower in mid-bloom, is alive and unfolding—bridging our values and vision while driving purposeful growth.

**Our vision**, like a fully bloomed flower, reflects our boldest aspirations and full potential—vibrant, confident, and future-focused.



# ABOUT THE GROUP

## A COMMITMENT TO EXCELLENCE

Vallibel One PLC was founded in 2010 and listed on the Colombo Stock Exchange in 2011. Since then, this dynamic organisation has quickly grown to become one of Sri Lanka's leading diversified conglomerate, recognised for its distinctive business model and commitment to sustainable growth.

With a portfolio of 57 companies, the Group has established a robust presence across several key economic thrust sectors, including financial services, manufacturing and industrialisation, and tourism, among others. Strengthened by good governance, farsighted leadership, and responsible stewardship, the Group consistently seeks new opportunities to deliver long-term value to its stakeholders.

Strategic vision and foresight that fuel long-term success, supported by the ability to respond and adapt effectively to both current and emerging trends.

*Refer Executive Reviews (pages 39-41), Strategy and Resource Allocation (pages 70-73) and Sector Reviews (pages 78-89)*

A legacy of success, coupled with a commitment to excellence, strong governance, and prudent risk management, has fostered an entity renowned for its values of trust and quality.

*Refer Corporate Governance (pages 146-157), Risk Management (pages 54-58), and Intellectual Capital (pages 117-124)*

An extensive portfolio encompassing 12 industries and 6 thrust sectors, supported by an island-wide presence and a developing export market.

*Refer Sector Portfolio (pages 14-15), Manufactured Capital (pages 96-104), and Sector Reviews (pages 78-89)*

A diverse range of trusted brands, of which many enjoy market leadership status in their respective industries.

*Refer Intellectual Capital (pages 117-124) and Sector Reviews (pages 78-89)*

Strengthened by enduring, impactful relationships with people and communities throughout the island – founded on principles of loyalty and trust.

*Refer Social and Relationship Capital (pages 125-133) and Human Capital (pages 105-116)*

The incorporation of sustainable practices and responsible resource consumption across operations, aimed at driving a net positive impact for both people and planet.

*Refer Natural Capital (pages 134-143)*



06  
Sectors

12  
Industries

57  
Companies

## ECONOMIC VALUE-ADDED STATEMENT

Vallibel One's distribution of economic value is outlined below, highlighting the manner in which the Group allocates and shares its resources across diverse stakeholder groups, including its investors, employees, and the communities in which it operates. Additionally, this statement provides insight into how value is generated and shared, both within the organisation and beyond.

**100%** ECONOMIC VALUE GENERATED **136.8** LKR BN  
(LKR 128.5 Bn in 2023/24)

Gross Revenue

**133.8** LKR BN  
(LKR 126.1 Bn in 2023/24)

Finance & Other Income

**3.0** LKR BN  
(LKR 2.4 Bn in 2023/24)

**89.7%** ECONOMIC VALUE DISTRIBUTED **122.8** LKR BN  
(LKR 112.3 Bn in 2023/24)

Employee Remuneration and Benefits

**9.8%** **13.4** LKR BN  
(LKR 13.0 Bn in 2023/24)

Payments to suppliers

**55.8%** **76.3** LKR BN  
(LKR 75.0 Bn in 2023/24)

Payments to the Government

**18.2%** **24.9** LKR BN  
(LKR 22.4 Bn in 2023/24)

Payments to shareholders and lenders

**5.9%** **8.0** LKR BN  
(LKR 7.3 Bn in 2023/24)

**10.3%** ECONOMIC VALUE RETAINED **14.0** LKR BN  
(LKR 16.2 Mn in 2023/24)

Depreciation

**3.9** LKR BN  
(LKR 3.3 Bn in 2023/24)

Profit after Dividends

**10.2** LKR BN  
(LKR 12.9 Bn in 2023/24)

# ABOUT THE GROUP

## PORTFOLIO AT A GLANCE



### LIFESTYLE

#### Value Proposition

As a leader in Sri Lanka’s tile and sanitaryware industry, and with a growing footprint in interior décor, the Group’s lifestyle sector offers a comprehensive portfolio of lifestyle products and solutions to individuals from every walk of life.

#### Product/Service Mix

- Tiles
- Sanitaryware
- Kitchen Cabinets and Sinks
- Grout and Mortar
- Interior Décor Solutions
- Furniture

#### Performance

10.6% Revenue



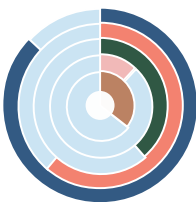
62.5% Profit Before Tax



5.2% Assets



#### Composition



- Carbon Footprint : 87.8%
- CAPEX : 61.3%
- Employees : 38.7%
- PBT : 12.2%
- Revenue : 35.8%



### FINANCE

#### Value Proposition

Anchored by the strength of L B Finance PLC — one of Sri Lanka’s foremost non-banking financial institutions — the finance sector serves as a robust foundation for the Group, offering exceptional versatility and innovation across its range of products and services.

#### Product/Service Mix

- Leasing
- Fixed Deposits
- Gold Loans
- Mortgage Loans
- Savings
- Cash in Mobile
- Money Exchange

#### Performance

5.3% Revenue



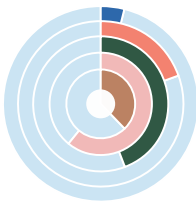
7% Profit Before Tax



19.2% Assets



#### Composition



- Carbon Footprint : 3.93%
- CAPEX : 19.6%
- Employees : 44.3%
- PBT : 60.9%
- Revenue : 37.8%



### ALUMINIUM

#### Value Proposition

Leveraging a strong presence in the aluminium extrusion market and a dynamic entrepreneurial spirit, the Group’s aluminium sector drives long-lasting partnerships and delivers highly customised products and services.

#### Product/Service Mix

- Aluminium Extrusions
- Folding/Sliding Doors
- Sliding Windows and Doors
- Swing Doors
- Multi-Purpose Ladders
- Solar Railings and Accessories

#### Performance

64.9% Revenue



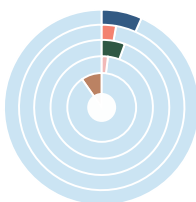
240.3% Profit Before Tax



25% Assets



#### Composition



- Carbon Footprint : 6.8%
- CAPEX : 2.8%
- Employees : 5.8%
- PBT : 2.1%
- Revenue : -9.8%





## LEISURE

### Value Proposition

The Group's leisure sector comprises the Fortress Resort and Spa and the exciting Greener Waters development which is currently underway — providing a world-class service that aligns with international standards, while actively pursuing new growth opportunities for growth.

#### Product/Service Mix

- Boutique Hotel and Resort Operations
- Spa and Travel

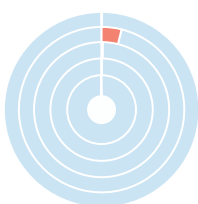
### Performance

**0.1%** Revenue ↑

**17.6%** Profit Before Tax ↑

**4.8%** Assets ↑

### Composition



- Carbon Footprint : **0.03%**
- CAPEX : **4.1%**
- Employees : **0.3%**
- PBT : **0.2%**
- Revenue : **0%**



## CONSUMER

### Value Proposition

The Group's consumer sector features a distinctive portfolio of beloved household brands such as 'Delmege' and 'Motha,' alongside a selection of advanced medical equipment and pharmaceutical products.

#### Product/Service Mix

- FMCG
- Pharma
- Medical Equipment

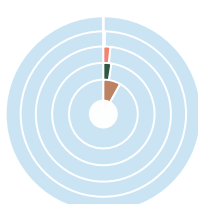
### Performance

**22.3%** Revenue ↑

**165.9%** Profit Before Tax ↑

**44.2%** Assets ↑

### Composition



- Carbon Footprint : **0.1%**
- CAPEX : **0.3%**
- Employees : **1.8%**
- PBT : **2.7%**
- Revenue : **8.3%**



## INVESTMENTS AND OTHERS

### Value Proposition

With a leading and continuously expanding presence in the packaging industry, along with strategic investments across various sectors, the Group fosters synergies that enhance and strengthen its overall value proposition.

#### Product/Service Mix

- Packaging
- Mining
- Insurance Brokering
- Travel
- Shipping

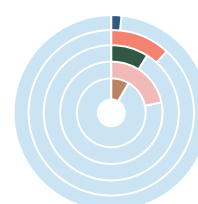
### Performance

**14.5%** Revenue ↑

**1.1%** Profit Before Tax ↑

**20.5%** Assets ↑

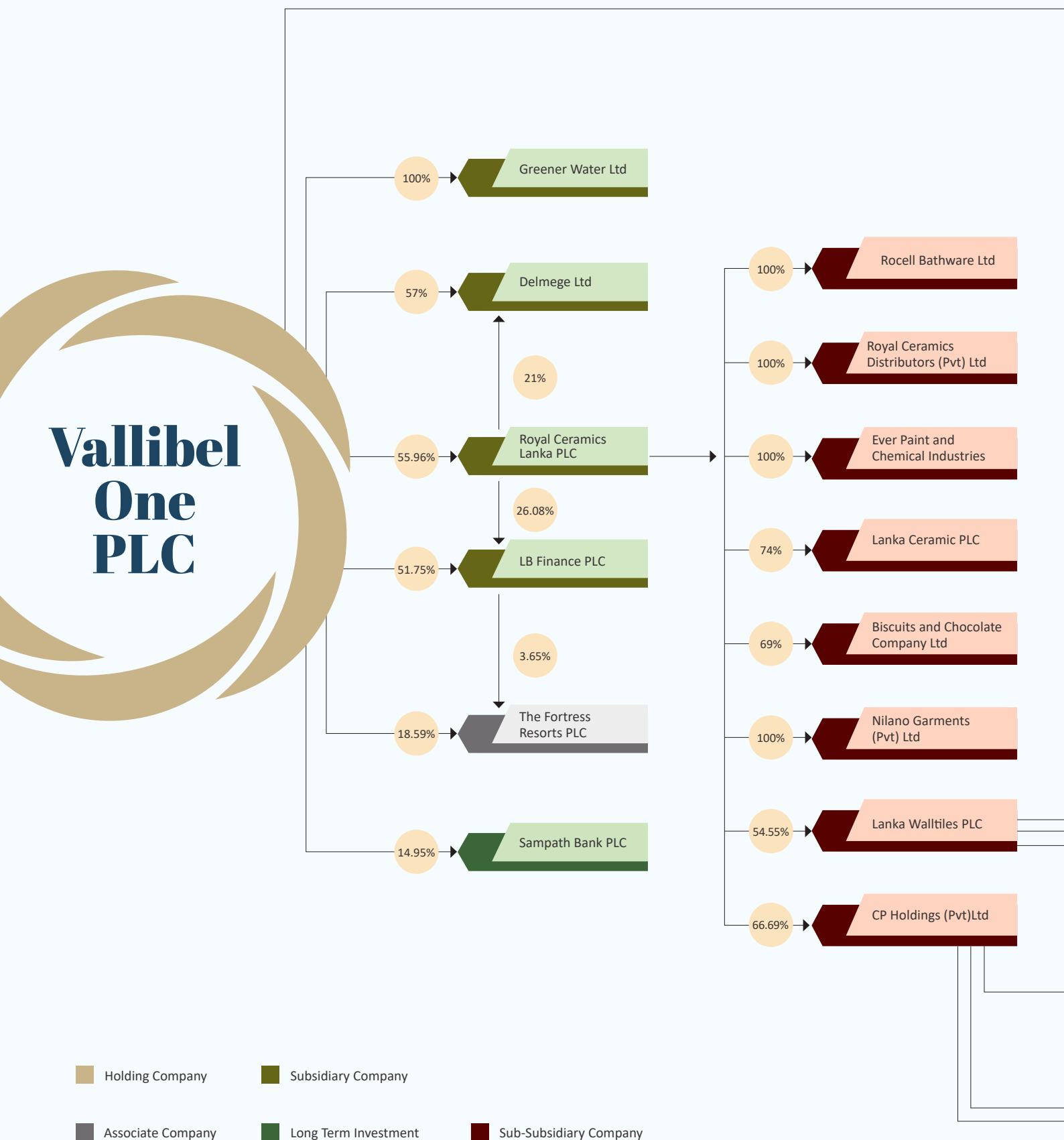
### Composition

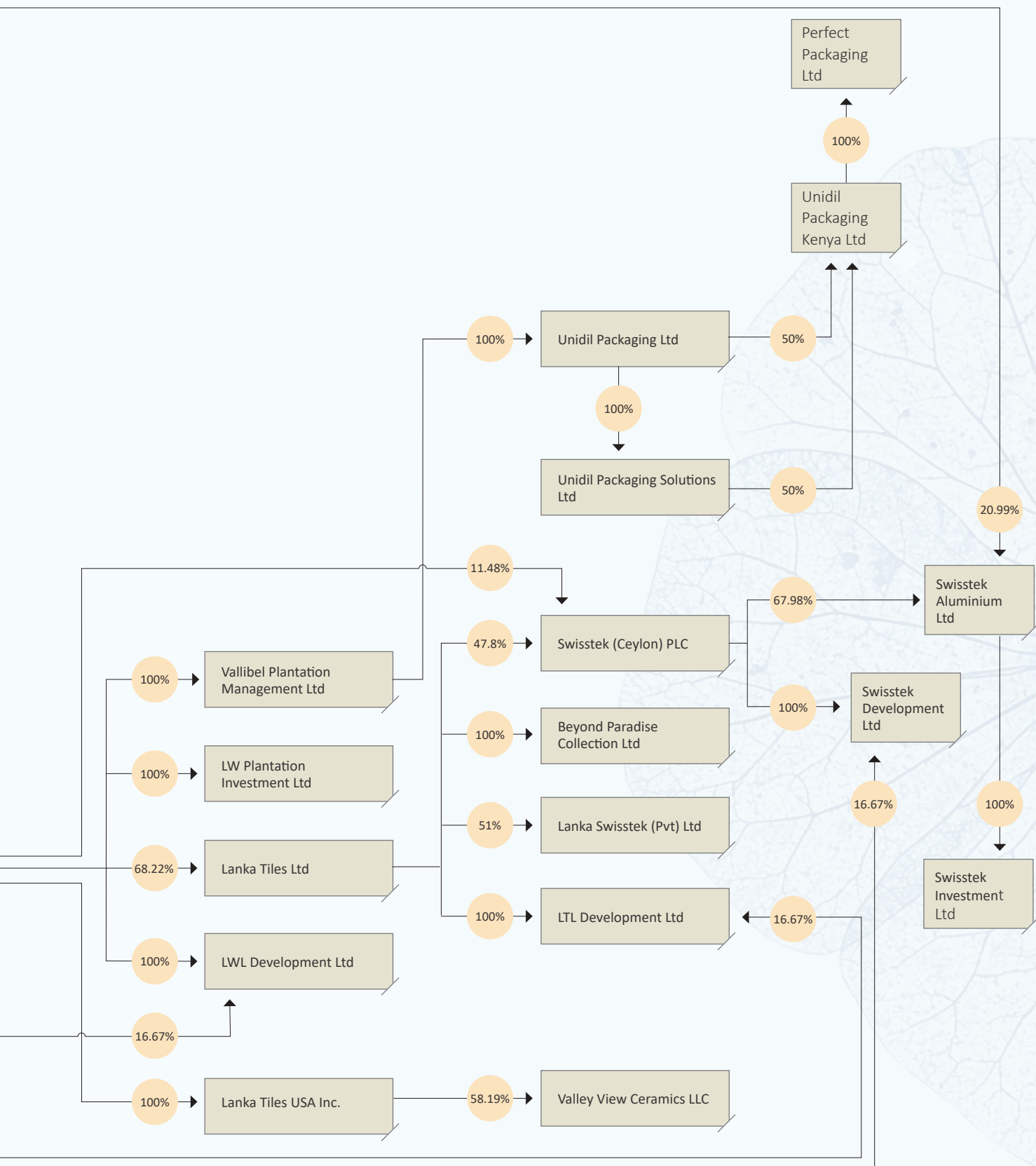


- Carbon Footprint : **1.9%**
- CAPEX : **11.8%**
- Employees : **9.1%**
- PBT : **21.8%**
- Revenue : **8.4%**

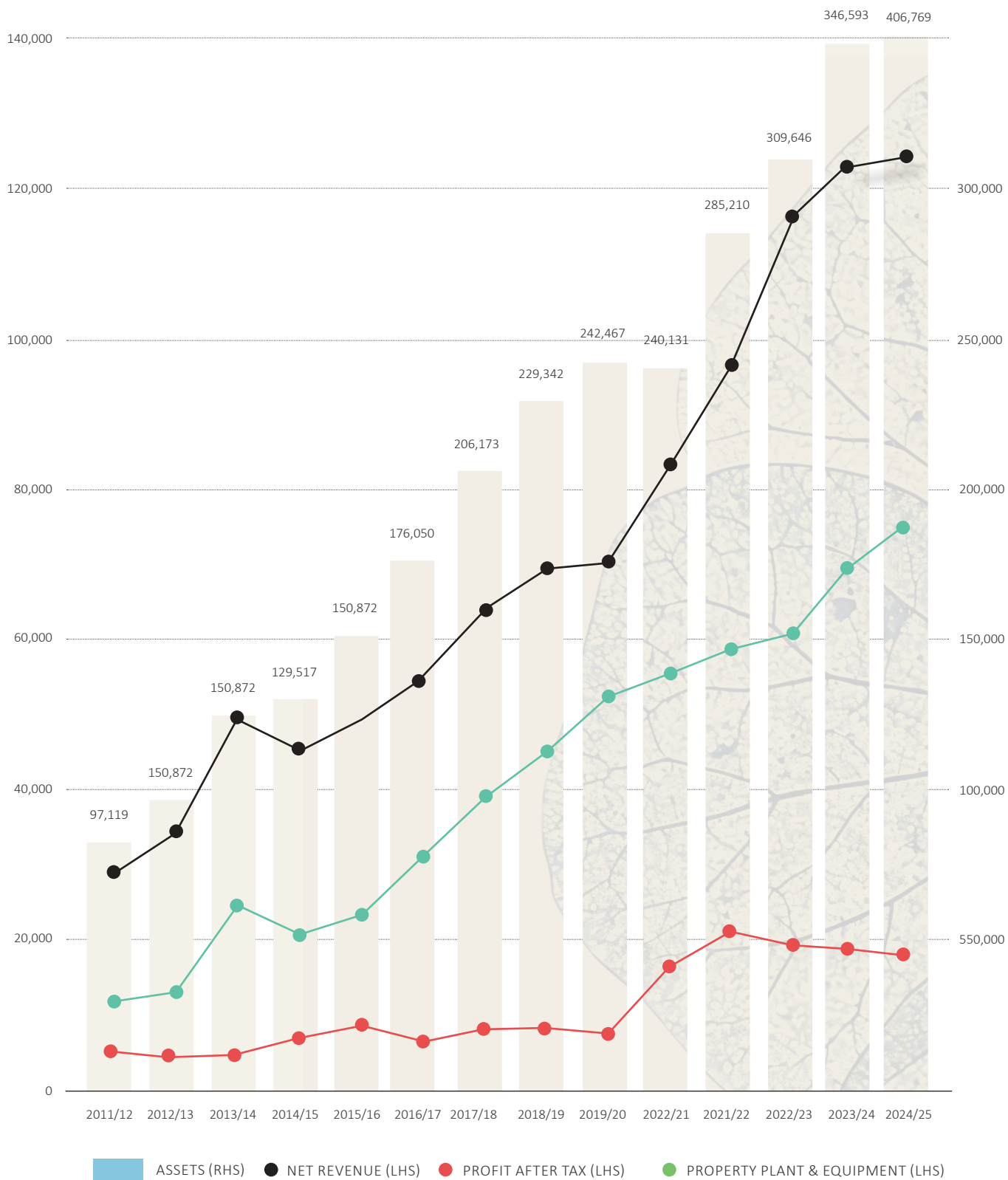
## ABOUT THE GROUP

### GROUP STRUCTURE





## GROUP AT A GLANCE



## CUSTOMERS

**1.14**Mn **1**Mn  
FY 24/25 FY 23/24

## # OF YEARS

**15** **14**  
FY 24/25 FY 23/24

COMMUNITY PROJECT  
INVESTMENT (LKR MN)

**38**  
FY 24/25  
**58**  
FY 23/24

## SMALL AND MEDIUM SCALE SUPPLIER

**22,591**  
FY 24/25  
**6,766**  
FY 23/24

## # OF AWARDS





**51**  
FY 24/25  
**50**  
FY 23/24





## SOLAR POWER GENERATION

**5,372**Mw  
FY 24/25  
**3,854**Mw  
FY 23/24





## SUSTAINABILITY AT VALLIBEL ONE





The six capitals, as defined by the Integrated Reporting Framework, represent the key resources and relationships that influence the organisation's ability to create sustainable value. These capitals interact in complex ways, shaping outcomes and enabling the organisation to deliver long-term benefits to its stakeholders.

Input	Output	Impact and Trade-Offs	
 <b>Financial Capital</b> The funds or monetary resources obtained through debt, equity, retained earnings and various investments	<ul style="list-style-type: none"> <li>The development of products and services</li> <li>Organisational growth</li> <li>The distribution of wealth and value among key stakeholders</li> </ul>	Manufactured Capital	Investment in infrastructure upgrades and renewable technologies improves asset quality and operational efficiency.
		Human Capital	Allocation of funds toward training, wellness, and upskilling increases employee engagement and retention.
		Intellectual Capital	Funding R&D and digitalisation initiatives builds proprietary systems and innovation pipelines.
		Social & Relationship Capital	Financial support for CSR and stakeholder partnerships fosters trust and strengthens brand reputation.
		Natural Capital	Capital deployed toward green technology and resource efficiency contributes to environmental resilience.
		SDGs	  




Input	Output	Impact and Trade-Offs	
 <b>Manufactured Capital</b> Tangible assets and physical infrastructure such as property, plant, equipment, and machinery.	<ul style="list-style-type: none"> <li>Streamlined manufacturing processes</li> <li>Supports essential business functions</li> </ul>	Natural Capital	Resource use and emissions from infrastructure development may negatively impact natural capital. The use of energy-efficient equipment and sustainable building materials reduces emissions and waste.
		Financial Capital	High capital expenditure may reduce available cash or increase debt levels. Efficient infrastructure reduces operating costs and increases return on assets.
		Social and Relationship Capital	The quality of manufactured goods contributes towards stakeholder trust. Physical infrastructure such as factories have an impact on surrounding communities, while branches enhance reach and presence.
		Human Capital	Modern facilities create safer, more productive, and engaging work environments.
		Intellectual Capital	Smart infrastructure adoption promotes process automation and knowledge retention.
		SDGs	  



Input	Output	Impact and Trade-Offs	
<div></div> <div><b>Intellectual Capital</b></div> <div>The knowledge base, tacit knowledge, systems and protocols unique to the organisation, and its brand and reputation.</div>	<div><ul style="list-style-type: none"><li>• Driving enhanced process efficiency and productivity</li><li>• Enabling enhanced customer experience</li><li>• Creating a competitive advantage</li></ul></div>	<div>Financial Capital</div> <div>Human Capital</div> <div>Manufactured Capital</div> <div>Social and Relationship Capital</div> <div>SDGs</div>	<div><ul style="list-style-type: none"><li>• R&amp;D and digital investments may reduce short-term profitability, while innovative products and process improvements reduce costs and open new revenue streams</li></ul></div> <div><ul style="list-style-type: none"><li>• High reliance on systems may devalue individual roles or create resistance – however, access to systems, knowledge bases, and digital tools enhances employee performance and growth, leading to greater productivity, and creating a future-ready workforce</li></ul></div> <div><ul style="list-style-type: none"><li>• Digital transformation may make physical infrastructure redundant, however the automation of manufacturing processes contributes towards increased productivity. Technology integration optimises equipment usage and extends asset lifespans</li></ul></div> <div><ul style="list-style-type: none"><li>• Higher levels of efficiency and accessibility contribute towards an improved customer value proposition. Strong branding and thought leadership deepen customer loyalty and trust</li></ul></div> <div><div></div><div></div><div></div></div>

Input	Output	Impact and Trade-Offs				
<div></div> <div><b>Human Capital</b></div> <div>Employee competencies, capabilities, experience, and alignment with the organisation's values and ethical standards of governance.</div>	<div></div> <div><ul style="list-style-type: none"><li>Enabling the achievement of organisational strategy</li><li>Driving elevated customer service standards,</li><li>Realising improved efficiencies</li><li>Nurturing product and service innovation</li></ul></div> <div></div>	<div>Financial Capital</div> <div><ul style="list-style-type: none"><li>Investments in training, wellbeing, and benefits may increase short-term costs. A motivated and skilled workforce improves productivity and long-term profitability.</li></ul></div>	<div>Intellectual Capital</div> <div><ul style="list-style-type: none"><li>Upskilled staff may be more mobile, potentially leading to knowledge loss, however, investment in people fosters innovation, institutional knowledge, and problem-solving capacity.</li></ul></div>	<div>Natural Capital</div> <div><ul style="list-style-type: none"><li>Higher human activity levels (e.g., travel, facility use) may increase carbon output – however, employee involvement in environmental initiatives may contribute towards enhancing natural capital</li></ul></div>	<div>Social and Relationship Capital</div> <div><ul style="list-style-type: none"><li>Empowered employees positively influence customer service and stakeholder relationships.</li></ul></div>	<div>SDGs</div> <div><div></div><div></div><div></div><div></div></div>

## SUSTAINABILITY AT VALLIBEL ONE

Input	Output	Impact and Trade-Offs												
<div></div> <div><b>Social and Relationship Capital</b></div> <div>The quality of partnerships built over the years with customers, suppliers and business partners and communities.</div>	<ul style="list-style-type: none"><li>• Nurturing long-term, mutually-beneficial partnerships to drive collective well-being.</li><li>• Delivering unmatched service to customers</li><li>• Providing opportunities for progress to suppliers, business partners and communities</li></ul>	<table><tr><td>Financial Capital</td><td>• CSR and stakeholder engagement may require non-revenue-generating investments – however enhanced reputation and customer interactions contribute to improved performance. Strong stakeholder trust attracts long-term investments and strategic partnerships</td></tr><tr><td>Manufactured Capital</td><td>• Contributes towards product development. Physical distribution channels and branches serve as direct touchpoints</td></tr><tr><td>Intellectual Capital</td><td>• Enhances stakeholder communication and service delivery. Feedback from stakeholders enhances innovation and continuous improvement</td></tr><tr><td>Human Capital</td><td>• Reputational crises may impact employee morale or retention, while consumer trends may require new skills and capabilities. Community engagement and inclusive policies boost employee pride and retention</td></tr><tr><td>Natural Capital</td><td>• Communities seek projects with minimal environmental disruption and a positive impact. Partnerships with environmental groups support conservation and sustainable sourcing</td></tr><tr><td>SDGs</td><td><div></div></td></tr></table>	Financial Capital	• CSR and stakeholder engagement may require non-revenue-generating investments – however enhanced reputation and customer interactions contribute to improved performance. Strong stakeholder trust attracts long-term investments and strategic partnerships	Manufactured Capital	• Contributes towards product development. Physical distribution channels and branches serve as direct touchpoints	Intellectual Capital	• Enhances stakeholder communication and service delivery. Feedback from stakeholders enhances innovation and continuous improvement	Human Capital	• Reputational crises may impact employee morale or retention, while consumer trends may require new skills and capabilities. Community engagement and inclusive policies boost employee pride and retention	Natural Capital	• Communities seek projects with minimal environmental disruption and a positive impact. Partnerships with environmental groups support conservation and sustainable sourcing	SDGs	<div></div>
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SDGs	<div></div>													

Input	Output	Impact and Trade-Offs	
<div></div> <div><b>Natural Capital</b></div> <div>Renewable and non-renewable resources that are utilised in business processes, and present within our surroundings.</div> <div>➔</div>	<div><ul style="list-style-type: none"><li>• Sustains the organisation's continuity and growth</li><li>• Supporting future development</li></ul></div> <div>➔</div>	Financial Capital	<ul style="list-style-type: none"><li>• Environmental protection and compliance may require upfront capital expenditure. Energy and resource efficiency reduce utility costs and enhance brand value.</li></ul>
		Manufactured Capital	<ul style="list-style-type: none"><li>• A shift toward sustainable materials may increase costs or change operational processes. The use of renewable energy and sustainable materials enhances asset resilience.</li></ul>
		Social & Relationship Capital	<ul style="list-style-type: none"><li>• Regulatory or stakeholder pressure may delay projects in environmentally sensitive areas. Environmental stewardship builds trust with regulators, communities, and customers.</li></ul>
		Human Capital	<ul style="list-style-type: none"><li>• Greener workplaces improve employee wellbeing and align with personal values.</li></ul>
		Intellectual Capital	<ul style="list-style-type: none"><li>• Commitment to sustainability drives innovation in eco-friendly products and services.</li></ul>
		SDGs	<div></div>

## ESG COMMITMENT









The Group has a clearly defined ESG Policy that has been published on the corporate website, enabling accessibility for the general public. The policy is applicable to all Directors, Senior Management, Employees, Shareholders, and Investors of Vallibel One PLC, and encompasses the following focus areas:


 <b>Environmental</b>	 <b>Social</b>	 <b>Governance</b>
<p>Vallibel One is committed to reducing its environmental impact through sustainable practices through:</p> <p><i>(Refer Natural Capital from pages 134-143)</i></p>	<p>Vallibel One aims to foster a positive and inclusive workplace culture:</p> <p><i>(Refer Social and Relationship Capital from pages 125-133, and Human Capital from pages 105-116)</i></p>	<p>Vallibel One upholds strong governance practices to ensure accountability and transparency:</p> <p><i>(Refer Corporate Governance from pages 146-157)</i></p>
<ul style="list-style-type: none"> <li>• <b>Energy &amp; Carbon Footprint Reduction:</b> Implementing initiatives to minimise energy consumption and carbon emissions across operations.</li> <li>• <b>Utilising Sustainable Materials:</b> Encouraging the use of eco-friendly materials and promoting a paper-free office environment.</li> <li>• <b>Engaging in Plastic Reduction:</b> Aiming to decrease single-use plastic in operations and events.</li> <li>• <b>Pursuing Energy Efficiency:</b> Adopting energy-efficient resources and technologies to reduce overall consumption.</li> <li>• <b>Building Employee Awareness:</b> Conducting programs to raise awareness among employees about environmental sustainability.</li> <li>• <b>Maintaining Regulatory Compliance:</b> Adhering to the National Environmental Act No. 47 of 1980 and regulations set by the Central Environmental Authority.</li> <li>• <b>Establishing ESG-Compliant Procurement:</b> Sourcing supplies and services from vendors that align with environmental, social, and governance standards.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Elevating Employee Welfare:</b> Ensuring fair compensation, providing necessary resources and training, and promoting a safe and healthy work environment.</li> <li>• <b>Nurturing Diversity &amp; Inclusion:</b> Encouraging gender, age, and ethnic diversity to enhance decision-making and performance.</li> <li>• <b>Promoting Anti-Discrimination:</b> Discouraging harassment and discrimination, with clear channels for reporting and addressing complaints.</li> <li>• <b>Strengthening Supplier Relations:</b> Promoting better labor practices through collaboration with suppliers and service providers.</li> <li>• <b>Extending Charitable Contributions:</b> Making annual charitable donations and assisting marginalised communities through structured programs.</li> <li>• <b>Contributing to Equitable Development:</b> Encouraging inclusive growth and responsible engagement with all external stakeholders.</li> <li>• <b>Enhancing Data Privacy:</b> Ensuring the confidentiality and proper handling of personal data in compliance with the Personal Data Protection Act No. 09 of 2022.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ensuring Compliance:</b> Maintaining leadership structures in alignment with the Listing Rules of the Colombo Stock Exchange and best corporate governance practices. Separating the roles of Chairperson and Managing Director to maintain the right balance of power.</li> <li>• <b>Instilling Ethical Conduct:</b> Upholding an internal code of business conduct and ethics for all directors and employees. Strictly following internal policies and procedures, with disciplinary actions for non-compliance.</li> <li>• <b>Reinforcing Risk Management:</b> Implementing policies on risk management and internal controls to safeguard the company's assets and reputation.</li> <li>• <b>Maintaining Investor Relations:</b> Maintaining transparent communication with shareholders and investors, adhering to corporate disclosure policies.</li> <li>• <b>Enforcing Anti-Corruption Measures:</b> Enforcing policies on anti-bribery and corruption to maintain integrity in all business dealings. Providing a platform for reporting unethical practices, ensuring protection for whistleblowers.</li> </ul>
<p><i>(Refer Natural Capital from pages 134-143)</i></p>	<p><i>(Refer Social &amp; Relationship Capital from pages 125-133)</i></p>	<p><i>(Refer Corporate Governance Capital from pages 146-157)</i></p>

## SUSTAINABILITY AT VALLIBEL ONE

### SUSTAINABLE DEVELOPMENT

Vallibel One PLC contributes meaningfully to 15 of the 17 United Nations Sustainable Development Goals (SDGs) through its diversified operations spanning manufacturing, financial services, and hospitality, to name a few. Through integrated strategies and long-term value creation, the Group has long demonstrated a strong commitment to sustainable development across economic, social, and environmental dimensions, as indicated below.

CONTRIBUTING TO 15 OF THE 17 UN SDGS		
SDGS	RELEVANT TARGETS	KEY ACTIVITIES
	1.1, 1.2, 1.4, 1.a	<ul style="list-style-type: none"> <li>• Employment created for 9,939 individuals</li> <li>• Business opportunities for 23,139 local suppliers</li> <li>• Tax payments of LKR 24.9 Bn to support public finance and government expenditure</li> <li>• New job opportunities offered to 3,498 employees</li> <li>• 34,344 microfinance customers</li> </ul>
	3.4, 3.8	<ul style="list-style-type: none"> <li>• Stringent health and safety programmes and protocols integrated across operations and training initiatives to support holistic health and well-being</li> <li>• Training initiatives to support holistic health and well-being</li> <li>• Providing health insurance and conducting medical camps for employees and communities</li> <li>• Procurement of medical equipment via the Group's consumer sector</li> </ul>
	4.3, 4.4, 4.7	<ul style="list-style-type: none"> <li>• Employees trained for 86,498 hours with a total investment of LKR 25.63 Mn</li> <li>• Integrating sustainability awareness across employees and communities</li> <li>• A reimbursement scheme for professional studies</li> <li>• Community knowledge enhancement and capacity building programmes</li> </ul>
	5.1, 5.2, 5.5	<ul style="list-style-type: none"> <li>• An equal opportunity employer, with 29% female cadre</li> <li>• Following best labour practices with practices promoting non-discrimination, and protocols to improve grievance handling and prevent incidents of sexual harassment</li> </ul>
	6.3, 6.4, 6.6, 6.b	<ul style="list-style-type: none"> <li>• 74 Mn litres of water and effluents treated prior to release</li> <li>• 116 Mn litres of water recycled</li> <li>• Educating employees on sustainable and responsible water usage</li> </ul>
	7.2, 7.b	<ul style="list-style-type: none"> <li>• Implementing renewable energy projects across factory premises</li> <li>• Contributing 5,372 MW towards the national grid</li> </ul>
	8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10	<ul style="list-style-type: none"> <li>• Providing job opportunities across six growth sectors</li> <li>• Contributing to economic growth and development</li> <li>• Following best practices in labour relations and management</li> <li>• Engaging in youth recruitment and capacity building via internships and training</li> <li>• Zero tolerance for forced labour, human trafficking, and child labour across the supply chain</li> <li>• LKR 13 Bn invested into employee benefits and welfare</li> <li>• Providing financial support to vulnerable populations</li> <li>• Uplifting SMEs and entrepreneurs</li> <li>• 34,344 Microfinance customers</li> <li>• Engaging in responsible consumption and production processes</li> <li>• Engaging in sustainable tourism with high community involvement</li> </ul>
	9.1, 9.2, 9.4, 9.5, 9.c	<ul style="list-style-type: none"> <li>• Prioritising product innovation across operations</li> <li>• Engaging in clean and environmentally sound technologies and industrial processes, and increasing resource use efficiency</li> <li>• Engaging in digital transformation and online channels</li> <li>• Invested LKR 97.83 Mn on research and development</li> <li>• Enabling infrastructure development around factory premises</li> <li>• LKR 12.8 Bn invested in PPE</li> <li>• Offering access to financial services</li> </ul>

CONTRIBUTING TO 15 OF THE 17 UN SDGS		
SDGS	RELEVANT TARGETS	KEY ACTIVITIES
	10.2, 10.3, 10.4	<ul style="list-style-type: none"> <li>A strong island-wide distribution network</li> <li>Community recruitment, with 1,426 employees recruited from outstation locations</li> <li>Establishing non-discriminatory policies across all Group companies</li> </ul>
	11.2, 11.6	<ul style="list-style-type: none"> <li>Invested LKR 51.69 Mn on developing infrastructure including roads surrounding estates and factories</li> <li>LKR 38.35 Mn spent on philanthropic initiatives to uplift the living areas of underprivileged communities</li> <li>181,193 MT of solid waste disposed responsibly</li> <li>Engaging in emissions management to minimise negative impact</li> </ul>
	12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.b,	<ul style="list-style-type: none"> <li>Maximising resource utilisation and introducing circular economies to minimise wastage</li> <li>19,248 MT of recycled materials used in production</li> <li>Consumed 41,591 MT of renewable materials</li> <li>Engaging in GRI reporting and utilising data collection systems to monitor impact</li> <li>Engaging in sustainable procurement practices</li> <li>Driving environmental awareness to support sustainable development</li> <li>Engaging in sustainable tourism practices</li> </ul>
	13.1, 13.3	<ul style="list-style-type: none"> <li>Reducing overall emissions by 3% during the year</li> <li>Minimising Group-wide energy consumption by 3%</li> </ul>
	14.2, 14.7	<ul style="list-style-type: none"> <li>Engaging in coastal clean-ups and sustainable tourism to ensure minimal impact on marine ecosystems</li> </ul>
	15.2, 15.3	<ul style="list-style-type: none"> <li>Donated 670 plants to communities and individuals</li> <li>53 MT of paper recycled</li> <li>Ensuring minimal impact on surrounding ecosystems</li> </ul>
	16.3, 16.5, 16.6, 16.10, 16.b	<ul style="list-style-type: none"> <li>Instilling practices of good governance, anti-corruption, bribery and transparency across all businesses</li> <li>Ensuring compliance with regulatory requirements and taking necessary corrective action should instances of non-compliance arise</li> <li>Serving as a responsible and ethical organisation</li> </ul>
	17.1, 17.11	<ul style="list-style-type: none"> <li>LKR 24.9 Bn taxes paid</li> <li>Exporting to 23 countries</li> </ul>

## MILESTONES

Since its incorporation in 2010, Vallibel One PLC has grown into one of Sri Lanka's most dynamic and diversified conglomerates. Now reaching 15 years of successful operations, the Group has established a strong presence across key sectors including finance, tiles, aluminium, hospitality, and consumer brands. Its strategic acquisitions and bold investments have not only reinforced its leadership in the domestic market but also expanded its international footprint, with operations and partnerships spanning South Asia, Southeast Asia, East Africa, and the United States. This dynamic timeline of excellence reflects a journey of innovation, growth, and long-term value creation; resonating with the Group's timeless vision, and a future of boundless potential.

### 2010/11

- Incorporated as a public limited company on 9th June 2010.
- Acquired Royal Ceramics Lanka PLC, LB Finance PLC, and Greener Water Ltd. as subsidiary companies.
- Obtained a strategic stake in Sampath Bank as a long-term investment.

### 2011/12

- Listed on the Colombo Stock Exchange on 8th July 2011.
- Acquired Delmege Ltd, a highly diversified conglomerate.
- Acquired Lanka Ceramic PLC through Royal Ceramics Lanka PLC.

### 2012/13

- Acquired Grip Nordic through Delmege Ltd.

### 2019/20

- Royal Porcelain (Pvt) Ltd was amalgamated with Royal Ceramics Lanka PLC.
- Royal Ceramics Lanka PLC celebrated 30 years of operations.

### 2018/19

Commissioned a state-of-the-art floor tile manufacturing unit at the Lanka Tiles PLC Ranala factory, incorporating advanced Italian technology.

### 2020/21

- Vallibel One PLC marked a decade of business excellence.
- LB Finance launched LB Cash in Mobile, transforming mobile-based cash payments in Sri Lanka.
- Introduced the Vallibel One Sustainability Portal for non-financial information reporting.

### 2021/22

- Achieved record-breaking consolidated financial performance, with net profits increasing by 133%.
- Delmege Forsyth added Ferrero to its brand portfolio.
- LB Finance PLC acquired Multi Finance PLC.

### 2022/23

- Vallibel Plantations Management Ltd divested its stake in Horana Plantations PLC.
- Lanka Tiles PLC, Lanka Walltiles PLC, and Swisstek Aluminium Ltd successfully implemented SAP S/4HANA ERP systems.



**2013/14**

- Strengthened ownership in Lanka Ceramic PLC via Royal Ceramics Lanka PLC.
- LB Finance PLC became the first finance company in Sri Lanka to obtain Carbon Conscious Status, certified by the Sri Lanka Carbon Fund (SLCF) under the Ministry of Environment and Renewable Energy.

**2014/15**

Royal Ceramics Lanka PLC invested LKR 170 million to enhance its tile mortar manufacturing capacity.

**2015/16**

Signed an agreement with the Board of Investment (BOI) and commenced construction of the Greener Water Hotel Project.

**2017/18**

LB Finance PLC expanded internationally, opening its first overseas branch—LB Microfinance Myanmar Company Limited—in Pyay Township, Myanmar.

**2016/17**

- Implemented Total Productive Maintenance (TPM) across several group companies including:
- Royal Ceramics Lanka PLC
- Royal Porcelain (Pvt) Ltd
- Rocell Bathware Ltd
- Lanka Walltiles PLC
- Lanka Tiles PLC

**2023/24**

- Completed the expansion of Royal Ceramics' Horana factory, increasing production capacity by 20%.

**2024/25**

- Unidil Packaging Kenya Ltd, jointly owned by Unidil Packaging Ltd and Unidil Packaging Solutions Ltd, acquired Perfect Packaging Ltd in Kenya—marking the Group's entry into the East African packaging market.
- Lanka Walltiles Group expanded its international footprint by:
- Opening new locations in the USA and India
- Appointing an authorised dealer in the Maldives
- Swisstek Ceylon PLC completed implementation of SAP S/4HANA.

# INVESTMENT CASE

## A CONSISTENT PERFORMANCE

Delivering sustainable shareholder value through every eventuality.

Refer Financial Capital (pages 92-95)



### 12.27%

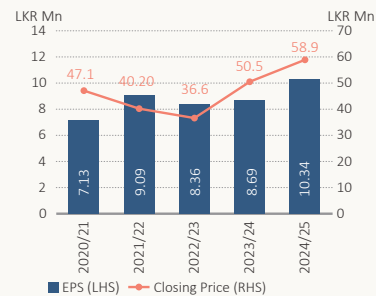
5-Year Cagr - Revenue



### 22.14%

5-Year Cagr - Profit After Tax

### Shareholder Returns



## A DIVERSIFIED PORTFOLIO

Offering a well-balanced portfolio, with an established presence across six key economic thrust sectors.

Refer Sector Reviews (pages 78-89)



Lifestyle



Finance



Aluminium



Leisure

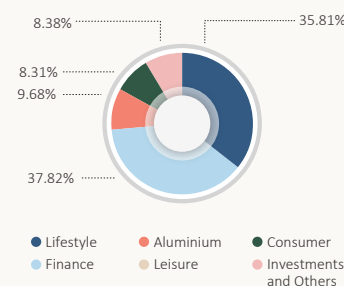


Consumer



Investments & Others

### Revenue By Sector



## A PRUDENT MANAGEMENT APPROACH

Engaging in the strategic deployment and allocation of resources and assets to drive stability and growth.

Refer Strategy & Resource Allocation & Value Creation Model (pages 70-75)



### 13.16%

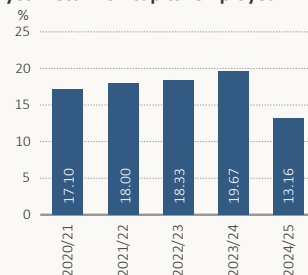
Return On Capital Employed



### LKR 407 BN

Total Asset Base

### 5-year return on capital employed



## AN EVER-EXPANDING PRESENCE

Maintaining a strong brand equity and a growing local and global reach.

Refer Intellectual Capital (pages 117-124)



### 4,007

Direct Customer Touchpoints



### 23

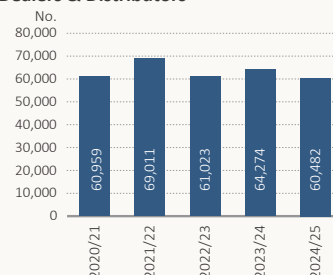
Overseas Markets



### 07

Brands

### Dealers & Distributors



## A COMMITMENT TO QUALITY AND EXCELLENCE

Engaging in the continuous improvement of products and processes.



**746** MN

Saved From TPM

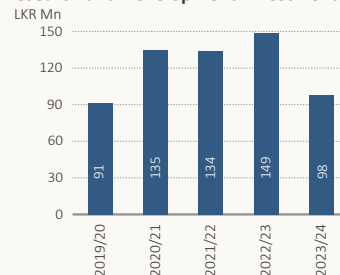


**51**

Awards Received

*Refer Intellectual Capital (pages 117-124)*

## Research and Development Investment



## A DEDICATION TOWARDS SUSTAINABILITY

Driving holistic development through a contribution to 15 UN Sustainable Development Goals.



**5,372** MW

Of Solar Energy Generated



**1,030,310** GJ

In Energy Consumption



**670**

Trees Planted

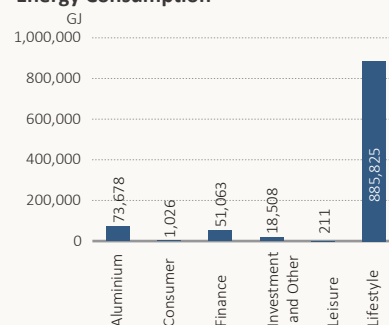


**53** MT

In Paper Recycling

*Refer Sector Reviews (pages 78-89)*

## Energy Consumption



## A FOCUS ON EXPANSION AND DEVELOPMENT

Aligning with present and future needs through capacity expansion and a growing product portfolio.



LKR **13.1** BN

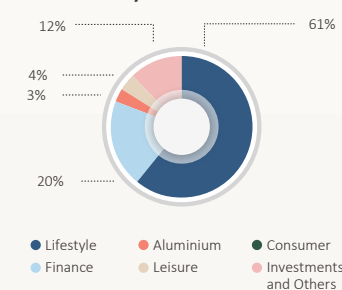
CAPEX



**424**

New Products Launched

## Total CAPEX by sector



*Refer Manufactured Capital (pages 96-104)*

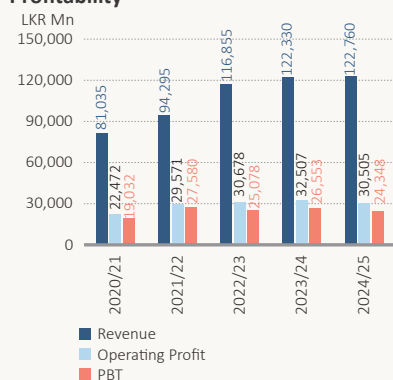
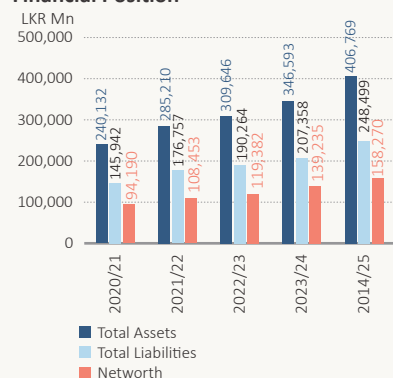
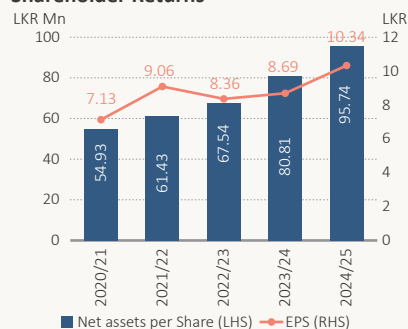
*Intellectual Capital (pages 117-124)*

## FINANCIAL HIGHLIGHTS

Profitability		Change%	2024/25	2023/24	2022/23
Revenue	LKR Mn.	0.4%	122,760	122,330	116,855
Earnings before interest, tax, depreciation and Amortisation (EBITDA)	LKR Mn.	-2.2%	34,476	35,267	33,211
Results from Operating Activities	LKR Mn.	-6.2%	30,505	32,507	30,671
Profit Before Tax	LKR Mn.	-8.3%	24,348	26,553	25,078
Profit After Tax	LKR Mn.	-8.2%	16,023	17,444	17,809
Profit Attributable to the Owners of the Parent	LKR Mn.	18.9%	11,761	9,894	9,524
Dividends	LKR Mn.	199.8%	3,414	1,139	-
Gross Profit Margin	%	-1.2%	43.8	44.5	43.3
Operating Profit Margin	%	-6.7%	24.8	26.6	26.9
Net Profit Margin	%	-8.1%	13.1	14.3	15.6
Return on Assets (ROA)	%	-21.7%	3.9	5.0	5.8
Return on Equity (ROE)	%	-18.4%	10.12	12.5	14.9
Interest Cover	Number of times	15.05	12.52	11.4	7.4

Financial Position		Change%	2024/25	2023/24	2022/23
Total Assets	LKR Mn.	17	406,769	346,593	309,646
Total Debt	LKR Mn.	41	77,594	55,106	47,879
Total Liabilities	LKR Mn.	20	248,499	207,358	190,264
Equity attributable to equity holders of the parent	LKR Mn.	18	108,945	92,039	76,925
Net Worth	LKR Mn.	14	158,270	139,235	119,382
Debt/Equity	%	24	49.03	39.58	40.11
Equity Asset Ratio	%	1	26.78	26.56	24.84
Current Ratio	Number of times	-7	1.26	1.35	1.28
Quick Asset Ratio	Number of times	-8	1.05	1.14	1.09

Market and Shareholder Information		Change%	2024/25	2023/24	2022/23
Shares in Issue	Number Mn.	-	1,139	1,139	1,139
Market Value per share	LKR	17	58.90	50.5	36.6
Earnings per share	LKR	19	10.34	8.69	8.36
Net Asset per share	LKR	16	95.74	80.81	67.54
Dividends per share	LKR	200	3.00	1.00	-
Company Market Capitalisation	LKR Mn.	17	67,087	57,515	41,684
Price Earnings ratio	Number of times	-2	5.70	5.81	4.38
Dividend yield ratio	%	157	5.09	1.98	-

**Profitability****Financial Position****Shareholder Returns**

# LMD TOP 20 - CORPORATE LEADERS BY FINANCIAL PERFORMANCE.

## 8.3% ▼

PROFIT  
BEFORE TAX

## 19.8% ▲

LIABILITIES

DIRECT AND INDIRECT TAXES

# 24.9 LKR BN

## 12.9 LKR BN

INTANGIBLE  
ASSETS

## 13.7% ▲

SHAREHOLDERS EQUITY  
PERFORMANCE.

## 0.4% ▲

REVENUE

## 17.4% ▲

ASSETS

## NON FINANCIAL HIGHLIGHTS

Manufactured Capital		Change%	2024/25	2023/24	2022/23
Property Plant and Equipment	LKR Mn.	7	74,707	69,971	60,336
Capital Expenditure	LKR Mn.	-59	13,144	14,409	8,088
Depreciation and Amortisation	LKR Mn.	17	3,970	3,391	3,290
Investment in Research and Development	LKR Mn.	-34	97.83	149	134

Human Capital		Change%	2024/25	2023/24	2022/23
Total Employees	Number of:	6	9,939	9,392	12,174
Female workforce	Number of:	11	2,884	2,600	4,207
Male workforce	Number of:	4	7,055	6,792	7,967
New recruitments	Number of:	15	3,498	3,042	2,254
Employees represent outside the western province	Number of:	6	3,684	3,466	5,323
Productivity (revenue/employee)	LKR Mn.	-5	12.35	13.02	9.6
Investment in Training	LKR Mn.	-34	25.63	38.81	45.57
Total Training hours	Hours	14	86,498	75,587	67,136
Retention rate	%	0	68	68	72
Jobs created to young employees (under 30 years)	Number of:	4	5,072	4,863	4,575
Occupational Injuries	Number of:	-27	299	411	420

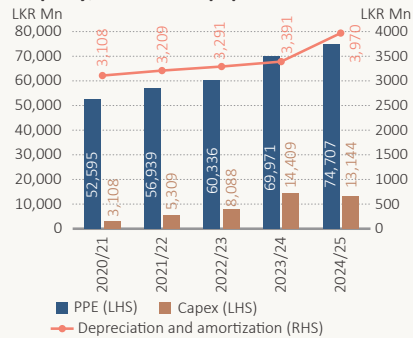
Social and Relationship Capital		Change%	2024/25	2023/24	2022/23
Rocell own Showrooms	Number of:	7	63	59	59
Lanka Tiles own showrooms and Franchise network	Number of:	2	56	55	54
LB Finance Branches	Number of:	8	216	200	192
New products launched	Number of:	147	424	172	176
Suppliers	Number of:	209	23,610	7,630	4,389
Small and Medium suppliers	Number of:	-55	3,041	6,766	3,568
Payments to suppliers	LKR Bn.	-14	76.3	75.0	89.0
Investment in CSR Initiatives	LKR Mn.	-34	38	58	125
Estimated beneficiaries from CSR initiatives	Number of:	-96	36,400+	1,000,000+	170,000+

Natural Capital		Change%	2024/25	2023/24	2022/23
Energy Consumption	GJ	-9	969,888	1,064,463	1,098,151
Raw Material Consumption	MT	-4	349,805	365,895	380,660
Total Water Usage	Liters Mn.	-16	444	526	705
Water Recycled	%	10	16.8	15.30	22.30
Carbon Footprint	tCO2	-8	129,952	140,945	143,352
Total Wastage	MT	196	181,190	61,290	47,163

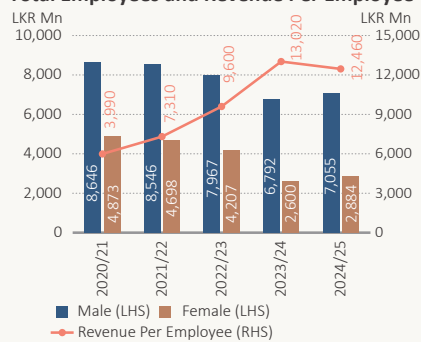
Governance		Change%	2024/25	2023/24	2022/23
Total Companies (Subsidiaries and Associates)	Number of:	6	57	54	54
Directorships (Company) as at 31 March 2025	Number of:	57	11	7	7
Female held Directorships (Company) as at 31 March 2025	Number of:	25	5	4	4
Shares held by Twenty Largest Shareholders	%	-1	92.91	92.78	92.54



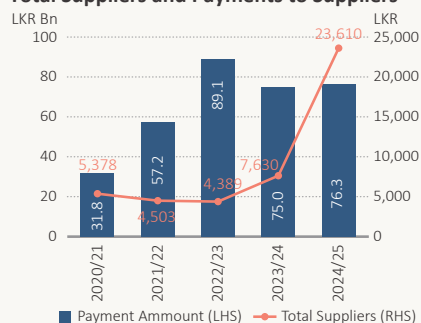
### Property, Plant and Equipment



### Total Employees and Revenue Per Employee



### Total Suppliers and Payments to Suppliers



# 78%

# 2.4:1.0

Gender Ratio  
(Men to Women)

## Average Capacity Utilisation across 9 Manufacturing Plants

### TPM SAVINGS

# 746

LKR MN

# 57

of Subsidiaries  
Great Place To  
Work

# 1,426

Outstation Recruitments

# 11%

Women in executive and  
above roles

# 5,372

MW

Annual Solar Power Energy  
Generation

# 4,007

CUSTOMER TOUCHPOINTS



## OUR LEADERSHIP

# The Heart of Synergy

At the heart of Vallibel One's leadership is a web of interconnected expertise, strategy, and insight— an integrated force that drives every decision, fuels growth, and unites all business units toward a common vision. Rooted in a culture of collaboration, our leadership thrives on centralised systems and unified governance. This collective strength ensures a seamless flow of purpose, empowering each subsidiary to grow in alignment with our overarching goals.

## CHAIRMAN'S STATEMENT

Digital transformation continues to serve as a powerful enabler—affirming Vallibel One's belief that innovation and technology are the stepping stones to the future, by driving greater efficiency, reach, and competitiveness across industries.



Dear Stakeholders,

The past year marked a crucial turning point in Sri Lanka's economic trajectory—one shaped by macroeconomic stabilisation, gradual policy realignment, and the cautious rebuilding of consumer and business confidence that augurs well for the years ahead.

On behalf of the Board, I am pleased to share an overview of a year in which Vallibel One PLC stayed true to its commitment to stakeholders—delivering steadfast performance, strengthening operational foundations, and responding with agility and foresight to the broader socio-economic landscape in which we operate.

### OPERATING LANDSCAPE

Sri Lanka marked a decisive shift toward macroeconomic stabilisation following the turbulence of recent years. The year witnessed broad-based sectoral growth, reinforced by declining inflation, improving investor confidence, and early signs of fiscal consolidation. Inflation fell in 2025, while the Central Bank continued its reduction of policy rates with the aim of revitalising consumption and private sector credit.

Against this backdrop, many sectors displayed mixed momentum. Consumer spending was subdued, impacted by limited credit access and constrained discretionary income. The construction industry recorded a positive performance, largely propelled by public infrastructure development and B2B-driven projects; however, heightened import-led competition placed pressure on certain product segments within the lifestyle sector.

The financial services sector showed early signs of stabilisation, with monetary easing supporting a gradual revival in lending. While credit demand remained conservative, improved regulatory clarity and stronger economic fundamentals laid the groundwork for sustained recovery. In the FMCG segment, demand for essentials remained constant, with value-conscious consumers driving competitive dynamics. Meanwhile, the packaging sector benefited from increased production volumes and a resurgence in export activity as trade flows picked up pace.

Profit After Tax

**LKR 16 BN**

Total Assets

**17.4%** 

Profit Attributable to  
Equity holders of the parent

**11.8 BN**

Looking ahead, export markets are poised to play a critical role in Sri Lanka's recovery, offering vital foreign currency inflows and supporting long-term growth potential. Sectors such as packaging, aluminium, and ceramics are already expanding into high-growth regions, including East Africa, South Asia, and the Middle East.

The national drive toward renewable energy also gathered momentum during the year, creating opportunities for industries aligned with low-emission infrastructure and green innovation. At the same time, digital transformation continues to serve as a powerful enabler—affirming Vallibel One's belief that innovation and technology are the stepping stones to the future, by driving greater efficiency, reach, and competitiveness across industries.

#### **RESILIENCE AMID TRANSITION**

Against this evolving backdrop, the Group remained agile and strategically focused, leveraging its diversified portfolio to navigate the complexities that emerged during the year. The Group's consolidated revenue held steady at LKR 122.8 billion, reflecting resilience amidst challenging market conditions, while gross profit remained robust at LKR 53.7 billion, underscoring effective cost control and operational efficiency. Profit before tax stood at LKR 24.3 billion, supported by strong contributions from the aluminium, consumer, and investment sectors. Meanwhile, the Group's total assets grew to LKR 407 billion, reflecting continued investment in core businesses and establishing a strong foundation for future growth.

While the lifestyle segment faced headwinds due to cautious consumer spending, it successfully adapted by refining its product mix and enhancing value offerings to align with changing customer preferences. The tile segment continued to face intense competition amid a largely unregulated market environment, which placed pressure on pricing and margins, while underscoring the need for greater industry regulation.

The finance sector, operating under subdued credit demand and margin pressure, prioritised cost reduction and operational efficiencies, thereby maintaining profitability despite challenging conditions.

The aluminium sector capitalised on Sri Lanka's national renewable energy drive by supplying solar structures, while pursuing product innovation across its traditional product mix, thereby reinforcing its market leadership. Meanwhile, the Group's consumer sector leveraged on steady demand for essentials and the shift toward value-driven purchasing patterns. Brands adapted by focusing on cost-efficiency and innovation to respond to consumer dynamics.

From a broader perspective, Group's overall focus on regional expansion gained momentum, with an increased presence in East Africa and South Asia diversifying income streams and capturing new growth opportunities. Overall, disciplined cost management, process excellence, and a commitment to sustainable practices enabled the Group to deliver a resilient and commendable financial performance throughout the year.

#### **A COMMITMENT TO SUSTAINABLE DEVELOPMENT AND PROGRESS**

At Vallibel One, we recognise that sustainable business is the only business worth pursuing. As a socially and environmentally responsible corporate, we are proud to contribute meaningfully to 15 of the 17 United Nations Sustainable Development Goals (SDGs). Our ESG agenda is deeply embedded in every aspect of our operations, from governance and compliance to innovation and community investment.

This year, we contributed 5.4 million kWh of renewable energy to the national grid, a milestone that underscores our commitment to climate action. We also expanded our portfolio of environmentally conscious products and services, supporting both consumer demand for responsible consumption and our own sustainability ambitions.

Moreover, our social investment efforts remained focused on uplifting communities, fostering inclusive employment, and supporting education and health initiatives in the regions where we operate. Through local supplier development and community hiring, we continue to ensure that our growth translates into national progress.

As a Group, our impact extends beyond business performance. Through the generation of employment, the payment of taxes, support for local enterprise, and foreign exchange earnings via export activities, Vallibel One continues to play a vital role in Sri Lanka's economic recovery and long-term development. Our investments across six strategic thrust sectors positions us to not merely fuel our the Group's expansion, but also contribute to the broader goal of national resilience and inclusive growth.

#### **UPHOLDING PRINCIPLES OF GOOD GOVERNANCE**

At Vallibel One, we uphold the highest standards of corporate governance, driven by our unwavering commitment to accountability, transparency, and stakeholder trust. This commitment is reflected in our continued alignment with globally recognised reporting frameworks and adherence to evolving regulatory standards.

During the year, the Board ensured full and timely compliance with Colombo Stock Exchange Listing Rule No. 9 on Corporate Governance. This included the reconstitution of key Board Committees to strengthen oversight and the formal publication of critical governance policies on the Group's website, enhancing transparency and public accountability.

Our governance framework is supported by a comprehensive suite of policies that address environmental, social, and governance (ESG) priorities. These policies are designed to minimise negative impact, uphold ethical behaviour, and ensure fair and transparent decision-making across the Group. We maintain robust risk management practices and internal controls, underpinned by a zero-tolerance

## CHAIRMAN'S STATEMENT

approach to discrimination, corruption, and any breach of integrity. This steadfast approach reinforces our purpose-driven culture and strengthens our ability to deliver long-term, responsible value.

### GRATITUDE AND ACKNOWLEDGEMENTS

The progress and resilience we've demonstrated thus far would not have been possible without the dedication and excellence of our employees across all sectors. Your adaptability and commitment have been central to our success in navigating this dynamic landscape, and I thank you for your dedication over the years.

I was honoured to be re-appointed as Chairman on 11th October 2024, alongside the re-designation of Mr. Harsha Amarasekera as Co-Chairman. It is a privilege to once again lead this distinguished organisation, and I remain committed to working closely with the Board and management as we continue to build on our legacy of excellence.

To my fellow Board members, thank you for your counsel, guidance, and unwavering support. I would also like to express our sincere gratitude to the outgoing directors, Mr. Rajan Asirwartham and Ms. Shirani Jayasekara, for their years of distinguished service and invaluable contributions to the Group. I wish them well in their future endeavours.

I am delighted to welcome Mr. Manil Jayasinghe, Mr. Anura Fernando, Ms. Devika Weerasinghe, Ms. Romany Parakrama, and Mr. Jonathan Alles to the Board. Their wealth of insight and diverse expertise will undoubtedly strengthen our governance and strategic direction in the years ahead.

My sincere thanks go to the Group's senior leadership and management teams for their strategic execution and steadfast responsiveness during a transformative period. Your efforts have ensured that Vallibel One remains not only resilient—but positioned for sustainable, long-term growth.

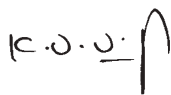
Finally, I wish to extend my deepest appreciation to our shareholders, partners, and broader stakeholder community for your continued trust and loyalty. Your confidence in Vallibel One PLC is the foundation upon which we build our future.

### LOOKING AHEAD

As we move forward, we are confident in the Group's ability to deliver lasting value. The external environment may continue to evolve, but the principles that guide us—diversification, discipline, innovation, and integrity—remain constant.

Bolstered by renewed economic stability, we are well-positioned to strengthen our business model through strategic investments, deeper ESG integration, and digital transformation—while empowering our teams to innovate, excel, and drive performance across all verticals.

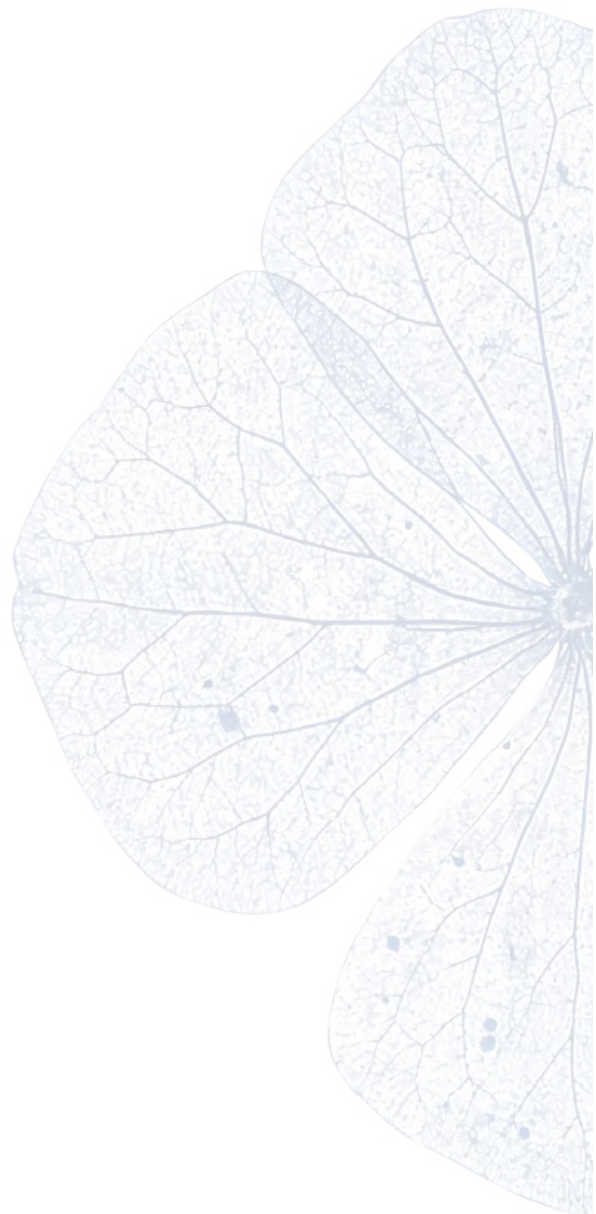
Together, these efforts will ensure that Vallibel One not only adapts to change—but leads it. As we enter the next phase of our journey, we are guided by a timeless vision and driven by boundless potential. With a resilient foundation, a clear strategic path, and a deep commitment to sustainable value creation, we look ahead with confidence—ready to shape a future that benefits stakeholders from every walk of life.



**Dhammika Perera**

Chairman

03 June 2025





# MANAGING DIRECTOR'S REVIEW

Amid a volatile operating climate, the Group remained steadfast in its commitment to long-term value creation—underpinned by disciplined execution, diversified growth, and the enduring principles that define Vallibel One's ethos of excellence.



## DEAR STAKEHOLDER,

It is with great pride that I present the 09th Integrated Annual Report of Vallibel One PLC, offering a holistic view of the Group's performance for the financial year ended 31st March 2025. Amid a volatile operating climate, the Group remained steadfast in its commitment to long-term value creation—underpinned by disciplined execution, diversified growth, and the enduring principles that define Vallibel One's ethos of excellence.

## AN ADAPTIVE STRATEGY

In FY 2024/25, Sri Lanka's economy displayed early signs of stabilisation with easing inflation, a stronger Rupee, and declining interest rates. However, high living costs and stagnant income growth continued to suppress consumer sentiment and discretionary spending. This environment, coupled with heightened competition, made consumers more value-conscious, further impacting demand in key sectors.

In response, the Group adopted a flexible and market-responsive approach, capitalising on both domestic opportunities and export-driven growth. Leveraging a strong foundation in operational excellence, resource efficiency, and digitalization, Vallibel One maintained cost control and delivered consistent performance despite macroeconomic headwinds. This agility ensured the Group could navigate through a challenging landscape, balancing resilience with long-term growth.

## PURPOSE-DRIVEN PROGRESS

Vallibel One PLC is deeply committed to sustainable progress, with a strategic focus on responsible business practices, community development, and ethical leadership across all its subsidiaries. This commitment is evident in its ongoing initiatives, from renewable energy solutions and circular economy models to enhancing financial inclusion. These efforts are closely aligned with national sustainability goals, and are designed to create long-term value for stakeholders through inclusive growth and responsible resource management.

Beyond its core business operations, the Group is dedicated to fostering community development and generating positive social impact. By integrating sustainable practices throughout its value chains, Vallibel One is not merely driving progress within its business but also ensuring a broader, positive effect on society, paving the way for a responsible and sustainable future for all.

# 51

Awards achieved across the Group

Serving

# 23

Export Markets

Revenue

# LKR 122 BN

## MANAGING DIRECTOR'S REVIEW

### CONSOLIDATED PERFORMANCE

Economic conditions posed challenges for consumer-driven sectors, notably lifestyle and finance, which saw revenue contraction due to subdued demand and cautious spending. However, strong performances in the Aluminium, Consumer, and Investment and Others sectors helped mitigate the impact, highlighting the strength of Vallibel One's diversified business model.

Revenue remained steady at LKR 122.8 billion, a slight 0.4% increase from the previous year, reflecting the Group's balanced portfolio. Cost of sales rose by 1.6%, while administrative and distribution expenses increased 11.4% driven by inflation and macroeconomic factors.

Despite these pressures, gross profit remained stable, down just 1.2% while profit before tax declined 8.3% to LKR 24.3 billion. This performance highlights the Group's strength and its capacity to preserve value through diversification and insightful strategies.

### LIFESTYLE SECTOR

The Lifestyle sector recorded LKR 44.4 billion in revenue for FY 2024/25, a 10.6% decline year-on-year, driven by weakened consumer demand and increased competition. While volumes declined, cost of sales remained stable due to operational efficiencies, though administrative and distribution expenses rose from increases in employee remuneration and advertising spend. Gross profit fell by 24.9% to LKR 15.8 billion, while profit before tax dropped 62.5% to LKR 3.3 billion, and profit after tax declined 68.5% to LKR 2.0 billion.

Total assets increased 5.2% to reach LKR 80.3 billion, supported by expansion-focused capital expenditure, with the objective of meeting future demand. To counter domestic market pressures, the tiling segment also pivoted to regional exports, particularly in Australia, the USA, and East Africa, and moved into niche B2B and roofing categories. The interior décor division secured major contracts across government, education, and finance, while the grout segment grew its market share and expanded into construction services, enhancing its value chain integration.

### FINANCE SECTOR

The Finance sector reported an interest income of LKR 42.2 billion in FY 2024/25, marking a 8.5% decline. This decrease was driven by macroeconomic pressures, including lower interest rates, shifts in consumer spending, and migration trends, which affected certain segments and heightened credit risk.

Despite these challenges, profitability remained strong, with net interest income rising by 3.2% to LKR 25.4 billion, with profit before tax up 8.6% to LKR 20.6 billion, and profit after tax growing by 11.9% to LKR 10.9 billion. Total assets increased by 19.1% to LKR 242.2 billion, driven by strategic portfolio management and expansion.

L B Finance PLC continues to set industry benchmarks through innovation and digital investments, with expanding products like solar loans and Islamic finance, reflecting its commitment to sustainability and market relevance. Its inclusion in the S&P Sri Lanka 20 Index also highlights its financial strength and governance.

Beyond Sri Lanka, the Group advances financial inclusion through L B Microfinance Myanmar, providing credit solutions to underserved communities, in addition to focusing on SME development domestically to drive sustainable, equitable growth.

### ALUMINIUM SECTOR

The Aluminium sector delivered strong performance in FY 2024/25, with revenue rising 64.9% to reach LKR 11.98 billion, driven by demand for architectural aluminium, particularly in the solar and urban development sectors. Gross profit more than doubled to LKR 2.4 billion, and the sector reported a profit after tax of LKR 418 million, recovering from the prior year's loss. Total assets increased to LKR 9.37 billion, reflecting ongoing capacity expansion.

Strategically, the sector shifted focus from aggressive growth to consolidation, capability enhancement, and export-led expansion. It met a significant portion of Sri Lanka's aluminium extrusion demand, and continued to cement its position across multiple international markets.

The sector primarily focused on operational efficiencies, lean manufacturing, and cost controls to manage rising input prices, while investing in digital tools and product innovation. These efforts, coupled with a disciplined approach to market diversification and supply chain resilience, have strengthened the sector's premium positioning and set the stage for sustainable growth.

### LEISURE

The Group's leisure portfolio includes The Fortress Resort and Spa and The Greener Water Hotel Project, a landmark development that will transform and elevate the Negombo coastline. Progress is ongoing, with the Group undertaking a phased approach to ensure the hotel's launch aligns with optimal market conditions for long-term growth and value.

The Fortress Resort and Spa achieved a record turnover of LKR 1 billion despite softer demand from traditional European markets, driven by effective digital marketing and online engagement. The Group recognized an associate profit share of LKR 53.2 million from the resort.

With a recovering national tourism sector, the Group remains confident in the future potential of its leisure investments and remains well-positioned for sustained growth.

### CONSUMER

Despite challenging dynamics, the Consumer sector maintained its growth momentum, and achieve a strong performance in FY 2024/25, with revenue rising by 22.3% to reach LKR 10.29 billion. This growth was driven by an expanded distributor network, improved product availability, and increased demand for essential goods and healthcare products. Gross profit rose to LKR 2.27 billion, and profit before tax more than doubled to LKR 739 million. Profit after tax increased by 79.0% to LKR 497 million, while total assets expanded by 44.2% to LKR 5.42 billion.

Strategically, the sector strengthened its presence through product innovation, rebranding, and value-based pricing. An expansion of the sector's its healthcare

footprint took place via a notable partnership with Nobel Biocare to distribute dental implant solutions. Retail expansion and an integrated omni-channel approach further boosted market reach. Additionally, sustainability initiatives, such as eco-friendly packaging and energy-saving efforts, supported operational efficiency through digital logistics and resilient supply chains.

Looking ahead, the sector remains focused on enhancing sustainability, digital transformation, and strategic growth through mergers, acquisitions, and regional expansion.

#### INVESTMENTS AND OTHERS

This sector encompasses the Group's interests in packaging, mining, investments, insurance, travel, transportation, and energy. Total revenue rose 14.5% to LKR 10.38 billion, with profit before tax increasing 1.1% to LKR 5.87 billion. Profit after tax declined slightly by 0.1% to LKR 5.31 billion. The segment's assets grew 20.4% supported by strategic investments and operational consolidation.

The packaging segment was a key contributor to performance by fueling domestic growth through strong demand and eco-friendly initiatives. In a notable move, the segment expanded into Kenya, capitalising on regional industrial growth and demand for sustainable packaging, thereby strengthening its position in East Africa's packaging market.

The mining segment improved profitability by shifting focus to feldspar mining, following its exit from kaolin mining and sanitaryware imports. Domestically, the Investments and Others sector also ventured into the energy industry by commencing the distribution of lubricants. These strategies collectively exhibit the sector's adaptability, regional expansion, and an overarching commitment to sustainability.

#### FUTURE OUTLOOK

The Group is well-positioned to capitalize on growth opportunities across its diversified portfolio. A continued focus on innovation, digital transformation, and sustainability will undoubtedly strengthen operational efficiency and strengthen competitive advantage.

By adapting to evolving market dynamics and customer preferences, the Group aims to enhance value creation while managing risks amid global economic uncertainties. Strategic investments, expansion into new markets, and disciplined cost management will support sustainable growth.

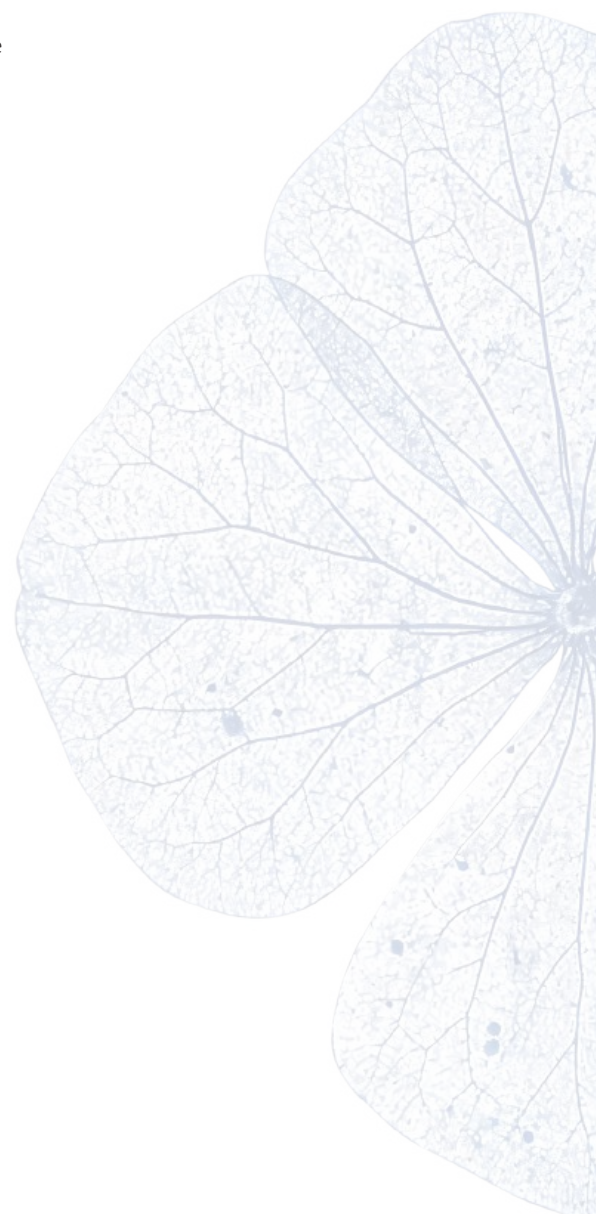
With a strong foundation and clarity of purpose, the Group remains committed to delivering long-term returns and positive impact for all stakeholders – spurred onwards by a timeless vision, with the sole purpose of unlocking boundless potential.



**Dinusha Bhaskaran**

Managing Director

03 June 2025



## BOARD OF DIRECTORS



**MR. DHAMMIKA PERERA**  
Chairman/Non-Executive Director



**MR. HARSHA AMARASEKERA**  
Co-Chairman/Non-Executive Director



**MS. DINUSHA BHASKARAN**  
Managing Director



**MR. SUMITH ADHIHETTY**  
Non-Executive Director



**MS. KAWSHI AMARASINGHE**  
Executive Director



**MS. BRINDHIINI PERERA**  
Non-Executive Director



**MR. MANIL JAYESINGHE**  
Independent Non-Executive Director



**MR. ANURA S. FERNANDO**  
Independent Non-Executive Director



**MS. KAMANI DEVIKA  
WEERASINGHE**  
Independent Non-Executive Director



**MS. ROMANY PARAKRAMA**  
Independent Non-Executive Director



**MR. JONATHAN ALLES**  
Independent Non-Executive Director



AC Audit Committee

RC Remuneration Committee

RP Related Party Transactions Review Committee

NG Nominations and Governance Committee

**MR. DHAMMIKA PERERA**

Chairman/Non-Executive Director

**Date of Appointment:** 11 October 2024**Tenure:** 6 months**Board Meeting Attendance:** 2/2**Skills & Experience:**

Mr. Dhammika Perera is a philanthropist, quintessential strategist and business leader with interests in various key industries, including manufacturing, banking and finance, leisure and hydropower generation.

He has over 35 years of experience building formidable business through unmatched strategic foresight and extensive governance experience gained through membership of the Boards of quoted and unquoted companies.

**Other Appointments & Industry Memberships:**

1. Chairman of Royal Ceramics Lanka PLC
2. Co-Chairman of Hayleys PLC
3. Founder & Chairman of Dhammika & Priscilla Perera Foundation
4. Chairman of Summer Season Ltd

**Value Added to the Board:**

Mr. Perera contributes a wealth of strategic and operational expertise to the Board, drawing from decades of leadership across diverse industries. His ability to anticipate market shifts and identify growth opportunities supports the Group's resilience and competitiveness, with a strong track record in value creation. He plays a pivotal role in guiding the Group's strategic direction and ensuring alignment with its long-term vision.

NG AC

**MR. HARSHA AMARASEKERA**

Co-Chairman/Non-Executive Director

**Date of Appointment:** 15 November 2010

(as Independent Non-Executive Director)

**Tenure:** 14 years and 5 months**Board Meeting Attendance:** 4/4**Committee Memberships:**

- Member, Audit Committee
- Member, Nominations and Governance Committee

**Skills & Experience:**

Mr. Harsha Amarasekera is a leading luminary in Sri Lanka's legal profession, with expertise in Commercial Law, Business Law, Securities Law, Banking Law, and Intellectual Property Law. He was admitted to the Bar in 1987 and appointed as a President's Counsel in 2012. His extensive experience in arbitration and cross-national disputes further strengthens his professional standing.

**Education & Professional Qualifications:**

- Attorney-at-Law
- President's Counsel

**Current Appointments:**

- Non-Independent Non-Executive Chairman of Sampath Bank PLC
- Non-Independent Non-Executive Chairman of CIC Holdings PLC, Swisstek (Ceylon) PLC, Swisstek Aluminium Ltd, CIC Agri Business (Private) Ltd, Vallibel Power Erathna PLC and the Chairman of Colombo Port City Economic Commission.
- Non-Independent Non-Executive Co-Chairman, Royal Ceramics Lanka PLC
- Non-Executive Chairman, Sampath Centre Ltd.
- Independent Non-Executive Director, Expolanka Holdings Ltd.
- Non-Executive Director, Ceylon Hotels Holdings Ltd, EFL Global Logistics (Pte) Ltd, Galle Face Management Company (Pvt) Ltd, Link Natural Products (Pvt) Ltd, Millennium Airlines (Pvt) Ltd, Millennium Investments Lanka (Pvt) Ltd, and Silver Aisle (Pvt) Ltd.

**Value Added to the Board:**

Mr. Amarasekera brings invaluable expertise in law and commerce, particularly in governance, compliance, and corporate law.

**MS. DINUSHA BHASKARAN**

Group Managing Director

**Date of Appointment:** 15 June 2022**Tenure:** 2 years and 9 months**Board Meeting Attendance:** 4/4**Skills & Experience:**

Ms. Dinusha Bhaskaran has over 27 years of experience across multiple sectors, including finance, operations, and corporate governance. As the Group Managing Director of Vallibel One PLC, she brings a global dimension to her leadership, shaped by her experience in Sri Lanka and Australia. Her strategic leadership has been pivotal in driving transformation and long-term growth across diverse industries such as banking, retail, manufacturing, and investment.

**Professional & Educational Qualifications:**

- Fellow, Chartered Institute of Management Accountants, UK (FCMA)
- Fellow, CPA Australia (FCPA)
- Associate Member, Institute of Bankers, Sri Lanka

**Industry Contributions & Board Memberships:**

- Executive Director, Delmege Limited
- Chairperson/Director, Greener Water Ltd
- Non-Executive Director, L B Finance PLC, Vallibel Power Erathna PLC, Lanka Walltiles PLC and Country Energy (Pvt) Ltd
- Chief Executive Officer, Vallibel One PLC (Nov 2016–Jun 2022)
- Chief Financial Officer, Clenergy, Australia (Mar 2010–Sep 2014)

**Awards & Recognition:**

- Best Corporate Leader 2023, Women In Management, Top 50 Professional & Career Women Global Awards (Sri Lanka)

**Value Added to the Board:**

Ms. Bhaskaran's leadership is defined by her forward-thinking vision that drives strategic transformation, operational excellence, and shareholder value. Her focus on sustainability and digital transformation ensures the continued success and growth of Vallibel One PLC.

## BOARD OF DIRECTORS

### MR. SUMITH ADHIHETTY

Non-Executive Director

**Date of Appointment:** 15 November 2010

**Tenure:** 14 years and 5 months

**Board Meeting Attendance:** 3/4

#### Skills & Experience:

Mr. Sumith Adhietty is a top-notch marketing professional with over 45 years of experience in the finance sector. He was formerly the Deputy Managing Director of Mercantile Investments Limited and served as a Director of Nuwara Eliya Hotels Company Limited, Grand Hotel (Private) Limited, Royal Palm Beach Hotels Limited, Tangerine Tours Limited, Security Ceylon (Private) Limited, Vallibel Finance PLC, and Pan Asia Banking Corporation PLC.

#### Current Appointments:

He holds directorships in nine other companies, including:

- Managing Director of L B Finance PLC
- Non-Executive Director of The Fortress Resorts PLC, La Forteresse (Private) Limited, LB Microfinance Myanmar Company Limited, Greener Water Ltd, Summer Season Residences Limited, Summer Season Limited, and Summer Season Mirissa (Pvt) Ltd.

#### Value Added to the Board

Mr. Adhietty brings a wealth of marketing, financial, and governance experience to the Vallibel One PLC Board. His longstanding leadership in the finance sector, combined with his strategic insight and comprehensive industry knowledge, significantly strengthens the Board's ability to navigate complex business environments and drive growth.

### MS. KAWSHI AMARASINGHE

Executive Director

**Date of Appointment:** 15 June 2022

**Tenure:** 2 years and 9 months

**Board Meeting Attendance:** 4/4

#### Skills & Experience:

Ms. Kawshi Amarasinghe serves as an Executive Director at Vallibel One PLC and Group Director for International Business Development and CSR. With over a decade of experience, she has been pivotal in driving the Group's business development and research strategy across a diverse portfolio. She leads high-impact projects across manufacturing, hospitality, retail, and finance, focusing on market research, branding, digital transformation, and business expansion. Ms. Amarasinghe is also the strategic force behind DP Education, Sri Lanka's largest free learning platform, which impacts over 1.8 million learners nationwide. Her leadership expertise spans both enterprise growth and community upliftment, contributing significantly to the company's strategic vision and operational success.

#### Industry Contributions and Board Memberships:

- Non-Executive Director – Singer (Sri Lanka) PLC, Pan Asia Banking Corporation PLC, The Fortress Resorts PLC, Greener Water Ltd., Hayleys Leisure PLC
- Chief Executive Officer – Dhammika & Priscilla Perera Foundation

#### Professional & Educational Qualifications:

- Bachelor's Degree in International Studies – University of Queensland, Australia
- Management Acceleration Programme – INSEAD, France
- Hotel Revenue Management – Cornell University, USA

#### Value Added to the Board:

Ms. Amarasinghe brings a forward-thinking, innovation-driven perspective to the Vallibel One PLC Board. Her cross-sector experience in international business development and digital strategy enables the company to navigate evolving market dynamics and identify growth opportunities. She bridges the gap between strategic vision and operational execution, ensuring sustainable long-term value creation.

NG

### MS. BRINDHIINI PERERA

Non-Executive Director

**Date of Appointment:** 19 October 2022

**Tenure:** 2 years and 5 months

**Board Meeting Attendance:** 4/4

#### Committee Memberships:

- Member, Nominations and Governance Committee

#### Skills and Experience:

Ms. Brindhiini Perera has earned a Masters in Mechanical Engineering from Imperial College London. Her studies included comprehensive coverage of subjects such as Manufacturing Technology and Management, Entrepreneurship, Corporate Finance, Statistics, and Mathematics.

#### Current Appointments:

She holds directorships in fifteen other companies; Non-Executive Director of Haycarb PLC, Hayleys Fabric PLC, Dipped Products PLC, The Kingsbury PLC, Hayleys Leisure PLC, Singer (Sri Lanka) PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, The Fortress Resorts PLC, Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd and Dhammika & Priscilla Perera Foundation. She also serves on the Board of Eurocarb Products Ltd (UK).





AC Audit Committee   RC Remuneration Committee   RP Related Party Transactions Review Committee   NG Nominations and Governance Committee

AC NG

### MR. MANIL JAYESINGHE

Independent Non-Executive Director

**Date of Appointment:** 01 Jan 2025

**Tenure:** 3 months

**Board Meeting Attendance:** 1/1

#### Committee Memberships:

- Chairman, Audit Committee
- Member, Nominations and Governance Committee

#### Skills & Experience:

With over 41 years of experience in advisory roles across key sectors, Mr. Jayesinghe served as the Country Managing Partner of Ernst & Young Sri Lanka & Maldives. He specialises in financial services, banking, insurance, manufacturing, retail, and telecommunications. His commercial experience, particularly in audits and strategic planning for financial institutions, adds substantial value to the Board.

#### Education & Professional Qualifications:

- Fellow, Institute of Chartered Accountants of Sri Lanka
- Fellow, Chartered Institute of Management Accountants (UK)
- Fellow, Certified Management Accountants of Sri Lanka
- Past President, Institute of Chartered Accountants of Sri Lanka

#### Other Appointments & Industry Memberships:

- Member, Governing Board of the Central Bank of Sri Lanka
- Senior Independent Non-Executive Director of CW Mackie PLC, Lanka IOC PLC, Lanka Milk Foods (CWE) PLC.
- Independent Non-Executive Director of Ceylon Hospital PLC, Diesel & Motor Engineering PLC, John Keells Holdings PLC, Royal Ceramics Lanka PLC.
- Director of Lanka Dairies (Pvt) Ltd, NMJ Leisure (Pvt) Ltd.
- Chairman – Accounting Standards Committee of the South Asia Federation of Accountants and the Accounting Standards Committee of Sri Lanka.
- Member – Auditing Standards Committee and Governing Board of the Central Bank Of Sri Lanka.

#### Value Added to the Board:

Mr. Jayesinghe brings a wealth of expertise in financial reporting, internal controls, and governance. His strategic vision guides the board in making informed decisions that drive the company's growth and compliance.

RP NG

### MR. ANURA FERNANDO

Independent Non-Executive Director

**Date of Appointment:** 01 Jan 2025

**Tenure:** 3 months

**Board Meeting Attendance:** 1/1

#### Committee Memberships:

- Chairman, Nominations and Governance Committee
- Member, Related Party Transactions Review Committee

#### Skills & Experience:

Mr. Fernando brings over 35 years of senior finance and audit experience from roles in Sri Lanka and internationally. His career spans various leadership roles, particularly in the finance, aerospace, and manufacturing industries. He has been involved in key business and strategic investment decisions, making him an asset to any board he serves.

#### Education & Professional Qualifications:

- Member, Institute of Chartered Accountants in Sri Lanka
- CPA of Australia
- MBA, Purdue University, USA

#### Other Appointments & Industry Memberships:

- Former CFO/Regional CFO for Pratt and Whitney New Zealand, China, and Turkey
- Regional Audit Director, United Technologies Corporation, Singapore
- CFO/Controller, Pratt and Whitney Space Propulsion Division, USA
- Various leadership roles across global corporations

#### Value Added to the Board:

Mr. Fernando's vast financial acumen and international experience will provide valuable insights into strategic business decision-making, risk management, and financial oversight.

RC AC RP

### MS. DEVIKA WEERASINGHE

Independent Non-Executive Director

**Date of Appointment:** 01 Jan 2025

**Tenure:** 3 months

**Board Meeting Attendance:** 1/1

#### Committee Memberships:

- Chairperson, Related Party Transactions Review Committee
- Member, Audit Committee
- Member, Remuneration Committee

#### Skills & Experience:

Ms. Devika Weerasinghe is a senior finance professional with over 30 years of experience in finance and management, having worked with renowned institutions such as PricewaterhouseCoopers and the John Keells Group. Her extensive expertise spans financial oversight, strategic planning, and governance in private and publicly listed companies, with a focus on the transportation, plantations, and IT sectors. Prior to retiring in June 2024, Ms. Weerasinghe was the CFO of the John Keells Group, overseeing financial operations for multiple sectors.

#### Education and Professional Qualifications:

- Associate Member, Chartered Institute of Management Accountants (UK)
- Bachelor's Degree in Business Administration – University of Sri Jayewardenepura

#### Other Appointments & Industry Memberships:

- Former CFO, John Keells Group
- Held various directorships in private and publicly listed companies
- Currently Independent Non-Executive Director of Printcare PLC, Vallibel Power Erathna PLC, Lanka Ceramic PLC and The Fortress Resorts PLC.

#### Value Added to the Board:

Ms. Weerasinghe brings a wealth of financial expertise and governance knowledge to the Board. Her strategic insights into financial planning, internal controls, and risk management strengthen the company's governance framework, ensuring sound decision-making and sustainable financial growth.

BOARD OF DIRECTORS

AC

Audit Committee

RC

Remuneration Committee

RP

Related Party Transactions Review Committee

NG

Nominations and Governance Committee

RC

RP

NG

MS. ROMANY PARAKRAMA

Independent Non-Executive Director

Date of Appointment: 01 Jan 2025  
Tenure: 3 months  
Board Meeting Attendance: 1/1

- Committee Memberships:**
- Chairperson, Remuneration Committee
  - Member, Related Party Transactions Review Committee
  - Member, Nominations and Governance Committee

**Skills & Experience:**

Ms. Romany Parakrama brings over 27 years of experience in corporate communication, financial services, and governance, having worked in leading roles at Standard Chartered Bank, Amro Bank, and American Express Bank. She has extensive experience in internal communications, corporate affairs, brand management, and sustainability. Previously, she was the Regional Head of Internal Communications for Southeast Asia and Head of Sustainability, Brand, and Sponsorship at Standard Chartered Bank Singapore. In Sri Lanka, she has held various senior leadership roles in corporate affairs, priority banking, and cash management.

- Education and Professional Qualifications:**
- Liberal Arts Degree – Smith College, USA (Magna Cum Laude)
  - Credit & Risk Professional Accreditation – Standard Chartered Bank and American Express

- Other Appointments & Industry Memberships:**
- Non-Executive Director, David Pieris Group
  - Non-Executive Chairman, Assetline Insurance Brokers, Assetline Capital, and Assetline Corporate Services
  - Chairperson, Integrated Risk Committee at Assetline Finance Limited (2017-2024)
  - Board Member, Sri Lanka Alzheimer’s Foundation

**Value Added to the Board:**

Ms. Parakrama adds immense value through her expertise in governance, strategic communications, and risk management. Her diverse background in both the banking industry and corporate governance enables her to guide the board through complex decision-making, enhancing the company’s operational effectiveness and long-term sustainability.

MR. JONATHAN ALLES

Independent Non-Executive Director

Date of Appointment: 14 February 2025  
Tenure: 3 months  
Board Meeting Attendance: 1/1

**Skills & Experience:**

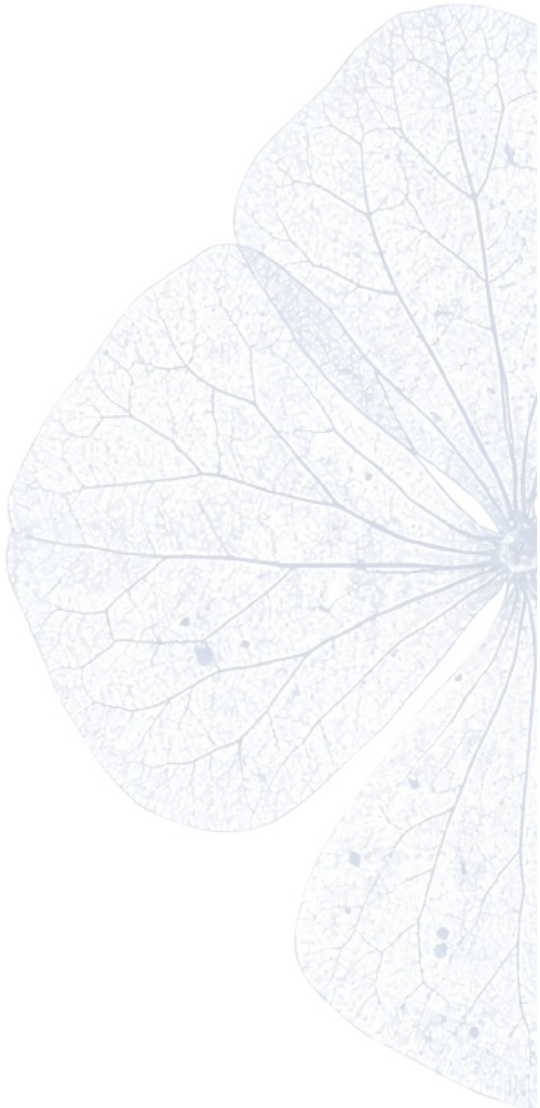
Mr. Alles has over 37 years of banking experience, including extensive leadership roles at prominent international banks such as HSBC and the National Bank of Abu Dhabi. He was the Managing Director/CEO of Hatton National Bank PLC (HNB), one of Sri Lanka’s largest private-sector banks. His expertise spans retail banking, corporate banking, investment banking, and strategic business management.

- Education & Professional Qualifications:**
- First-Class MBA in Finance, University of Stirling, UK
  - Associate Member, Institute of Bankers of Sri Lanka (AIB SL)

- Industry Contributions & Board Memberships:**
- Director, Sri Lanka Banks Association (SLBA)
  - Chairman, SLBA (2014–2016)
  - Chairman, Asian Bankers Association (2018–2021)
  - Independent Non-Executive Director, multiple companies including United Motors Lanka PLC, Ceylon Beverage Holdings PLC, Lion Brewery Ceylon PLC, Hayleys PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC, Alumex PLC.

**Value Added to the Board:**

Mr. Alles contributes significant banking and financial services expertise, particularly in governance, risk management, and strategy.



## STRATEGY AND VALUE CREATION

# The Pillar of Progress

At Vallibel One, we are the strength and stability that drive the growth of our business units. By channelling capital, insight, and strategic direction, we support bold decisions while ensuring disciplined planning, effective risk management, and a focus on long-term value to foster sustainable growth.

# OPERATING ENVIRONMENT

The operating environment frames the events and activities presented in this report. The dynamics highlighted here—spanning political, economic, social, technological, environmental, and legal factors—collectively influenced the Group’s strategic direction and the actions of its business units over the course of the year.

## WORLD ECONOMY

The global economy in 2024 displayed tentative signs of stabilisation following a period of significant disruption; however challenges persisted across multiple fronts. Despite inflation easing from the high levels recorded in 2022, it remained elevated in many regions, complicating central banks' efforts to return to pre-pandemic economic conditions. Despite efforts to tighten monetary policy, growth in advanced economies slowed, while emerging markets experienced more moderate recovery.

Geopolitical tensions in 2024, including the Ukraine-Russia war, and the conflict in Gaza, significantly disrupted global supply chains and contributed to economic instability. While the former contributed towards volatility in energy markets and shortages of critical raw materials, the latter further destabilised the Middle East, affecting oil prices and regional supply routes. These tensions led to higher production costs, longer lead times, and increased uncertainty, exacerbating inflation and challenging businesses worldwide.

The energy transition toward renewable sources such as solar, wind, and hydroelectric power gained momentum. Governments and private sectors worldwide continued to invest in clean energy infrastructure, aiming to reduce carbon emissions and dependency on fossil fuels. However, this transition was uneven, with many developing countries struggling to balance energy security and sustainability goals.

Despite the growth in renewables, oil and gas prices remained a key risk factor in 2024. Global energy demand fluctuated with changes in industrial output and transportation needs, while supply chain disruptions, partly driven by geopolitical tensions, kept prices volatile. The energy crisis exacerbated inflation, especially in energy-importing nations, leading to rising household and business costs.

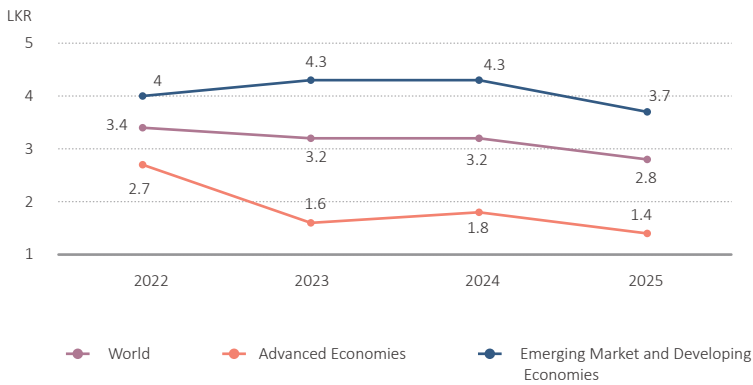
Labor markets displayed signs of normalisation, with unemployment returning to pre-pandemic levels in many regions. However, rising income inequality remained a key issue, with economic recovery largely benefiting higher-income groups, while the middle class continued to face stagnation. Additionally, housing costs remained high, putting pressure on households, especially in urban areas.

Technological advancements, particularly in artificial intelligence, continued to shape economic transformation, raising concerns about labor displacement and the need for new regulatory frameworks.

Regulation/Code	2023	2024	2025 (Projected)	2026 (Projected)
World	3.2	3.2	2.8	3.0
Advanced Economies	1.6	1.8	1.4	1.5
Emerging Market and Developing Economies	4.3	4.3	3.7	3.9

Source: IMF, April 2025 World Economic Outlook

## World Economy and Outlook



## World Economic Outlook

A major development was the imposition of US tariffs in early 2025, which exacerbated trade tensions, particularly with key trading partners like China and the European Union. These tariffs, particularly the broad-based policies introduced on April 2, 2025, led to market disruptions, volatility in financial markets, and heightened global trade protectionism, further straining international relations. The swift escalation of trade tensions and exceptionally high levels of policy uncertainty are expected

to significantly impact global economic activity. These factors, in conjunction with existing geopolitical tensions and the lingering effects of the cost-of-living crisis will undoubtedly shape the future economic landscape.

Amid these dynamics, the IMF revised its growth projections, forecasting a slower global economic expansion than previously anticipated, with growth expected to reach 2.8% in 2025 and 3% in 2026.

## SRI LANKAN ECONOMY

Sri Lanka's economy rebounded strongly in 2024 after the economic crisis of 2022. Effective fiscal and monetary policies, along with support from the IMF-EFF program and debt restructuring, supported the economy's move towards greater stabilisation – however, the lingering effects of the crisis and income disparities influenced consumer behaviour, thereby overshadowing growth momentum. Overall, while consumer spending in 2024 showed a positive trend, it was tempered by a mix of optimism and ongoing caution.

### Gross Domestic Product

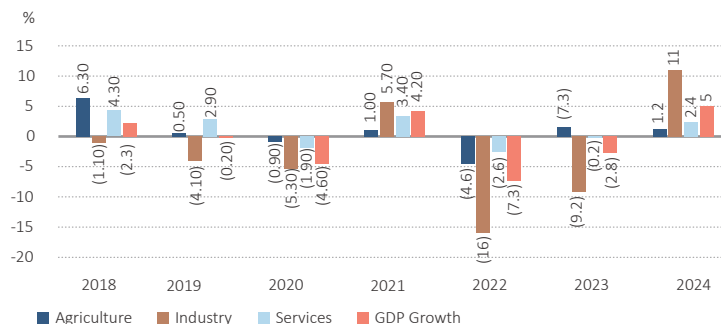
Sri Lanka's real GDP growth in 2024 reached an impressive 5.0%, marking a steady recovery after two years of economic contraction. This growth was broad-based, with positive contributions from all major sectors of the economy:

**Agriculture:** The agricultural sector grew moderately by 1.2% in 2024, driven by animal production and fruit cultivation. However, the sector faced challenges from extreme weather conditions, particularly affecting rice, cereals, and fishing activities, which limited overall growth.

**Industry:** Industrial activities witnessed a robust growth of 11.0%, a sharp recovery from the 9.2% contraction in 2023. Manufacturing, especially in food, beverages, and tobacco products, along with textiles and apparel, led the industrial growth. Additionally, the construction sector rebounded due to the gradual rollout of new projects.

**Services:** The services sector exhibited a growth of 2.4% during the year, recovering from a 0.2% contraction in the previous year. A major driver was the surge in tourism, which positively impacted sectors like accommodation, transportation, and trade. The recovery in financial and real estate services, as well as in telecommunication and computer programming, also contributed to the sector's growth.

### Annual GDP Growth Rate

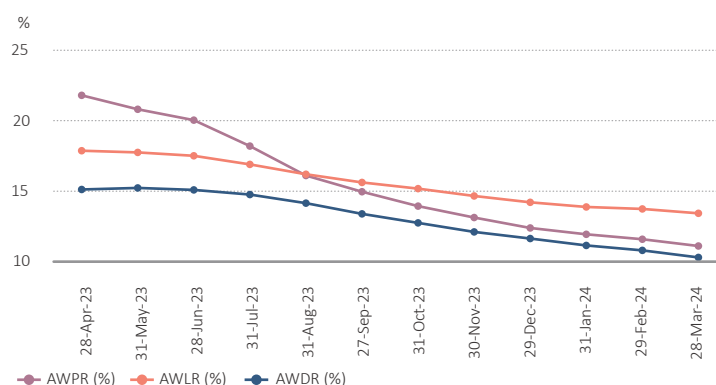


## INTEREST RATE MOVEMENT

In 2024, market interest rates in Sri Lanka continued their downward trajectory, driven by accommodative monetary policy measures that began in June 2023. The Central Bank reduced the policy rate by a total of 775 basis points (bps), with 125 bps of that reduction occurring in 2024. A key policy shift came in November, when the Central Bank introduced the Overnight Policy Rate (OPR), transitioning to a single policy interest rate system. This shift, coupled with improved liquidity conditions and moderating inflation, supported the lowering of market interest rates across the board.

The downward movement in interest rates, particularly in the first half of the year, supported increased credit demand from both businesses and households. However, despite these nominal declines, real interest rates remained positive, given low inflation and deflationary conditions that prevailed toward the end of 2024. This suggests a favourable environment for borrowing, with further easing potentially occurring as inflation targets are gradually met in 2025.

### Interest Rate Movement



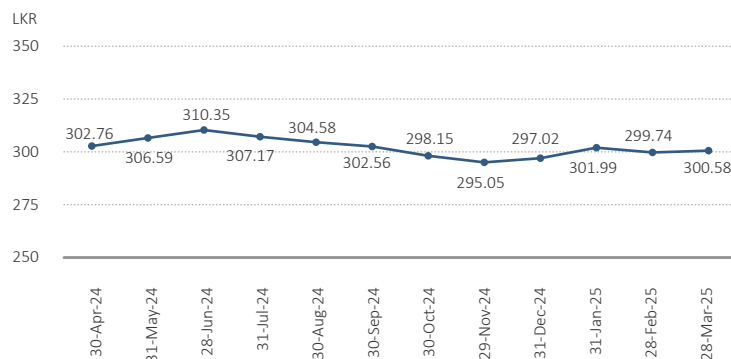
## OPERATING ENVIRONMENT

### EXCHANGE RATE MOVEMENT

In 2024, the Sri Lankan rupee experienced an appreciation for the second consecutive year, strengthening by 10.7% against the US dollar. This was driven by a steady net inflow of foreign currency, which played a vital role in boosting liquidity in the domestic foreign exchange market. The primary sources of these inflows were workers' remittances, earnings from tourism, revenues from other services, and merchandise exports. Meanwhile, outflows related to merchandise imports and services sector payments remained moderate, contributing to a favourable current account balance.

To support the rupee's appreciation and strengthen official reserves, the Central Bank made net purchases of USD 2,846 million from the domestic foreign exchange market, marking the highest annual net purchases in Sri Lanka's history. Although the rupee displayed an overall appreciation, volatility was experienced during certain periods. Despite this, the rupee's performance stood out globally, appreciating significantly against several major currencies, including the euro (17.8%), pound sterling (12.3%), Japanese yen (22.5%), Chinese yuan (13.9%), Indian rupee (13.9%), and Australian dollar (21.7%). Throughout the year, the Central Bank adhered to a market-based exchange rate policy, intervening selectively to stabilise the market during periods of excessive intraday volatility while focusing on purchasing foreign exchange to build reserves.

### Exchange Rate Movement



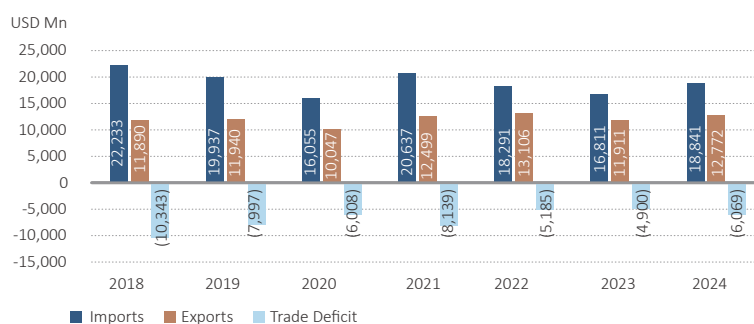
### EXTERNAL TRADE

In 2024, Sri Lanka's external sector continued to perform positively, with the current account recording a notable surplus of USD 1.2 billion (1.2% of GDP). This was despite a widening of the merchandise trade deficit, which grew to USD 6.1 billion due to a larger increase in import expenditure outpacing export growth. However, the trade deficit remained moderate compared to pre-pandemic averages. Import restrictions, particularly on vehicles, and lower demand for imports due to constrained purchasing power helped contain the rise in the merchandise trade deficit. The surplus in the services trade (particularly from tourism) and an increase in the secondary income surplus, primarily attributable to remittances, were key contributors towards offsetting the widening trade deficit. The primary income deficit remained stable, leading to a positive current account balance.

Sri Lanka's export performance exhibited growth, with earnings reaching USD 12.8 billion in 2024, a 7.2% year-on-year increase. The increase was largely driven by higher industrial exports, particularly in terms of petroleum products, textiles, garments, and value-added coconut products. Agricultural exports such as tea and coconut products also recorded expansion, reflecting sustained global demand. However, mineral exports continued their declining trend. In import terms, the nation's total merchandise import expenditure surged to USD 18.8 billion, a 12.1% increase compared to 2023, as economic activity resumed and import restrictions were gradually lifted. Notably, investment goods imports grew significantly, reflecting an uptick in economic activities and infrastructure development.

Despite the overall increase in trade activity, Sri Lanka's terms of trade improved marginally in 2024, as import prices fell slightly faster than export prices. The country's openness to trade displayed a marginal decline compared to 2023, yet remained above pre-pandemic levels.

### External Trade





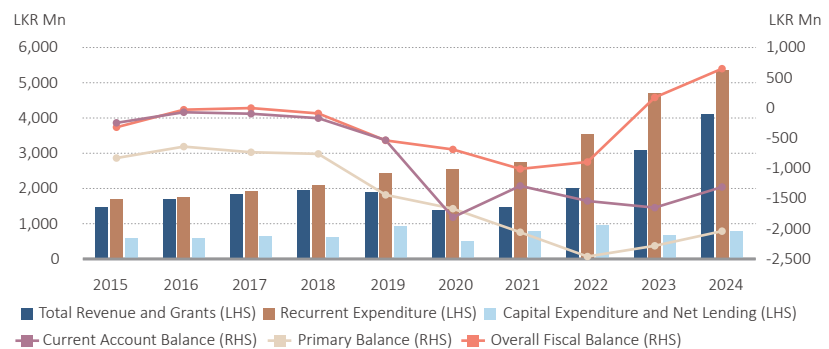
## FISCAL PERFORMANCE

In 2024, Sri Lanka achieved significant improvements in its fiscal sector, marked by a notable primary surplus of 2.2% of GDP (LKR 650 bn), surpassing the IMF-EFF target. This was driven by strong revenue growth, particularly from income taxes, VAT, and excise duties, alongside expenditure rationalisation. The overall budget deficit narrowed to 6.8% of GDP, and the current account deficit also declined. Despite a slight shortfall in tax revenue compared to the budget estimate, government revenue grew by 32.2% in nominal terms, reflecting successful revenue-enhancement measures and better economic activity.

On the debt front, Sri Lanka made substantial progress in debt restructuring, reducing its debt-to-GDP ratio from

104.7% in 2023 to 96.1% in 2024. The successful restructuring of International Sovereign Bonds (ISBs) and agreements with official creditors provided significant financial relief. The government continued to rely on domestic financing, while foreign financing from the IMF and bilateral creditors supported economic stabilisation. These fiscal reforms, coupled with improved debt management, set Sri Lanka on a more sustainable path toward fiscal consolidation and debt reduction.

### Summary Of Fiscal Sector Performance



Risks																	
	Economic		Political		Financial		Supply Chain		Operational		Reputational		Environmental		Regulatory		Cybersecurity

## IMPACT ON OPERATIONS

### Strategic Imperatives

- Financial Resilience
- Operational Excellence

- Sustainable Operations
- Nurturing Partnerships





- Good Governance
- Prudent Investments

### POLITICAL FACTORS





Dynamics	Associated Risks	Response	Outlook
Geopolitical tensions and domestic political instability can disrupt supply chains, deter foreign investment, and pose implications to tourism markets.		<ul style="list-style-type: none"> <li>Build diversified supply chains to mitigate geopolitical risks</li> <li>Focus on strengthening local sourcing and supplier relationships</li> <li>Continuously assess and be responsive to emerging dynamics</li> </ul>	Increased volatility in global trade and foreign investment may persist, requiring businesses to adopt flexible supply chain strategies.
The lifting of import restrictions signals greater trade openness, with implications for market competition and foreign engagement.		<ul style="list-style-type: none"> <li>Optimise sourcing strategies and pricing</li> <li>Build brand equity to retain market share amidst rising competition</li> <li>Adjust to market dynamics and prepare for demand for vehicle financing</li> <li>Explore export opportunities</li> </ul>	The gradual relaxation of vehicle import restrictions positively impacts the finance sector, however, increased regulation is required to mitigate intense competition across other segments.
Political decisions regarding renewable energy projects (e.g., incentives, policy support) shape energy consumption patterns and sectoral transitions.		<ul style="list-style-type: none"> <li>Align business models with national energy goals and invest in renewable energy infrastructure</li> </ul>	Government focus on renewables will likely spur further investments in green technologies and projects, supporting long-term sustainability.
Political decision-making often introduces policy shifts impacting business regulations, trade tariffs, and taxation structures, creating uncertainty.		<ul style="list-style-type: none"> <li>Adapt to changing policy landscapes through continuous monitoring and proactive lobbying to protect business interests.</li> </ul>	As policies continue to evolve, businesses must remain agile and ensure compliance while capitalising on any potential incentives.
Impacted Material Topics: 1 3			Impacted Strategy:

## OPERATING ENVIRONMENT







### ECONOMIC FACTORS

Dynamics	Associated Risks	Response	Outlook
Interest rates have begun to decline following tighter monetary policy and stabilising macroeconomic indicators.		<ul style="list-style-type: none"> <li>Encourage longer-term borrowing and strategic investment</li> <li>Adjust lending and deposit portfolios to reflect lower yields.</li> </ul>	Lower rates are expected to stimulate borrowing, investment, and consumption—offering relief to businesses and consumers alike.
Inflationary pressures stemming from the crisis has reduced discretionary income, however in 2024 inflation displayed a negative trend.		<ul style="list-style-type: none"> <li>Recalibrate pricing strategies to reflect consumer spending patterns</li> <li>Prepare for a potential rise in consumer demand.</li> </ul>	If disinflation continues, disposable incomes may improve, boosting demand and overall economic activity.
Ongoing debt restructuring and fiscal reforms improve macroeconomic stability, though challenges remain in debt servicing.		<ul style="list-style-type: none"> <li>Leverage improved fiscal policies for strategic investments and capital raising; avoid over-leveraging</li> </ul>	As fiscal reforms progress, economic stability may improve, but continued focus on debt management and market confidence is crucial.
Political decision-making often introduces policy shifts impacting business regulations, trade tariffs, and taxation structures, creating uncertainty.		<ul style="list-style-type: none"> <li>Adapt to changing policy landscapes through continuous monitoring and proactive lobbying to protect business interests</li> </ul>	As policies continue to evolve, businesses must remain agile and ensure compliance while capitalising on any potential incentives.
Impacted Material Topics: <b>1</b>			Impacted Strategy: ● ● ●

### SOCIAL FACTORS

Dynamics	Associated Risks	Response	Outlook
Skilled labour migration continues to deplete the national talent pool, particularly in healthcare, engineering, and IT.		<ul style="list-style-type: none"> <li>Invest in talent retention, upskilling, and automation to manage gaps; explore offshore and remote capabilities.</li> </ul>	Persistent migration may result in rising labour costs and skill shortages, requiring stronger workforce development strategies.
Shifts in consumer behaviour driven by digital adoption and cost sensitivity are reshaping lifestyle and purchasing patterns.		<ul style="list-style-type: none"> <li>Tailor offerings to new consumption patterns; leverage e-commerce and omnichannel strategies.</li> </ul>	Demand will likely centre around convenience, affordability, and personalised experiences in the medium term.
Income tax reforms and a broadened tax net have increased formalisation but reduced discretionary income for many.		<ul style="list-style-type: none"> <li>Focus on value-for-money positioning; tap into the emerging middle-income formal segment.</li> </ul>	Continued formalisation may boost financial inclusion and economic resilience, despite short-term spending constraints.
Social welfare and community well-being are challenged by reduced discretionary income, further exacerbating poverty levels and socioeconomic inequality.		<ul style="list-style-type: none"> <li>Invest in community development programs, enhance social safety nets, and partner with NGOs to support vulnerable populations.</li> </ul>	Governments may increase focus on social welfare programs and financial inclusion, while businesses will need to balance profitability with social responsibility.
Impacted Material Topics: <b>2 4 5 7</b>			Impacted Strategy: ● ● ● ● ●





## TECHNOLOGICAL FACTORS

Dynamics	Associated Risks	Response	Outlook
The implementation of the Data Protection Act and rising cybersecurity threats have increased compliance and operational risks.	 	<ul style="list-style-type: none"> <li>Strengthen data governance, invest in cybersecurity infrastructure, and ensure alignment with regulatory frameworks</li> </ul>	Data protection will remain a compliance priority; breaches could trigger legal, reputational, and financial exposure.
Growing adoption of AI and ML across operations is driving efficiency and decision-making, but raises concerns over job displacement, bias, and ethical governance.	 	<ul style="list-style-type: none"> <li>Leverage AI for productivity gains while investing in upskilling to ensure job stability</li> </ul>	Regulatory scrutiny on AI will likely intensify; responsible adoption and the implementation of ethical AI protocols and algorithms will be key to long-term competitiveness and social licence to operate.
Accelerated digitisation is reshaping customer engagement, operational efficiency, and cost models.	 	<ul style="list-style-type: none"> <li>Expand digital channels, automate routine functions, and integrate real-time analytics.</li> </ul>	Demand for digital convenience will rise; slow movers may face relevance risks. Efficiency gains will offer a competitive edge.

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## LEGAL FACTORS

Dynamics	Associated Risks	Response	Outlook
The regular introduction of legislation and revisions to existing regulations may impact various business sectors. There is an increasing demand for ethical operations, as well as heightened accountability and transparency.	   	<ul style="list-style-type: none"> <li>Continuously monitor the regulatory and statutory environment to ensure compliance and alignment. Strengthen governance frameworks and invest in corporate social responsibility (CSR) initiatives. Foster collaboration with regulatory bodies and stay proactive in adjusting to legislative changes.</li> </ul>	The trend of increasing regulations and demand for ethical practices is likely to continue. Businesses that focus on compliance and transparency will build stronger reputations and mitigate the risks of legal liabilities.

Impacted Material Topics: 1 4 5 8

Impacted Strategy: ● ●



# MANAGING RISKS AND OPPORTUNITIES

The Group’s ability to identify and assess potential threats and opportunities in an ever-evolving environment is essential to its long-term sustainability and success.

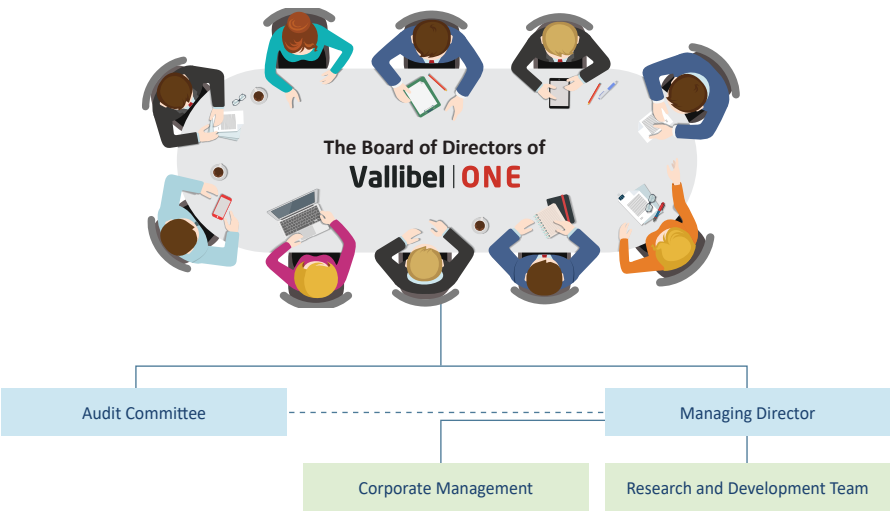
### RISK OVERSIGHT

As a diversified conglomerate, the primary source of risks for Vallibel One PLC arises from its investee companies. To manage these risks effectively, each business unit within the Group operates its own internal audit department, which reports directly to a dedicated audit committee.

Additionally, several Group Directors serve on the Boards of the subsidiaries, providing them with direct insights into the operations of each business unit. This close involvement enables the Directors to assess and respond proactively to the Group’s risks (Refer Corporate Governance for more details).

In alignment with regulatory standards, the Group’s subsidiary, L B Finance, has established Internal Audit, Compliance, and Risk Management divisions, which play a critical role in supporting the Group’s risk management framework.

The various channels through which Vallibel One’s Board and Audit Committee are kept informed about potential risks are illustrated in the diagram below.



In its ongoing effort to enhance risk oversight, Vallibel One PLC will introduce a comprehensive budget review process starting in the financial year 2025/26. This new process will not only involve detailed budget discussions but will also allow the Board to evaluate the financial health of each subsidiary and its alignment with the Group’s strategic goals. By reviewing budgets in the context of overall risk exposure, the Group aims to identify potential financial and operational risks early and ensure that business units are adequately prepared for emerging challenges.

Furthermore, a quarterly review mechanism will be implemented to assess progress, monitor variances, and identify new risks. This will strengthen the Group’s governance framework and enhance its ability to respond to potential threats, ensuring long-term resilience and sustainability.

Entity/Individual	Responsibility
Board of Directors	Establishes strategic priorities, provides oversight, and monitors overall risk management.
Audit Committee	Oversees the implementation of risk management processes, including risk assessment, mitigation, and continuous monitoring.
Research and Development Team	Identifies emerging opportunities and risks across industry sectors; evaluates and mitigates risks through product and process innovation.
Managing Director and Corporate Management	Regularly reviews and updates risk profiles for the Group’s subsidiaries, ensuring proactive risk mitigation strategies are in place.

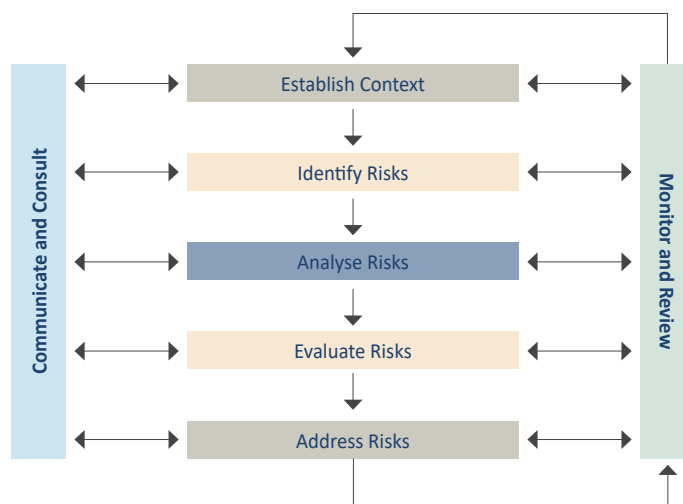
## RISK MANAGEMENT PROCESS

The Group's adaptive and comprehensive risk management framework underscores the importance of continuous monitoring and evaluation across all levels of the organisation.

Vallibel One's ability to remain agile in the face of evolving dynamics is supported by regular interactions with key stakeholders, ensuring a proactive approach to identifying and addressing both emerging and ongoing risks.



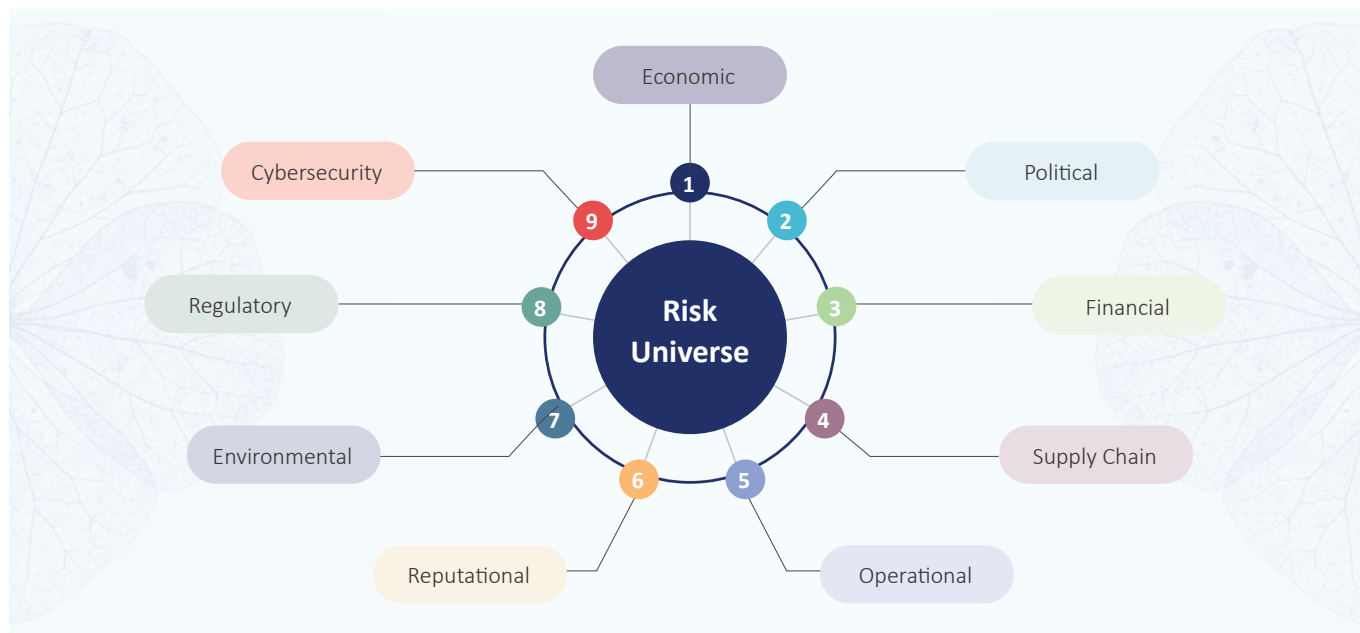
Refer pages 59-63 for more details on the Group's approach to stakeholder engagement and the relevant risks.



## RISK STRATEGY

The Group has identified and classified key risks based on their potential impact on performance, the ability to control their occurrence, and their significance. These risks were further prioritised in response to the economic challenges of the year, which intensified the need for strategic risk mitigation.

Through a thorough analysis of evolving macroeconomic trends and developments, the Group has expanded its focus from 6 to 9 primary risks, reflecting a more nuanced understanding of the environment. The following risks have been identified as critical to the Group's ongoing resilience and performance:



The subsequent sections provide an overview of the primary risks and opportunities affecting each of the Group's thrust sectors.

## MANAGING RISKS AND OPPORTUNITIES

### MANAGING RISKS

Risk	Implications	Risk Rating	Degree of Control	Strategic Approach	Strategic Imperatives	Mitigating Process and Activities
<b>1. Economic Risk</b>	Fluctuations in exchange rates, interest rates, and purchasing power could impact profitability and operations, particularly during periods of economic volatility.	●	▼	<b>Respond:</b> Diversifying investments, enhancing operational efficiencies, and reducing exposure to international markets. Proactively exploring new, profitable markets while focusing on cost management.	<ul style="list-style-type: none"> <li>Financial Resilience</li> <li>Operational Excellence</li> </ul>	Regularly reviewing market trends and adapting business strategies. Diversifying suppliers and production capabilities. Focusing on optimising investments to mitigate interest rate risks.
<b>2. Political Risk</b>	Changes in policies or regulations could disrupt operations, while political instability may harm sectors such as tourism and international relations.	●	▼	<b>Respond:</b> Engaging in industry associations to address political challenges and maintain compliance. Pursuing new investment opportunities to reduce political risk exposure.	<ul style="list-style-type: none"> <li>Good Governance</li> <li>Prudent Investments</li> </ul>	Regular monitoring of regulatory changes. Maintaining strong relationships with political and regulatory bodies. Engaging in diversified sectors to mitigate exposure to change.
<b>3. Financial Risk</b>	Loan defaults, liquidity issues, and inability to meet short-term financial obligations due to economic downturns and debt moratoria.	●	—	<b>Insulate:</b> Strengthening credit risk management processes, and managing liquidity to safeguard financial stability.	<ul style="list-style-type: none"> <li>Financial Resilience</li> <li>Prudent Investments</li> </ul>	Strengthening credit recovery processes and improving risk assessment via technology. Diversifying funding sources and managing cashflows to ensure liquidity. Monitoring portfolio health and adjusting as needed.
<b>4. Supply Chain Risk</b>	Disruptions in global supply chains could lead to product shortages, delays, and increased costs.	●	—	<b>Respond:</b> Diversifying suppliers, strengthening local sourcing, and developing a resilient supply chain.	<ul style="list-style-type: none"> <li>Operational Excellence</li> <li>Financial Resilience</li> </ul>	Regularly evaluating supplier relationships and identifying alternative sources. Leveraging technology to enable improved oversight and risk mitigation in the supply chain.
<b>5. Operational Risk</b>	Geopolitical tensions and supply chain disruptions may hinder operations. High migration rates could lead to employee turnover and loss of skills.	●	—	<b>Prevent:</b> Strengthening remote working capabilities, continuity planning, and workforce training. Fostering a positive work environment to mitigate turnover and enhance resource efficiency.	<ul style="list-style-type: none"> <li>Operational Excellence</li> <li>Sustainable Operations</li> </ul>	Reinforcing business continuity plans, exploring alternative markets and resources, enhancing productivity through digitalisation, and maintaining competitive employee benefits.



Risk	Implications	Risk Rating	Degree of Control	Strategic Approach	Strategic Imperatives	Mitigating Process and Activities
<b>6. Reputational Risk</b>	Negative public perception, cybersecurity breaches, or failure to adhere to legal and regulatory requirements could damage brand image and trust.	●	▼	<b>Prevent:</b> Upholding strong ethical practices, enhancing cybersecurity measures, and ensuring strict regulatory compliance across the Group.	<ul style="list-style-type: none"> <li>● Good Governance</li> <li>● Sustainable Operations</li> <li>● Nurturing Partnerships</li> </ul>	Implementing continuous cybersecurity upgrades. Aligning with local and global data protection standards. Monitoring legal and regulatory compliance at every stage. Regular staff training on brand values and security.
<b>7. Environmental Risk</b>	Natural disasters, extreme weather events, and environmental damage due to manufacturing processes could harm operations and sustainability.	●	▼	<b>Insulate:</b> Developing emergency preparedness plans, reducing carbon footprint, and promoting sustainable practices across all sectors.	<ul style="list-style-type: none"> <li>● Sustainable Operations</li> </ul>	Implementing comprehensive business continuity plans, encouraging eco-friendly practices, and adopting green technologies. Regularly assessing environmental risks and promoting sustainability.
<b>8. Regulatory Risk</b>	Changes in laws, taxes, or regulations could impose new compliance requirements, leading to potential legal and operational challenges.	●	—	<b>Insulate:</b> Continuous monitoring of regulatory changes and engaging with regulatory bodies to maintain compliance.	<ul style="list-style-type: none"> <li>● Good Governance</li> <li>● Financial Resilience</li> </ul>	Providing training for employees to ensure adherence to new laws and regulations. Implementing audits to ensure ongoing compliance.
<b>9. Cybersecurity Risk</b>	Digital systems makes the Group vulnerable to cyberattacks, data breaches, and system disruptions that can compromise operations and customer trust.	●	—	<b>Respond:</b> Strengthening cybersecurity frameworks, regular system updates, and data protection protocols.	<ul style="list-style-type: none"> <li>● Good Governance</li> <li>● Operational Excellence</li> </ul>	Regular cybersecurity audits, proactive monitoring of threats, and investing in advanced security systems. Continuous training for employees on digital safety and best practices.

Risk Rating		Degree of Control	
●	High	▲	High
●	Medium	—	Medium
●	Low	▼	Low

**Strategic Imperatives:**

- Financial Resilience
- Operational Excellence
- Sustainable Operations
- Nurturing Partnerships
- Good Governance
- Prudent Investments

## MANAGING RISKS AND OPPORTUNITIES

### PURSUING OPPORTUNITIES

Opportunity	Description	Strategic Approach	Strategic Imperatives	Reference	Mitigating Process and Activities
<b>Technological Innovation</b>	Investing in cutting-edge technologies such as AI, machine learning, and automation to improve efficiency, reduce costs, and create new revenue streams.	Focus on integrating advanced technologies into key areas of the business, including product development and customer service.	<ul style="list-style-type: none"> <li>Operational Excellence</li> <li>Prudent Investments</li> </ul>	Intellectual Capital (pages 117-124)	Investing in R&D and engaging with suppliers and stakeholders to drive collaborative innovation.
<b>Strategic Partnerships</b>	Strengthening supply chain and business partners to drive mutually beneficial growth.	Seek out strategic partners in emerging markets or complementary industries for cross-promotion and shared growth.	<ul style="list-style-type: none"> <li>Nurturing Partnerships</li> <li>Prudent Investments</li> </ul>	Social and Relationship Capital (pages 125-133)	Establishing stringent screening processes to ensure compatibility. Engaging in regular performance reviews and mutual goal-setting.
<b>Talent Acquisition &amp; Retention Sustainability Initiatives</b>	Attracting and retaining top talent in critical roles by improving workplace culture, offering competitive benefits, and providing career development opportunities.	Investing in talent development and fostering an inclusive, growth-oriented company culture to drive innovation.	<ul style="list-style-type: none"> <li>Operational Excellence</li> <li>Nurturing Partnerships</li> </ul>	Human Capital (pages 105-116)	Offering mentoring programs, continuous learning opportunities, and employee wellness initiatives. Regularly assessing employee satisfaction and feedback.
<b>Sustainability Initiatives</b>	Increased consumer and regulatory demand for environmentally-friendly products and services, offering new opportunities for sustainable product lines.	Align product development with sustainability trends, and communicate eco-friendly values to strengthen brand loyalty.	<ul style="list-style-type: none"> <li>Sustainable Operations</li> <li>Prudent Investments</li> </ul>	Natural Capital (pages 134-143)	Developing eco-friendly product lines, reducing waste, and improving energy efficiency across operations. Regularly evaluating the carbon footprint.
<b>Customer-Centric Innovation</b>	Growing customer demand for personalised products and services driven by data insights. Capitalizing on these trends to improve customer satisfaction and loyalty.	Collect customer data to drive product innovation and personalise offerings to meet their evolving needs.	<ul style="list-style-type: none"> <li>Operational Excellence</li> <li>Sustainable Operations</li> <li>Nurturing Partnerships</li> </ul>	Social and Relationship Capital (pages 125-133)	Investing in customer data analytics. Creating customer feedback loops to enhance product/service personalisation.
<b>E-commerce &amp; Digital Expansion</b>	The growing shift toward online shopping and digital services offers opportunities to reach new customers, especially in underserved regions.	Expanding the digital footprint by developing e-commerce platforms and investing in digital marketing.	<ul style="list-style-type: none"> <li>Operational Excellence</li> <li>Sustainable Operations</li> </ul>	Social and Relationship Capital (pages 125-133) Intellectual Capital (pages 117-124)	Developing a seamless, scalable online sales experience. Expanding payment methods and integrating AI-powered customer support.
<b>Emerging Markets</b>	Economic growth in developing regions presents opportunities for expansion into untapped markets with growing middle-class populations.	Tailoring products and marketing strategies to meet the unique needs of emerging markets.	<ul style="list-style-type: none"> <li>Financial Resilience</li> </ul>	Social and Relationship Capital (pages 125-133) Sector Reviews (pages 78-89)	Conducting market research to identify key growth regions. Developing localised solutions and establishing partnerships with local distributors.

#### Strategic Imperatives:

- Financial Resilience
- Operational Excellence
- Sustainable Operations
- Nurturing Partnerships
- Good Governance
- Prudent Investments

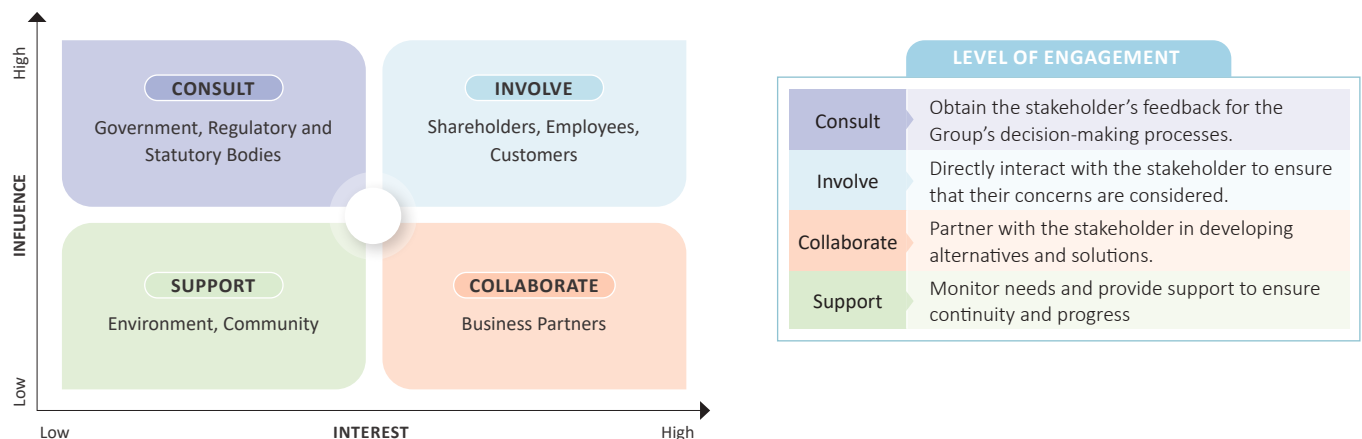
# STAKEHOLDER ENGAGEMENT

Vallibel One understands that the growth and continuity of the organisation is closely tied to stakeholder satisfaction. As a result, the Group works closely with its stakeholders to identify key concerns that could either create or undermine its ability to generate long-term value. Vallibel One defines its stakeholders as individuals, groups, or entities whose interests are relevant to its business operations—those who can influence or be affected by the organisation's actions.








To foster long-term, mutually beneficial relationships, the Group follows a six-step process aimed at creating positive outcomes and transform its impact across communities. This approach ensures the Group upholds principles of accountability, transparency, and adaptability in response to changing dynamics, while maintaining effective and open communication at all times.















Key stakeholders are prioritised based on their influence and impact on the business operations. The following matrix illustrates the criteria used for stakeholder prioritisation:













## STAKEHOLDER ENGAGEMENT PLAN AND OUTCOMES

Quality of Engagement	
	No existing relationship
	Relationship is established, quality not substantially improved
	Relationship is established and adding value with room for improvement
	Good quality, mutually beneficial relationships with some room for improvement
	Strong relationship with mutual benefits
Outcomes	
	Positive
	Negative

Capitals			
	Financial		Intellectual
	Social and Relationship		Manufactured
	Human		Natural

Risks					
	Economic		Supply Chain		Environmental
	Political		Operational		Regulatory
	Financial		Reputational		Cybersecurity

Engagement Frequency	
	Annual
	Biannual
	Quarterly
	Ongoing
	As required
	Monthly
	Periodic

Level of Engagement	
	Consult
	Involve
	Collaborate
	Support

## STAKEHOLDER ENGAGEMENT

### SHAREHOLDERS

Scope: Internal

#### Shareholders

**15,519+**

#### Impacted Capitals



#### Impacted SDGs



#### Strategic Imperatives

- Financial Resilience
- Operational Excellence
- Sustainable Operations
- Nurturing Partnerships
- Good Governance
- Prudent Investments

#### Engagement Channels and Frequency

AGMs - **A**  
 Annual Report - **A**  
 Corporate Website - **O**  
 Newsletters, Emails and Other - **AR**  
 EGMs - **AR**  
 Interim Statements - **Q**  
 Media Releases - **AR**  
 Audits, Disclosures and Regulatory Compliance - **AR**

#### Outcome

Dividend paid: **LKR 5,654 Mn**  
 ROE: **10%**  
 ROA: **4%**  
 EBITDA: **LKR 34,476 Mn**

#### Expectation

Long-term, consistent and sustainable financial returns

#### Key Concerns in 2024/25

- Profitability and returns
- Long-term growth and stability
- Corporate sustainability
- Good governance
- Risk management
- Timely disclosures and responsible reporting

#### Quality of Engagement



#### Responsibility and Oversight

Company Secretaries and Finance

#### Key Risks



#### Significance

Individuals or organisations that own shares and are therefore considered partial owners of the Group.

#### Strategic Response

- Deliver a feasible growth strategy that drives higher returns and business continuity
- Uphold best practices in business governance and regulatory compliance
- Pursue diversified revenue streams and explore new opportunities for expansion
- Integrate ESG principles into business strategies
- Ensure timeliness and transparency in disclosing material matters

#### Outlook:

A need to diversify, expand, and explore new markets and territories to establish long-term resilience and returns. An evolving regulatory and reporting landscape with a greater focus on ESG oversight and disclosures. A particular focus on emerging sustainability and climate-related risks is vital going forward to maintain business resilience.

### CUSTOMERS

Scope: External

#### Customers

**1.14 Mn**

#### Impacted Capitals



#### Impacted SDGs



#### Strategic Imperatives

- Financial Resilience
- Operational Excellence
- Sustainable Operations
- Nurturing Partnerships
- Good Governance

#### Engagement Channels and Frequency

On-site visits and Meetings - **P**  
 Digital Channels - **O**  
 Events and Programmes - **A, BA**  
 Corporate Website - **O**  
 Meetings and Discussions - **AR**  
 Feedback and Surveys - **P, O**  
 Complaints, Inquiries and Requests - **O**  
 Newsletters, Emails and Other - **O**

#### Outcome

New products developed: **424 +**  
 New designs and sizes introduced: **236 +**  
 Data breaches: **Nil**  
 Customer complaints resolved: **2,849**

#### Expectation

Product and service excellence

#### Key Concerns in 2024/25

- Product quality, accessibility and convenience
- Fair pricing and ethical standards
- New product development
- Customer service
- Data privacy and security

#### Quality of Engagement



#### Responsibility and Oversight

Sales and marketing

#### Key Risks



#### Significance

Primary revenue providers for The Group hailing from all walks of life

#### Strategic Response

- Extensive distribution network
- Research and development
- Adopting best business practices, quality controls, and certifications
- Customer engagement and communication
- Digital transformation

#### Outlook:

Evolving customer needs calling for increased agility and responsiveness, and a greater focus on sustainability and ethical compliance. An increased focus on data privacy and cybersecurity.

## EMPLOYEES

Scope: Internal

## Employees

9,939+

## Impacted Capitals



## Impacted SDGs



## Strategic Imperatives

- Operational Excellence
- Sustainable Operations
- Nurturing Partnerships
- Good Governance
- Prudent Investments

## Engagement Channels and Frequency

Remuneration and Payments - **M**  
 Digital Channels - **O**  
 Events and Programmes - **O**  
 Grievance Handling - **O**  
 Meetings and Discussions - **O, AR**  
 Performance Appraisals - **BA**  
 Development, Recognition and Awards - **O, A, AR**  
 Newsletters, Emails and Other - **M, O**

## Outcome

Total salaries paid: **LKR 13 Bn +**  
 Number of promotions: **1,205 +**

## Expectation

Attractive remuneration, benefits and career progress

## Key Concerns in 2024/25

- Diversity and inclusivity
- Rising cost of living
- Ethical practices
- Attractive remuneration
- Skills development
- Work-life balance
- Career progression
- Health and safety
- Economic and business instability

## Quality of Engagement



## Responsibility and Oversight

Human resource department

## Key Risks



## Significance

Permanent staff that drive and enable Group-wide operations

## Strategic Response

- Provide equal opportunity employment
- Extend competitive remuneration and benefits
- Recognise and reward based on merit
- Uphold principles of ethics and good governance
- Extend training opportunities to develop skills
- Ensure employee well-being
- Offer flexible work opportunities
- Maintaining business continuity and seamless operations to drive confidence

## Outlook:

With increased levels of migration, retention strategies are a key priority to ensure the Group maintains top tier talent. Offering a competitive value proposition is vital.

## BUSINESS PARTNERS

Scope: Internal

## Business Partners

3,784+

## Impacted Capitals



## Impacted SDGs



## Strategic Imperatives

- Operational Excellence
- Sustainable Operations
- Nurturing Partnerships

## Engagement Channels and Frequency

AGMs and EGMs- **A**  
 Formal Agreements- **AR**  
 Clubs and Associations- **O**  
 Events and Programmes- **A, P**  
 Meetings and Discussions- **AR**  
 Performance Appraisals- **P**  
 Remuneration and Payments- **O**  
 Newsletters, Emails and Other- **AR**  
 Development, Recognition and Awards- **O, A, AR**  
 On-site visits and Meetings- **P, AR**

## Outcome

Payments made: **LKR 76.3 Bn**  
 Number of new suppliers: **15,980 +**

## Expectation

Timely payments, and ethical, mutually beneficial partnerships

## Key Concerns in 2024/25

- Payment and business opportunities
- Maintaining sound, ethical relationships
- Business stability and continuity
- Raw material shortages and disruptions in the supply chain

## Quality of Engagement



## Responsibility and Oversight

Human resource department

## Key Risks



## Significance

External suppliers who provide quality raw materials, products and services that support the Group's activities

## Strategic Response

- Timely payments
- Procurement from local suppliers
- Supplier development initiatives
- Fair referrals and transparent processes
- Integrating sustainable, responsible practices
- Maintaining longstanding relationships
- Ongoing discussions to navigate logistical disruptions and engaging in collaboration to drive innovative solutions

## Outlook:

Amid emerging supply chain disruptions, ad-hoc trade regulations, and geopolitical tensions, there persists a greater need for collaboration and ongoing discussions to drive optimised results.

## STAKEHOLDER ENGAGEMENT

### GOVERNMENT, STATUTORY AND REGULATORY BODIES

Scope: External

#### Governing Bodies

40+

#### Impacted Capitals



#### Impacted SDGs



#### Strategic Imperatives

- Operational Excellence
- Sustainable Operations
- Good Governance

#### Engagement Channels and Frequency

Meetings and Discussions - **AR**  
 Newsletters, Emails and Other - **AR**  
 Audits, Disclosures, and Regulatory Compliance - **O, P, AR**  
 Submission of Taxes and Other Returns - **P, AR**  
 Workshops and Awareness Building - **P**

#### Outcome

Tax paid: **LKR 24.9 Bn +**  
 Number of Compliance Violations: **Nil**

#### Expectation

Compliance, accountability, and good governance practices

#### Key Concerns in 2024/25

- Compliance with statutory and regulatory requirements
- Good governance
- Risk management and internal controls

#### Quality of Engagement



#### Responsibility and Oversight

Company Secretaries and Finance

#### Key Risks



#### Significance

Governing bodies and associations providing regulatory guidance, legal frameworks and tax guidelines within which the Group must operate

#### Strategic Response

- Integrating practices to remain in compliance with applicable rules and regulations
- Responsible, timely reporting and filing of disclosures
- Remaining apprised of changes to the regulatory framework

**Outlook:** The introduction of new regulations and standards have placed increased pressure on organisations within the Group to maintain compliance, particularly across ESG aspects and cybersecurity regulations.

### COMMUNITY

Scope: External

#### CSR Beneficiaries

36,490+

#### Impacted Capitals



#### Impacted SDGs



#### Strategic Imperatives

- Sustainable Operations
- Nurturing Partnerships
- Good Governance

#### Engagement Channels and Frequency

AGMs and EGMs - **A, O**  
 Meetings and Discussions - **P**  
 Events and Programmes - **AR**  
 Digital Channels - **O**  
 Projects and Initiatives - **AR, P**  
 Employee Volunteerism - **AR**

#### Outcome

Investment into CSR: **LKR 38.35 Mn +**  
 Number of projects: **114 +**

#### Expectation

Positive, purposeful outcomes that enable collective growth and progress

#### Key Concerns in 2024/25

- Improving livelihoods and standards of living
- Employment and business opportunities
- Community development and philanthropy
- Compliance with rules and regulations
- Negative environmental impact

#### Quality of Engagement



#### Responsibility and Oversight

CSR department

#### Key Risks



#### Significance

The diverse communities impacted by the Group's operations

#### Strategic Response

- Contributing to improve quality of life through infrastructure development and employment opportunities
- Community recruitments
- Community development projects
- Stringent impact management and regulatory compliance

**Outlook:** In the wake of rising inflation and the cost of living, and as a conglomerate with a presence in key economic thrust sectors, the Group has an inherent duty to contribute positively to the well-being of the community, act as a good steward of resources, and drive socio-economic development.



## ENVIRONMENT

Scope: External

## Carbon Footprint

136,921 tCO<sub>2</sub>

## Impacted Capitals



## Impacted SDGs



## Strategic Imperatives

- Financial Resilience
- Operational Excellence
- Sustainable Operations
- Good Governance
- Prudent Investments

## Engagement Channels and Frequency

Projects and Initiatives - **O, P**Employee Volunteerism - **AR**

## Expectation

Preserving, sustaining and renewing resources for future generations

## Significance

The environment and resources consumed or impacted by the Group's operations

## Key Concerns in 2024/25

- Overconsumption of natural resources
- The growing impacts of climate change
- Negative impacts on the environment
- Eco system degradation

## Strategic Response

- Minimising environmental impact and increasing reliance on sustainable resources.
- Engaging in eco system conservation and restoration
- Adopt process efficiencies and digitalisation to drive resource efficiency
- A greater focus on sustainable /ESG investments
- Undertake strategies to drive climate action
- Promote stakeholder awareness on sustainable practices
- Integrate sustainable manufacturing and process efficiencies

## Outcome

Total emissions: **136,921 tCO<sub>2</sub> +**Emissions reduced: **4,023 tCO<sub>2</sub> +**Renewable energy generated: **5,372 MWh**

## Quality of Engagement



## Responsibility and Oversight

Project Manager / Sustainability managers/  
Head of Factories

## Key Risks



## Outlook:

The growing impact of climate change will undoubtedly shape erratic weather patterns and shifts in the environment, among other long-term concerns. There remains a great need to drive responsible resource consumption and invest in renewable sources, while engaging in practices that restore vital eco systems to ensure continuity for future generations

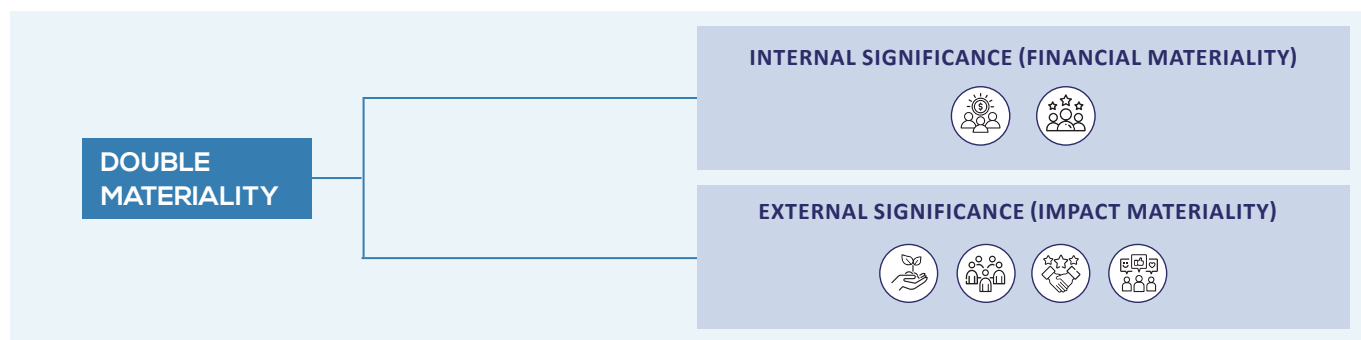
# MATERIALITY ASSESSMENT

## BASIS OF DETERMINATION

Under the Group's reporting framework, material topics are those that significantly impact the economy, environment, and key stakeholders, while also influencing the Group's long-term ability to generate value. The Group determines the most relevant topics to its operations through a structured materiality assessment, which guides the content presented in this annual report.

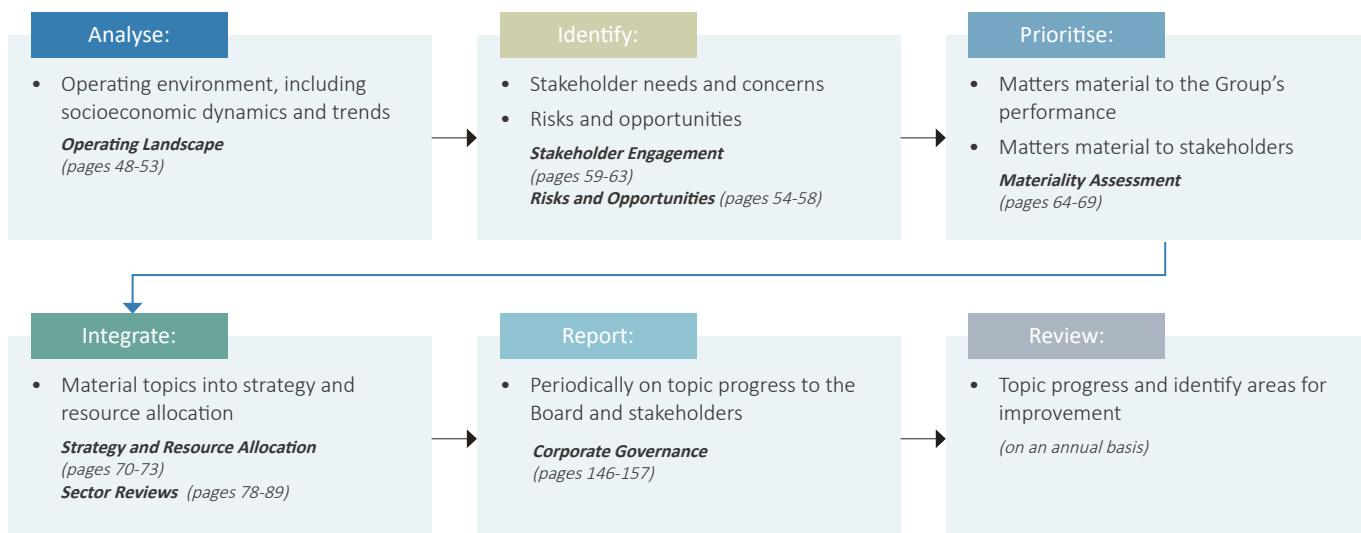
The Group's materiality assessment follows a systematic process aligned with the standards of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI). Material topics are identified based on insights from stakeholder engagement, analysis of the external environment, and alignment with the Group's core values and strategic vision. These topics are then prioritised based on their potential impact on both stakeholders and business operations.

The Group applies a double materiality approach towards determining materiality, thereby ensuring it assesses both the internal and external significance of each topic to drive its effective management and enable value creation.



## MATERIALITY PROCESS

The Group follows a structured approach to identify, incorporate, and continuously enhance its material topics, using the steps outlined below:










## BASIS OF PRIORITISATION

The following criteria are used to assess the significance of the topics identified through Vallibel One's materiality analysis, and prioritise the same:

<b>Importance/scale of impact</b>	A significant degree of impact to the Group's daily operations
<b>Frequency of occurrence</b>	A perceived low degree of impact but high degree of occurrence
<b>Compliance and regulatory implications</b>	Pertinence to regulatory mechanisms to drive good governance
<b>Potential risk to stakeholders</b>	The tendency to disrupt operations and/or expose stakeholders to adversity





## MATERIAL TOPICS























Drawing from the aforementioned materiality assessment process, Vallibel One identified and responded to eight key material topics within its operations during the year, as detailed below:

Material Topic	Focus Areas	Basis for Internal Materiality	Basis for External Materiality	Change in Materiality	Reason for Change	Impacted Stakeholders	Strategic Response	Impacted SDGs	GRI
<b>1</b> <b>Sustainable business performance</b>	Consistent financial returns Ensuring business continuity Establishing strategies that drive growth Good governance and ethical conduct	Supports the Group's long-term operational resilience and ability to consistently generate economic and financial value.	Enables the organisation to effectively meet the expectations of employees, customers, and other stakeholders, ensuring ongoing engagement, development, and timely service delivery.	▲	Increased disruptions to operations owing to geopolitical tensions and economic challenges have placed pressures on business continuity and performance.	 Shareholders  Customers  Employees  Business Partners	Remaining responsive to market shifts and maintaining market share Investing in prudent, farsighted expansion and capital management practices Embedding business resilience through scenario planning, diversification and risk mitigation Sector Reviews (Pages 78-89) Financial Capital (Pages 92-95)	  	203










## MATERIALITY ASSESSMENT

Material Topic	Focus Areas	Basis for Internal Materiality	Basis for External Materiality	Change in Materiality	Reason for Change	Impacted Stakeholders	Strategic Response	Impacted SDGs	GRI
<b>2</b> Employee welfare, well-being and progress	Attraction and retention of the right talent  Developing employee skills and capabilities  Ensuring employee health, safety and welfare  Enabling inclusive policies  Improving opportunities for career progress and succession	Investing in fostering a skilled and knowledgeable workforce, strengthens organisational capabilities and integrates unique knowledge and skills.  Higher employee retention supports business continuity and reduces operational disruptions.	A positive and safe workplace culture enhances creativity and performance, leading to improved client outcomes and overall productivity, while improving employee satisfaction.	—	The prolonged effects of the economic crisis placed strains on the retention of critical skills and adversely impacted employees' overall well-being for much of the year. However, towards the latter part of the year, these pressures began to ease with the gradual stabilisation of the economy.	 Employees   Customers	Empowering youth through opportunities for learning and development  Creating a future-ready workforce  Maintaining a safe, health-oriented workplace, with equal opportunities for development  Human Capital (Pages 105-116) 	     	401, 402, 403, 404, 408, 409
<b>3</b> Resource responsibility and climate action	Effective energy management  Responsible resource consumption  Preserving and conserving biodiversity  A focus on climate action and risk mitigation	Optimising costs and reducing reliance on non-renewable resources strengthens long-term corporate sustainability and operational efficiency.  Integrating climate-resilient strategies enhances business continuity and aligns with emerging ESG reporting standards, improving risk management and investor confidence.	Adopting green practices and minimising waste contributes to climate change mitigation and environmental stewardship, supporting broader sustainability goals.  These efforts help preserve natural resources for future generations while reinforcing the organisation's public accountability with respect to global sustainability frameworks.	▲●	Amid growing regulatory focus on ESG and the accelerating impacts of climate change—such as extreme weather events and natural disasters—there is a heightened shift toward climate action and transparent climate reporting. Businesses are expected to demonstrate stronger environmental responsibility by reducing their environmental footprint and enhancing resilience to climate-related risks	 Shareholders   Customers   Community   Shareholders   Government, Statutory and Regulatory Bodies	Relying on renewable energy and integrating resource responsibility across operations  Reporting in accordance with sustainability frameworks to increase accountability  Natural Capital (Pages 134-143) About this Report (Pages 7-11) 	      	301, 302, 303, 305, 306

Material Topic	Focus Areas	Basis for Internal Materiality	Basis for External Materiality	Change in Materiality	Reason for Change	Impacted Stakeholders	Strategic Response	Impacted SDGs	GRI
<b>4</b> Product quality and responsibility	Sustainable local sourcing practices Maintaining quality standards Building brand reputation and trust	Upholding high standards of product quality and integrity strengthens brand reputation, builds consumer trust, and drives sustained corporate growth and value creation.	Adherence to ethical practices and quality benchmarks enhances the organisation's value proposition while positively impacting customer well-being and surrounding communities.	—		 Customers  Business Partners	Strengthening product quality and maintaining stringent quality assurance guidelines Engaging in responsible and ethical sourcing Social and Relationship Capital (Pages 125-133)   	  	201, 204, 207, 308, 407, 414, 416, 417
<b>5</b> Cybersecurity and data privacy	Protecting systems against malware and cyberattacks Preventing data breaches	Ensuring robust data privacy and cybersecurity protocols enhances organisational trust, strengthens brand reputation, and supports ongoing compliance with regulatory standards.	Protecting the sensitive information of customers and stakeholders safeguards their privacy and security, reinforcing confidence in the organisation's digital responsibility.	▲	In response to the Data Protection Act, companies have started embedding its requirements into their operations, enhancing regulatory compliance and reinforcing digital trust—especially amid accelerated digital transformation.	 Customers  Employees  Government, Statutory and Regulatory Bodies	Ensuring responsible oversight and integrating updated systems and processes Intellectual Capital (Pages 117-124)   		406, 418
<b>6</b> Process excellence	Ensuring process efficiencies Implementing process automation and machine-based learning	Enhancing process efficiency and reducing manual intervention improves operational agility, responsiveness, and overall productivity.	Streamlined processes lead to faster service delivery and greater convenience, resulting in improved customer satisfaction and experience.	—		 Customers  Employees	Investing in process improvements and upgrades to machinery Intellectual Capital (Pages 117-124) Manufactured Capital (Pages 96-104)   	 	416

## MATERIALITY ASSESSMENT

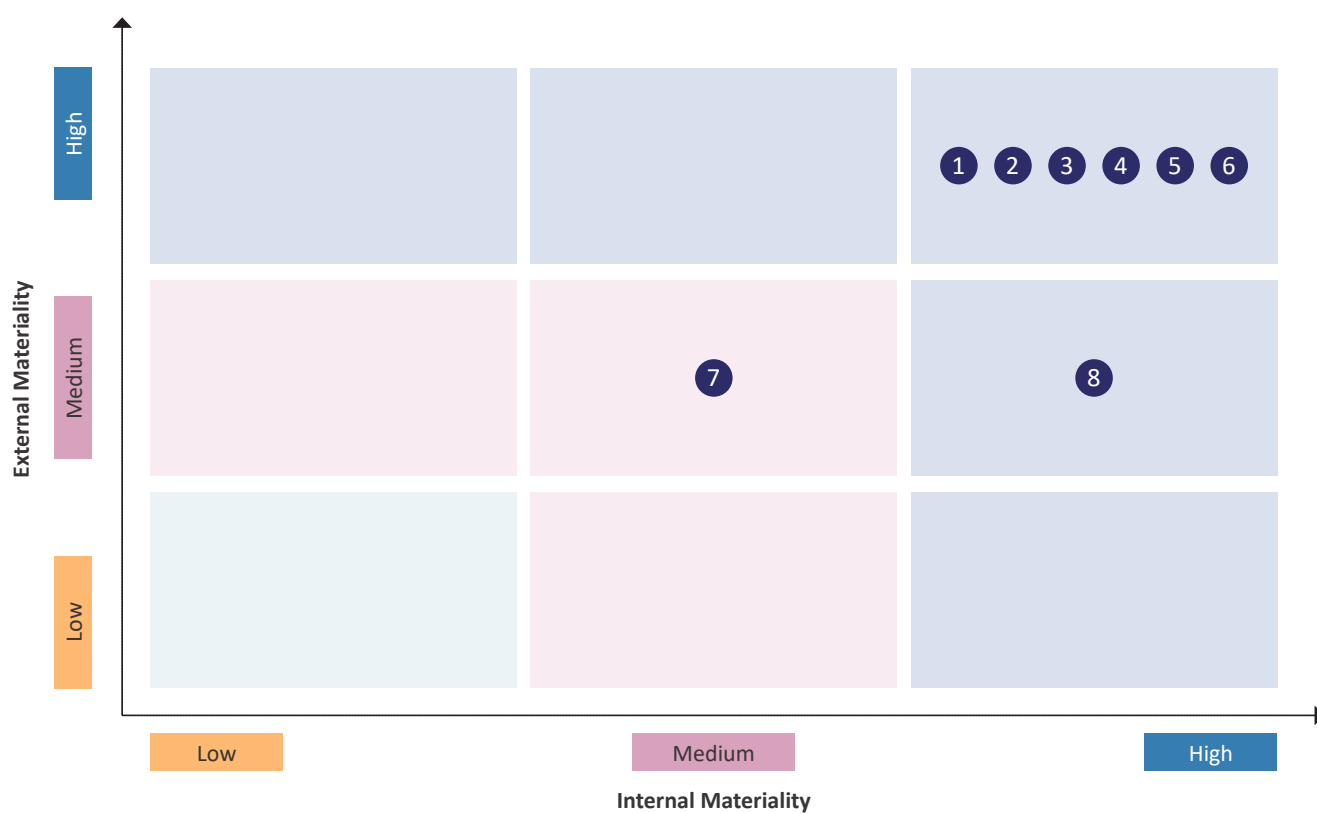
Material Topic	Focus Areas	Basis for Internal Materiality	Basis for External Materiality	Change in Materiality	Reason for Change	Impacted Stakeholders	Strategic Response	Impacted SDGs	GRI
<b>7</b> <b>Community Engagement</b>	<p>Ensuring community involvement</p> <p>Community investment</p> <p>Providing employment opportunities</p>	<p>Building strong relationships with local communities fosters trust, strengthens the social license to operate, and contributes to long-term business sustainability and performance</p>	<p>Active community engagement supports socioeconomic development, enhances local well-being, and promotes inclusive, long-term value creation for society.</p>	—		 Community	<p>Engaging with surrounding communities and facilitating opportunities for development</p> <p>Social and Relationship Capital</p> <p>(Pages 125-133)</p> 		413
<b>8</b> <b>Compliance</b>	<p>Ensuring compliance with relevant laws, rules and regulations</p> <p>Staying apprised of changes to the governance framework</p> <p>Cooperation and collaboration with regulators</p>	<p>Adhering to legal and regulatory requirements, including timely tax submissions, ensures ethical operations, reduces risk exposure, and supports long-term organisational stability.</p>	<p>Upholding strong governance and compliance practices safeguards stakeholder interests, prevents unethical conduct, and reinforces trust in the organisation's role within society.</p>	▲	<p>An evolving regulatory landscape places increasing emphasis on the Group's ability to maintain compliance owing to constant updates to policies, processes, and systems to meet new legal and reporting obligations.</p>	 Government, Statutory and Regulatory Bodies   Shareholders	<p>Maintaining high standards of compliance and regulatory standards</p> <p>Corporate Governance</p> <p>(Pages 146-157)</p> 		417, 418



▼	▲	—	●
Decreased materiality	Increased materiality	No change	New/modified material topic
●	●	●	
High	Moderate	Low	

### MATERIALITY MATRIX

Based on the preceding assessment, the Group identified and ranked its material topics according to their internal and external significance, as outlined below.



# STRATEGY AND RESOURCE ALLOCATION

THE GROUP'S STRATEGIC DIRECTION AND RESOURCE ALLOCATION SERVE AS A FOUNDATIONAL GUIDE FOR ITS LONG-TERM TRAJECTORY, ENSURING ALIGNMENT WITH VALLIBEL ONE'S OVERARCHING VISION AND CORE VALUES. THIS APPROACH NOT ONLY FACILITATES THE ACHIEVEMENT OF ITS ORGANISATIONAL ASPIRATIONS BUT ALSO REINFORCES THE GROUP'S ABILITY TO ADAPT, REMAIN RESILIENT, AND DRIVE OPTIMISED PERFORMANCE IN THE FACE OF ONGOING UNCERTAINTY AND DISRUPTION IN THE EXTERNAL ENVIRONMENT.

## THE FACTORS THAT SHAPE STRATEGIC DIRECTION:



## STRATEGIC IMPERATIVES

FINANCIAL  
RESILIENCE

OPERATIONAL  
EXCELLENCE

PRUDENT  
INVESTMENTS

GOOD  
GOVERNANCE

NURTURING  
PARTNERSHIPS

SUSTAINABLE  
OPERATIONS

## THE FACTORS THAT SUPPORT STRATEGY IMPLEMENTATION:

**Prudent Capital Management**  
Capital Reports  
(Pages 92-143)

**Risk Management**  
Risks and Opportunities  
(Pages 54-58)

**Visionary Leadership**  
Executive Reviews and Leadership  
(Pages 36-46)

**A Diversified Presence**  
Capital Reports  
(Pages 92-143)

**Responsible Stewardship**  
Corporate Governance  
(Pages 146-157)

## OUTCOMES

**An Unmatched Stakeholder Value Proposition**  
Investment Case  
(Pages 28-29)

**A Sustainable Impact**  
Sustainability Commitment  
(Pages 20-25)

**A Reputation for Quality and Trust**  
Awards and Accolades  
(Pages 118-119)

**Consistent Returns**  
Financial Highlights and  
Decade at a Glance  
(Pages 30-31 and 294)

## FINANCIAL RESILIENCE

Achieving consistent revenue and ensuring long-term stability by maintaining a solid financial foundation, enabling the business to navigate uncertainties and capitalise on opportunities for growth.










*Oversight: Finance Department*

Focus Areas:	Resources Allocated:	Capital Trade-Offs		Progress in 2024/25:
		Short-Term	Long-Term	
<ul style="list-style-type: none"> <li>Diversified revenue sources</li> <li>Consistent cashflow management</li> <li>Strong controls and oversight</li> <li>Scenario planning and business preparedness</li> <li>Optimising costs</li> <li>Prudent asset and debt management</li> </ul>	<p>LKR <b>407</b> BN invested in assets</p> <p>LKR <b>105.17</b> MN invested in process improvements</p> <p>A diversified presence across <b>6</b> sectors</p>	  	  	<ul style="list-style-type: none"> <li>18.9 % increase of profit attribute to owners of the parents</li> <li>17.4 % growth in assets</li> <li>50.89% growth in dividend income</li> </ul>
<b>Long-Term Outcomes:</b>	<ul style="list-style-type: none"> <li>Strength and stability amid uncertainty</li> <li>Improved operational continuity</li> <li>A strong competitive advantage</li> </ul>		<ul style="list-style-type: none"> <li>Sustained growth and performance</li> <li>Stakeholder stability and trust</li> <li>Economic value creation</li> </ul>	
<b>Material Topics:</b>	1,3,6			
<b>SDG's</b>	  			<b>Looking Ahead:</b> Please provide any strategic priorities for the future

























## OPERATIONAL EXCELLENCE











Drives efficiency, productivity, and cost-effectiveness, ensuring that resources are optimised and processes are continuously improved, while upholding the highest standards of speed, convenience and quality for key stakeholders

*Oversight: Factory Heads*

Focus Areas:	Resources Allocated:	Capital Trade-Offs		Progress in 2024/25:
		Short-Term	Long-Term	
<ul style="list-style-type: none"> <li>Streamlining processes</li> <li>Implementing automation and technology</li> <li>Integrating continuous improvement principles</li> <li>Data-driven decision making</li> <li>Enhancing supply chain management</li> <li>Standardising procedures and best practices</li> <li>Optimising resource allocation</li> <li>Product and service excellence</li> </ul>	<p>LKR <b>105.17</b> MN invested in process improvements</p> <p>LKR <b>318.51</b> MN invested in system enhancements</p> <p>LKR <b>168</b> MN invested in digitalisation and automation</p>	 	   	<ul style="list-style-type: none"> <li>TPM Saving : LKR 746 Mn</li> </ul>
<b>Long-Term Outcomes:</b>	<ul style="list-style-type: none"> <li>Increased profitability and cost efficiency</li> <li>Improving stakeholder-centricity, convenience, and trust</li> <li>Strengthening knowledge and intellectual capital</li> </ul>		<ul style="list-style-type: none"> <li>Improving resource efficiencies and responsible consumption</li> <li>Enhanced operational agility and adaptiveness</li> <li>Improving resource efficiencies and responsible consumption</li> <li>Enhanced operational agility and adaptiveness</li> </ul>	
<b>Material Topics:</b>	3,6			
<b>SDG's</b>	  			<b>Looking Ahead:</b> Please provide any strategic priorities for the future

## STRATEGY AND RESOURCE ALLOCATION





















PRUDENT INVESTMENTS				
The careful and well-considered allocation of resources into sustainable growth opportunities that align with a company’s strategic goals, while adequately factoring in the Group’s risk appetite.				
Oversight: Marketing, Research and Development				
Focus Areas:	Resources Allocated:	Capital Trade-Offs		Progress in 2024/25:
		Short-Term	Long-Term	
<ul style="list-style-type: none"><li>• Product diversification</li><li>• Market development</li><li>• Capacity building</li><li>• Product development</li><li>• Sustainable investments</li></ul>	<p>LKR <b>97.83</b> MN invested into R&amp;D</p> <p>LKR <b>19.57</b> MN invested into new product development</p> <p>LKR <b>2,061.63</b> MN invested into capacity expansion</p>	<div></div> <div></div> <div></div> <div></div> <div></div>	<div></div> <div></div> <div></div> <div></div> <div></div>	<ul style="list-style-type: none"><li>• 424 new products launched</li><li>• 23 new markets</li><li>• Rs. 406,769 Mn total assets</li></ul>
Long-Term Outcomes:	<ul style="list-style-type: none"><li>• Increased market reach and consistent revenue streams</li><li>• Reduced exposure to risk</li><li>• Strengthens sustainability of operations and resources</li></ul>		<ul style="list-style-type: none"><li>• Achieves scalable growth</li><li>• Customer satisfaction and trust</li><li>• Long-term resilience and cost efficiencies</li><li>• A reputation as an ethical and responsible corporate</li></ul>	
Material Topics:	1,4		Looking Ahead: Please provide any strategic priorities for the future	
SDG’s	   			

GOOD GOVERNANCE				
Establishing transparent, ethical, and accountable decision-making processes within an organisation, ensuring that it operates in the best interests of all stakeholders, thereby fostering trust, ensuring compliance, and maintaining a reputation for integrity.				
Oversight: Board of Directors				
Focus Areas:	Resources Allocated:	Capital Trade-Offs		Progress in 2024/25:
		Short-Term	Long-Term	
<ul style="list-style-type: none"><li>Ethics and good governance</li><li>Risk management</li><li>Cybersecurity and data privacy</li></ul>	LKR <b>24.9</b> BN spent on taxes	<div></div> <div></div>	<div></div> <div></div>	<ul style="list-style-type: none"><li>0 breaches in data privacy</li><li>0 cybersecurity attacks</li><li>0 instances of non-compliance with regulations</li></ul>
Long-Term Outcomes:	<ul style="list-style-type: none"><li>Nurturing stakeholder loyalty and trust</li><li>Ensuring responsible stewardship</li></ul>		<ul style="list-style-type: none"><li>Upholding principles of honesty, transparency and fairness</li><li>Supporting economic and national development</li></ul>	
Material Topics:	1,5,8		<b>Looking Ahead:</b> Please provide any strategic priorities for the future	
SDG's	 			

### NURTURING PARTNERSHIPS

Building and maintaining strong, mutually beneficial relationships with key stakeholders such as suppliers, customers, and business collaborators, resulting in a collaborative environment reinforced by shared growth opportunities, and long-term value creation at every stage.

#### Oversight: Supply Chain

Focus Areas:	Resources Allocated:	Capital Trade-Offs		Progress in 2024/25:
		Short-Term	Long-Term	
<ul style="list-style-type: none"> <li>Customer relationship management</li> <li>Human resource development</li> <li>Community development</li> <li>Synergies with Group entities</li> <li>Engagement with business partners</li> </ul>	<p>LKR <b>25.63</b> MN invested in training and development</p> <p>LKR <b>13.4</b> BN invested in remuneration and benefits</p> <p>LKR <b>38.5</b> MN invested in community development</p> <p>LKR <b>1,171.84</b> MN invested in marketing and communications</p>	       	       	<ul style="list-style-type: none"> <li>3,498 new recruits</li> <li>54,667 new customers</li> <li>38,323 CSR beneficiaries</li> <li>15,980 new business suppliers</li> </ul>
<b>Long-Term Outcomes:</b>	<ul style="list-style-type: none"> <li>Improving customer service</li> <li>Strengthening knowledge and intellectual capital</li> <li>Developing employee skills and expertise</li> <li>Enabling the achievement of corporate objectives</li> </ul>		<ul style="list-style-type: none"> <li>Building employee satisfaction, progress, and welfare</li> <li>Empowering communities and driving socio-economic development</li> <li>Nurturing stakeholder loyalty and trust</li> </ul>	
<b>Material Topics:</b>	1,2,4,7		<b>Looking Ahead:</b>	
<b>SDG's</b>	        		Please provide any strategic priorities for the future	

### SUSTAINABLE OPERATIONS

Integrating environmentally-friendly and socially responsible practices into business processes, ensuring that resources are used efficiently while minimising environmental impact, cementing the Group's reputation as a more resilient, forward-thinking entity.

#### Oversight: Factory Heads

Focus Areas:	Resources Allocated:	Capital Trade-Offs		Progress in 2024/25:
		Short-Term	Long-Term	
<ul style="list-style-type: none"> <li>Environmental commitment and reduction of emissions</li> <li>Sustainable sourcing</li> <li>Circular economy and waste reduction</li> <li>Sustainable product design and manufacturing</li> <li>Ecosystem conservation</li> <li>Mitigating negative environmental impact</li> <li>Business continuity management</li> </ul>	<p>Sustainable CSR Projects <b>114</b></p>	       	     	<ul style="list-style-type: none"> <li>670 trees planted</li> <li>3% reduction in emissions</li> <li>5,372.477 MWh renewable energy produced</li> <li>0 environmental fines or violations incurred</li> </ul>
<b>Long-Term Outcomes:</b>	<ul style="list-style-type: none"> <li>Improving resource efficiencies and responsible consumption</li> <li>Increasing profitability</li> </ul>		<ul style="list-style-type: none"> <li>Safeguarding vital natural resources</li> <li>Improving community impact</li> </ul>	
<b>Material Topics:</b>	1,3,4,7,8		<b>Looking Ahead:</b>	
<b>SDGD's</b>	    		Please provide any strategic priorities for the future	

# VALUE CREATION MODEL

**MATERIAL TOPICS DETERMINED BY:** Vision, Mission and Values Refer page 11

**Organisational Strengths and Capabilities** Refer pages 92-143

**8 MATERIAL TOPICS THAT DRIVE STRATEGY:**

1. Sustainable Business Performance

2. Employee Welfare, Well-being and Progress

3. Responsible Resource Management

## CAPITALS/INPUTS



## ACTIVITIES/PROCESSES



### FINANCIAL CAPITAL

Shareholders' funds: **LKR 158 Bn**  
 Debt: **LKR 78 Bn**  
 Cash flow from operations: **LKR -1,575 Mn**  
 Stated capital: **LKR 29,337 Mn**  
 Retained earnings and other reserves: **LKR 128,933 Mn**



### MANUFACTURED CAPITAL

Total PPE: **LKR 74,707 Mn**  
 Investment in CAPEX: **LKR 13,144 Mn**



### HUMAN CAPITAL

Workforce: **9,939**  
 New recruitments: **3,498**  
 Investment in training: **LKR 25.63 Mn**  
 Flexible working environment  
 A specialised business development team  
 A focus on health and safety  
 Employee remuneration: **LKR 13 Bn**



### SOCIAL AND RELATIONSHIP CAPITAL

Cost of goods and services: **LKR 69 Bn**  
 Total suppliers: **23,610**  
 Investment in community development projects: **LKR 38.35 Mn**  
 Sustainable CSR projects  
 Stakeholder management



### INTELLECTUAL CAPITAL

Devoted and experienced team for Research and Development  
 Tacit knowledge  
 Investment in R&D: **LKR 97.83 Mn**  
 Investment in Digitisation: **LKR 168 Mn**  
 Intangible assets: **LKR 12.9 Bn**  
 Brand stewardships  
 Investment in TPM training: **LKR 17 Mn**



### NATURAL CAPITAL

Energy consumption: **1,030,310 GJ**  
 Solar power generated: **5,372 MW**

### STRATEGIC IMPERATIVES



### SECTOR ACTIVITIES



#### Lifestyle

Manufacturing tiles and bathware and providing interior solutions  
 (Pages 78-79)



#### Finance

Financial services- leases, loans and deposits  
 (Pages 80-81)



#### Aluminium

Manufacturing aluminium extrusions  
 (Pages 82-83)



#### Leisure

Managing boutique hotel resorts  
 (Pages 84-85)



#### Consumer

Manufacturing and retailing fast-moving goods, pharma and medical equipment  
 (Pages 86-87)



#### Investment and Others

Packaging, mining, insurance brokering, travel, shipping  
 (Pages 88-89)



## Operating Context and Future Refer pages 48-53

## Outlook

## Stakeholder Needs and Concerns Refer pages 59-63

## 4. Product Quality and Responsibility

## 5. Cybersecurity and Data Privacy

## 6. Process Excellence

## 7. Community Engagement

## 8. Compliance

→ **OUTPUTS****Lifestyle**

49,000 Sq. meters per day of tiles  
35,000 pieces of sanitaryware  
88,200 MT p.a of grout and mortar

**Finance**

Leases granted LKR 37,529 Mn  
Gold loans and other advances granted LKR 85,686 Mn  
Vehicle loans: LKR 47,185 Mn

**Aluminum**

Powder coat 2,269 MT  
Wood finish 151 MT  
Other Aluminum extrusions 4,338 MT

**Consumer**

Food and Beverage LKR 6,563 Mn  
Health care LKR 4,102 Mn

**Leisure**

Average Occupancy rate 52%

**Investments and Others**

Packaging output  
1.8 Mn paper sacks  
3,300 MT corrugated packaging

**Mined output**

Feldspar 42,000 MT

→ **OUTCOMES TO THE GROUP****FINANCIAL CAPITAL****Ensuring Profitability**

↑ EBITDA LKR 34.5 Bn  
↑ LKR 176 Mn cost saving  
≈ 0 penalties/fines incurred

→ **OUTCOMES TO STAKEHOLDERS****Delivering shareholder returns**

Net profits: LKR 16,022 Mn  
Dividends paid: LKR 5.6 Bn  
Return on assets: 10.12%  
Earnings per share: LKR 10.34

**MANUFACTURED CAPITAL****Enhancing Efficiency and Infrastructure**

Return on assets: 3.94%  
Asset turnover ratio: 30%

**Enhanced customer reach**

New branches: 10  
Strategic relocations: 13  
Island-wide footprint

**HUMAN CAPITAL****Increasing Productivity**

Staff turnover: 31%  
Retention Rate: 68%  
Revenue per employee: 12.35  
Profit per employee: 1.6

**Employee skills and benefits**

Training hours: 86,498  
No. of trained employees: 9,730  
Employee remuneration: LKR 13 Bn

**SOCIAL AND RELATIONSHIP CAPITAL****Building a Reputation of Trust**

New customers: 54,667  
New suppliers : 15,980  
Awards received : 51

**Strong supplier partnerships**

Payments to suppliers: 103,184

**Community engagement**

Beneficiaries from CSR initiatives: 38,323  
Tile club members: 5,443

**INTELLECTUAL CAPITAL****Driving Innovation**

236 process improvements  
424 new products  
New systems implemented across all the Group

**Unmatched stakeholder value**

New products developed 424  
No data breaches  
Savings from process improvements 1,066

**NATURAL CAPITAL****Optimising Resources**

0 environmental fines incurred

**Environmental footprint**

Carbon footprint: 136,921 tCO<sub>2</sub>e ↓  
Wastewater discharged: 1,780 Litres Mn ↓  
No. of trees planted: 670  
Solid waste: 181,193 MT ↓  
Renewable energy generated: 5,372 MW

→ **IMPACT**

## Sustainability Commitment Refer pages 20-25

## Regulatory Frameworks Refer page 23



# Where Structure Nurtures Growth

Our portfolio is thoughtfully structured for growth—diverse in expertise, yet aligned in purpose. From ceramics and finance to hospitality and FMCG, each sector contributes a distinct strength to our collective presence. While every subsidiary operates in its own domain, all are united by a shared focus on excellence, innovation, and long-term value creation.

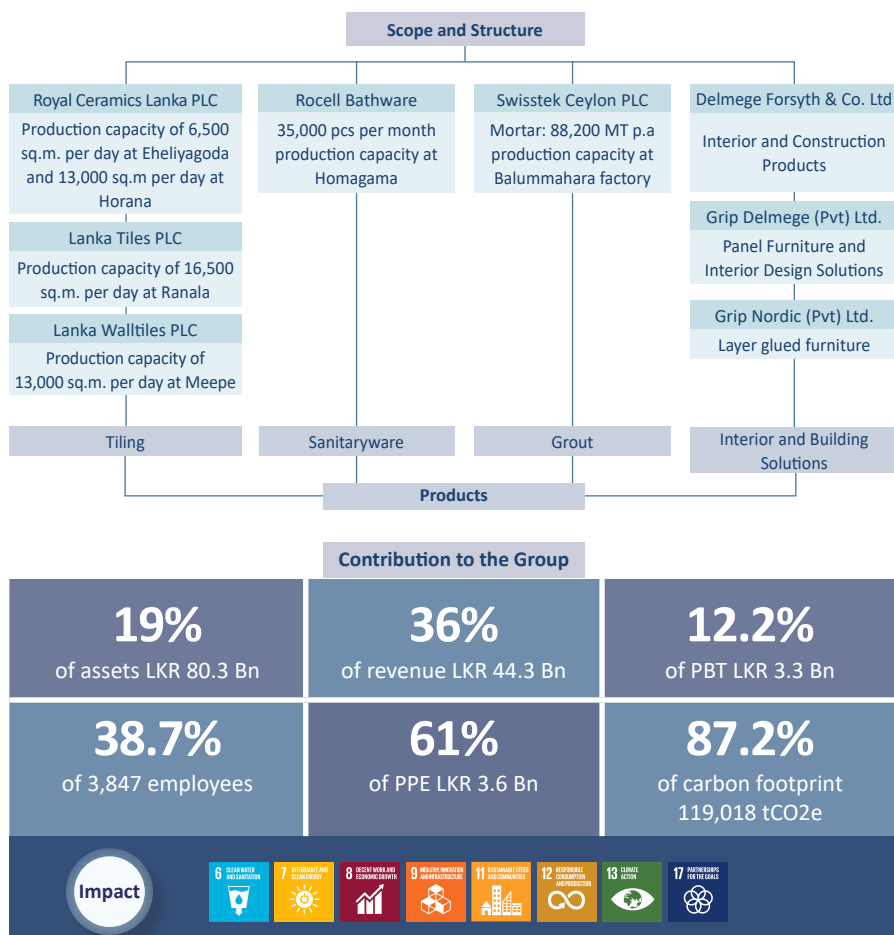
*The camellia is a flowering plant native to East Asia, with over 200 species and a long history of cultivation. It thrives in temperate climates with high humidity and well-drained, acidic soil. Camellias are known for their evergreen foliage and precisely layered petals, which form symmetrical blooms in a range of colours and shapes throughout the year.*

## SECTOR REVIEWS



### LIFESTYLE

Vallibel One's lifestyle sector remains at the forefront of the industry, offering an unmatched range of interior solutions, including tiles, tiling accessories, bathware, kitchen sinks, and design services. While 'Rocell' and 'Lanka Tiles' lead the tile market by commanding a collective 40 % of the market share, the bathware segment maintains a strong position, holding 24% of the market. The sector is further reinforced by the Delmege Group of Companies, with a diverse portfolio of high-quality building and design solutions. Together, these solutions offer a holistic approach to interior design, catering to every need spanning conception to execution.



## OPERATING LANDSCAPE

Associated Risks: 1 2 3 4 5 7

- **Economic Recovery and Lending Environment:** Disruptions persisted due to severe weather, raw material shortages (cement, sand, tiles), and geopolitical tensions, leading to cost increases and project delays.
- **Construction Industry Dynamics:** Government infrastructure projects drove recovery, but the private sector remained subdued due to economic uncertainties and inflationary pressures. Demand for construction materials stabilised below pre-pandemic levels as local manufacturers faced stiff competition from both domestic and international suppliers.
- **Intensified Competition:** Local producers faced growing competition across all segments, particularly tiling, sanitaryware, and grout, with price sensitivity rising. This led to efforts in cost optimisation, efficiency improvements, and product innovation and product diversification to stay competitive.
- **Technology and Sustainability:** Advances in technology have led to an increased demand for convenience and automation and a transition to IoT solutions. A growing emphasis on sustainable practices and eco-friendly solutions supported operational and environmental goals.
- **Potential Market Opportunities:** New markets are emerging both locally and overseas, leading to lucrative growth avenues..

## STRATEGIES

Material Topics: 1 3 4 6

- **Sustainable Growth: Cost Controls and Efficiency:** The sector is focusing on cost reduction through packaging optimisation, process automation, and energy-saving measures. The tiles segment expanded production capacity to meet demand, reaching 29 million square meters annually, with plans to exceed 30 million once the second line is operational.
- **Product Diversification:** The interior décor segment has expanded through franchise partnerships (e.g., Hettich, Warisandor) and new products like fireproof doors, furniture hardware, and kitchen appliances, strengthening its market position. The tiling segment is innovating with larger tile sizes to remain competitive.
- **Market Penetration and Expansion:** The tiling segment is targeting East Africa and infrastructure projects to reduce supply risks and capitalise on regional growth, while also focusing on niche markets, B2B projects, and roofing. The interior décor division has secured large contracts in government, education, and financial services, expanding its footprint. The grout segment has gained market share by capturing competitors' clients, expanding its product line, and entering the construction services market through Swisstek.
- **Technology and Innovation:** The tiling segment has adopted 3D carving ink technology to enhance product value, while the sanitaryware segment has introduced smart toilets and efficient flushing systems to appeal to tech-savvy consumers.

## KEY STRENGTHS

- Unrivalled expertise and renowned brands
- Collaborative group synergies
- Commitment to superior quality
- Flexible and adaptive strategies
- Robust distribution and sales network
- Focus on technology and innovation

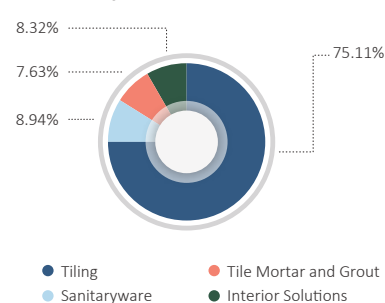
## ACHIEVEMENTS IN 2024/25

- **LKR 44.4 Bn** revenue
- **413** new products introduced
- **LKR 3.7 Bn** invested in PPE
- **LKR 105 Mn** invested in technology
- **LKR 878 Mn** cost savings achieved
- **3,404 MW** solar power generated
- **20** awards achieved

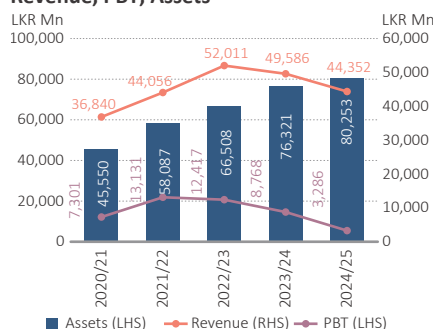
## FUTURE STRATEGIES AND OUTLOOK

- The increase in tariffs and shifts in trade agreements, particularly with India and China, may impact supply chain costs for imported goods and materials
- A continued focus on cost efficiency through process optimisation and exploring new material alternatives. An ongoing commitment to environmental responsibility is in place, including efforts to minimise waste and improve energy efficiency. New heat recovery systems are expected to reduce LPG consumption by 60 metric tons per month by the second quarter of the coming year.
- Despite current market challenges, the sector remains focused on innovation, aiming to differentiate itself with superior-quality products. Efforts to maintain market competitiveness include continuing to develop niche markets, seek emerging market opportunities, and exploring overseas production possibilities.
- Lobbying with the government and regulators for increased regulation of the market to prevent over-saturation.

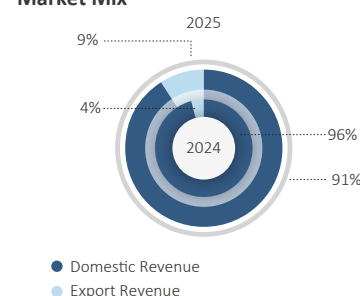
## Revenue by Channel



## Revenue, PBT, Assets



## Market Mix

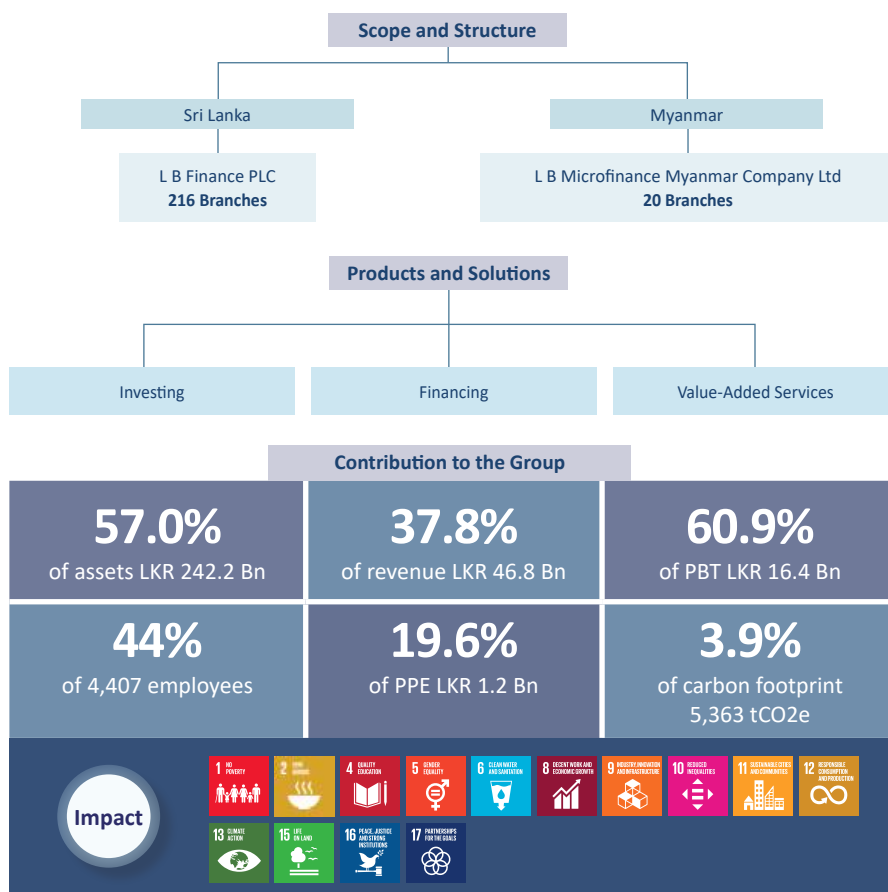


## SECTOR REVIEWS



### FINANCE

With a legacy spanning over five decades, L B Finance PLC has earned a distinguished reputation as one of Sri Lanka's most prominent and trusted non-banking financial institutions. The company is fortified by the largest island-wide branch network in the industry and offers a diverse portfolio of financial services, including leases, loans, microfinance facilities, and deposit products. Renowned for its cutting edge digital capabilities, L B Finance is listed on the Colombo Stock Exchange and operates under the regulatory framework of the Finance Business Act No. 42 of 2011.





## OPERATING LANDSCAPE

Associated Risks: 2 3 4 5

- **Economic Recovery and Lending Environment:** Sri Lanka's economy recorded a 5% GDP growth in 2024, supported by IMF-backed reforms and low inflation, which boosted consumer confidence and credit demand. However, non-performing loans (NPLs) remained elevated at 12.4%, signalling ongoing credit risks despite easing interest rates.
- **Profitability and Market Volatility:** While lower market lending rates improved credit affordability, NBFIs faced margin pressures due to compressed spreads between lending and deposit rates. Volatile gold prices also required greater agility in asset backed lending strategies.
- **Digital and Technological Transformation:** The accelerated adoption of digital payment systems and the increased use of AI and automation to improve operational efficiency, customer experience, and financial inclusion was evident.
- **Regulatory Reforms and Sustainability Focus:** The Central Bank introduced tighter oversight with reforms to the Finance Business Act and leasing regulations, in addition to stress testing frameworks. A greater focus on ESG driven sustainable finance practices was evident across the industry.

## STRATEGIES

Material Topics: 1 2 3 4 6 7 8

"Elevate 2030" is LB Finance's roadmap to becoming a future-ready, resilient, and purpose-driven organisation, built on six strategic priorities, outlined below. Rooted in EESG (Economic, Environmental, Social, and Governance) principles, the strategy balances innovation, integrity, and sustainable growth.

- **Sustainable Growth:** Driving stable, long term value by balancing financial, social, and environmental objectives.
- **Customer Centricity:** Enhancing loyalty and trust through personalised, tech enabled customer experiences.
- **Digital Leadership:** Leveraging digital transformation to boost efficiency, agility, and competitiveness.
- **Positive Impact:** Aligning with UN SDGs to ensure lasting social, economic, and environmental contributions.
- **Empowering People:** Building a skilled, inclusive workforce to lead innovation and growth.
- **Risk & Governance:** Strengthening systems to ensure integrity, compliance, and resilience.

## KEY STRENGTHS

- A reputation for stability and trust
- A large, expansive network
- Resilient and adaptive digital infrastructure
- Corporate stewardship
- A skilled, dedicated workforce
- Adaptive, timely strategies

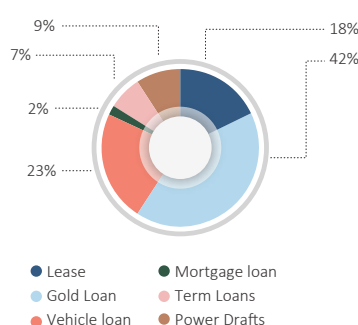
## ACHIEVEMENTS IN 2024/25

- **2.25% NPL** (12.3% industry NPL)
- **23% lending growth**
- **13% deposit growth**
- **LKR 242 Mn** asset base
- **216** branches in Sri Lanka
- **20** branches in Myanmar
- **4,407** employees supported
- **33%** cost to income ratio

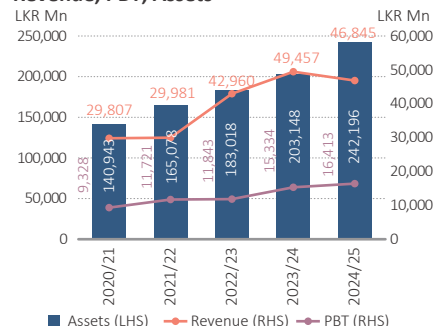
## FUTURE STRATEGIES AND OUTLOOK

- Expanding market presence, driving innovation, and strategically investing in high growth sectors to ensure long term profitability.
- Enhance customer experience through journey simplification, stronger security, and AI powered personalisation.
- Adopting advanced technologies, leveraging data, and promoting digital inclusivity to boost efficiency and competitiveness.
- Deepen stakeholder collaboration, strengthen climate resilience, and scale ESG focused investments for meaningful socioeconomic and environmental outcomes.
- Building a digitally skilled, diverse workforce through continuous learning, inclusive culture, and agile organisational structures.
- Enhance risk visibility, embed a culture of compliance, and use advanced tools to ensure resilient and transparent operations.

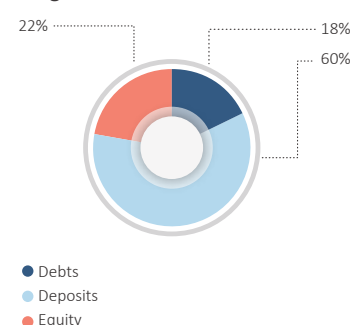
## Loans and Leases-Product Mix



## Revenue, PBT, Assets



## Funding Mix

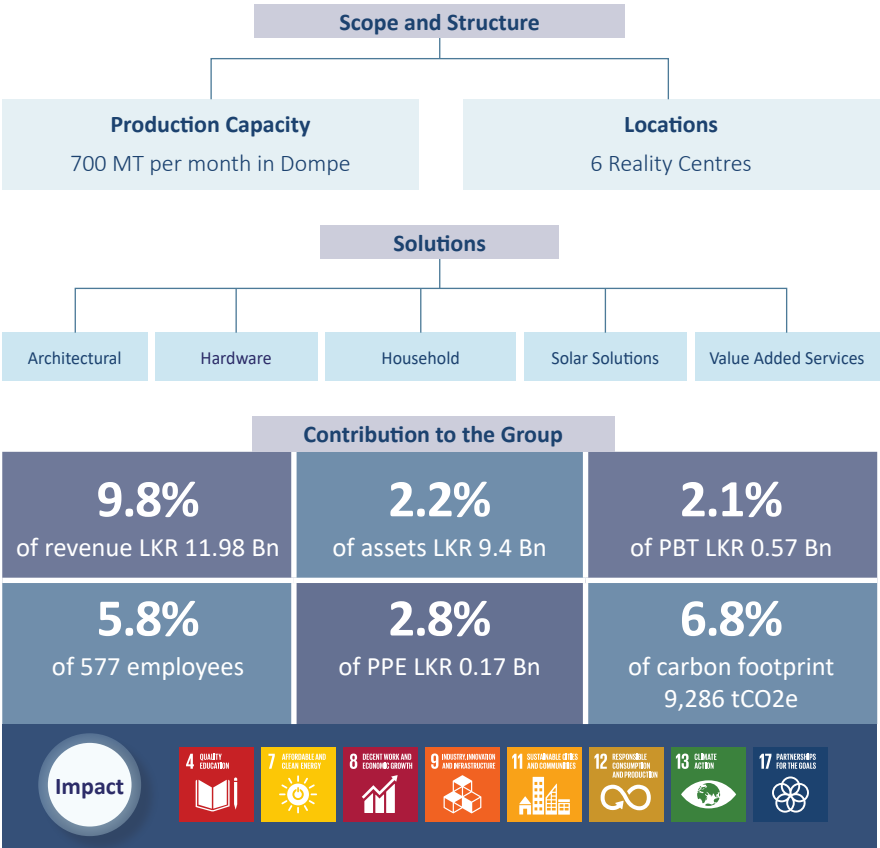


SECTOR REVIEWS



ALUMINIUM

Swisstek Aluminium, representing the Group’s presence in the aluminium sector, has built a solid reputation both domestically and internationally for its high-quality aluminium extrusions. The sector manufactures a variety of aluminium profiles that adhere to International standards, encompassing Architectural, Hardware household, solar structure applications, and value added services. With a dominant 40% market share locally, Swisstek currently markets to 9 countries overseas, and continues in its quest for expansion year on year.



## OPERATING LANDSCAPE

Associated Risks: 1 2 3 4 6 7 8 9

- **Economic Challenges:** Inflation and rising raw material costs have reduced purchasing power and placed pressure on operating margins.
- **A Focus on Sustainability:** Government policies aimed at boosting solar installations and implementing stricter import controls have increased demand for locally produced, certified products. This, combined with increasing energy costs has raised competition and created a more competitive regulatory environment, while also increasing demand for high-quality aluminium profiles.
- **A Shift in Demand:** The focus largely shifted to medium-scale developments in construction and residential projects. A growing demand was witnessed for architectural aluminium profiles due to urbanisation and evolving consumer preferences, with a particular demand for premium and superior classes.
- **Digitalisation:** A continuous focus on technological advancements, connectivity and innovation.
- **Supply Chain Risks:** Shortage of raw materials and disruptions owing to geopolitical tensions and trade policies remain a significant concern.

## STRATEGIES

Material Topics: 1 3 4 6 8

- **Cost Optimisation and Operational Efficiency:** Implemented cost control measures, enhanced inventory management, and lean manufacturing practices to navigate rising raw material costs and economic uncertainty. Focused on high-margin product lines to boost profitability.
  - **Digital Transformation:** A transition to digital channels (e-commerce, online marketing, digital tools such as Cutting Master) to improve customer engagement, and drive precision and operational efficiency.
  - **Product Innovation and Market Diversification:** Launched premium products like the SLIMLINE and superior class product series and expanded into new export markets such as the USA, and the UK.
- Focused on consolidating strengths and building resilience instead of aggressive expansion this year.
- **Supply Chain Resilience:** Diversified suppliers geographically and locally to minimise risks from supply chain disruptions. Engaged in stockpiling materials during lower-price periods to manage raw material cost volatility.
  - **Sustainability and Green Building:** Focused on eco-friendly products like recycled aluminium and solar structures to align with sustainability trends. Aligned with government policies on renewable energy and green building, maintaining key environmental accreditations such as carbon footprint verification and green label certification.

## KEY STRENGTHS

- Strong Brand and Market Reputation
- Premium Product Portfolio and Differentiation
- Operational Agility and Advanced Manufacturing
- Digital and Product Innovation
- Strong Customer Relationships and Distribution
- Group Synergies
- A Dedicated, Knowledgeable Workforce

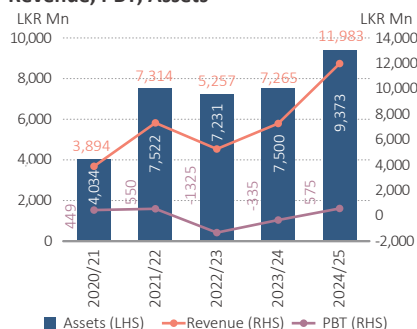
## ACHIEVEMENTS IN 2024/25

- **40%** market share and **67%** top-line growth
- **52% and 242%** growth in local and export sales respectively
- **62 new local and 9** export customers onboarded
- Educated over **3,200** key industry influencers
- **570+** employees
- **LKR 176 Mn** in cost savings
- **1,449 MWh** renewable energy generated
- **ISO 45001:2018** implementation underway
- **8** awards achieved

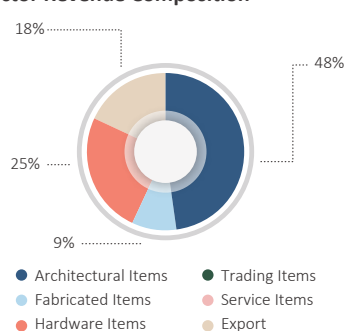
## FUTURE STRATEGIES AND OUTLOOK

- Capitalising on sustainability and green building trends by promoting recycled aluminium and targeting eco-conscious projects.
- Rising demand for high-performance and bespoke aluminium systems presents key opportunities for Swisstek's Allura and Superior Class systems to lead in premium, design-driven architectural and construction segments.
- Renewable energy integration and modular construction present new markets for aluminium solutions, while government infrastructure projects and product diversification open up further growth avenues.
- Evolving international dynamics and rising material costs, will create the need for cost optimisation, in addition to diversifying the sector's source markets, production patterns, and market presence.

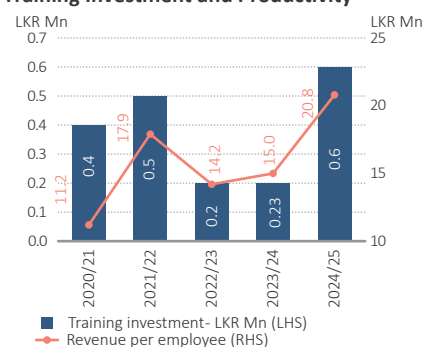
## Revenue, PBT, Assets



## Sector Revenue Composition



## Training Investment and Productivity

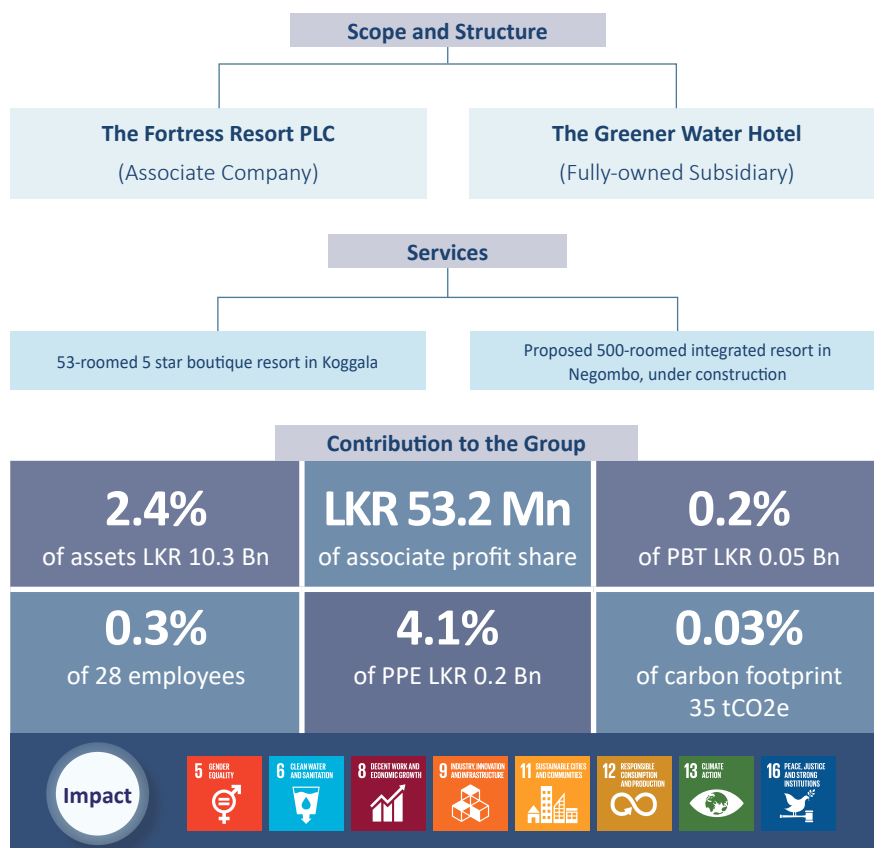


## SECTOR REVIEWS



### LEISURE

The Group's leisure division includes its associate company, The Fortress Resort and Spa, and its wholly owned subsidiary, Greener Water Limited. The Group holds a 21.18% stake in the internationally recognised Fortress Resort and Spa, a luxury boutique hotel catering to high end tourists. The Greener Water project is an upcoming integrated resort complex currently under development, which is slated to revitalise Negombo's beachfront.



## OPERATING LANDSCAPE

Associated Risks: 1 2 3 6 7 9

- **Gradual Recovery:** A gradual rebound in tourist arrivals was witnessed, with growth from India, China, and Russia.
- **Market Shifts:** Traditional markets of UK, Europe stagnated, primarily due to geopolitical and economic concerns in those regions. Operators face heightened competition and evolving traveller expectations, with a growing shift toward experiential travel, wellness, and sustainability.
- **A Digital Transition:** Digital transformation continued to play a key role, with online booking platforms and targeted digital marketing driving performance, particularly among independent travellers.
- **Cost Pressures:** Increased energy costs and the growing cost of resources and commodities placed pressures on bottom line performance. Import restrictions and the high cost of materials continued to impact investments into expansion, development, and refurbishment.
- **A Move Towards Sustainability:** Rising demand for ESG compliance and sustainable practices is reshaping the sector, encouraging properties to adopt greener operations and strengthen community engagement.

## STRATEGIES

Material Topics: 1 2 3 4 6 7 8

- **Strengthening Marketing Capabilities:** A focus on enhancing online presence and leveraging digital platforms (Booking.com, Agoda, etc.) to drive business, with nearly 40% of sales coming from online channels. Transitioning to new management under Hayleys Leisure to drive a refreshed focus on strengthening travel agent relationships and revamping the marketing strategy to boost international traffic.
- **Integrating Sustainability and Social Responsibility:** Emphasis on reducing environmental impact, including the utilising the recently installed a biomass boiler to lower carbon footprint, promoting sustainable practices, and supporting local communities through sourcing and partnerships.
- **Maintaining staff well being and gender equality.**
- **Enhancing Properties and Facilities:** Major renovations planned for the restaurant and pool areas to elevate guest experience and strengthen the hotel's competitive position in the luxury market. Enhancing guest facilities, particularly in food and beverage, to stay competitive against new market entrants and higher rated properties.

## KEY STRENGTHS

- Unmatched Service Excellence and Quality
- Strong Digital Presence and Customer Engagement
- Internationally Recognised Brand with Robust Equity
- Commitment to Sustainability and Responsible Practices
- Distinctive Property and Prime Location

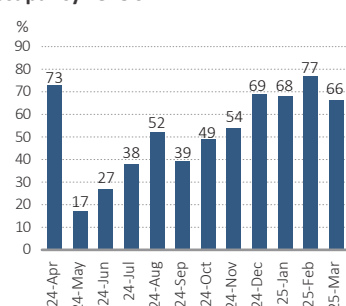
## ACHIEVEMENTS IN 2024/25

- **52%** average occupancy
- **LKR 1 Bn** revenue
- **9%** revenue growth
- **14.4%** increase in profit before tax
- **LKR 15.5 Mn** net savings through the use of biomass fuel
- **1** award achieved
- **LKR 245 Mn** PPE

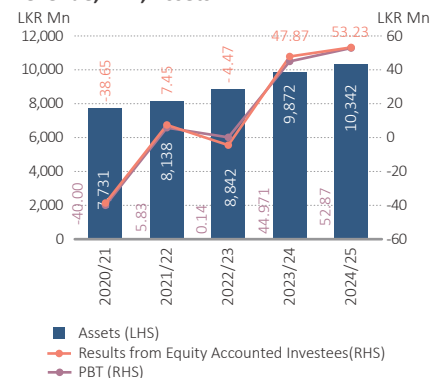
## FUTURE STRATEGIES AND OUTLOOK

- The Greener Water Hotel, a 500-room expansion project is expected to resume once economic stability is achieved. With an increased building valuation of 31 billion, the project is poised for strong returns once occupancy rates align with market conditions. Strategic planning will focus on optimising the timing of payments and investment once economic factors stabilise.
- Focus on attracting high-value guests from emerging markets through enhanced digital marketing and global travel partnerships.
- Continued investment in eco-friendly operations, energy efficiency, and local sourcing to reinforce environmental leadership.
- Post-renovation upgrades will elevate guest experiences and reposition the sectors' properties as premier luxury destinations.
- Ongoing support for local suppliers, artisans, and tourism partners to drive inclusive growth.
- System upgrades and staff training to drive efficiency, service quality, and long-term customer loyalty.

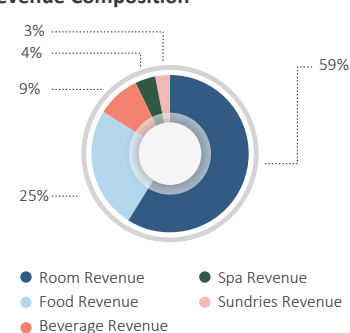
## Occupancy Levels



## Revenue, PBT, Assets



## Revenue Composition



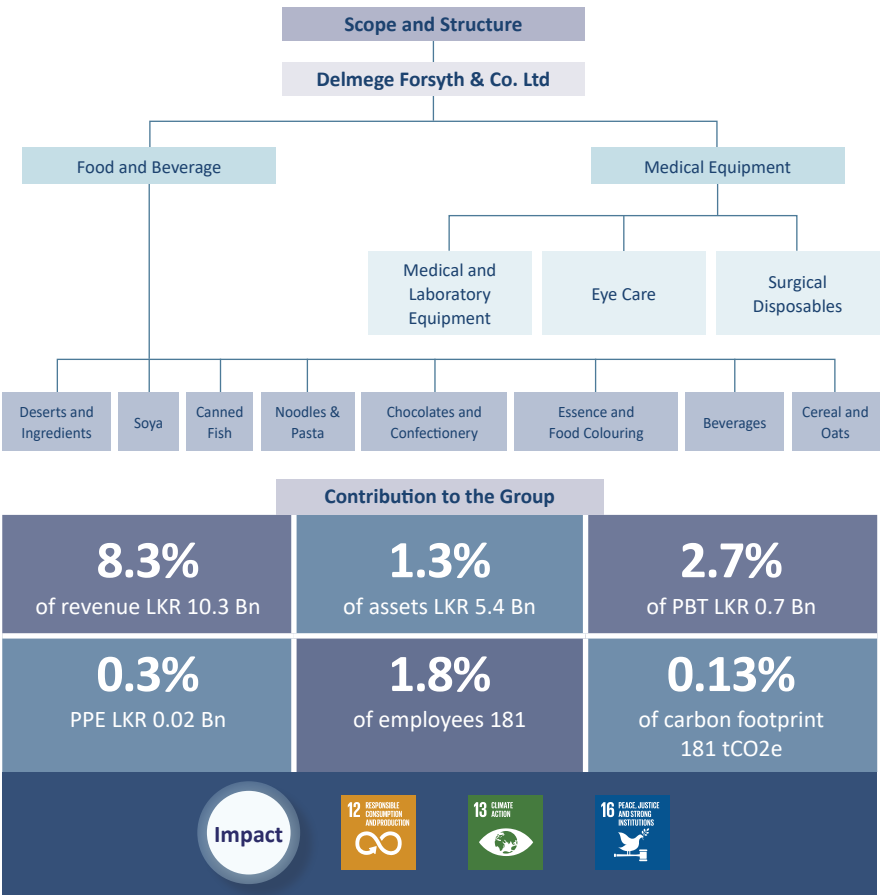


SECTOR REVIEWS



CONSUMER

With a legacy spanning 175 years, Delmege Forsyth & Co. Ltd. stands as a powerhouse in Sri Lanka’s Fast-Moving Consumer Goods (FMCG) sector. Renowned for its portfolio of trusted household brands– including “Motha,” “Delmege,” “Kellogg’s,” “Ferrero Rocher,” “Kinder Joy,” “Nutella,” and “Tic Tac”–the company has firmly established its dominance in the market. The Company has also strategically expanded into the medical equipment industry, and plays a pivotal role in supporting both public and private healthcare institutions.





## OPERATING LANDSCAPE

Associated Risks: 1 2 3 4 5 8 9

- **Supply Chain Disruptions:** Geopolitical tensions created sourcing challenges, while natural disasters such as flooding further disrupted the distribution of goods across key regions.
- **Economic Challenges:** Despite a 5.5% GDP growth in Q3 of 2024, consumer purchasing power remained strained, leading to a preference for cheaper, calorie-dense foods over nutritious options.
- **Rising Health Consciousness:** An increased demand for health-focused products, presenting growth avenues for FMCG companies. An aging population contributed to a higher prevalence of chronic diseases and age-related conditions, leading to increased demand for medical devices for diagnosis, treatment, and monitoring.
- **Digital Transformation:** The rise in e-commerce and digitalisation presents new avenues for customer engagement, particularly in rural and underserved regions, while promoting opportunities for operational efficiency.
- **Sustainability Focus:** The growing emphasis on sustainability provides opportunities to enhance eco-friendly practices, particularly in product packaging and production.
- **Regulatory Changes:** An evolving regulatory landscape that calls for continuous vigilance and compliance.

## STRATEGIES

Material Topics: 1 2 3 4

- **Strategic Partnerships & Market Expansion:** Delmege strengthened its market leadership by forging new alliances, including with Nobel Biocare a subsidiary of Envista Holdings, to distribute advanced dental implant solutions in Sri Lanka while expanding its retail footprint and enhancing omni-channel presence to reach a wider consumer base.
- **Product Innovation & Pricing Strategies:** The company responded to evolving consumer needs and economic conditions with strategic product launches, rebranding efforts, and value-driven pricing schemes that improved affordability and market competitiveness.
- **Packaging Enhancements & Sustainability:** Upgraded packaging enhanced brand appeal and environmental responsibility, while global food safety certifications reinforced consumer trust.
- **Sustainability & Operational Resilience:** Ensuring continuity and efficiency through energy-saving initiatives, diversified supply chains, and robust data protection, positioning the company for long-term, sustainable growth. The Company also leveraged on expense optimisation, strategic sourcing and digital tracking for real-time logistics visibility to maintain efficiency, while engaging in strategic inventory management and stockpiling to mitigate risks.

## KEY STRENGTHS

- Product innovation and excellence
- Cost-effective operations
- Marketing, sales and distribution channels
- Trusted brand, portfolio and partnerships

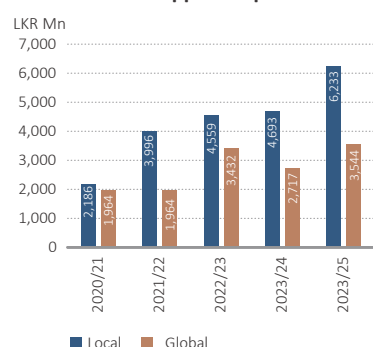
## ACHIEVEMENTS IN 2024/25

- **2,000** new retail outlets
- Awarded the 'Best Country' and 'Best General Trade' awards at the Kellogg's Asia Expansion Markets Annual Meet 2024
- **22%** growth in revenue

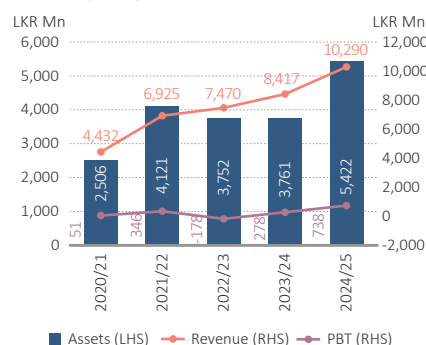
## FUTURE STRATEGIES AND OUTLOOK

- New government reforms and changes in trade policies and regulations could affect supply chains and export opportunities.
- A focus on advancing the Company's environmental commitment through renewable energy adoption.
- Pursuing horizontal and vertical growth through targeted mergers and acquisitions, and strengthening international presence by entering new regional markets.
- Unifying and repositioning the Delmege brand with a modern, solution-oriented identity that resonates across B2B and B2C segments, both locally and internationally.
- Reinforcing a values-driven workplace culture, and investing in startups aligned with core sectors to drive innovation and long-term growth.
- Deploying SAP across key verticals to unlock real-time insights, streamline processes, and scale operations.

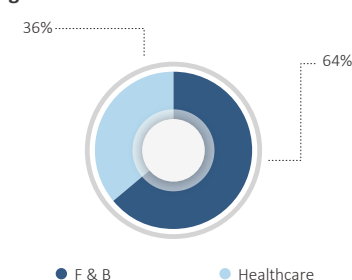
## Local vs Global Supplier Expenditure



## Revenue, PBT, Assets



## Segment Revenue

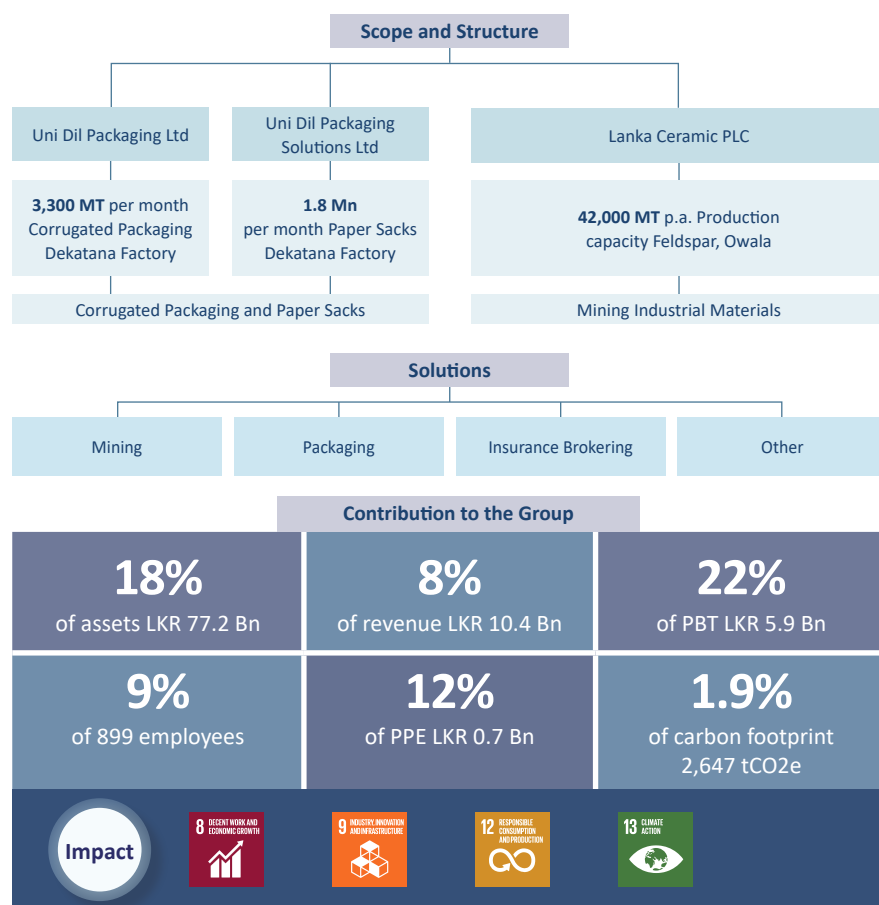


## SECTOR REVIEWS



### INVESTMENTS AND OTHERS

This sector represents 7.6% of the Group's consolidated revenue and relates to Vallibel One's investments and exposure to other industries. This sector includes the Group's short and long term investments as well as its exposure to the travel, transportation, packaging, mining, energy, and insurance brokering industries. This section discusses the impact of the most material segments, i.e., the packaging and mining sectors, given their combined LKR 9.3 Bn revenue contribution to the sector.



## OPERATING LANDSCAPE

Associated Risks: 1 3 4 5 7

- **Market Dynamics:** Paper prices were volatile due to global supply chain disruptions, impacting packaging costs. Overcapacity in the market led to price reductions, strained margins, and increased competition. Inflation and raw material price fluctuations have led to increased demand for cost effective packaging solutions without sacrificing quality. In terms of the mining industry, the Sri Lankan construction sector grew by 19.4% in 2024, reversing previous declines, but large scale projects are needed to sustain this growth in the future.
- **Business Diversification Market Penetration:** Opportunities exist for the packaging segment to diversify into high growth sectors like ceramics, glass, and construction materials, which show promising potential. Additionally, overseas markets offer attractive growth prospects due to emerging demand and growing economies.
- **Sustainability Ethical Sourcing:** There is a greater emphasis on responsible sourcing, ethical practices, and the adoption of circular economy principles within the packaging industry to drive sustainability and long term value. Consumers are increasingly prioritising brands that use recyclable or biodegradable packaging, especially in sectors like FMCG and apparel.

## STRATEGIES

Material Topics: 1 3 4 6

- **Diversification and Supplier Partnerships:** Diversifying the supplier base and partnering with local suppliers to ensure supply consistency and cost control in response to inflation and raw material cost fluctuations.
- **Sustainability and Circular Economy:** Adopting eco-friendly packaging and a Circular Economy model to drive sustainable waste disposal practices while aligning with the Sri Lankan government's sustainability goals.
- **Operational Efficiency and Innovation:** Upgrading machinery and streamlining processes to minimise waste and optimise resources to enhance efficiency and improve production turnaround times.
- **Customer-Centric Service and Tailored Solutions:** Strengthening customer relationships by offering personalised packaging solutions across industries like food & beverage, tea, ceramics, and apparel.
- **Expansion and Market Penetration:** Unidil expanded its operations into Kenya, a key strategic market, to tap into regional growth and build a global presence in the packaging industry. The sector's other operations identified a market opportunity and expanded into the energy sector by distributing lubricants.
- **Mining Segment Realignment:** The previous year's strategic realignment of the mining segment, which focused on Feldspar mine operations discontinued Kaolin mine activities, led to improved performance and efficiency, along with the shift to importing sanitaryware.

## KEY STRENGTHS

- Unmatched expertise and strong brands
- Group synergies
- High quality standards
- Versatility and adaptive strategies
- Strong distribution and sales

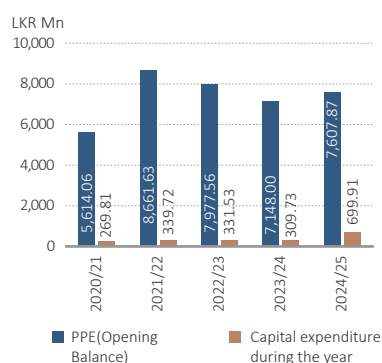
## ACHIEVEMENTS IN 2024/25

- **LKR 10,376 Mn** revenue
- **LKR 700 Mn** invested in PPE
- **LKR 58 Mn** TPM savings achieved
- **397 MW** solar power generated
- **9.6%** reduction in carbon emissions

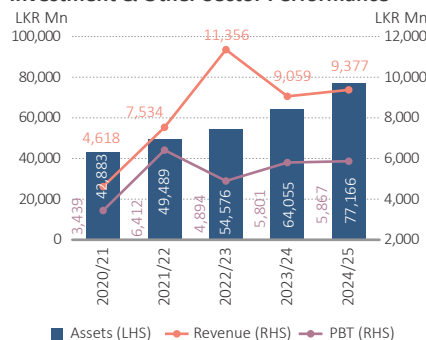
## FUTURE STRATEGIES AND OUTLOOK

- The Sri Lankan packaging sector will grow with innovation and demand for sustainable solutions, despite economic and supply chain challenges.
- Unidil's acquisition of a Kenyan packaging company and new tea paper sack facility will tap into East Africa's growing demand for sustainable packaging. The Company will pursue growth through expanded operations in the region and venture into flexible packaging solutions, while focusing on meeting the rising demand for high- quality, eco-friendly packaging. Strategic investments in state-of-the-art machinery and new product lines will optimise operational performance and support long-term growth.
- The declining population and reduced demand for new housing present challenges for Lanka Ceramic, particularly in the construction sector. A recovery in tile manufacturing demand is critical to sustaining operations. Lanka Ceramic aims for long-term growth through strategic moves like mergers, acquisitions, and backward integration to diversify revenue streams and enhance supply chain resilience.

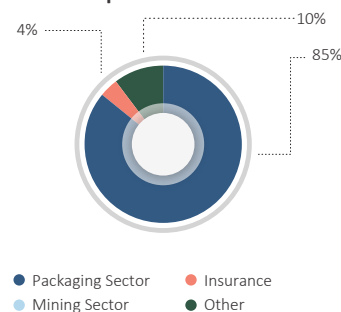
## Investment &amp; Other Sector CAPEX



## Investment &amp; Other Sector Performance



## Investment &amp; Other Sector Revenue Composition





# The Wellspring of Value

At Vallibel One, we are driven not just by growth, but by thoughtful evolution— strategic, sustainable, and forward-focused. Our capital allocation is guided by foresight, with investments directed towards innovation, market expansion, and environmental stewardship. In doing so, we build futures, shape industries, and transform opportunities into enduring value.

# CAPITAL REPORTS



## FINANCIAL CAPITAL

HIGHLIGHTS FOR THE YEAR

**0.35 %**  
REVENUE GROWTH  
(5% IN 2023/24)

**49%**  
GEARING RATIO  
(40% IN 2023/24)

**LKR 10.34**  
EARNINGS PER SHARE  
(LKR 8.69 IN 2023/24)

**LKR 30.5 Bn**  
EBIT  
(LKR 32.5 BN IN 2023/24)

**1.26 Times**  
CURRENT RATIO  
(1.35 TIMES IN 2023/24)

**LKR 24.9 Bn**  
TAXES PAID  
(LKR 17 BN IN 2023/24)

Vallibel one is firmly committed to delivering sustained, long-term returns for its investors. The strategic management of financial capital—encompassing income, equity, and debt—serves as a powerful driver of growth, resilience, and value creation. As the foundation upon which all other forms of capital are built, it plays a pivotal role in unlocking new opportunities, accelerating transformation, and securing the group’s continued success.

OPERATING LANDSCAPE




While the economy showed signs of recovery with broad-based sectoral revival, lingering after-effects of the crisis continued to influence consumer behaviour. Cautious spending, value-driven purchasing, and a growing preference for responsible consumption shaped market demand. Despite a marginal rise in the cost of living, low disposable income constrained growth across some segments domestically, however, emerging opportunities were present in new segments and markets locally and overseas.

STRATEGIC RESPONSE

With a keen understanding of evolving market dynamics, Vallibel One introduced new products and adopted competitive pricing strategies to meet shifting consumer expectations. Cost and resource efficiency measures were prioritised to safeguard margins, while strategic, forward-looking investments were made in high-growth sectors—positioning the Group to capture new opportunities and drive long- term value creation. The Group sharpened its focus on export-oriented opportunities, contributing to national recovery efforts while tapping into emerging regional and global demand.

Strategic Imperatives:

- Financial Resilience
- Sustainable Operations
- Good Governance
- Operational Excellence
- Nurturing Partnerships
- Prudent Investments

ACTIVITIES	VALUE ADDED	IMPACT
Optimising Financial Performance	<ul style="list-style-type: none"><li>Revenue enhancement</li><li>Cost optimisation</li><li>Efficient procurement</li></ul>	<ul style="list-style-type: none"><li>Financial Stability and Resilience</li><li>Stakeholder Confidence</li><li>Business Continuity</li><li>Effective Risk Management</li><li>Good Governance</li></ul>
Maintaining a Strong Financial Position	<ul style="list-style-type: none"><li>Corporate planning and adequate controls</li><li>Strong cashflow management</li><li>Prudent investment</li><li>Best accounting practices</li></ul>	  



## OPTIMISING FINANCIAL PERFORMANCE

The Sri Lankan economy in 2024/25 demonstrated encouraging recovery signs, with multiple sectors regaining momentum and growth projected at around 5%. However, consumer confidence remained tentative, with households carefully managing spending amid ongoing cost-of-living pressures and limited disposable income. Demand remained muted in discretionary and construction-related areas, reflecting continued caution in the market.

These conditions placed challenges on revenue growth and profitability, further compounded by elevated energy expenses, volatile input costs, and increased taxation. In response, the Group intensified efforts to enhance operational efficiencies and optimise resource use to protect margins and maintain financial stability. Concurrently, Vallibel One accelerated initiatives around market expansion, product diversification, and export growth, thereby laying the foundation for future financial strength and resilience.

## REVENUE

For the financial year ended 31 March 2025, the Vallibel One Group reported a consolidated revenue of LKR 122.76 billion, representing a modest increase of 0.35% over the previous year's LKR 122.33 billion. This performance reflects the Group's resilience amid evolving macroeconomic conditions, reinforced by continued sectoral diversification.

The Lifestyle sector, while remaining a significant contributor towards 36% of the Group's total revenue, experienced a notable decline of 10.5%, with revenue decreasing to LKR 44.35 billion from LKR 49.58 billion in the prior year. This contraction is attributable to persistent economic headwinds affecting discretionary spending.

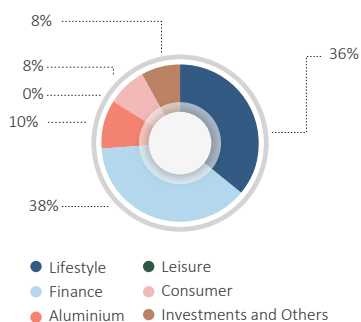
The Finance sector sustained its position as the largest revenue contributor, accounting for 38% of total income, with a revenue of LKR 46.84 billion. Despite a 5.3% decline compared to the prior year, the sector demonstrated improved operational efficiency, reflected in enhanced profitability metrics.

The Aluminium sector delivered exceptional growth, recording a 65% increase in revenue to LKR 11.98 billion. This strong performance underscores the sector's capacity to capitalise on rising demand and operational improvements.

The Consumer sector also posted a robust performance, with revenue increasing by 22% to LKR 10.29 billion, supported by expanding market penetration and product diversification. Additionally, the Investments and Others segment reported a 14.5% rise in revenue to LKR 10.38 billion, evidencing positive momentum across emerging business areas.

The overall revenue mix illustrates Vallibel One's strategic focus on balancing stability with growth by leveraging opportunities across diverse sectors. This approach positions the Group favourably for sustained value creation in the years ahead.

### Revenue Composition



## OPERATING COSTS

During the year under review, the Vallibel One Group recorded a moderate increase in operating costs amidst a complex macroeconomic environment. Total operating expenses, comprising administrative and distribution costs, rose by 9.24% year-on-year to LKR 25.79 billion, compared to LKR 23.61 billion in 2023/24.

Administrative expenses increased by 14.12% to LKR 15.10 billion, primarily driven by higher overheads associated with business expansion, talent retention efforts, an increase in remuneration, and ongoing organisational support functions across the Group. This increase reflects the Group's strategic focus on building internal capabilities to support future growth and operational resilience.

Distribution expenses grew by 7.82% to LKR 10.64 billion, largely attributed to continued logistical cost pressures and increased marketing and sales-related activity, particularly in export-facing and consumer-driven segments. These investments were necessary to preserve competitiveness, support revenue diversification, and maintain market presence across evolving domestic and international markets.

The Group's ability to limit the overall growth in operating expenditure, despite inflationary cost drivers and expanded operational scope, reflects prudent cost governance and a consistent focus on efficiency.

## OPERATING PROFITS

Despite prevailing economic headwinds, Vallibel One Group reported a consolidated EBIT of LKR 30.51 billion for the financial year ended 31 March 2025. This reflects a marginal decline of 6.16% compared to the previous year's EBIT of LKR 32.51 billion. The contraction was primarily driven by increased operating overheads and margin pressure in key segments, particularly within the Lifestyle sector.

The Finance sector remained the leading contributor to Group operating profits, accounting for approximately 68% of total EBIT, and delivering LKR 20.60 billion in operating profit—an increase of 8.60% over the prior year. Operational efficiency and sound portfolio management supported this robust performance.

The Aluminium sector recorded a significant turnaround, with EBIT increasing nearly fivefold to LKR 1.15 billion, driven by volume growth and improved plant-level efficiencies. The Consumer sector also posted strong gains, with EBIT rising by 43.5% to LKR 987 million on the back of product diversification and wider market reach.

Conversely, the Lifestyle sector recorded a notable contraction in operating profit, declining by 54.8% to LKR 4.63 billion. This was primarily due to pressure on discretionary spending, a poorly regulated market, and softening demand in key segments. The combined performance

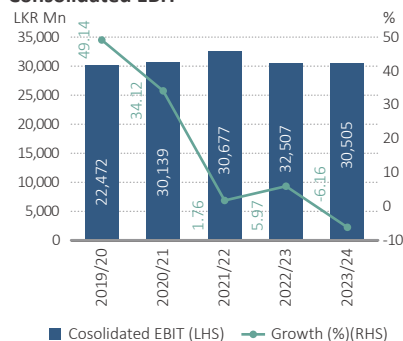
## CAPITAL REPORTS

### FINANCIAL CAPITAL

of the Investments and Others sector remained relatively stable, contributing LKR 5.68 billion to Group EBIT.

Overall, Vallibel One's strategic emphasis on cost rationalisation, operational integration, and sectoral diversification enabled the organisation to safeguard profitability, while laying a strong foundation for sustained growth in the years ahead.

#### Consolidated EBIT



#### NET FINANCE COST

For the financial year ending 31 March 2025, Vallibel One Group reported a net finance cost of LKR 2,027 million, reflecting an 14.5% decrease from the LKR 2,372 million incurred in the previous year. This reduction was primarily driven by a 39% reduction in the Consumer sector's finance cost, which amounted to LKR 248.5 million (FY 2023/24: LKR 410 million). The remaining sectors collectively contributed towards LKR 1,823 million to the consolidated finance cost.

#### PROFITABILITY

The Group's profit before tax (PBT) for the year was LKR 24,348 million, reflecting an 8.30% decline from the LKR 26,553 million reported in the previous year. The Finance sector remained the largest contributor to PBT, accounting for 60.94%, followed by the Investments and Others sector with 21.78%. The Lifestyle, Consumer, Aluminium, and Leisure sectors contributed 12.2%, 2.7%, 2.1%, and 0.2%, respectively.

Income tax expenses stood at LKR 8.32 billion, representing a 10.4% decrease compared to the LKR 9.29 billion recorded in the prior year. As a result, the Group recorded a profit after tax (PAT) of LKR 16.02 billion, a 8.15% decline from the LKR 17.44 billion reported in 2023/24.

#### MAINTAINING A STRONG FINANCIAL POSITION

##### Assets

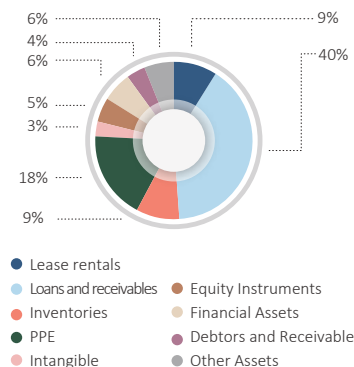
As at 31 March 2025, Vallibel One Group's total consolidated assets increased by 17.4% to LKR 406.77 billion, compared to LKR 346.59 billion recorded in the previous financial year. This growth was primarily driven by a substantial increase in financial assets at amortised cost – loans and advances, which rose by 22.6% to LKR 199.27 billion, reflecting the continued expansion of the Finance Sector's lending activities.

Equity instruments measured at fair value through OCI also saw notable growth, rising from LKR 14.04 billion to LKR 21.54 billion, largely due to favourable market valuations and strategic rebalancing of the investment portfolio. Inventories expanded by 16.3%, reaching LKR 35.40 billion, indicating higher production volumes and proactive positioning for future demand.

In addition, property, plant, and equipment (PPE) increased by 6.8% year-on-year to LKR 74.71 billion, supported by ongoing capital investments across the Group's manufacturing and industrial operations. The Group's right-of-use assets also grew to LKR 2.99 billion, reflecting continued utilisation of leased facilities and assets under long-term arrangements.

Other financial assets stood at LKR 22.58 billion, a marginal increase from the prior year, while cash and cash equivalents remained stable at LKR 15.32 billion, underscoring the Group's healthy liquidity position. The Group was adequately positioned to meet its liability position of LKR 248,499 million during the year.

#### Asset Composition



#### LIABILITIES AND EQUITY

Total liabilities for the Group rose by 19.8% to LKR 248.50 billion, up from LKR 207.36 billion in the previous year. The increase was led by a 68.6% rise in amounts due to banks, which reached LKR 40.95 billion, supporting the Group's financing needs across key growth sectors. Additionally, customer deposits in the Finance Sector increased by 12.8% to LKR 138.82 billion, reflecting continued public trust and the sector's strong deposit mobilisation capacity.

Interest-bearing loans and borrowings rose to LKR 36.64 billion, aligned with capital expansion and working capital requirements. Trade and other payables also increased to LKR 13.30 billion, in line with the higher operational volumes achieved across the Group.

On the equity front, total equity increased by 13.7% to LKR 158.27 billion from LKR 139.23 billion in the previous year. Equity attributable to equity holders of the parent rose to LKR 108.94 billion, supported by increased retained earnings and gains in other components of equity, which include revaluation reserves and fair value adjustments. Non-controlling interests grew to LKR 49.33 billion, reflecting improved profitability across subsidiary operations.

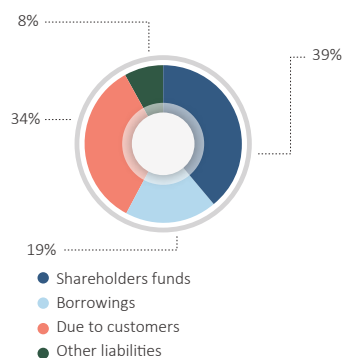
This robust equity base reinforces the Group's financial strength and enhances its capacity to fund future growth while withstanding macroeconomic fluctuations.

## FUNDING

The Group's shareholders' funds saw a notable 13.67% increase, rising from LKR 139,235 million in the previous year to LKR 158,270 million as of 31 March 2025. This growth was primarily driven by improved retained earnings and positive fair value movements in other components of equity, reinforcing the Group's strong financial foundation.

Total liabilities grew by 19.84% year-on-year, reaching LKR 248,499 million, compared to LKR 207,359 million in the prior year. Customer deposits remained the largest component, contributing to 55.86% of the total liabilities, while interest-bearing loans and borrowings constituted a 14.74% contribution. The Group's gearing ratio (including deposits) stood at 49.03%, reflecting a prudent and well-managed balance between debt and equity to support ongoing growth and capital requirements.

### Funding Composition



## CASHFLOW

The Group recorded a decline in operational cash flows, reporting a net outflow of LKR 1,759 million for the year. This represents a significant decrease of 121.16% compared to the net cash inflow of LKR 8,316 million in the previous year. This primary factor behind this shift was increased cash outflows towards financial assets at amortised cost, particularly through loans and advances.

In terms of investing activities, the Group recorded net cash inflows of LKR 931 million, marking a positive turnaround from

the previous year's net outflow of LKR 3,670 million – a notable change of 121.16%. This improvement was primarily due to lower capital expenditure compared to the prior year, which had included substantial purchases of property, plant, and equipment (PPE), as well as an increase in dividend income received during the current period. The shift to a net inflow from investing activities reflects improved capital discipline and enhanced income from investments.

With respect to financing activities, the Group recorded a decrease in net cash inflows, which fell by 98.79% to LKR 25 million, compared to LKR 2,042 million in the prior year. This sharp decline was primarily attributable to higher dividend payments and a reduction in net proceeds from interest-bearing loans and borrowings.

As a result, the Group recorded a net cash outflow of LKR 803 million, representing a 112.01% decrease compared to the previous year's net cash inflow of LKR 6,688 million. While this reflects a shift in the Group's cash position, it is largely the result of strategic capital allocation and shareholder returns. With a continued focus on prudent liquidity management, the Group remains well-positioned to support its operational needs and pursue future growth opportunities.

Earnings per share (EPS) stood at LKR 10.34, marking a 18.98% increase compared to the prior year. The market price per share increased by 16.63% year-on-year. The net asset value (NAV) per share also showed growth, recorded at LKR 95.66, compared to LKR 80.81 in the previous year.

## FUTURE STRATEGY AND OUTLOOK:

To maintain stability and optimise resources amidst market volatility, the Group will focus on the following strategic initiatives:

- **Consolidation of Operations:** The Group will streamline operations and implement growth strategies aligned with market trends. This includes enhancing operational efficiency and instituting robust safeguards to manage emerging risks, ensuring business continuity.
- **Cost Efficiency and Waste Reduction:** Cost-cutting and waste-reduction measures will be systematically introduced across all sectors to improve profitability, operational efficiency, and preserve value for stakeholders.
- **Supply Chain Diversification and Foreign Currency Risk Mitigation:** The Group will explore alternative supply sources and reduce dependency on foreign currencies to mitigate currency fluctuations, reduce cost pressures, and ensure long-term operational resilience.
- **Adoption of SLFRS S1 and S2:** The Group will adopt SLFRS S1 and S2 to measure and manage the financial implications of sustainability and climate-related risks, ensuring alignment with global standards for sustainable financial reporting and ensuring greater business resilience.
- **Focus on Export Markets:** A strategic emphasis on expanding into export markets will diversify revenue streams, enhance resilience, and open new growth opportunities by reducing dependency on the domestic market and tapping into global demand.

By executing these initiatives, the Group aims to drive sustainable growth and enhance financial resilience in a rapidly changing market.

## CAPITAL REPORTS



### MANUFACTURED CAPITAL

#### HIGHLIGHTS FOR THE YEAR

**LKR 74.7 Bn**  
TOTAL CAPEX  
(LKR 70 Bn IN 2023/24)

**3.9%**  
AVERAGE RETURN ON ASSETS  
(5.0% IN 2023/24)

**LKR 43.4 Bn**  
CAPEX - LAND AND BUILDINGS

**LKR 14.6 Mn**  
CAPEX - PLANT, MACHINERY AND EQUIPMENT

- The packaging sector expanded its capacity by an additional 20% during the year, and established a presence in Kenya to tap into growth opportunities in East Africa.
- The Lanka Walltiles Group established an international presence with the opening of new locations in USA and India, and the appointment of an authorised dealer in the Maldives.
- The aluminium sector undertook a landmark investment to establish a presence in Bangalore, India.

Vallibel One's formidable and expansive portfolio of manufactured capital, stands as a testament to the group's robust physical infrastructure and diverse manufacturing capabilities.

From cutting-edge production facilities to dynamic office spaces, retail outlets, and state-of-the-art warehousing, every element of the Group's manufactured capital plays a pivotal role in empowering the organisation to drive sustainable growth and create lasting value. This interconnected network strengthens the Group's ability to innovate, lead, and deliver wealth across all levels of its operations.

#### OPERATING LANDSCAPE

Supply chain disruptions, economic uncertainties, and rising competition placed considerable pressure on production costs and efficiency. However, emerging growth markets were witnessed both domestically and overseas, particularly in the East African region.

#### STRATEGIC RESPONSE

Investments in technology, automation, and sustainability initiatives were key drivers that enhanced operational productivity and efficiency, while the pursuit of new markets and diversifying product offerings helped achieve strategic capacity expansion across the Group. By optimising existing assets and aligning with regional demand, Vallibel One was able to enhance the utilisation of its manufacturing infrastructure and ensure resilience in a dynamic market. There was a greater focus on engaging in farsighted, long-term investments that would reap results in the future.

#### Strategic Imperatives:

- Financial Resilience
- Operational Excellence
- Sustainable Operations
- Prudent Investments

ACTIVITIES	VALUE ADDED	IMPACT
Upgrades and Maintenance	<ul style="list-style-type: none"> <li>Improved efficiency</li> <li>Business continuity</li> </ul>	<ul style="list-style-type: none"> <li>Financial Stability</li> <li>Strong Return on Investment</li> <li>Improved Profitability</li> <li>Responsible Resource Consumption</li> </ul>
Expansions and New Projects	<ul style="list-style-type: none"> <li>Increased market presence</li> <li>Ability to address emerging demand</li> </ul>	
Technology and Sustainability Integration	<ul style="list-style-type: none"> <li>Improved productivity</li> <li>Cost and resource efficiencies</li> <li>Simplified, streamlined processes</li> </ul>	



## VALLIBEL ONE'S MANUFACTURED CAPITAL AT A GLANCE



## Lifestyle Sector

## Tiles and Bathware:

- Royal Ceramics Lanka PLC
  - Lanka Tiles PLC
  - Lanka Walltiles PLC
- Rocell Bathware Ltd
- Swisstek Ceylon PLC
- Grip Delmege (pvt) Ltd
- Grip Nordic (pvt) Ltd

LKR **80.3** BN

Asset Value

**07**

Factories and their equipment

**Locations:** Eheliyagoda, Horana, Ranala, Meepe, Balummahara, Mabima, Homagama and Mattegoda



## Finance Sector

## Non-banking Financial Institution:

L B Finance PLC

LKR **242.2** BN

Asset Value

**216**

branches

**Locations:** Island-wide presence

## Aluminium Sector

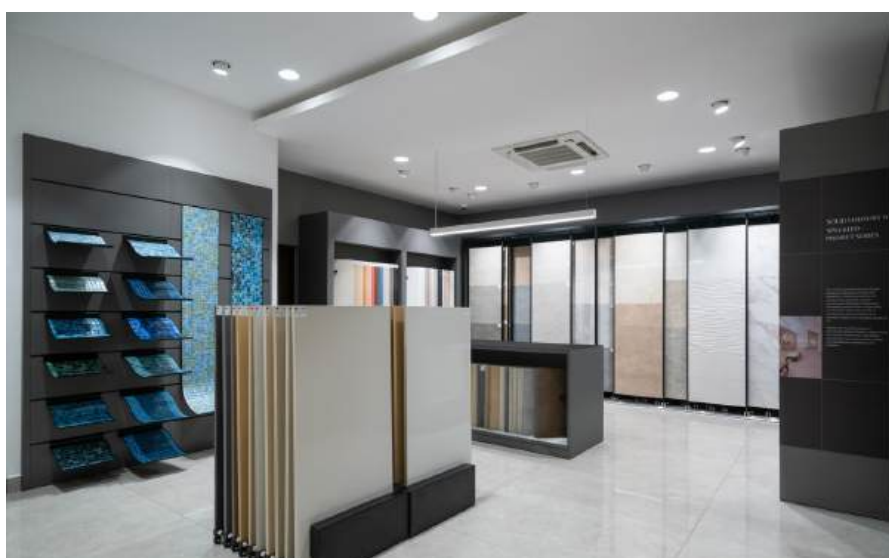
## Aluminium Extrusions

Swisstek Aluminium Ltd

LKR **9.4** BN

Asset Value

Property, plant, equipment and materials

**Locations:** Dompe

## Leisure Sector

## Hotel, Resort and Spa:

- The Fortress Resort and Spa
- Greener Water Ltd

LKR **10.3** BN

Asset Value

Hotel property, fixed assets and building under construction

**Locations:** Koggala and Negombo

## Consumer Sector

## Consumer goods and medical equipment:

Delmege Forsyth

LKR **5.4** BN

Asset Value

**01**

office premises

**Locations:** Head Office in Maradana, Colombo



## Investments and Others Sector

## Corrugated Packaging, Paper Sacks and Mining:

- The Unidil Group of Companies
- Lanka Ceramic PLC

LKR **77.2** BN

Asset Value

Properties, plant, and equipment

**Locations:** Dekatana, Owala, Akuressa



## CAPITAL REPORTS

### MANUFACTURED CAPITAL

#### PHYSICAL PRESENCE

In addition to maintaining a strong position across Sri Lanka with showrooms, experience centres, and branches, the Group has made a foray into the overseas market, and will continue to expand its presence in the years ahead.

# 3,999

PHYSICAL  
TOUCHPOINTS ACROSS  
THE ISLAND

A PRESENCE IN

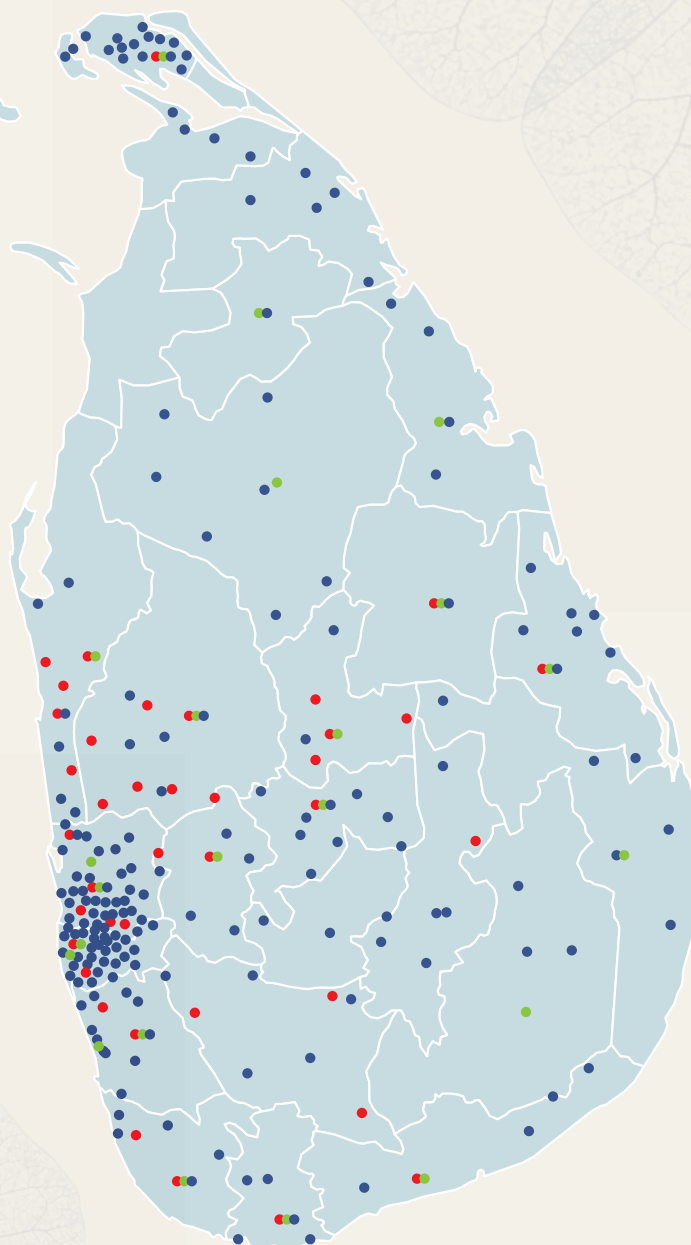
# 4

OVERSEAS LOCATIONS

# LKR 51.69 Mn

INVESTED IN INFRASTRUCTURE  
DEVELOPMENT

- Lanka Tiles
- Rocell
- LB Finance





### Establishment of Lanka Tiles Showroom in Male, Maldives

Opening of a Lanka Tiles Showroom in Male, Maldives, in partnership with the new distributor, M/s Alba International Pvt Ltd.

26TH  
FEBRUARY  
2025

LAUNCH DATE:

OBJECTIVES:

Strengthen Lanka Tiles’ presence in the Maldivian market by establishing a dedicated showroom.

LKR 2.2 Mn  
INVESTMENT

USD 155,000+  
REVNUE FROM SALES IN 2024/25

Strategic  
Outcomes:

- 1. Demonstrated strong early sales, establishing a solid foothold in the Maldivian market.
- 2. Enhanced brand visibility in the Maldives, leading to increased demand for Lankatiles products.
- 3. Streamlined distribution and improved turnaround times for customers in the region.
- 4. Strengthened relationships with local stakeholders and improved product accessibility.

Future Plans:

- Expand operations with an aim to export 25+ containers per month to the Maldives market, ensuring continued growth and supply consistency

CONTRIBUTION TO OVERALL STRATEGY

- Market Penetration & Geographic Diversification
- Strengthening Distributor Partnerships
- Revenue Growth & Market Share Expansion
- Enhancing Customer Experience & Service Excellence
- Operational Efficiencies
- Sustainable Export Growth
- Positioning for Regional Leadership

Strategic Imperatives:

- Financial Resilience
- Operational Excellence
- Prudent Investments



Bail Machine Operation- Unidil Ltd

## CAPITAL REPORTS

### MANUFACTURED CAPITAL

#### UPGRADES AND MAINTENANCE

In order to remain relevant in a swiftly evolving world, all the equipment used across the Group's diverse business divisions and sectors is diligently maintained and upgraded as required. These activities are carried out with a timely and feasible approach to meet the needs and expectations of both present and future stakeholders, ensuring the achievement of product and service excellence. However, particularly challenging economic conditions during the year affected cost structures, resulting in a shortage of resources, which placed significant pressure on infrastructure development and construction activities.

#### Pursuing Operational Excellence

The Group has made remarkable strides in maintenance and asset development by embracing Total Productive Maintenance (TPM), a comprehensive approach that transcends traditional methods. Initiated in 2016, TPM focuses on preventive and predictive maintenance and fosters active participation from all levels of the organisation—operating from the shop floor to senior management. This approach is designed to reduce downtime, minimise equipment failures, and instill a sense of ownership and accountability across teams, all of which contribute to stabilising production processes and ensuring long-term operational efficiency. TPM's ultimate goal—achieving zero accidents, zero defects, and zero breakdowns—aligns seamlessly with the Group's commitment to operational excellence and product quality.

This commitment is reinforced by the Group's expert engineers and technical personnel, along with relevant manufacturers and suppliers, who are consulted regularly to maximise equipment performance, secure post-purchase servicing, and ensure timely claims are filed under warranty terms when necessary. These practices contribute to maintaining an agile and responsive infrastructure, capable of adapting to evolving demands.

To further reinforce these initiatives, in October 2023, Vallibel One launched its Operational Excellence assessment framework. These pillars form the foundation of the Group's approach to not only optimising equipment performance but also achieving sustainable excellence across all operational aspects. Since the initiation of TPM, the Group has realised significant cost savings amounting to approximately LKR 4 Bn through focused improvement projects aimed at eliminating waste and inefficiency while enhancing safety, production quality, and overall productivity.

By integrating TPM with the Operational Excellence framework, the Group ensures that all asset development and improvements align with corporate goals while addressing the challenges posed by fluctuating resource availability and economic pressures. This strategic integration is key to maintaining a robust, efficient infrastructure that supports both short-term adaptability and long-term growth.

**LKR 17 Mn**  
INVESTED IN TPM

**LKR 693 Mn**  
TPM COST SAVINGS  
ACHIEVED IN 2024/25

**LKR 4 Bn**  
SAVED FROM 2017-2024

**LKR 5.8 Bn**  
INVESTED IN MACHINERY  
UPGRADES AND  
MAINTENANCE



Refer Intellectual Capital, pages 117 to 124 for more information on TPM and the Operational Excellence Assessment Framework

## Upgrade of Polishing Line and Introduction of 1m x 1m Locally Manufactured Tile Range

Location: Horana

### OBJECTIVES:

- Upgrade the polishing production line to handle the 1m x 1m polished tile size
- Increase overall polishing production capacity
- Enhance quality of the polishing process
- Introduce 1m x 1m matt and polished product ranges
- Optimise maintenance costs for polishing and Nano waxing processes
- Ensure production efficiency for the new tile sizes

**LKR 153 Mn**  
INVESTMENT

### RESULT

**10 % ▲**

In polishing tile production capacity

**75,000 sq.m**

of tiles produced

**LKR 73.5 Mn**

Contributed to Group performance

### Project Scope:

- Replace 2 polishing machines with upgraded models
- Add 2 new Nano waxing machines
- Modify the tile conveying line for 1m x 1m tile size
- Upgrade digital printing machines for the new tile dimensions

### Strategic Outcomes:

1. Locally manufactured 1m x 1m polished tiles introduced for the first time in Sri Lanka, and positioning Sri Lanka as a leader in high-quality, large-format tile manufacturing
2. Increasing production capacity by 10%.
3. Repair and maintenance costs for the polishing process significantly reduced and optimised.

### Future Plans:

- Expand the 1m x 1m product range with new offerings such as soft polishing and value-added products
- Continue optimising the polishing process for higher efficiency and cost-effectiveness
- Explore additional market expansion opportunities for the 1m x 1m product range

## Upgrade of Raw Material Feeding Weighing Scale to Continuous Loading Mode

Location: Horana

### OBJECTIVES:

- Modernising the raw material feeding process to enhance production capacity and efficiency
- Enable continuous loading of raw materials into the ball mill
- Increase the production capacity of ceramic body powder preparation
- Optimise maintenance costs related to the raw material feeding process

**LKR 3.9 Mn**  
INVESTMENT

### RESULT

**15 % ▲**

In Ceramic body slip production capacity

### Project Scope:

- Installing a new computerised electronic control system for the existing weighing scale

### Strategic Outcomes:

1. Increasing the ceramic body slip production capacity by 15% compared to the previous capacity.
2. Reducing and optimising repair and maintenance costs related to the raw material feeding process.

### Future Plans:

- To introduce a new soft polishing product range using the newly installed polishing line

### CONTRIBUTION TO OVERALL STRATEGY

- Innovation & Market Leadership
- Increased Production Capacity
- Growth in Profitability and Performance
- Enhanced Operational Efficiency
- Local Manufacturing Excellence

Financial Resilience

Operational Excellence

Prudent Investments

## CAPITAL REPORTS

### MANUFACTURED CAPITAL

#### EXPANSIONS AND NEW PROJECTS

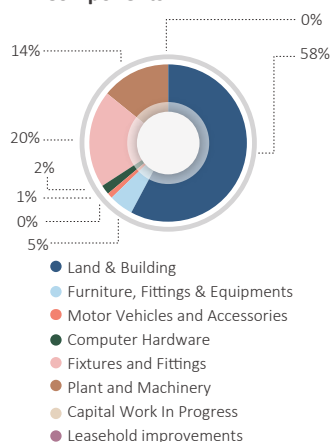
The Group channels its investments into opportunities that align with its core values and strategic objectives, while adapting to changing dynamics and emerging socioeconomic trends. Despite the challenges of volatility and uncertainty during the year under review and looking ahead, the Group maintained a disciplined, forward-thinking approach to identify and implement short-, medium-, and long-term development plans.

Each project is carefully executed following thorough due diligence, and all procurement activities are governed by established policies and procedures that uphold ethical standards. These processes are carried out with the highest levels of transparency and accountability.

*Refer Social and Relationship Capital, pages 125-133 for more information on procurement and supplier relations*

In response to emerging demand following economic stabilisation, the Group focused on continuous expansion and new project development throughout the year. This proactive approach enabled the Group to not only strengthen its domestic operations but also venture into overseas markets, positioning itself for sustainable growth and broader market reach.

#### CAPEX Components



#### INVESTMENT AND OTHER SECTOR

##### Strategic Expansion and Investment in the Kenyan Market

During the year, the packaging sector focused on expanding its operations to address emerging demand, with a 20% increase in production capacity at the Unidil facility. In addition, the sector invested in expanding its operations in Kenya by establishing an additional 1,000 metric tonne production capacity, which includes both corrugated business and paper sack production.

To support this expansion, the Group acquired state-of-the-art paper sack machinery from leading European manufacturers. This acquisition will enhance paper sack production for the Kenyan tea market, which is significantly larger than Sri Lanka's, thereby enabling the Group to replicate its successful Sri Lankan operations in Kenya. The new machinery will be installed and operational within six months.

Given that the Sri Lankan market for paper sacks is already reaching near saturation, the Group has focused its expansion efforts on the East African region, where there is greater demand. The strategic move also benefits from the cost-effective investment of acquiring machinery rather than purchasing new equipment, thus minimising capital expenditure.

This expansion aligns with the Group's broader strategy to strengthen its presence in overseas markets while continuing to innovate and grow in Sri Lanka. The paper sack and corrugated carton production setup in Kenya is set to mirror the success of the Sri Lankan operations, ensuring continued growth and market leadership across both regions.

**20%** ▲

In production capacity

**1,000 MT**

Capacity in Kenya

**LKR 150 Mn**

Invested

#### ALUMINIUM SECTOR

##### Forging New Frontiers: Swisstek Aluminium Launches Landmark Facility in India

Swisstek Aluminium celebrates a major milestone in its international growth strategy with the launch of its first aluminium fabrication plant and Aluminium Solutions Reality Center in Bangalore, India. Operated through Lanka Swisstek Pvt Ltd, this state-of-the-art facility is strategically located to tap into India's rapidly expanding construction and aluminium solutions market.

The Bangalore plant is fully equipped to deliver large-scale, high-rise projects and tailor-made aluminium applications such as custom doors and windows. With advanced fabrication technology, precision engineering capabilities, and dedicated after-sales service, the facility positions Swisstek Aluminium as a premium solutions provider in one of Asia's most dynamic construction markets.

**LKR 31.9 Mn**

invested

**60,000 Sq.m**

production capacity

## LEISURE SECTOR

**Greener Waters - Poised to Grow**

Spanning 18 acres along a prime coastal belt, the Greener Water Hotel will offer world-class amenities, including a water park, pool bar, beach club, spa, and multi-functional ballroom. The 500-room property will feature a variety of accommodations, from deluxe suites to presidential and luxury rooms, alongside three restaurants. With a built-up area of 74,567 sq. m, it is set to become a premier destination for both leisure and business travelers, enhancing the Group's long-term growth prospects.

The project is progressing steadily, with a phased approach ensuring the hotel's launch aligns with optimal market conditions for sustainable growth.

**18**

acres along the coastal belt

**03**

restaurants

**500**

proposed rooms

**74,567 sq.m**

of building

**Installation of ADM and ECM-B4 Casting Machines to Enhance Production Capabilities**

Location: Homagama

**OBJECTIVES:**

- To enhance large-format FFC Wash Basins targeting export production.
- Expand the product portfolio with a new designer collection (AVESA).
- Increase casting line flexibility to accommodate multiple product types on a single line.

LKR **253 Mn**  
INVESTMENT

**RESULT**

**6 %** ▲  
New products launched

**Project Scope:***Execution Phases:*

- **Phase 1:** Mechanical part installation by the machine supplier.
- **Phase 2:** Electrical installation and system setup.
- **Machine Commissioning:** Completed in collaboration with the machine manufacturer to ensure full operational readiness.

**Strategic Outcomes:**

1. Product portfolio expansion with the introduction of Avesa WH WC and Avesa FM WC wash basins via the ADM machine. Production of Avesa 100 WB, Avesa 100X WB, Avante WB, and Novaro WB wash basins with the ECM-B4 machine.
2. Enhanced ability to produce large-format wash basins for export markets.
3. Upgraded production lines to allow for multi-item casting, improving manufacturing efficiency and adaptability.
4. Expansion of export production capabilities by increasing product range and production flexibility.

**Future Plans:**

- Expand the export product range with new designer collections and formats.

**CONTRIBUTION TO OVERALL STRATEGY**

- Market Expansion
- Operational Efficiency & Flexibility
- Enhanced Product Offering
- Sustainability & Profitability

● Financial Resilience

● Operational Excellence

● Prudent Investments



## CAPITAL REPORTS

### MANUFACTURED CAPITAL

#### TECHNOLOGY AND SUSTAINABILITY INTEGRATION

The year under review continued to be shaped by persistent challenges, including disruptive conditions, mobility restrictions, and resource shortages. These factors further underscored the growing importance of digitalisation and automation as a critical enabler for success across industries. Consumers increasingly demand products and services that offer convenience, speed, simplicity, and accessibility, which has propelled businesses to invest in cutting-edge IT infrastructure to remain competitive.

As part of this shift, the Group made significant strides in digital transformation, with an investment of LKR 168 Mn allocated towards the procurement, maintenance, and upgrading of IT hardware to enhance operational efficiency and streamline processes.

Simultaneously, the Group integrated a robust set of sustainability initiatives to mitigate the rising cost of energy and drive resource efficiency. These initiatives were designed not only to reduce energy consumption but also to improve climate action and minimise environmental impact, thereby aligning with global sustainability goals.

**LKR 200.4 Mn**  
INVESTED IN IT  
SOFTWARE

#### KEY SUSTAINABILITY AND EFFICIENCY INITIATIVES IN 2024/25

##### Advanced Italian-made Machinery for Precision Tile Production

- Adoption of state-of-the-art machinery to enhance production efficiency and reduce material waste, contributing to overall sustainability goals.

##### Automated Kilns and Glazing Systems for Energy Efficiency

- Automation of key production processes such as kilns and glazing systems, leading to significant energy savings and a reduction in resource consumption.

##### Robotic Handling Systems

- Introduction of robotic systems to manage material movement, which not only improves production efficiency but also reduces the need for manual labor, resulting in cost savings and enhanced operational effectiveness.

##### Thermal Recovery System

- A heat recovery system was implemented in the Lanka Tiles Ranala Factory to reuse waste heat, resulting in a fuel savings of 8.1 million kWh, contributing to both energy efficiency and a reduction in carbon footprint.

##### Slip Density Increase

- Slip density in the Lanka Tiles Ranala Factory was increased from 1.76 to

1.80, which reduced both energy use and raw material waste, further supporting sustainability efforts by optimising the production process.

##### Compressed Air Saving Project

- A project aimed at reducing electricity consumption through compressed air optimisation, leading to lower energy costs and greater environmental responsibility.

##### Uninterrupted Power Supply (UPS) Systems

- Investment in UPS systems to ensure uninterrupted power supply to critical production lines, minimising downtime and increasing operational reliability.

##### Heat Recovery System for LPG Consumption Reduction

- The initiation of the installation of a heat recovery system designed to minimise LPG consumption by 60 metric tons per month, leading to both cost savings and a significant reduction in environmental impact.

##### Investment in Renewable Energy

- The Group continues to invest in solar panels to drive renewable energy consumption, with a total of 89.5 MW production incorporated to the grid during the year under review.



#### FUTURE STRATEGY AND OUTLOOK:

As the economy stabilises, the Group is committed to executing a strategic roadmap that aligns with market demands, optimises operational efficiency, and drives sustainable growth. The following key strategies will guide the Group's efforts:

##### Maintaining and Upgrading Existing

**Asset Base:** The Group will prioritise the maintenance and modernisation of its current assets to ensure operational efficiency, extend asset life cycles, and mitigate unforeseen downtime, contributing to cost optimisation and consistent performance.

##### Expanding Capacity and Manufacturing

**Capabilities:** To stay ahead of evolving market dynamics, the Group will continue to expand its production capacity and enhance manufacturing capabilities, enabling it to meet changing consumer demands and maintain a competitive edge.

##### Expanding Branch and Distribution

**Networks:** The Group will focus on expanding its branch and distribution networks to increase customer reach, improve accessibility, and capitalise on new market opportunities, strengthening its presence in both domestic and international markets.

**Divesting Non-Performing Assets:** In line with optimising operational focus and reducing unproductive costs, the Group will strategically divest non-performing assets to streamline operations and reinvest capital into more lucrative business segments.

**Pursuing Lucrative Acquisitions:** The Group will actively explore acquisition opportunities, seeking to acquire high-value businesses and expand into new markets, driving organic and inorganic growth that complements its existing operations.

##### Investing in Digital Infrastructure:

Emphasising the importance of digital transformation, the Group will invest in advanced digital infrastructure to enhance its digitalisation efforts, streamline operations, improve data-driven decision-making, and achieve greater operational agility.





## HUMAN CAPITAL

### HIGHLIGHTS FOR THE YEAR

# 3,498

EMPLOYEES RECRUITED  
(3,042 IN 2023/24)

# 86,498

TRAINING HOURS  
(75,587 IN 2023/24)

# LKR 25.63 Mn

TRAINING INVESTMENT  
(LKR 38.81 MN IN 2023/24)

# LKR 12.35 Mn

REVENUE PER EMPLOYEE  
(LKR 13.02 MN IN 2023/24)

# 297

WORKPLACE ACCIDENTS  
(411 IN 2023/24)

# LKR 13.4 Bn

VALUE CREATED TO EMPLOYEES  
(LKR 13 Bn IN 2023/24)

At Vallibel One, our people are the cornerstone of our success—a skilled and passionate workforce that drives innovation, performance, and growth across the Group. We are deeply committed to nurturing a future-ready talent pool by investing in continuous skill development, embracing digital transformation, and fostering a culture of adaptability. This is reinforced by a strong emphasis on employee health, safety, and well-being, ensuring that our teams are empowered, resilient, and aligned with the Group's long-term vision.

### OPERATING LANDSCAPE

High inflation and stagnant income levels strained discretionary spending, with negative implications on employee well-being. Mental health concerns grew, and talent retention became a pressing issue due to continued migration of skilled professionals. Rapid digitalisation is driving a growing need for employees to stay ahead of evolving technologies and industry trends.

### STRATEGIC RESPONSE

The Group emphasised strengthening the overall employee experience by prioritising engagement, resilience, and support systems across the Group. To ensure long-term sustainability, we are deepening our focus on talent development and succession planning, while integrating digital tools to equip our workforce with the capabilities needed for an evolving business landscape.

#### Strategic Imperatives:

● Nurturing Partnerships

● Good Governance

ACTIVITIES	VALUE ADDED	IMPACT
Empowering Inclusive Well-being	<ul style="list-style-type: none"> <li>Equal opportunities for growth</li> <li>Improving health and safety</li> <li>Ethics and good governance</li> </ul>	<ul style="list-style-type: none"> <li>A Skilled, Productive Workforce</li> <li>Higher Employee Retention</li> <li>Employee Satisfaction and Loyalty</li> </ul>
Talent Development and Innovation	<ul style="list-style-type: none"> <li>Fair, transparent recruitment processes</li> <li>Structured training and development</li> <li>Career succession and planning</li> <li>A performance-driven work culture</li> <li>Improved productivity</li> </ul>	<ul style="list-style-type: none"> <li>Employee Health and Safety</li> <li>Improved Employee Well-being</li> </ul>
A Rewarding Workplace	<ul style="list-style-type: none"> <li>Competitive benefits and remuneration</li> <li>Improved employee well-being</li> </ul>	<ul style="list-style-type: none"> <li>Business Growth and Stability</li> <li>An Inclusive Society</li> </ul>



CAPITAL REPORTS

HUMAN CAPITAL

EMPOWERING INCLUSIVE WELL-BEING

Vallibel One PLC recognises that its people are the driving force behind the Group’s performance, innovation, and long-term growth. The Group employs a full-time workforce of 9,481 employees across all six thrust sectors, constituting no part-time employees, thereby reflecting an organisation-wide commitment to stable employment and cohesive team structures. The Board sets the overarching human capital policies, which cascade through management to foster a consistent, purpose-driven work culture.

During FY 2024/25, Vallibel One reinforced its focus on inclusive recruitment and talent development. 40% of new hires were recruited from outside the Western Province, with 11% and 6% of the current workforce hailing from Sabaragamuwa and the Central Province respectively, demonstrating the Group’s commitment to decentralised employment and regional opportunity. Additionally, owing to a growing focus on export development, the Group currently employs 89 employees overseas.

Despite ongoing challenges from talent migration, the workforce grew by approximately 5.8%, reflecting sustained investment in talent and business continuity. Women now comprise 29% of the overall workforce, up from 28% in the previous year, while female representation in executive and management positions stood at 11%. The Group benefits from the leadership of a female Managing Director, who plays a key role in guiding strategic direction and transformation.

With 51% of employees under the age of 30, Vallibel One maintains a generationally diverse talent base. To remain competitive amid rapid digitalisation, the Group continues to invest in skill development and digital tools, ensuring its workforce remains agile, adaptable, and prepared for the future.

NON-DISCRIMINATION

Vallibel One is firmly committed to fostering an inclusive and respectful workplace, upholding its role as an equal opportunity employer. The Group strictly prohibits discrimination based on age, race, gender, or any other classification, ensuring all employees work in a fair, ethical, and responsible environment.

During the year under review, no incidents of discrimination or social prejudice were reported across the Group. Each business unit’s human resources department rigorously follows established policies, regulations, and procedures designed to prevent discrimination and promote inclusivity. Should any issues arise, prompt and appropriate corrective actions are taken to maintain a safe and equitable workplace for all.



7,055

MALE EMPLOYEES

(6,792 IN 2023/24)



2,884

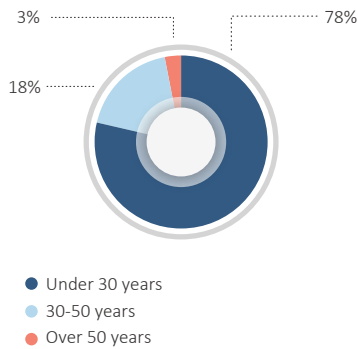
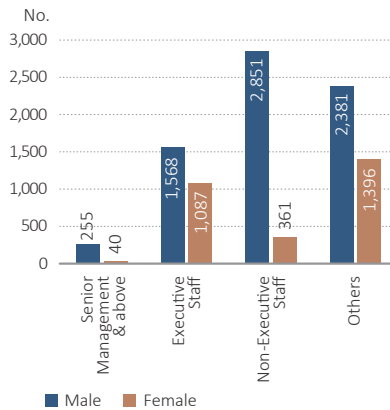
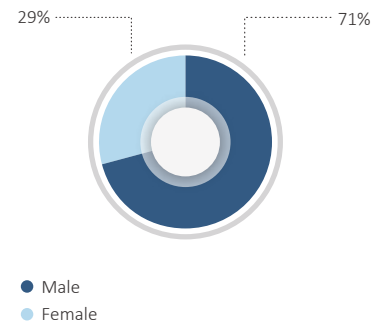
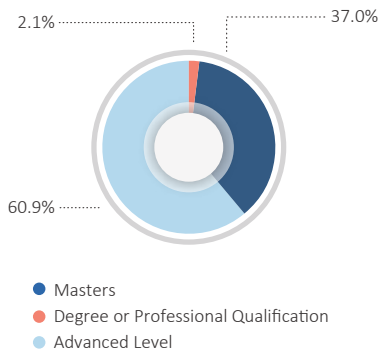
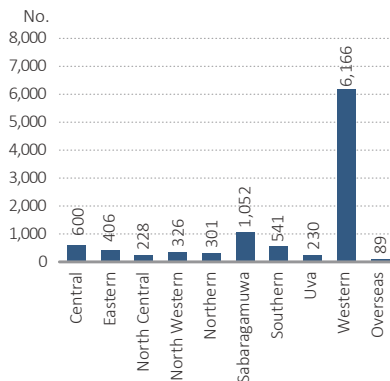
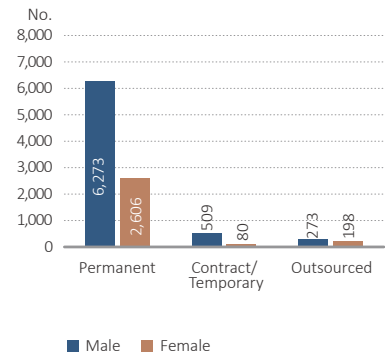
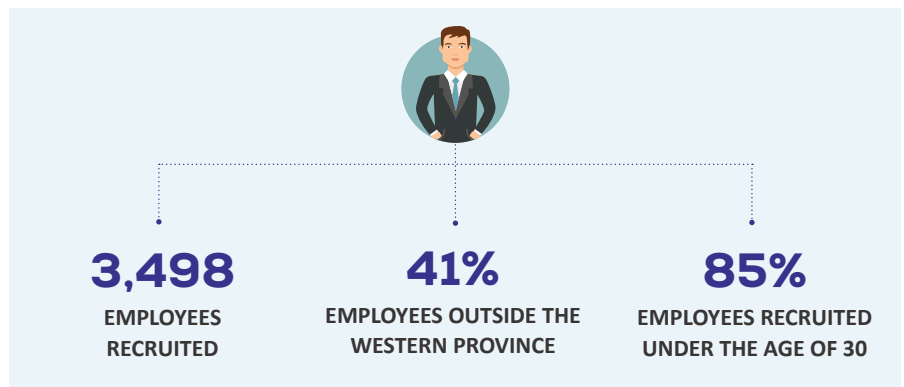
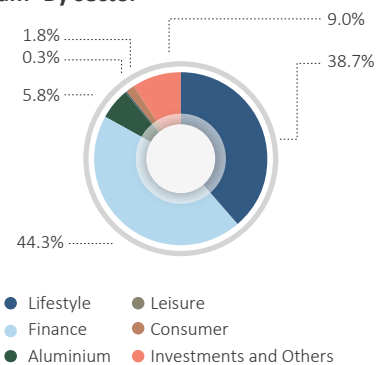
FEMALE EMPLOYEES

(2,600 IN 2023/24)

EMPLOYEES BY REGION & TYPE

	2024/25			
	Contract	Outsourced	Permanent	Total
Central	33	-	567	600
Eastern	6	-	400	406
North Central	12	-	216	228
North Western	16	-	310	326
Northern	1	-	300	301
Sabaragamuwa	71	61	920	1,052
Southern	20	1	520	541
Uva	10	1	219	230
Western	408	380	5,378	6,166
Overseas	12	28	49	89
Total	589	471	8,879	9,939



**Employee turnover by Age****Employees by Employee Category****Team by Gender****Team by level of Education****Team by Region****Employees by Type of Employment****Team- By sector****AN ENABLING ENVIRONMENT**

Understanding direct nature of its impact on employee motivation, productivity, and retention, Vallibel One remains deeply aware of the importance of employee well-being. To foster a supportive and positive work environment, the Group implements a comprehensive well-being strategy, outlined in the following pages.

Complementing these efforts is a strong emphasis on ethical business conduct and sound governance practices, which are integral to maintaining a fair, transparent, and values-driven workplace. Together, these principles create an enabling environment that empowers employees, nurtures trust, and reinforces the Group's long-term sustainability. In recognition of

these efforts, UniDil was ranked as one of the 50 Best Workplaces in Sri Lanka in 2024, while both UniDil and Swisstek Aluminium were recognised for Best Management Practices by the The Institute of Chartered Managers of Sri Lanka.

CAPITAL REPORTS  
HUMAN CAPITAL



ENGAGING IN ETHICAL BUSINESS CONDUCT

Engaging in ethical business conduct is essential to fostering an enabling environment built on trust, accountability, and long-term value creation.

GRIEVANCE HANDLING

Vallibel One PLC is committed to maintaining the highest standards of integrity and accountability within its operations. The Group has established a comprehensive Whistleblower Policy to encourage employees to report any concerns regarding unethical practices, misconduct, or violations of company policies, without fear of retaliation.

The Whistleblower Policy has designated two Whistleblower Protection Officers, i.e., the Managing Director and an Independent Director. Employees are encouraged contact these officers via email or request a physical meeting in the event of a reportable event, thereby ensuring confidentiality and protection throughout the reporting process. The full policy and their contact information is accessible on the Group’s corporate website, [vallibelone.com](http://vallibelone.com). In line with this commitment, many of the Group’s companies have also implemented formalised whistleblower and grievance handling procedures to empower employees to report matters of concern.

In addition to the whistleblower mechanism, Vallibel One and its Group entities maintain an open-door policy, fostering continuous communication between staff and management. This approach enables the identification and resolution of any concerns or complaints promptly and effectively.

The Group also conducts periodic performance reviews, which serve as a vital tool in identifying potential issues and facilitating grievance management. Employees are encouraged to utilise the structured grievance process managed by the HR department if initial communication does not yield satisfactory outcomes.

BUSINESS ETHICS AND GOVERNANCE

Vallibel One is unwavering in its commitment to ethical business conduct and robust governance practices, which are fundamental to fostering a transparent and accountable corporate environment. The Group’s Anti-Bribery and Corruption Policy underscores a zero-tolerance approach towards any form of bribery or corruption, ensuring compliance with all applicable laws and reinforcing the integrity of business operations.

Complementing this, the Internal Code of Business Conduct and Ethics for all Directors and Employees establishes clear guidelines for personal conduct and business practices, aligning with the Group’s core values and legal requirements. This code serves as a cornerstone for maintaining high standards of professionalism and ethical behaviour across the organisation. Both documents are publicly available on the Vallibel One website, reflecting the Group’s dedication to transparency and ethical governance, and designed to collectively mitigate risks associated with unethical practices.

COMPLIANCE

All companies within the Group remain fully committed to complying with applicable labour laws, regulations, and directives in Sri Lanka. In addition, many of the Group’s businesses follow internationally recognised labour management best practices as recommended by reputable certifying bodies.

Notably, there were no fines or penalties related to labour management recorded during the year. Vallibel One did not record any incidents of judicial action taken to address human rights breaches during the year.

FORCED OR COMPULSORY LABOUR

The Vallibel One Group is a responsible employer and vehemently opposes worker exploitation in all its forms across all subsidiaries and associates. No incidences of forced or compulsory labour were recorded across any level of operations or among Vallibel One’s supplier base to the best of the Group’s knowledge.

CHILD LABOUR

The Group expressly prohibits child labour, with all business units enforce strict hiring protocols to confirm that employees are aged 18 and above. No instances of child labour were reported across the Group or its supplier network during the reporting period.



TEAM BUILDING

The Group is committed to fostering a collaborative and cooperative work culture, embedding these values across its workforce by providing platforms that encourage teamwork and shared purpose. Vallibel One actively promotes an environment of mutual trust and confidence, recognising that strong collaboration is key to achieving high-quality, results-driven outcomes.

This goal is reinforced through the numerous welfare societies established within each business division. The Group remained focused on uplifting employee morale by continuing activities that foster camaraderie and engagement. Group-wide engagement initiatives—ranging from sports tournaments and religious festival celebrations to excursions and get-togethers—played a vital role in building team spirit and nurturing a motivated, satisfied workforce, particularly in the wake of the economic challenges experienced in recent years.

In parallel, the organisation has embraced digital platforms to enhance knowledge sharing and internal communication, helping to cultivate a more connected and collaborative workplace.



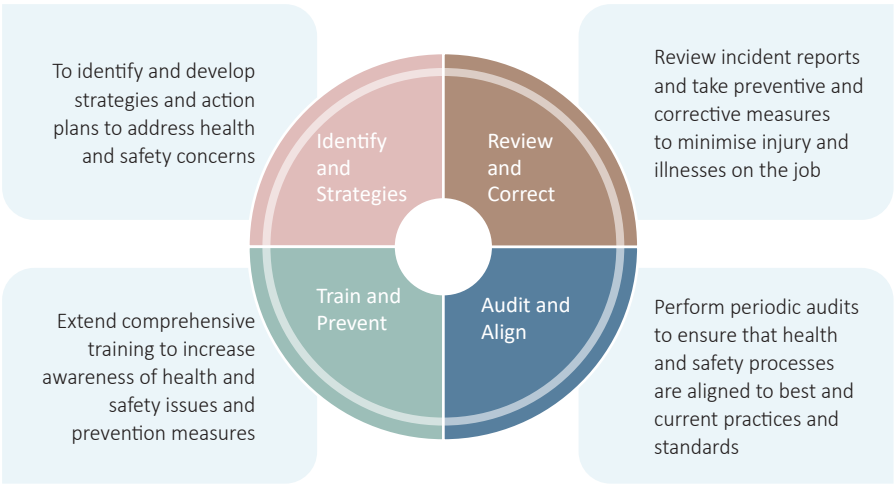
Bootcamp - LB Finance



Cricket Fest - Vallibel One

OCCUPATIONAL HEALTH AND SAFETY

Recognising the critical importance of a safe and healthy workplace, Vallibel One is dedicated to fostering an environment that prioritises the well-being of its employees. This commitment is evident across all levels of the Group's operations, particularly within its manufacturing sectors.



HEALTH AND SAFETY GOVERNANCE AND OVERSIGHT

With a significant portion of Vallibel One's operations rooted in manufacturing and industrial sectors, ensuring workplace health and safety is a core operational priority. The Group's factories and plants—employing a substantial proportion of the total workforce, including permanent, temporary, and contract employees—are guided by robust safety protocols in line with regulatory standards and sector-specific best practices.

Governance is further supported by collective bargaining agreements with trade unions, reinforcing a shared commitment between management and employees toward maintaining safe, respectful, and compliant workplaces.

Dedicated Health and Safety Committees	Regular Review and Audit Mechanisms
<p>Each business unit within the Group has established structured Health and Safety Committees that include representation across all employee grades. These cross-functional teams are responsible for:</p> <ul style="list-style-type: none"><li>Monitoring working conditions</li><li>Identifying and assessing potential hazards</li><li>Recommending and implementing risk mitigation measures</li></ul> <p>Committee activities are aligned with recognised industry standards and are vital to maintaining day-to-day operational safety.</p>	<p>To ensure continuous improvement, Health and Safety Committees convene regularly to review incident reports, identify operational gaps, and propose necessary improvements. These reviews are complemented by:</p> <ul style="list-style-type: none"><li>Routine internal audits of safety practices</li><li>Collaborations with internal audit teams for independent verification</li><li>Periodic reporting of key findings to senior management and, where necessary, to the Board of Directors</li></ul> <p>These steps ensure appropriate and timely action while strengthening the Group's internal control environment.</p>

CAPITAL REPORTS

HUMAN CAPITAL

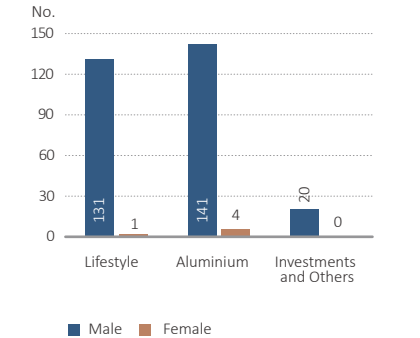
Standardised Incident Reporting	Commitment to Employee Care and Support
<p>A formalised Group-wide incident reporting mechanism encourages employees to report any workplace injuries or safety concerns immediately. The process is as follows:</p> <ol style="list-style-type: none"><li>1. Employees report incidents to supervisors or department heads</li><li>2. Reports are forwarded to the Health and Safety Committees</li><li>3. Committees initiate inquiries, coordinate workers’ compensation insurance, and implement corrective actions</li></ol> <p>This process ensures transparency, rapid response, and accountability.</p>	<p>Throughout FY 2024/25, the Group upheld its commitment to workplace health and safety. All work-related injuries were professionally managed—affected employees received full medical support through company insurance and were granted paid time off without disruption to their earnings.</p>

HEALTH AND SAFETY MANAGEMENT SYSTEMS

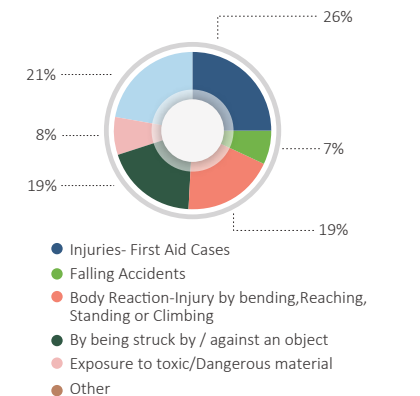
A proactive approach to health and safety management has been adopted across the Group, reinforced by preventive measures that comply with industry standards and best practices. Notably, Rocell has achieved ISO 45001:2018 certification for its Occupational Health and Safety Management System, becoming the first in Sri Lanka to do so. Lanka Tiles has also completed the compliance stage II audit for ISO 45001:2018, underscoring its commitment to maintaining high safety standards.

All Sectors	<ul style="list-style-type: none"><li>• First aid in factories</li><li>• Fire equipment and fire drills</li><li>• Health and safety training</li><li>• Personal protective gear</li></ul>	297 OCCUPATIONAL INJURIES	NIL WORK-RELATED FATALITIES
Lifestyle Sector	<ul style="list-style-type: none"><li>• Rocell received the ISO 45001:2018: Occupational Health and Safety Management System certification, with Lanka Tiles completing the compliance stage II audit.</li><li>• Annual safety surveys are conducted by Rocell to gather feedback on occupational health and safety frameworks.</li><li>• Establishment of safety committees at each factory level to oversee health and safety measures.</li></ul>		
Investments and Others	<p>The packaging segment employs a comprehensive range of initiatives, including:</p> <ul style="list-style-type: none"><li>• Risk assessments and internal health and safety audits.</li><li>• Safety walks and committee meetings to address potential hazards.</li><li>• Training in firefighting, fire evacuation, first aid, and chemical handling.</li><li>• Certifications including PHI, WRAP, SMETA, Oxylane assessments.</li></ul>		

Occupational injuries by Sector and gender



Occupational injuries by type



Preventive Healthcare Initiatives

To promote preventive healthcare, Vallibel One subsidiaries regularly conduct medical and eye camps across various locations, while encouraging employees to engage in medical screening. These initiatives aim to identify health concerns early and provide employees with access to necessary medical services, contributing to overall workforce well-being. Many of the Group’s sectors also provide medical insurance to support employee health.

04	615
MEDICAL CAMPS	EMPLOYEES SCREENED



### Training and Awareness Programs

The Group emphasises continuous education on health and safety through various training programs. For instance, Rocell provides internal auditor training for ISO 45001:2018 and specialised sessions on the safe use of chemicals at work. Lanka Tiles conducts regular safety workshops and staff training to enhance awareness and compliance with safety protocols.



Staff Training - Swisstek Aluminium

### INDUSTRIAL RELATIONS

Vallibel One upholds and respects its employees' right to freedom of association, with over 1,656 workers in the lifestyle and aluminium sectors currently represented by trade unions. These employees operate under collective bargaining agreements that are renewed every three years. As outlined in the agreements, the management is committed to maintaining transparency and accountability, particularly in relation to any operational changes that may affect employees. Minimum notice periods for such changes are clearly defined within the respective agreements. Throughout the year, the Group sustained positive and cooperative relationships with union representatives.

### WORK-LIFE BALANCE

The Group places strong emphasis on promoting a healthy work-life balance and takes deliberate measures to ensure that employees at all levels are equipped with the support they need to manage their responsibilities without undue stress. To this end, managers are encouraged to support effective time management, ensure fair distribution of workloads, and be considerate when approving leave.

Although the Group predominantly maintained on-site operations during the year, it continues to maintain robust frameworks and processes to facilitate remote work where required.

#### Maternity Leave

In line with the provisions of the Shop and Office Employees Act, all female employees are entitled to 84 working days of paid maternity leave, with an additional 42 days granted for the birth of a third child. Furthermore, the Group has made the necessary arrangements to ensure that returning mothers receive their legally entitled hourly meal break following maternity leave.

	Parental Leaves	
	2024/25	2023/24
Total number of female employees	2,884	2,600
Employees on parental leave	101	88
Employees who returned to work during the period after parental leave	94	88
Employees still in employment 12 months after returning from parental leave	66	45

### Retention and Turnover

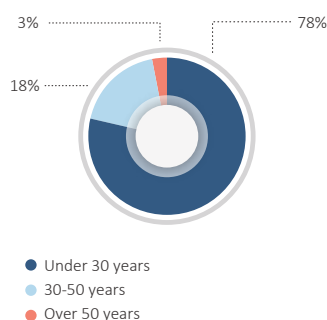
The Group faced considerable challenges with respect to employee retention, owing to the impacts of the economic crisis and the consequent large-scale migration of talent and skills. Vallibel One's sectors therefore relied on a range of initiatives to retain essential talent and experience and mitigate these impacts as far as possible. These included training to bridge skill gaps, succession planning initiatives, and strong employee engagement.

**3,031**  
STAFF TURNOVER  
(2,588 IN 2024/25)

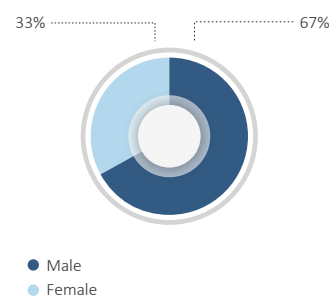
**33%**  
FEMALE TURNOVER  
(37% IN 2024/25)

**37%**  
OUTSTATION STAFF  
TURNOVER  
(36% IN 2024/25)

#### Employee turnover by Age



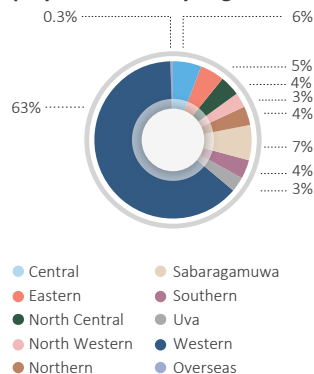
#### Employee turnover by Gender



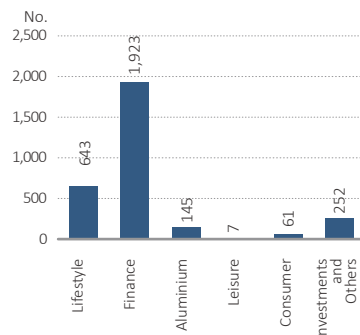
## CAPITAL REPORTS

### HUMAN CAPITAL

#### Employee turnover by Region



#### Employee turnover by sector



#### A SKILLED, FUTURE-READY TEAM

Developing a skilled, future-ready team is central to Vallibel One's long-term success. The Group places strong emphasis on talent acquisition, continuous learning, succession planning, and performance management—while leveraging technology and innovation to equip its people with the skills and mindset needed to thrive in an evolving business landscape. The Group's member companies all identify talent development as a top strategic objective, and addresses this topic in a consistent manner across all industries, as described below:

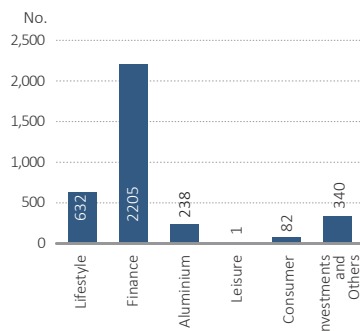
#### ENABLING THE DELIVERY OF CORPORATE STRATEGY



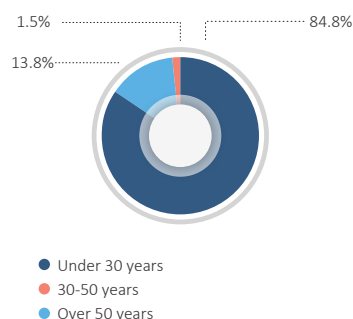
#### RECRUITING THE RIGHT TALENT

The Group ensures that all recruitment practices are fully compliant with Sri Lanka's labour laws and regulations. Vallibel One's recruitment policy promotes an inclusive, non-discriminatory work environment. A structured and transparent selection process is followed to ensure that new hires are well-suited to both their assigned role and the organisation's culture. During the year under review, the Group recruited 3498 individuals—marking a 15% increase compared to the previous year.

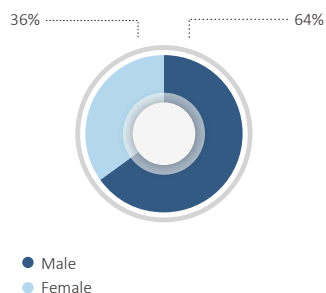
#### Recruitment by Sector



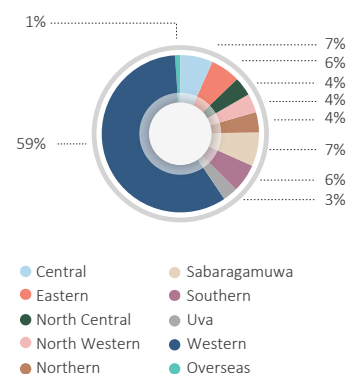
#### Recruitment by Age



#### Recruitment by Gender



#### Recruitment by Region



## THE VALLIBEL ONE GROUP —

**Investing in Future Talent: The Vallibel One Internship Programme**

At Vallibel One, the development of a future-ready workforce begins with creating opportunities for young talent to thrive. The Group's Internship Programme is a strategic initiative designed to bridge the gap between academic learning and corporate application—empowering undergraduates and fresh graduates with practical experience across a diverse range of business sectors. Through this initiative, Vallibel One continues to invest in shaping the next generation of business leaders—equipping them with the skills, experience, and mindset required to drive transformation across industries.



Bridging Knowledge and Experience	A Structured, Holistic Experience
<p>The Internship Programme is structured to nurture potential and accelerate learning by offering real-world exposure across the Group's core sectors: finance, lifestyle, aluminium, and investments. With a clear focus on aligning academic theory with business reality, the programme helps interns cultivate technical capabilities, strengthen soft skills, and gain confidence in navigating complex work environments.</p>	<p>Interns undergo a well-designed training framework that includes:</p> <ul style="list-style-type: none"> <li>• <b>Structured learning modules</b> covering both technical and interpersonal competencies.</li> <li>• <b>Mentorship and coaching</b> from seasoned professionals across various disciplines.</li> <li>• <b>Hands-on project involvement</b>, enabling interns to contribute to real business challenges and innovations.</li> </ul> <p>Where relevant, interns may also gain international exposure, enhancing their ability to operate in globally competitive environments.</p>
Evaluation and Pathways to Growth	Supporting the Group's Talent Strategy
<p>Intern performance is monitored through regular assessments and feedback sessions, helping identify top talent for future employment opportunities. High-performing individuals may be invited to join the Group as permanent team members or be considered for management trainee programmes, reinforcing the pipeline for succession planning. Complementary initiatives such as workshops, networking events, and cross-functional interactions help interns develop a well-rounded corporate perspective.</p>	<p>This initiative is not merely a training platform—it serves a core component of Vallibel One's broader human capital development strategy. By investing in youth development, the Group:</p> <ul style="list-style-type: none"> <li>• Strengthens its long-term talent acquisition framework.</li> <li>• Promotes a culture of continuous learning and innovation.</li> <li>• Is positioned as an employer of choice for emerging professionals.</li> </ul>
Demonstrating Commitment	Looking Ahead
<p>Vallibel One continues to collaborate with leading universities and professional institutions to attract bright, driven individuals and train them as interns across multiple business units. The Group also allocates a dedicated investment towards programme implementation and development, underscoring its commitment to sustainable talent growth.</p>	<p>The Internship Programme has already made a measurable impact—with several former interns transitioning into full-time roles and contributing meaningfully to the Group's success. Looking forward, Vallibel One aims to expand the programme by:</p> <ul style="list-style-type: none"> <li>• Increasing intake capacity.</li> <li>• Introducing <b>digital learning platforms</b> to support remote engagement.</li> <li>• Enhancing <b>cross-sector exposure</b> to give interns a broader understanding of business dynamics.</li> </ul>

**EMPLOYEE INDUCTION**

Every new recruit undergoes a comprehensive onboarding process designed to familiarise them with the day-to-day operations of their respective organisation. This orientation provides valuable insights and exposure to the company's work culture, values, and ethical standards. Recruits are also introduced to the broader vision and guiding principles of Vallibel One, along with the key policies, procedures, and governance frameworks that guide the Group's overall operations.

CAPITAL REPORTS  
HUMAN CAPITAL

TRAINING AND DEVELOPMENT

Training and development form a cornerstone of Vallibel One’s human capital strategy, supporting both individual professional growth and broader organisational advancement. Every business within the Group places a strong emphasis on capacity building, with all training initiatives aimed at expanding the collective knowledge base and equipping teams to meet evolving business demands.

The Group offers a diverse portfolio of training opportunities, including structured in-house programmes, partnerships with external training providers, and hands-on, on-the-job learning. Employees are also exposed to cross-sector knowledge sharing, with select staff receiving international training based on business needs.

Performance reviews and training needs analyses are conducted regularly across all business units, and serve as primary tools for identifying skill gaps and aligning training needs with both individual roles and the strategic direction of the Group. A number of subsidiaries rely on centralised learning management systems to drive their training initiatives, with some organisations in the process of digitalising their learning functions to improve efficiency and monitoring.

To ensure accessibility and relevance, the Group continued to implement a hybrid training model, combining virtual and in-person formats to optimise opportunities for learning. These sessions are designed around key themes such as emerging industry trends, technological innovation,

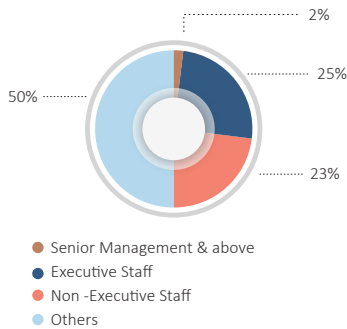
The Vallibel One Group invested LKR 25.63 Mn in training development, to achieve a growth of 34% against the previous year’s figure.

market dynamics, and leadership development, ensuring that Vallibel One’s workforce is well-prepared to meet future challenges with agility and confidence. A few key topics covered through these programmes are outlined below:

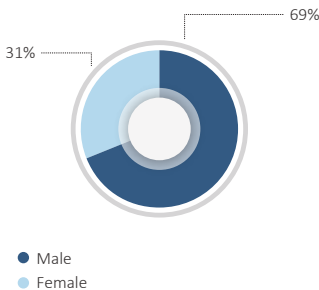


QUALITY MANAGEMENT	MANAGEMENT AND LEADERSHIP	PERSONAL DEVELOPMENT
HEALTH AND SAFETY AWARENESS	TECHNOLOGY, DATA ANALYTICS AND CYBERSECURITY	SUSTAINABILITY AWARENESS
TECHNICAL TRAINING	OPERATIONAL EXCELLENCE AND INNOVATION	MENTAL HEALTH AND WELL-BEING
CUSTOMER SERVICE	GOVERNANCE AND RISK MANAGEMENT	

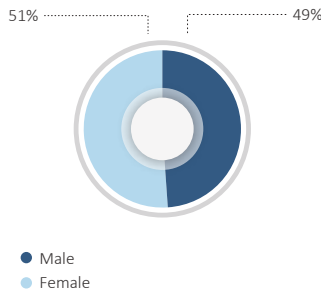
Training hours by employment category



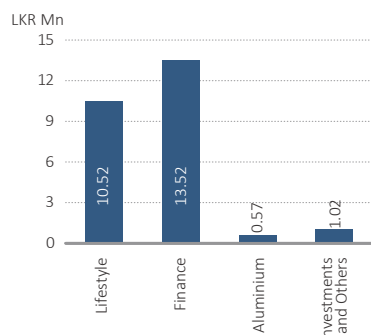
Training hours by gender



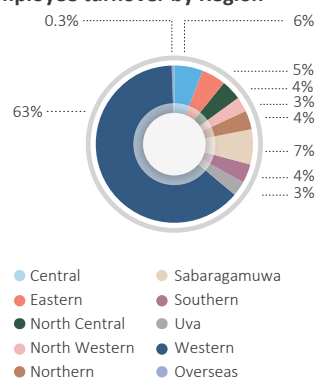
Promotions by gender



### Investment in Training by sector



### Employee turnover by Region



### Professional Development

To strengthen the capabilities of its talent pool, Vallibel One actively encourages employees to pursue advanced academic, professional, and technical qualifications from recognised institutions. This commitment is backed by partial reimbursement of tuition fees and ongoing support to help employees obtain and maintain memberships in respected professional bodies. During the year under review, the Group invested LKR 41 Mn (last year 10.1 Mn) toward these educational and professional development initiatives.

### Performance Management

All companies within the Group operate under a structured performance management framework that evaluates employee performance either annually or biannually. These assessments are benchmarked against clearly defined KPIs aligned with both business unit goals and the overarching strategic direction of the Group.

Every employee undergoes performance evaluations, which serve as the foundation for determining training needs, recognising achievements, and identifying candidates for career advancement. High performers are rewarded through promotions and offered tailored training to prepare them for expanded roles. In FY 2024/25, 1,205 employees were promoted across the Group.

### Succession Planning and Mentoring

Succession planning and mentorship play a key role in the Group's human capital development strategy. Each company within the Group is guided by its respective Board of Directors in identifying potential leadership gaps and nominating individuals with the aptitude to step into critical roles.

To build a leadership pipeline, the Group supports structured mentoring programmes and focused career planning for high-performing employees. These initiatives are complemented by management trainee programmes that target promising entry-level talent, equipping them with the skills and exposure required to take on future leadership roles. During the year, 19 management trainees were enrolled across the Group's subsidiaries.

### A REWARDING WORKPLACE

Competitive remuneration, comprehensive benefits, and well-managed defined benefit obligations play a vital role in nurturing a rewarding workplace, helping to attract, retain, and motivate talent while reinforcing employee loyalty and financial well-being.

#### STRENGTHENING A MOTIVATED, PERFORMANCE-DRIVEN WORKFORCE



### Competitive Remuneration and Benefits

The remuneration packages offered by Vallibel One are designed to comply with both the labour laws and regulations that are specific to each of its business lines and the industry standards that are relevant to each organisation. The Group is committed to paying workers fairly and adequately in an equitable manner, making sure that compensation is always commensurate with the duties, qualifications, and experience of each individual worker.

Employers within the Group use a structured evaluation system to decide on suitable pay increases, bonuses, and other benefits.

**The Group's compensation and benefits for the year 2023/24 were recorded at LKR 13 Bn, indicating a year-on-year growth of 3.1%.**

	Graph-Revenue per employee	
	2023/2024	2024/2025
No. of employees	9,392	9,939
Revenue per employee (LHS)	13.02	12.35
Productivity	13	12
Profit	17,443,827	16,023
Revenue	122,330	122,760
Profit per employee	1.86	1.61
Revenue per employee difference %	36%	-5%
% change in employee count	-23%	5.82%



## CAPITAL REPORTS







### HUMAN CAPITAL

#### DEFINED BENEFIT OBLIGATIONS

During the year, the Group fulfilled its defined benefit obligations, which included contributions to the Employee Trust Fund (ETF), Employee Provident Fund (EPF), and gratuity. Vallibel One recorded a gratuity provision of LKR 461.1 Mn, while contributing LKR 975 Mn to the EPF & ETF.

#### BENEFITS

Vallibel One PLC offers a broad and competitive range of benefits tailored to the diverse needs of its workforce across sectors. From comprehensive medical and life insurance coverage to staff loans at concessionary interest rates, the Group ensures that employees are supported both professionally and personally. Sector-specific benefits such as employee stock options in finance, consumer goods at discounted rates in lifestyle and consumer segments, and reimbursement for professional development across multiple sectors underscore the Group's commitment to holistic employee well-being and career growth.

Employee Benefits		
 Lifestyle Sector	 Finance Sector	 Aluminium Sector
<ul style="list-style-type: none"> <li>• Medical insurance</li> <li>• Reimbursement of fees for professional studies/memberships</li> <li>• Facilities to buy consumer items at special rates</li> <li>• Staff loans at concessionary interest</li> </ul>	<ul style="list-style-type: none"> <li>• Life and medical insurance</li> <li>• Disability and invalidity coverage</li> <li>• Staff loans at concessionary interest</li> <li>• Employee stock options</li> </ul>	<ul style="list-style-type: none"> <li>• Workmen compensation</li> <li>• Medical insurance</li> <li>• Reimbursement of fees for professional studies/ memberships</li> <li>• Fuel reimbursements</li> </ul>
 Investments and Others Sector	 Leisure Sector	 Consumer Sector
<ul style="list-style-type: none"> <li>• Medical insurance</li> <li>• Transport facilities</li> <li>• Medical and casual and vacation leave payments</li> </ul>	<ul style="list-style-type: none"> <li>• Medical insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Medical insurance</li> <li>• Consumer goods at discounted prices</li> </ul>

#### FUTURE STRATEGY AND OUTLOOK

To align with the Group's long-term vision and build a dynamic, future-ready workforce, Vallibel One will continue to adopt a holistic human capital strategy that emphasises adaptability, innovation, and sustainable growth. Key areas of focus include:

- Harmonising HR Practices:** Strengthening integration and coordination of industry-standard HR policies, processes, and practices across all business sectors to ensure consistency and compliance.
- Strategic Talent Acquisition:** Attracting individuals with the right skills and cultural alignment for each role, while optimising internal mobility through cross-sector transfers and promotions to retain institutional knowledge and expertise.
- Fostering a Collaborative Culture:** Reinforcing a Group-wide culture of collaboration by cultivating an inclusive, empowering, and supportive work environment.
- Enhancing Employee Engagement and Well-being:** Continuing to prioritise initiatives that promote physical, emotional, and financial well-being to maintain a motivated and resilient workforce.
- Developing Future Leaders:** Expanding opportunities for learning, career development, and growth through structured succession planning, performance-based progression, and competitive remuneration frameworks.
- Leveraging Digitalisation:** Accelerating the use of digital tools and platforms to enhance learning and development, streamline performance management, and boost overall employee productivity and engagement.





## INTELLECTUAL CAPITAL

Vallibel One combines decades of industry expertise, sector insights, and strong intellectual capital to drive success. Its commitment to R&D, sustainability, and governance enhances its competitive edge and ensures long-term value. By fostering innovation, talent development, and a forward-thinking culture, the Group is shaping a future of sustainable growth and societal impact.

### HIGHLIGHTS FOR THE YEAR

**LKR 98 Mn**

**R&D INVESTMENT**

(LKR 149 MN IN 2023/24)

**LKR 200 Mn**

**SOFTWARE INVESTMENT**

(LKR 27.5 Mn IN 2023/24)

**LKR 1,066 Mn**

**COST SAVINGS ACHIEVED**

(LKR 526 MN IN 2023/24)

**LKR 20 Mn**

**NPD INVESTMENT**

(LKR 31 MN IN 2023/24)

- 51 total awards were achieved across the Group, reflecting a commitment to excellence
- 424 new products were launched during the year across all sectors, reflecting a commitment to innovation and customer-centricity.
- Organisations across the Group maintained high standards of cybersecurity, while taking steps to adhere to the Data Protection Act No. 9 of 2022.

### OPERATING LANDSCAPE


The operating landscape has been shaped by economic uncertainty, resource scarcity, and rapid technological advances. These factors underscore the need for R&D, innovation, and adaptability to maintain a competitive edge. Additionally, shifting consumer preferences, regulatory changes, and a focus on sustainability have prompted a stronger emphasis on process improvement, governance revision, and talent development to align with market demands and long-term value creation.

### STRATEGIC RESPONSE

By fostering innovation, aligning with shifting consumer preferences, and building strategic partnerships, companies can stay agile and competitive. A combination of R&D, sustainability, process optimisation, talent development, and data-driven decision-making were key imperatives to ensure resilience against a constantly evolving operating environment characterised by uncertainty.

#### Strategic Imperatives:

- Financial Resilience
- Sustainable Operations
- Good Governance
- Operational Excellence
- Nurturing Partnerships

ACTIVITIES	VALUE ADDED	IMPACT
Upholding Quality Standards and Trust	<ul style="list-style-type: none"> <li>• Stakeholder confidence and satisfaction</li> <li>• Improved loyalty and demand</li> <li>• Enhanced credibility</li> <li>• Mitigates risks through high quality control</li> </ul>	<ul style="list-style-type: none"> <li>• Top-of-mind Brand Recall</li> <li>• A Strong Corporate Reputation</li> </ul>
Brand Building	<ul style="list-style-type: none"> <li>• Market differentiation</li> <li>• Stakeholder loyalty and trust</li> <li>• A unique identity</li> <li>• An improved brand presence</li> </ul>	<ul style="list-style-type: none"> <li>• Unmatched Loyalty and Trust</li> <li>• Innovative Products and Solutions</li> </ul>
Development of Processes, Unique Frameworks, and Knowledge	<ul style="list-style-type: none"> <li>• Streamlined, cost-efficient processes</li> <li>• Improved productivity and resource efficiency</li> <li>• Enhances adaptability to market changes and emerging trends</li> <li>• Builds a culture of innovation and knowledge-sharing</li> </ul>	

## CAPITAL REPORTS

### INTELLECTUAL CAPITAL

#### UPHOLDING QUALITY STANDARDS AND TRUST

##### A Solid Corporate Reputation



Since its inception, Vallibel One has maintained a reputation for business excellence, consistently delivering value to stakeholders in a competitive landscape. The Group has ensured stability and balanced performance through challenging times, supported by its diverse interests in key economic sectors. As a responsible organisation, Vallibel One integrates sustainability, responsibility, and integrity across all operations, guided by a strong system of values that cascades from the Group to its diverse business sectors.

The Group adheres to all relevant laws and regulations, reinforcing its commitment to ethical business practices. The numerous awards and accolades at both the Group and organisational levels reflect Vallibel One's unwavering reputation for excellence, quality, and trust.




##### Group Awards and Accolades

## 51 AWARDS AND ACCOLADES

were garnered across diverse sectors, showcasing the Group's commitment to excellence, sustainability, innovation, and leadership. The Group continues to set benchmarks in cost efficiency, green practices, digital transformation, and industry recognition.

Group Level	<b>Vallibel One PLC:</b> Recognised for Operational Excellence, Cost- Efficiency, Innovation, Leadership	<ul style="list-style-type: none"> <li>• <b>Champion Award for Cost Efficiency</b> – Best in Industry (WILAT Awards 2025)</li> <li>• <b>Finalist of the Best Female Professional Award (WILAT Awards 2025)</b> Celebrating contributions in the warehousing and logistics sector, showcasing innovative thinking and leadership in driving projects and initiatives within Vallibel One.</li> </ul>
 Lifestyle Sector	<b>Lanka Walltiles PLC:</b> Awarded for Customer Excellence and Reporting Excellence	<ul style="list-style-type: none"> <li>• <b>Customer Excellence Award by LMD</b> – No.1 in 'Home Finishing' category</li> <li>• <b>CMA Excellence Integrated Reporting Awards 2024:</b> First Runner-Up for Best Integrated Report in Manufacturing Sector and Merit Award for Integrated Reporting</li> </ul>
	<b>Lanka Tiles PLC:</b> Awarded for Innovation, Marketing, Operational Excellence, and Marketing	<ul style="list-style-type: none"> <li>• <b>Architect 2025 Exhibition:</b> Overall Best Trade Stall &amp; Most Innovative and Informative Trade Stall</li> <li>• <b>LMD: Most Respected Entity</b> – Manufacturing Sector</li> <li>• <b>TPM Awards 2024:</b> <ul style="list-style-type: none"> <li>• <b>Gold</b> – Best SS Factory,</li> <li>• <b>Silver</b> – Best Factory,</li> <li>• <b>Gold</b> – Best Policy &amp; Strategy Pillar,</li> <li>• <b>Gold</b> – Best Organisational Health &amp; Safety Pillar,</li> <li>• <b>Bronze</b> – Best CSR Project</li> </ul> </li> </ul>
	<b>RCL:</b> Awarded for Reporting Excellence, Sustainability, Industrial Excellence	<ul style="list-style-type: none"> <li>• <b>SAFA Best Presented Annual Report Awards 2023:</b> Merit Award</li> <li>• <b>TAGS Awards 2024: Silver Award</b> – Manufacturing Sector (Group Turnover Above LKR 20 BN)</li> <li>• <b>Presidential Environmental Award 2024:</b> Gold and Bronze Trophies in Mineral Related Manufacturing Industry (Large Scale) for RCL – Eheliyagoda and RCL Horana Factory</li> <li>• <b>CNCI Achievers Awards 2024:</b> National Gold Award, Top 10 Award, and Provincial Gold Award for Extra Large Manufacturing Sector</li> </ul>
	<b>RBL:</b> Awarded for Industrial Excellence	<ul style="list-style-type: none"> <li>• <b>CNCI Achievers Awards 2024:</b> Top 10 Award and National Level Bronze Award for Extra Large Manufacturing Sector</li> </ul>
	<b>Delmege Forsyth:</b> Awarded for Marketing and Innovation	<ul style="list-style-type: none"> <li>• <b>Architect Excellence Polymathic Awards 2025:</b> Merit Award for Best Trade Stall with Innovative Use of Colors</li> </ul>
 Aluminium Sector	<b>Swisstek Aluminium:</b> Awarded for Management Practices, Sustainability, Marketing, Ethical Manufacturing, Innovation	<ul style="list-style-type: none"> <li>• <b>National Presidential Award 2024</b> – Central Environmental Authority (CEA): Merit Award for Green Initiatives in Manufacturing</li> <li>• <b>Institute of Chartered Professional Managers of Sri Lanka:</b> Best Management Practices Award – Manufacturing Category</li> <li>• <b>Green Building Council of Sri Lanka:</b> 4-Star Green Label Certificate</li> <li>• <b>Ceylon Institute of Builders (CIOB) Green Awards 2024:</b> Gold Award for Sustainable Practices</li> <li>• <b>Sri Lanka Institute of Marketing:</b> Silver Award – Best Digital Marketing Campaign in Industrial Manufacturing</li> <li>• <b>National Chamber of Exporters of Sri Lanka:</b> Ethical Trade Certificate</li> <li>• <b>Colombo Leadership Academy:</b> Companies with Great Mangers Award</li> <li>• <b>National Construction Association of Sri Lanka:</b> Most Innovative Stall at Construct Exhibition 2024</li> </ul>

## Group Awards and Accolades

 <p><b>Finance Sector</b></p>	<p><b>L B Finance PLC:</b> Awarded for Digital Transformation, Innovation, In- House Expertise, Customer Loyalty, Reporting Excellence</p>	<ul style="list-style-type: none"> <li>• <b>National ICT Awards, NBQSA 2024 (In-House Non-ICT Category):</b> <ul style="list-style-type: none"> <li>• <b>Merit</b> for “Automated Gold Loan Higher Advance Granting”</li> <li>• <b>Merit</b> for “Eclipse RMV Solution”</li> <li>• <b>Merit</b> for “Eclipse Deposit Management Solution”</li> </ul> </li> <li>• <b>Digital Trust Awards 2024:</b> <ul style="list-style-type: none"> <li>• <b>Merit</b> – Technology Resilient Company of the Year (Financial Sector)</li> </ul> </li> <li>• <b>SAFA Best Presented Annual Report Awards:</b> <ul style="list-style-type: none"> <li>• <b>Joint Bronze Award</b> – Financial Services Sector</li> </ul> </li> <li>• <b>TAGS Awards 2024 (CA Sri Lanka):</b> <ul style="list-style-type: none"> <li>• <b>Gold</b> – Finance Companies, Leasing &amp; Other Financial Institutions (Total Group Assets Above LKR 75 Bn)</li> </ul> </li> <li>• <b>CMA Excellence in Integrated Reporting Awards 2024:</b> <ul style="list-style-type: none"> <li>• <b>Best Integrated Report</b> – Finance &amp; Leasing Sector</li> </ul> </li> <li>• <b>LankaPay Technnovation Awards 2025:</b> <ul style="list-style-type: none"> <li>• <b>Gold</b> – Most Popular Digital Payment Product</li> </ul> </li> <li>• <b>LMD Most Respected Entities:</b> <ul style="list-style-type: none"> <li>• <b>Sector Winner</b> – Finance &amp; Leasing Category</li> </ul> </li> <li>• <b>ICSDB Excellence Awards 2024:</b> <ul style="list-style-type: none"> <li>• <b>Merit Award</b> – In-House Implementations</li> </ul> </li> </ul>
 <p><b>Leisure Sector</b></p>	<p><b>The Fortress Resort and Spa:</b> Recognised for Exceptional Guest Experiences</p>	<ul style="list-style-type: none"> <li>• <b>TripAdvisor: Travelers’ Choice 2024</b> – Hospitality (International)</li> </ul>
 <p><b>Investments and Others</b></p>	<p><b>Uni-Dil Packaging:</b> Awarded for Work Culture and Well-being, Management Practices, Quality and Productivity</p>	<ul style="list-style-type: none"> <li>• <b>50 Best Workplaces in Sri Lanka 2024</b> – Great Place to Work Sri Lanka (National)</li> <li>• <b>Best Management Practices Company Awards 2024</b> – Institute of Chartered Managers of Sri Lanka (National)</li> <li>• <b>National Convention of Quality &amp; Productivity 2024</b> – Sri Lanka Association for the Advancement of Quality &amp; Productivity (National)</li> </ul>



The Best Management Practices  
Company Awards 2025 –  
Swisstek Aluminium Ltd

**20** Awards  
Lifestyle Sector

**8** Awards  
Aluminium sector

**6** Awards  
Investments and Others sector

**2** Awards  
Vallibel One

**11** Awards  
Finance sector

**3** Awards  
Consumer sector






**1** Award  
Leisure sector

## CAPITAL REPORTS

### INTELLECTUAL CAPITAL

#### QUALITY CONTROL AND STANDARDS

Operational excellence is a cornerstone of resource efficiency, driving enhanced customer value through an unwavering commitment to quality, safety, security, and sustainability. The Group's business units continuously strive to uphold and expand their portfolio of globally and locally recognised certifications, reinforcing their dedication to the highest standards. In pursuit of these objectives, an investment of LKR. 9.22 Mn was made during the year, further solidifying the Group's leadership in operational integrity and excellence.

SECTOR/CLUSTER	SLS	ISO	OTHER
 Lifestyle Sector	●	<b>Lanka Tiles and Walltiles PLC</b> <ul style="list-style-type: none"> <li>ISO 27001:2022 - Information Security Management System</li> <li>ISO 13006:2018 - Glazed Ceramic Tiles</li> <li>ISO 10545-2 - Surface Quality</li> <li>ISO 14001 - Environmental Management System</li> </ul>   <b>Rocell PLC</b> <ul style="list-style-type: none"> <li>ISO 9001:2015 - Quality Management System</li> <li>ISO 14001 - Environmental Management System</li> </ul>  <b>Swisstek Ceylon PLC</b> <ul style="list-style-type: none"> <li>ISO 9001:2015 - Quality Management System</li> <li>ISO 13007 - Ceramic Tiles — Grouts and Adhesives</li> </ul> 	<ul style="list-style-type: none"> <li>Green Label, European CE Certification, Water Mark, OHSAS, ANSI 137.1:2022</li> <li>British Standard-BS 3402 :1969</li> </ul>
 Aluminium Sector	●	<ul style="list-style-type: none"> <li>ISO 9001:2015- Quality Management System</li> </ul>	<ul style="list-style-type: none"> <li>Green Label, QUALICOAT</li> </ul>
 Leisure Sector	-		<ul style="list-style-type: none"> <li>Green Globe, Wellness and Spa Europe, GMP Certificate</li> </ul>
 Investments and Others	-	<ul style="list-style-type: none"> <li>ISO 9001:2015-Quality Management System</li> <li>ISO 14001:2015-Environment Management System</li> <li>FSSC 22000 :2018 :Food Safety System Certification</li> <li>ISO 22000:2018 :Food safety Management</li> <li>ISO 14064 :Carbon Foot print verification</li> <li>ISO 14067-Carbon neutralize certification</li> <li>SMETA</li> <li>WRAP</li> <li>Obtained zero carbon certification</li> </ul>	<ul style="list-style-type: none"> <li>HACCP, 5S Programme, Quality Circle</li> </ul>
 Finance Sector	●	<ul style="list-style-type: none"> <li>ISO 27001: 2013 Certification on Information Security</li> </ul>	
 Consumer Sector		<ul style="list-style-type: none"> <li>ISO 14001 certification for Environmental Management Systems</li> </ul>	

## BRAND BUILDING

Vallibel One's trusted brands have earned the admiration of Sri Lankans nationwide, known for their excellence and diverse yet well-curated offerings. Over the years, through strategic export development, the reputation of the Group's business units has transcended local borders, leading to significant strides in international market penetration.

To maintain strong brand equity and a portfolio that resonates across all demographics, the Group relentlessly pursues excellence, service quality, and continuous innovation. A mix of targeted above-the-line and below-the-line communication strategies underpins the Group's brand-building initiatives, driving awareness and reinforcing core brand values.

In the year under review, the Group invested LKR. 1,172 Mn in brand-building activities to enhance visibility and top-of-mind recall among key consumer groups.

# LKR 1,172 Mn

## INVESTED IN BRAND BUILDING

(LKR 1,088 MN IN 2023/24)

L B FINANCE



LB FINANCE

# 20<sup>th</sup>

RANKED

# 1<sup>st</sup>

IN THE FINANCE AND LEASING SECTOR

# A-

BRAND RATING

LANKA TILES



LANKATILES

# 39<sup>th</sup>

RANKED

# 03

SUB-BRANDS FOR SANITARYWARE AND TILES

# AAA-

BRAND RATING

Rocell



# 04

PARTNER BRANDS

Vallibel | ONE

Vallibel One  
Valuing diversity



LANKATILES

Lanka Tiles  
A local identity



DELMEGE

Delmege  
A legacy for quality



ROCELL BATHWARE

Rocell Bathware  
Bathware masterpieces



ROCELL

Rocell  
Premium brand in the lifestyle sector



SWISSTEK ALUMINIUM  
FOR THE PERFECT FINISH  
Swisstek Aluminium  
Pioneer in the industry



UNIDIL  
THE LEADER IN PACKAGING  
Uni-Dil  
The leader in corrugated cartons



THE FORTRESS  
A LUXURY BEACH ESCAPE  
The Fortress Resort and Spa  
A luxury beach escape



LB FINANCE  
LB Finance  
A strong financial tradition

CAPITAL REPORTS

INTELLECTUAL CAPITAL

DEVELOPMENT OF PROCESSES, UNIQUE FRAMEWORKS, AND KNOWLEDGE

Technology and Process Innovation

The Group continuously updates and aligns its systems and procedures with the latest technological advancements, fostering resilience and ensuring business continuity in the face of disruption.

6 COMPANIES IMPLEMENTED SAP/ S4 HANA SOLUTIONS IN 2024/25

In line with its commitment to innovation, the Group has actively pursued initiatives in digitalisation, automation, machine learning, and artificial intelligence, driving improvements in speed, productivity, quality, and sustainable resource usage. These efforts played a crucial role in mitigating the impact of the high cost of raw materials, and driving cost and resource efficiencies across operations. Additionally, the ongoing benefits of implementing SAP solutions across various business divisions continued to enhance efficiency throughout the year.

Cybersecurity and Data Privacy

Cybersecurity remained a top priority throughout the year, as digitalisation continued to transform operations across industries globally. In response, the various business divisions within Vallibel One Group took tangible steps to comply with the newly introduced Data Protection Act, while further enhancing their data privacy and security protocols in line with global standards, in order to safeguard sensitive information. There were no instances of data breaches reported during the year under review.

0 DATA BREACHES REPORTED (0 IN 2023/24)

Research and Development

As consumer expenditure continued to tighten, the need for market differentiation became more crucial than ever. To stay ahead of the competition, the Group’s diverse business sectors focused on developing new products and services tailored to meet the evolving needs of customers and to tap into emerging, high- potential markets. This strategic approach allowed the Group to maintain business resilience and consistently deliver results despite a constrained growth environment.

Recognising the dynamic nature of customer expectations, the Group’s various sectors, including its Lifestyle, Consumer and Packaging arms, made continuous efforts to streamline and enhance their existing product offerings. This ongoing evolution is driven by specialised research and development units within each organisation or cluster, dedicated to fostering innovation and adapting to changing market demands.

Throughout the year, the Group invested LKR. 98 million in research and development, reinforcing its commitment to creating value and staying ahead in a competitive and ever-changing landscape.



Research and Development Swisstek Aluminium

SECTOR	NEW PRODUCTS
Lifestyle	413 new products developed
Aluminium	2 new products developed
Finance	1 new products developed
Consumer	2 new products developed
Investments and Others	10 new products developed

LKR 98 Mn

R&D INVESTMENT

(LKR 149 MN IN 2023/24)

LKR 20 Mn

NPD INVESTMENT

(LKR 274 MN IN 2023/24)

LKR 168 Mn

SOFTWARE DEVELOPMENT

(LKR 281 MN IN 2023/24)



## POLICIES AND FRAMEWORKS

The Group is supported by a robust set of policies and frameworks that ensure ethical business conduct, good governance, and long-term sustainability. These frameworks encompass key areas such as Environmental, Social, and Governance (ESG) policies, asset management, risk mitigation, and shareholder relations, all designed to promote transparency and accountability. By aligning with industry best practices, these frameworks drive operational excellence while fostering organisational development and scalability. They empower the Group to adapt to changing market conditions, maintain stakeholder trust, and create sustainable value across its diverse business sectors.

*Refer the Corporate Governance Report from pages 146-157 for more information on Group policies.*

## Operational Excellence Framework

Vallibel One Group's commitment to operational excellence began in 2016 with the adoption of Total Productive Maintenance (TPM), marking the onset of its journey to improve operational efficiency across all business units. This initiative, driven by the Group's leadership and governing board, laid the foundation for continuous improvement practices that have since evolved and elevated the Group's manufacturing capabilities.

By 2023, the Group successfully achieved its operational excellence goals, solidifying its position as a leader in Sri Lanka's manufacturing sector. Building on this success, in October 2023, Vallibel One launched its new Operational Excellence Assessment Framework, integrating methodologies such as Lean, Six Sigma, Industry 4.0, and Integrated Work Systems (IWS).

The new framework is built on key pillars, including Autonomous Maintenance, Focused Improvement, Policy Deployment, Early Management, Planned Maintenance, Quality Maintenance, and the 5S Methodology. These pillars form the backbone of the Group's strategy for sustaining excellence.

Guided by Mr. A.M. Weerasignhe, Chairman of the Operational Excellence Governing Committee, the Group's continuous improvement efforts are supported by a structured Rewards and Recognition program. The assessment criteria evaluate various aspects of Continuous Improvement (CI), with a strong focus on Kaizen initiatives, improvement projects, and 5S methodology, ensuring both technical proficiency and a culture of excellence across all levels.



## Institutional Knowledge and Expertise

The Group's longstanding growth is driven by its exceptional collective expertise, which provides a competitive edge in a rapidly evolving market. The deep, tacit knowledge embedded within the organisation enables effective strategic decision-making, fosters innovation, and underpins operational excellence — a core foundation that is crucial for the Group's long-term success. Under the guidance of the Board and Senior Management, the Group is steered toward achieving corporate excellence, with management teams equipped with the

necessary skills and experience to implement their strategies successfully.

A strong collaborative platform exists across the Group's various business units, encouraging shared learning, creativity, and valuable insights. This platform facilitates ongoing improvements in strategy, systems, and processes, ensuring decisions align with the Group's overall growth strategy and core values. Additionally, management teams benefit from continuous training and exposure to international best practices, fostering a culture of cross-organisational learning.

To ensure sustained leadership and growth, the Group has developed structured succession planning and mentoring programs. These initiatives are designed to nurture emerging leaders and high performers, empowering them to drive excellence and contribute to the organisation's ongoing success.

*Refer the Human Capital Report from pages 105-116 for more information on Learning and Development*

CAPITAL REPORTS

INTELLECTUAL CAPITAL

CORPORATE MEMBERSHIPS AND ASSOCIATIONS

Corporate memberships and associations play a vital role in fostering industry collaboration and knowledge exchange. By actively participating in these networks, the Group gains access to valuable insights, best practices, and emerging trends within the industry. These memberships facilitate stronger relationships with key stakeholders, promote alignment with regulatory standards, and provide opportunities to influence industry developments. Additionally, they serve as platforms for the Group to contribute to collective industry advancements, enhancing its reputation as a forward-thinking and engaged leader in the market.

SECTOR	MEMBERSHIPS AND ASSOCIATIONS	SECTOR	MEMBERSHIPS AND ASSOCIATIONS
 Lifestyle Sector	<ul style="list-style-type: none"><li>• Sri Lanka Customs</li><li>• Ceylon Chamber of Commerce</li><li>• Ministry of Industries</li><li>• Geological Survey and Mines Bureau</li><li>• Department of Commerce</li><li>• National Wood Floors Association</li><li>• Institute of Supply and Materials Management –Sri Lanka (ISSM)</li><li>• The National Chamber of Commerce.</li><li>• Sri Lanka Italy Business Council.</li><li>• Ceylon Chamber of Industries</li><li>• Sri Lanka- Nordic Business Council</li><li>• Exporters Association of Sri Lanka</li><li>• Sri Lanka Ceramics and Glass Council</li></ul>	 Finance Sector	<ul style="list-style-type: none"><li>• The Finance Houses Association of Sri Lanka</li><li>• Leasing Association of Sri Lanka</li><li>• The Ombudsman Sri Lanka (Guarantee) Limited</li><li>• Mercantile Cricket Association</li><li>• Mercantile Football Association</li></ul>
		 Aluminium Sector	<ul style="list-style-type: none"><li>• Aluminium Stewardship Initiative (ASI)</li></ul>
		 Leisure Sector	<ul style="list-style-type: none"><li>• Tourist Hotel Association of Sri Lanka (THASL)</li><li>• Hoteliers of South (HOST)</li><li>• Ceylon Chamber of Commerce</li></ul>
		 Investments and Others	<ul style="list-style-type: none"><li>• Lanka Corrugated Cartons Manufacturers Association</li><li>• Geological Survey and Mines Bureau</li><li>• The Ceylon Chamber of Commerce</li><li>• Sri Lanka Association for the Advancement of Quality and Productivity (SLAAQP)</li></ul>

FUTURE STRATEGY AND OUTLOOK:

As the Group navigates an increasingly competitive and evolving business environment, it remains committed to executing a strategic roadmap that fosters growth, drives innovation, and enhances operational excellence. The following key strategies will guide the Group’s efforts:

**Upholding Good Governance and Ethical Practices:** The Group will continue to prioritise good governance and ethical practices, ensuring stakeholder loyalty and trust amidst growing market and regulatory pressures. By fostering transparency and accountability, the Group aims to strengthen its position as a trusted market leader.

**Strengthening Brand Equity through Targeted Communication:** To build and maintain market share, the Group will rely on an optimised mix of communication channels and strategic campaigns. This approach will nurture brand equity and enhance customer

engagement, allowing the Group to adapt to changing consumer needs and retain a competitive advantage.

**Leveraging Digital Platforms for Brand Awareness:** The Group will strategically leverage digital channels and social media platforms to boost brand awareness, engage with a broader audience, and foster long-term customer loyalty. Digital marketing will play a key role in enhancing visibility and connecting with consumers in an increasingly digital-first world.

**Expanding Knowledge Base through Strategic Training:** In its commitment to intellectual growth, the Group will pursue the expansion of its knowledge base through structured training programmes and strategic partnerships with renowned institutions. This will ensure that the organisation remains at the forefront of industry trends and developments, equipping its workforce with

the skills necessary to thrive in a rapidly changing landscape.

**Integrating Quality Standards and Process Optimisation:** The Group will continue to integrate recognised quality standards, certifications, and process optimisation initiatives to ensure operational efficiency and meet the evolving demands of the market. This commitment to continuous improvement will enable the Group to maintain its competitive edge while driving consistent performance.

**Expanding Market Reach through Product Development:** In order to drive growth, the Group will focus on venturing into new markets through the development of innovative products that cater to emerging consumer demands. This strategy will support the Group’s long-term vision of diversifying its offerings and expanding its market presence both locally and internationally.



# SOCIAL AND RELATIONSHIP CAPITAL

Vallibel One thrives on the strength of its long-term relationships. With a vast and diverse social and relationship capital, the Group’s success is deeply rooted in its ability to foster meaningful connections across a wide range of stakeholders. By actively engaging with customers, partners, and communities, Vallibel One doesn’t just build rapport—it forges the strategic alliances that are central to its continued growth and impact in the market. This relentless focus on relationship-building is a cornerstone of the Group’s enduring success.

HIGHLIGHTS FOR THE YEAR

**160**  
OUTLETS  
(150 IN 2023/24)

**LKR 97.8 Mn**  
R&D INVESTMENT  
(LKR 149 MN IN 2023/24)

**LKR 103.2 Bn**  
TOTAL SUPPLIER PAYMENTS  
(LKR 119 BN IN 2023/24)

**56%**  
PAYMENTS TO SMES  
(59% IN 2023/24)

**79%**  
LOCAL SUPPLIER PAYMENTS  
(80% IN 2023/24)

**LKR 38.4 Bn**  
TOTAL COMMUNITY INVESTMENTS  
(LKR 58 BN IN 2023/24)

OPERATING LANDSCAPE

As the nation entered a post-crisis period, consumer spending remained low due to high living costs, reduced discretionary income, and rising material prices. These pressures hit vulnerable communities hardest, making basic needs harder to meet. Supply chain disruptions, driven by geopolitical tensions and import restrictions, compounded the situation. Amidst these challenges, consumers increasingly sought sustainable, healthy, and eco-friendly products.

STRATEGIC RESPONSE

The Group diversified its product offerings to cater to the demand for health-conscious and sustainable alternatives, while maintaining cost-efficiency for financially constrained consumers. It focused on optimising supply chains, exploring alternative sourcing, and reducing reliance on high-cost imports. Additionally, the Group increased its focus on export markets to expand global reach and reduce exposure to domestic market volatility.

Strategic Imperatives:

- Financial Resilience
- Nurturing Partnerships
- Prudent Investments
- Operational Excellence
- Good Governance

ACTIVITIES	VALUE ADDED	IMPACT
Customer Relationship Management	<ul style="list-style-type: none"><li>Innovation and product development</li><li>Increased accessibility and reach</li><li>A responsibility to quality</li><li>Engagement and communication</li></ul>	<ul style="list-style-type: none"><li>Quality Products and Services</li><li>Uninterrupted Supply of Goods</li><li>Increased Stakeholder Loyalty</li></ul>
Supporting Suppliers and Business Partners	<ul style="list-style-type: none"><li>Mutually beneficial relationships</li><li>Responsible supply chain management</li><li>Quality sourcing</li></ul>	<ul style="list-style-type: none"><li>Improved Business Performance</li></ul>
Safeguarding Community Well-being	<ul style="list-style-type: none"><li>Community recruitment</li><li>Community Engagement</li><li>Philanthropy</li></ul>	<ul style="list-style-type: none"><li>Societal Growth and Progress</li></ul>

CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

CUSTOMER RELATIONSHIP MANAGEMENT

Innovation and Product Development

Vallibel One offers a diverse range of products and services across six key industries, providing its customers with unmatched solutions. The Group places a strong emphasis on research and development to enhance its product value propositions and align with evolving consumer needs and expectations. During the year under review, the Group invested LKR 20 Mn in product development,

focusing on a mix of unique products, product modifications, cutting-edge solutions, and eco-friendly offerings to better serve its customers.

LKR 20 Mn

INVESTED IN PRODUCT DEVELOPMENT



(LKR 31 Mn IN 2023/24)

424

NEW PRODUCTS

(LKR 172 IN 2023/24)

SECTOR	PRODUCT NAME	DESCRIPTION	VALUE ADDED
 Lifestyle Sector	Large Format Tiles	Introduced 1m x 1m, 80x120cm, and 80x80cm tiles for seamless, modern interiors. Sri Lanka's first-ever matt-polished tiles were introduced.	Meets demand for sophisticated designs, enhancing aesthetics and functionality.
	3D Precision Carving Ink Technology	Advanced carving ink technology for intricate, custom-designed tile textures.	Offers personalised, high-quality designs perfect for contemporary interiors.
	Smart Toilets	Touchless controls, water-saving technology, and adjustable temperature settings for an enhanced bathroom experience.	Combines luxury, hygiene, and eco-friendliness, reducing environmental impact while enhancing comfort.
	Rimless Tornado Flushing System	Rimless tornado flushing system for superior and hygienic toilet performance.	Improves water usage and cleanliness, aligning with sustainability goals.
	Epoxy Adhesive and Epoxy Grout	High-performance adhesive and grout for construction and tiling.	Provides reliable, durable solutions, meeting the demand for long-lasting building materials.
	Expansion into New Markets	Entered furniture hardware, kitchen appliances, and fireproof doors via partnerships with global brands like Hettich and Warisandor.	Broadens product range and strengthens distribution, enhancing global market access.
 Finance Sector	Solar Loan	Launched a solar loan to support investments in solar energy systems.	Encourages renewable energy adoption and supports sustainability efforts.
 Aluminium Sector	SlimLine Sliding System	Space-saving sliding system for modern interiors.	Stylish, efficient sliding solutions for residential and commercial spaces.
	SlimLine Glass Partition	Versatile glass partition system for modern interiors.	Elegant, space-saving partition for office and residential designs.
	Proprietary Systems	ALLURA – SA5000 Series Premium sliding door system with advanced design for luxury applications.	Superior aesthetics and functionality for upscale interiors.
		ALLURA – SA3000 Series Enhanced sash and frame design, increasing load capacity from 100kg to 300kg.	Boosts performance for demanding applications with greater load capacity.
	Swisstek Superior Class – S30 Series	Durable sliding system for premium applications.	High-performance, reliable sliding solutions for upscale spaces.
	Swisstek Solar Series	Optimised ground mount solar purlins with connectors for better installation efficiency.	Improves solar installation efficiency and compatibility.

SECTOR	PRODUCT NAME	DESCRIPTION	VALUE ADDED
 <b>Consumer Sector</b>	Health-Oriented Food Products	Launched new food products catering to health-conscious consumers.	Meets growing demand for healthy, nutritious food options.
	Partnership with Nobel Bio Care	Partnered with Nobel Bio Care to distribute orthodontic solutions in Sri Lanka.	Enhances market presence and access to trusted, high-quality orthodontic products.
 <b>Investments and Others</b>	Hydrocarbon Packing Paper Sacks	Eco-friendly hydrocarbon-based paper sacks for industrial use.	Sustainable packaging solution, reducing environmental impact.
	Laminated Sack Kraft Paper for Food Parcelling	Developed laminated sack Kraft paper for safe, hygienic food packaging.	Supports the growing demand for eco-friendly and durable food packaging.
	Laminated Kraft Liner Boards	Developed Kraft liner boards for manufacturing paper cups and lunch boxes.	Provides sustainable packaging solutions for the food service industry.
	Tea Packing Paper Pouches	Designed envelope-sized tea packing paper pouches for export markets.	Meets demand for high-quality, fresh-preserving tea packaging for exports.
	Lubricants for Energy Efficiency	Launched lubricants aimed at energy efficiency and industrial applications.	Improves operational efficiency, reducing energy consumption and supporting sustainability.

*Refer Sector Reviews from pages 78-89 for details Refer Intellectual Capital from pages 117-124 for details*

### Product Accessibility

To enhance customer satisfaction and expand market reach, Vallibel One places significant emphasis on ensuring product accessibility. The Group is supported by a robust distribution network that spans the entire island, comprising branches, showrooms, and strong distributor partnerships.

In the Lifestyle segment, the network is fortified through synergies between showrooms and outlets operated under Lanka Tiles and Rocell, ensuring widespread availability of products. In addition to leveraging on a vast network

of dealers and distributors, the Consumer sector has strengthened its engagement through online platforms, transitioning to e-commerce and establishing a solid presence in the omni-channel marketplace, enabling customers to shop conveniently across multiple touchpoints.

The Aluminium sector maintains enduring relationships with distributors across the island, while the Finance sector relies on a solid local branch network, and has solidified its footprint in Myanmar, with a network of 20 branches supporting its operations.

In addition, the Group's export presence has grown significantly across multiple sectors, broadening its reach into international markets.

Throughout the year, the Group successfully launched 10 new branches, further expanding its influence and improving customer accessibility.

*Refer Sector Reviews from pages 78-89 for details*

*Refer Manufactured Capital from pages 96-104 for details*

**SWISSTEK**

**ALUMINIUM**  
FOR THE PERFECT FINISH








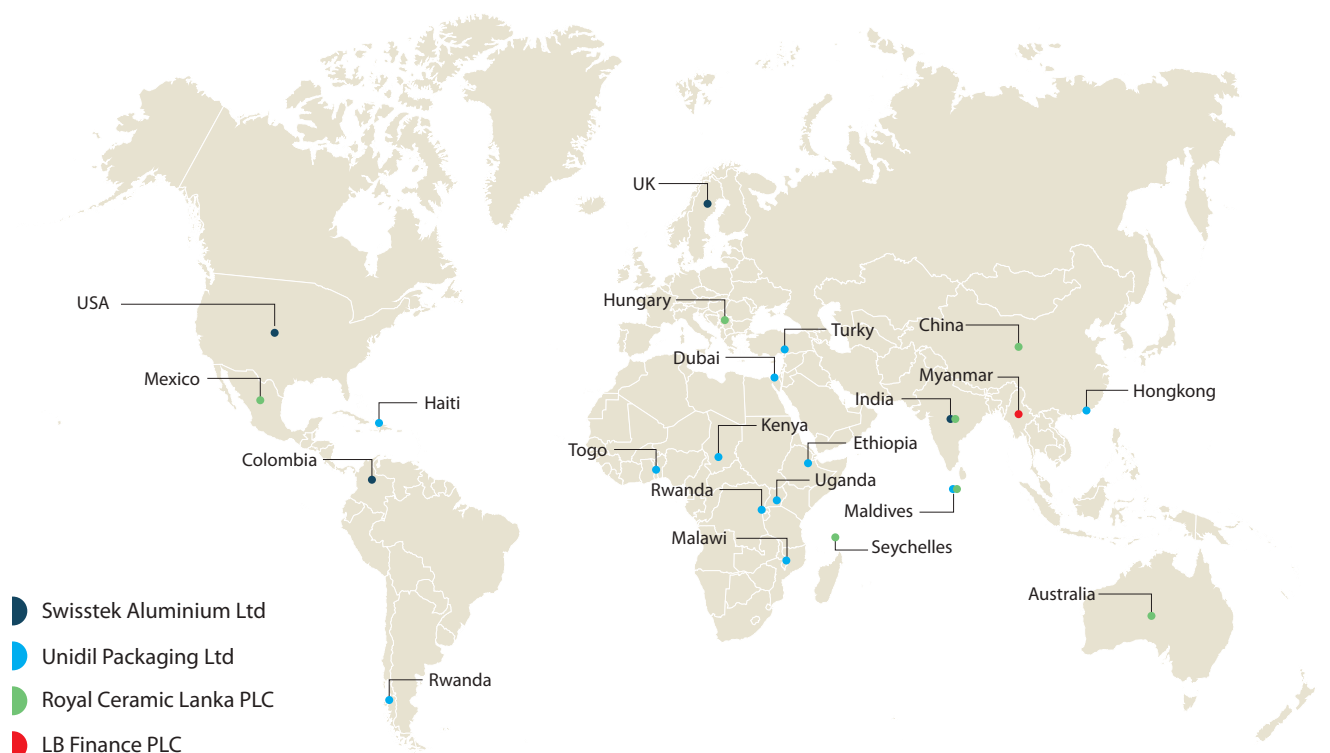
We Create Spaces Within Spaces



## CAPITAL REPORTS

### SOCIAL AND RELATIONSHIP CAPITAL

SECTOR	DOMESTIC PRESENCE	OVERSEAS PRESENCE	ONLINE PLATFORMS
 <b>Lifestyle Sector</b>	<b>153</b> <b>SHOWROOMS &amp; OUTLETS</b> (150 IN 2023/24)	USA, Australia, India, Maldives, Kenya	<b>Lanka Tiles:</b> Amazon retail for USA, Mobile app, <a href="http://www.lankatile.com">www.lankatile.com</a>  <b>Rocell:</b> Virtual tour design hub, <a href="http://www.rocell.com">www.rocell.com</a> , Facebook Building products & Interior Décor Delmart <a href="http://delmegeinterior.com/shop/">delmegeinterior.com/shop/</a>
 <b>Finance Sector</b>	<b>216</b> <b>BRANCHES</b> (200 IN 2023/24)	Myanmar	<a href="http://www.lbfinance.com">www.lbfinance.com</a> Cash-in-Mobile app
 <b>Aluminium Sector</b>	<b>204</b> <b>DEALERS AND DISTRIBUTORS</b> (198 IN 2023/24)	Bangalore	Online shopping portal <a href="http://daraz.lk">daraz.lk</a> 3 e-commerce channels
 <b>Consumer Sector</b>	<b>55,704</b> <b>DEALERS AND DISTRIBUTORS</b> (60,729 IN 2023/24)		<a href="http://daraz.lk">daraz.lk</a> , Kapruka, Celeste, Lassana Flora, <a href="http://qubic.lk">qubic.lk</a> , <a href="http://ikman.lk">ikman.lk</a>
 <b>Investments and Others</b>		Kenya, Ethiopia, Maldives, Pakistan, Haiti	





## PRODUCT AND SERVICE RESPONSIBILITY

Service quality remains a cornerstone of the Group's value proposition, reflecting its client-centric foundation. Each company within the Group is committed to delivering exceptional service by continuously improving every aspect of the customer experience.

The Group maintains a strong focus on upholding the highest standards of quality across its operations, ensuring adherence to local and international certifications and regulatory guidelines. It consistently meets all applicable laws and regulations, particularly those related to product quality and customer safety. Furthermore, all products and services undergo thorough evaluation to assess their impact on health and safety.

## QUALITY STANDARDS AND CERTIFICATIONS ACROSS THE GROUP:

- **ISO 9001:2015 (Quality Management System)** - Held by Rocell, Swisstek Aluminium, and Lanka Tiles.
- **FSSC 22000:2018 (Food Safety System Certification)** - Held by Unidil.
- **ISO 22000:2018 (Food Safety Management)** - Held by Unidil.
- **SLS Certification** - Held by Rocell for product quality compliance.
- **CE Mark Certification** - Held by Rocell for adherence to European product safety standards.
- **QUALICOAT (Powder Coating Quality Standard)** - Held by Swisstek Aluminium.

*Refer Sector Reviews from pages 78-89 for details*

*Refer Intellectual Capital from pages 117-124 for details*

## MARKETING, BRANDING, AND COMMUNICATION

The Group places significant emphasis on enhancing brand value across its sectors through effective branding, marketing communications, and promotional activities. A comprehensive mix of traditional and digital channels is used, including print and electronic media for above-the-line advertising, alongside direct marketing campaigns like roadshows and door-to-door sales targeting both consumers and traders. Many sectors also leverage social media, online platforms, and product brochures to engage with their audiences. In the past year, the Group invested LKR 1,172 Mn in marketing and promotional activities.

**LKR 1,172 Mn**  
**INVESTED IN MARKETING  
 AND COMMUNICATIONS**  
 (LKR 1,088 MN IN 2023/24)



*Provincial Engineering Services Department Training Program - Swisstek Aluminium*

## LIFESTYLE

Rocell undertakes the following mechanisms to elevate the overall customer experience:

- Dedicated contact centre and CRM system for personalised customer service.
- Introduced South Asia's first live shower experience, providing a unique perspective of premium bathroom design with AXOR and Hansgrohe.
- Offers comprehensive after-sales support to ensure customer satisfaction.

Swisstek Ceylon PLC, announced an exciting partnership with Chamari Athapaththu, the Captain of Sri Lanka Women's National Cricket Team and a global cricketer icon. This initiative marked a significant step for the company as it embraces a female influencer in a traditionally male-dominated industry. The collaboration aims to empower both men and women to play a role in construction and renovation decisions, emphasising the importance of quality and durability in building and living spaces for the future.

The interior decor segment launched a dedicated website and e-commerce platform to drive customer engagement and purchases.

CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

ALUMINIUM

The Aluminium sector tracks key performance indicators (KPIs) across both traditional and digital media channels, enabling the measurement of the effectiveness of integrated marketing campaigns. The sector also collaborates with industry experts, key opinion leaders, and influencers to strengthen brand communication and drive impactful results.

ALUPENTERS.LK

Swisstek Aluminium is proud to be the pioneer in Sri Lanka with the launch and ongoing management of the country’s first and only website dedicated to connecting aluminium fabricators with clients in need of their services. The term “alupenter” was coined by Swisstek Aluminium to refer to these skilled fabricators. Through the website [alupenters.lk](#), over 1,800 fabricators are linked to a diverse client base seeking expertise in fabricating a wide range of aluminium products, including doors, windows, partitions, shop fronts, louvres, bathrooms, roofs, tile skirting, ladders, racks, closets, and pantry cupboards. The website is also active on Facebook and Instagram. Open to all fabricators regardless of their product or brand preference, this platform fosters the growth and development of the aluminium industry, serving both commercial and altruistic purposes.

1,800

FABRICATORS

132,259

FOLLOWERS ON FACEBOOK

1,500,000

MONTHLY REACH

Engaging with Product Influencers

The Aluminium Sector prioritised engagement and knowledge building initiatives with its key product influencers, comprising fabricators, architects, and engineers.

01

FABRICATOR  
PROGRAMME

118

PARTICIPANTS

03

SOLAR INSTALLER  
PROGRAMMES

600

PARTICIPANTS

01

ENGINEER  
PROGRAMME

90

PARTICIPANTS

08

VOCATIONAL TRAINING  
AUTHORITY PROGRAMMES

313

PARTICIPANTS

LEISURE

The Fortress relies on a well-rounded strategy to connect with guests:

- Partners with global travel operators and online platforms (e.g., Booking.com, Expedia, Agoda).
- Participates in international trade fairs like ITB Berlin and WTM London to enhance visibility and reach affluent travelers.
- Robust digital marketing strategy with an optimised website and targeted paid media campaigns.
- Strong performance on social media platforms like Instagram, Facebook, and TripAdvisor.

SUPPORTING SUPPLIERS AND BUSINESS PARTNERS

Vallibel One has cultivated a robust network of principles, business partners, and suppliers across a wide range of industries, including both large corporations and small- and medium-sized enterprises (SMEs). Many of the Group’s companies hold exclusive agency and distribution rights for well-known global brands in Sri Lanka, a testament to the trust and commitment maintained in their business relationships.

The Group’s business model relies on leveraging the assets, capital, technological expertise, and creative insights that enable it to achieve its operational objectives. Vallibel One believes in fostering capacity growth and collaboration, ensuring mutually beneficial, long-term partnerships across its supply chain. During the reporting period, the Group’s Finance sector strengthened the oversight and management of its supplier network by revising the scope of its suppliers. This involved the inclusion of all suppliers across its branches (including one-time vendors)

into its Enterprise Resource Planning (ERP) System.

Given the Group’s growing international presence, suppliers from the Group’s overseas operations were included, expanding the overall supplier count by an additional 147 vendors. These revisions were largely attributable to the Group’s supplier base increasing by 209% year-on-year. There were no significant changes across the remaining business verticals and their supplier networks.

23,610

TOTAL SUPPLIERS  
(7,630 in 2023/24)

In response to ongoing geopolitical tensions and supply chain disruptions, Vallibel One placed a stronger emphasis on diversifying its supply chain to enhance business resilience and continuity. The Group has expanded its network of suppliers and alternative vendors to shield itself from external shocks, while actively seeking partnerships with leading industry experts to maintain the highest standards of quality and innovation. These diversified partnerships have helped Vallibel One to continue delivering best-in-class products and services while adhering to ethical business practices.

The Group's collaborative approach with suppliers and business partners has been instrumental in strengthening its position within the market, as it works closely

with esteemed organisations to foster innovation, leverage proprietary knowledge, and encourage collaborative synergies.

#### SUPPLIER SCREENING AND COMPLIANCE

Vallibel One places a strong emphasis on ensuring that all suppliers and business partners meet the Group's rigorous standards of quality and compliance. Before onboarding any supplier, due diligence is performed to assess their credentials and alignment with the Group's values, including adherence to high standards and regulatory requirements. Social and environmental criteria are key components of the Group's supplier screening process.

The Group maintains close working relationships with its suppliers through dedicated procurement committees, ensuring that all vendors comply with contractual obligations and responsible business practices. Vallibel One fosters transparency and accountability by conducting regular site inspections, recurring assessments, and evaluations throughout the supply chain. This ensures that suppliers are continuously aligned with the Group's ethical standards and regulatory requirements.

In addition, Vallibel One promotes supplier growth by providing access to training programs and business development opportunities, enabling suppliers to enhance their capabilities and drive mutual success.



#### LOCAL SUPPLIERS

Vallibel One consistently prioritises forming partnerships with regional suppliers who meet the Group's rigorous procurement standards. In response to challenges such as import restrictions and material sourcing difficulties, the Group accelerated the expansion of its local supplier base during the COVID-19 pandemic. This shift has not only helped mitigate disruptions but also contributed to fostering national development and supporting economic growth.

Vallibel One continued to maintain a higher proportion of local suppliers during the year. The Group's focus on a more localised supplier base forms a key part of its broader strategy to reduce external dependencies, mitigate supply chain risks, and strengthen business resilience. At the same time,

the Group continues to engage with international suppliers to uphold quality standards, secure critical raw materials, and maintain a diversified sourcing portfolio.

Resultantly, at the close of the reporting period, Vallibel One's total supplier network comprised 23,610 suppliers, with supplier payments totalling LKR 103,184 Mn. 98% of the Group's supplier base consists of suppliers based locally\*, with small- and medium-sized business suppliers accounting for 96% of the overall supplier base.

*\* The Group defines local suppliers as those located within the country of operation of each respective company within Vallibel One's reporting boundary.*

## 98%

PROPORTION OF LOCALLY BASED SUPPLIERS  
(95% in 2023/24)

## 79%

PROPORTION OF SPENDING ON LOCAL SUPPLIERS  
(80% in 2023/24)

## 56%

PROPORTION OF PAYMENTS TO SMES  
(59% in 2023/24)

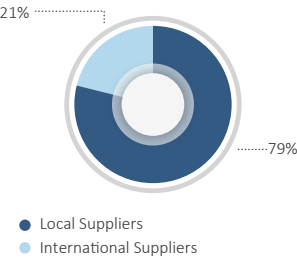
## 96%

PROPORTION OF SME SUPPLIERS  
(89% in 2023/24)

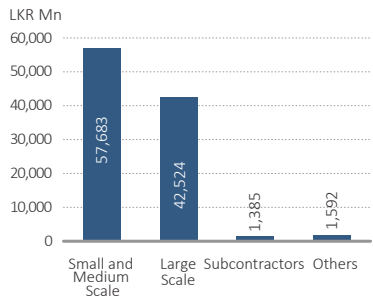
CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

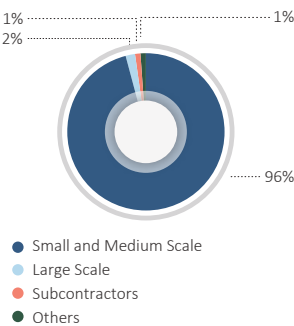
Geographical breakdown of supplier payments



Supplier Payments by type



Supplier Profile



SAFEGUARDING COMMUNITY WELL-BEING

The Group maintains strong ties with local communities through its manufacturing and leisure sectors, understanding the importance of community involvement for public trust and goodwill. The Group's companies, including leisure, lifestyle, aluminium, and packaging, conduct regular dialogues with local leaders to ensure transparency in their business practices and any changes within the community.

Several Group entities actively support community-based events—whether religious, cultural, or recreational—further reinforcing their commitment to community development. Through its socio-cultural and environmental initiatives, the Group empowers local communities, fostering a positive impact on both the environment and human well-being.

In the reporting period, the Group invested LKR.38.35 million on philanthropic activities and community service, directly benefiting 38,323 communities across 114 projects.

LKR 38 Mn

CSR INVESTMENT

(LKR 58 MN IN 2023/24)

38,323

BENEFICIARIES












(1,000,000 + 2023/24)

114

NUMBER OF PROJECTS

(112 IN 2023/24)

SECTOR	INITIATIVES	IMPACTED SDGS:
<div> Lifestyle Sector</div>	<p><b>Education &amp; Youth Development:</b></p> <ul style="list-style-type: none"><li>Donated school supplies including books, stationery, bags, and uniforms to underprivileged students.</li><li>Supported school infrastructure through classroom construction and donations of tiles and pallets.</li><li>Launched employee-focused child education programs benefiting hundreds of children, from preschool to A/L.</li><li>Sponsored university student research programs.</li></ul> <p><b>Religious &amp; Cultural Contributions:</b></p> <ul style="list-style-type: none"><li>Donated tiles, paints, roofing sheets, iron bars, and other materials to temples, churches, and religious sites.</li><li>Provided refreshments, meals, and funding for religious events such as Vesak, Katina, Poson, and Perahera festivals.</li><li>Contributed to the renovation and construction of religious and community buildings.</li><li>Supported local cultural events including Sinhala and Tamil New Year celebrations.</li></ul> <p><b>Community &amp; Social Welfare:</b></p> <ul style="list-style-type: none"><li>Provided dry rations and lunch packs to low-income families and public offices.</li><li>Made monetary donations to hospitals, welfare societies, and community events.</li><li>Conducted tree planting programs with local government collaboration, planting hundreds of trees.</li><li>Organised environmental clean-ups and awareness campaigns in partnership with residents.</li><li>Supported police and other public service institutions with donations of materials and event funding.</li></ul> <p><b>Employee Support:</b></p> <ul style="list-style-type: none"><li>Held certificate-awarding programs to develop staff skills.</li><li>Supported employees' families through education aid.</li><li>Conducted recreational and team-building events such as sports tournaments and factory visits.</li></ul>	<div></div>

SECTOR	INITIATIVES	IMPACTED SDGS:
 <b>Aluminium Sector</b>	<b>Religious &amp; Cultural Support:</b> <ul style="list-style-type: none"> <li>Organised Vesak lantern exhibitions and hosted a Dansala during Vesak Poya Day.</li> <li>Renovated and donated a Dharma Shalawa to a nearby temple.</li> </ul> <b>Community Upkeep:</b> <ul style="list-style-type: none"> <li>Maintained access roads (e.g., through grass cutting) near the factory to support surrounding communities.</li> </ul>	 
 <b>Leisure Sector</b>	<b>Community Engagement:</b> <ul style="list-style-type: none"> <li>Provided clean drinking water to local schools in partnership with local authorities.</li> <li>Supported local artisans by promoting and selling their crafts to guests.</li> </ul> <b>Environmental Responsibility:</b> <ul style="list-style-type: none"> <li>Organised annual beach clean-up campaigns</li> <li>Participated in broader environmental preservation activities.</li> </ul>	  
 <b>Consumer Sector</b>	<b>Community Development &amp; Welfare:</b> <ul style="list-style-type: none"> <li>Improved infrastructure in underserved schools.</li> <li>Delivered medical outreach programs in disadvantaged areas.</li> <li>Provided vocational training opportunities for youth and adults.</li> </ul> <b>Environmental &amp; Volunteer Initiatives:</b> <ul style="list-style-type: none"> <li>Employee-led volunteer programs supported local clean-ups and donation drives.</li> </ul>	  

## COMMUNITY RECRUITMENT

The Group places a strong emphasis on recruiting from local communities, with a specific focus on the youth market. This approach has fostered strong ties between the Group and the communities in which it operates. The Group's talent sourcing strategy, particularly in the Consumer and Finance sectors, has delivered favourable results, with a significant number of positions in the marketing and sales divisions filled by local youth. Additionally, the leisure sector's associate firm continues to recruit fresh talent from surrounding regions, which injects new knowledge and energy into the industry.

## SOCIOECONOMIC COMPLIANCE

Vallibel One maintains strict adherence to all relevant laws, rules, and regulations. During the reporting period, the Group did not incur any fines or other non-monetary sanctions for breaches of socioeconomic factors, demonstrating its commitment to lawful and ethical practices across all business operations.

## FUTURE STRATEGY AND OUTLOOK:

Vallibel One is committed to strengthening its social and relationship capital through ongoing communication with customers, suppliers, trading partners, and local communities. The Group focuses on the following priorities:

- **Expand Distribution and Presence:** Broaden and optimise distribution networks to reach a wider, more diverse customer base. Seek out export markets for lucrative growth opportunities.
- **Drive Innovation & New Product Development:** Invest in research and development to innovate and launch new products that meet evolving customer needs.
- **Maintain Quality Standards:** Ensure all products and services meet the highest standards while adhering to product responsibility regulations.
- **Enhance Supply Chain Resilience:** Improve supply chain quality to ensure business continuity and enable growth opportunities.
- **Support Local Business Growth:** Provide opportunities for local businesses to thrive, fostering economic development.
- **Collaborate with Communities:** Partner with local communities to enhance their welfare, development, and overall well-being.
- **Prioritise Local Recruitment:** Focus on hiring talent from surrounding communities, especially from the youth market, to contribute to local growth.

By focusing on these key areas, Vallibel One aims to foster sustainable growth, strengthen community ties, and drive positive social impact.



CAPITAL REPORTS



NATURAL CAPITAL

HIGHLIGHTS FOR THE YEAR

19,248 MT  
RECYCLED MATERIAL USED IN PRODUCTION  
(26,569 MT IN 2023/24)

41,591 MT  
RENEWABLE MATERIAL CONSUMPTION  
(32,081 MT IN 2023/24)

136,921 TCO<sub>2</sub>E  
CARBON EMISSIONS  
(140,945 TCO<sub>2</sub>E IN 2023/24)

1,030,310 GJ  
ENERGY CONSUMPTION  
(1,060,463 GJ IN 2023/24)

104 GJ  
ENERGY INTENSITY - PER EMPLOYEE (113 GJ IN 2023/24)

- The Group introduced a range of environmentally conscious products and services—including solar loan schemes, aluminium solar structures, recycled packaging solutions, and performance-enhancing lubricants—to support sustainable living and promote responsible resource use across industries.
- The packaging cluster achieved carbon neutral certification during the year.
- The Group collectively contributes towards 5,372 MW of solar power generation, reflecting an overall increase in solar production of 59% against the previous year.

As a diversified conglomerate with a broad operational footprint, the Vallibel One group recognises its significant environmental impact. In response, the group adopts a proactive approach to managing its natural capital—encompassing the use, protection, and preservation of both renewable and non-renewable resources. Across its businesses, sustainability is embedded into operations to ensure responsible resource management, support long-term business continuity, and contribute to the preservation of the planet for future generations.

OPERATING LANDSCAPE

Persistently high costs of energy, paper, and raw materials continued to drive up the cost of goods and services. Climate change remained a key concern, with extreme weather events and coastal erosion in Sri Lanka disrupting operations. New environmental regulations and policies introduced during the year increased compliance demands, reinforcing the need for responsible natural capital management.

STRATEGIC RESPONSE

The Group is increasing its reliance on renewable energy, while leveraging digitalisation and process improvements to enhance resource efficiency across operations. In addition, several Group entities are introducing products and services that support responsible resource use—such as energy-efficient solutions and environmentally conscious alternatives—reflecting a commitment to sustainability at both operational and customer levels. Responsible waste management and environmental impact mitigation also remain key focus areas to minimise the Group’s footprint.

Strategic Imperatives:

- Financial Resilience

● Sustainable Operations

● Prudent Investments

● Operational Excellence

● Good Governance

ACTIVITIES	VALUE ADDED	IMPACT
Responsible Resource Consumption	<div><div>• Resource efficiency</div><div>• A trusted reputation</div><div>• Cost efficiency</div></div>	<div><div>• Conserving Essential Resources</div><div>• Enabling Community Well-being</div><div>• Safeguarding the Planet</div><div>• Reducing Carbon Footprint</div><div>• Integrating Responsible Values</div></div>
Impact Management	<div><div>• Mitigating negative impacts</div><div>• Safeguarding communities</div></div>	
Empowering Green Choices	<div><div>• Promoting responsible resource consumption across society</div></div>	
Compliance and Standards	<div><div>• Mitigating negative impacts</div><div>• Stewardship and good governance</div></div>	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div></div>



RESPONSIBLE RESOURCE CONSUMPTION

Material Consumption

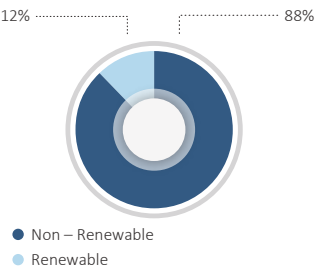
Natural resources form the backbone of several key sectors within the Group, including mining, aluminium, packaging, and tile manufacturing. During the 2024/25 financial year, the Group utilised a total of 349,805 metric tonnes of raw materials, with the renewable component

increasing to 12% (41,591 MT) compared to 9% (32,081 MT) in the previous year—reflecting the Group’s ongoing commitment to integrating more sustainable inputs across its operations. Non-renewable materials accounted for 88% (308,214 MT), down from 91% in 2023/24.

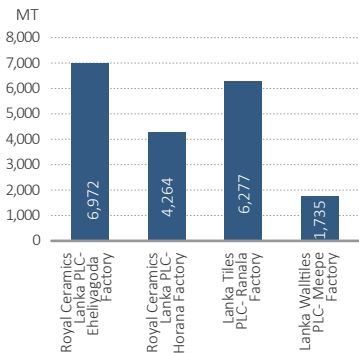
Recycled material inputs represented 5.5% of total materials used, compared

to 7.3% in the previous year. As part of its circular economy model, the packaging cluster exported 3,421 MT of recycled paper compared to 2,467 MT in 2023/24, reinforcing the Group’s focus on resource efficiency and waste reduction across its value chain.

Renewable and Non renewable materials



Recycled input materials in production



Non Renewable Materials (MT)	Renewable Materials (MT)
Feldspar- 150,957	Paper- 29,523
Kaolin- 20,753	
Silica Sand- 27,359	
Aluminium Billets- 8,413	
Ball clay- 80,448	

To manage its resources effectively, the Group focuses on three key strategies: responsible sourcing, efficient production, and the implementation of the 3R principles (reduce, reuse, recycle).

EFFICIENT PRODUCTION

RESOURCE MANAGEMENT

RESPONSIBLE SOURCING

3R PRINCIPLES

REDUCE

REUSE

RECYCLE

A photograph showing an industrial effluent treatment plant. It features a large rectangular concrete tank filled with greenish water. Above the tank, there is a complex metal framework with various pipes, valves, and mechanical components, likely part of the filtration or aeration system. The background shows some industrial buildings and trees.

Effluent Treatment Plant - Lanka Walltiles

## CAPITAL REPORTS

### NATURAL CAPITAL

#### RESPONSIBLE SOURCING

- The mining cluster collaborates with the Geological Survey and Mines Bureau to preserve active mines and rehabilitate discontinued sites through back-filling and recultivation.
- The Group advocates and enforces best environmental management practices, ensuring all supply chain participants comply with relevant laws and regulations.
- In the leisure sector, backward integration is supported by using organic produce grown on hotel grounds within the Group's associate company.
- Vendors are regularly evaluated for sustainability and environmental compliance to uphold responsible sourcing standards.
- The packaging cluster ensures its paper sources comply with sustainability guidelines and holds FSC Chain of Custody (FSC COC) and Worldwide Responsible Accredited Production (WRAP) certifications, demonstrating its commitment to responsible sourcing and ethical production.

#### EFFICIENT AND RESPONSIBLE PRODUCTION

- Utilising digital technologies to increase productivity and achieve process efficiencies.
- Using renewable resources in the tile manufacturing process.
- To increase productivity, the Group's manufacturing activities continue to follow the "Total Productive Maintenance" programme.
- SAP and 5S have been implemented across a number of businesses to enhance enterprise resource planning and boost the effectiveness and productivity of resources.
- The tiles, packaging, aluminium, and consumer sectors hold a range of certifications and maintain Environmental Management Systems (EMS). The sectors also track energy and water use to support responsible resource use and sustainability practices.
- The packaging cluster achieved carbon neutrality certification, demonstrating its commitment to reducing environmental impact.

#### 3R PRINCIPLES

##### Reduce

- Increased slip density from 1.76 to 1.80 in tile manufacturing, reducing raw material and energy consumption.
- Adopted dry squaring machines in tile production to reduce water usage and enhance efficiency.
- Reduced green waste and refining rates by exploring alternative raw materials and improving process control.
- Used organic produce grown on hotel premises to reduce reliance on external suppliers.
- Integrated energy-efficient lighting solutions and green operational practices across all sectors to minimise energy consumption and environmental impact.

##### Reuse

- Recycled and reused tile production waste within the manufacturing process.
- Refilled discontinued mines using ceramic and tile waste, promoting reuse in land rehabilitation.
- Reused aluminium scrap collected from the local market in production cycles.
- Recycled soap in the leisure sector for further use, reducing waste.
- Installed a heat recovery system in the tile segment to reuse excess kiln heat in spray dryers, thereby reducing energy consumption by 8.1 million kW.

##### Recycle

- Recycled aluminium production waste internally within the aluminium segment.
- 3,421 MT of waste paper in 2024/25 was collected within the packaging segment, up from 2,467 MT in 2023/24.
- Recycled waste paper across multiple Group businesses as part of broader sustainability initiatives.
- Composted wet waste in the leisure sector, converting it into usable organic matter.
- Progressed toward 100% recycling of wastewater and solid waste in selected tile factories.

*Refer Sector Reviews from pages 78-89 for details on the Group's Resource Management initiatives  
Refer page 146 for more information on impact management through compliance and standards*

## WATER CONSUMPTION

The Group used 493 million litres of water during the 2024/25 financial year, marking a 6% reduction compared to 526 million litres in 2023/24. This decline reflects improved operational efficiencies and stronger water management practices across sectors.

The Lifestyle sector remained the largest consumer, accounting for 83% of the Group's total water usage. Notably, this sector reduced its water consumption by 17%, from 495 million litres in 2023/24 to 410 million litres in 2024/25, driven by increased efficiency measures and water recycling initiatives.

The Investments and Others sector followed with 6.4% of total water use, while the Consumer sector accounted for 0.68%. Other sectors, including Aluminium, Leisure, and Finance, represented a minimal share collectively.

Water for Group operations is primarily sourced from groundwater and municipal supplies, which support both manufacturing and service activities. The Group promotes responsible water usage by recycling and reusing purified water for ancillary and operational processes.

During the year, selected tile factories progressed toward 100% recycling of wastewater, showcasing strong alignment with the Group's sustainability targets. In the aluminium sector, the previously installed wastewater recovery system—incorporating reverse osmosis and biological treatment—continued to function effectively, recovering a significant portion of water for reuse.

The Group's consistent focus on water efficiency has led to a sustained reduction in total water consumption from a peak of 705 million litres in 2022/23 to 493 million litres in 2024/25, a cumulative reduction of 30% over two years.



## ENERGY CONSUMPTION

In order to meet its energy needs for factory operations, in addition to fulfilling air conditioning and lighting needs throughout its corporate premises, the Group principally depends on electricity from the national grid. Additional non-renewable energy sources used in operations include furnace oil, diesel, gasoline, and LP gas.

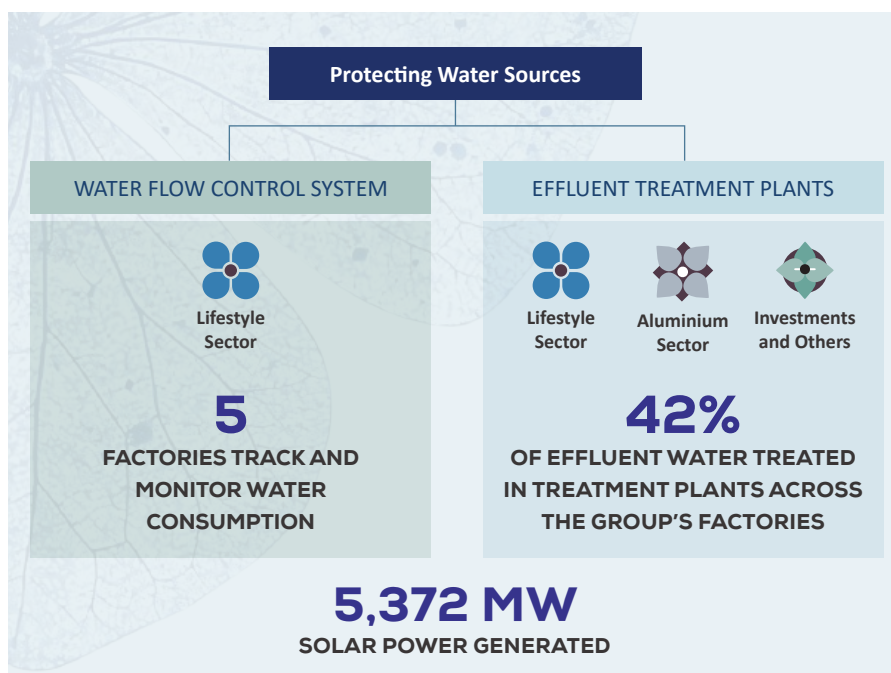
In terms of the Group's reliance on renewable energy sources, the packaging cluster utilises both bio-mass/firewood and solar energy, while the aluminium sector is involved in the generation of solar energy.

In 2024/25, the Group recorded a total energy consumption of 1,030,310 GJ, representing a 3% reduction from the previous year (1,064,463 GJ). This marks a continued downward trend in energy use

over the past three years, reflecting ongoing operational efficiencies and improved resource management.

Electricity usage per employee decreased by 6% year-on-year to 8,306 kWh, reversing the increase seen in 2023/24. Group-wide energy intensity declined to 104 GJ per employee, from 113.34 GJ the previous year—an important indicator of enhanced efficiency.

The Lifestyle sector remained the highest consumer of energy (86%), followed by Aluminium and Investment and Others sectors. Despite challenges such as high energy costs and resource constraints, the Group mitigated impacts through the integration of technology-driven process improvements, employee awareness campaigns, and continued reliance on renewable energy solutions.



CAPITAL REPORTS

NATURAL CAPITAL

ENERGY OPTIMISATION INITIATIVES IN 2024/25

- Solar power generation rose significantly to 5.37 million kWh (from 2.06 million kWh in 2023/24), driven by expanded installations across multiple sites.
- The Tiling segment introduced energy-efficient production mechanisms, further reducing dependence on non-renewable energy.
- The Grout segment introduced natural drying using solar heat for sand, significantly reducing reliance on traditional high-energy drying processes.
- LP gas fell by 9% as a result of cleaner fuel transitions and enhanced process controls.
- The Aluminium sector advanced energy efficiency through furnace oil preheaters, improved insulation in ovens, and installation of low-power rectifiers.
- The Packaging cluster expanded its use of biomass and solar energy, further reducing fossil fuel dependency and supporting circular economy efforts. This included an 859 kW solar system which generates over 90,000 kWh monthly.

▼ 3%

IN ENERGY  
CONSUMPTION

▼ 9%

IN ENERGY  
INTENSITY

▲ 59%

IN SOLAR POWER  
GENERATION

5,372 MW

SOLAR POWER GENERATED

SOLAR ENERGY AT VALLIBEL ONE

The Group benefited from solar-powered installations constructed across various factories and commercial buildings, which supported both internal operations and contributed to the national grid, helping offset the rising cost of electricity from non-renewable sources. In 2024/25, the Group generated over 5.37 million kWh of renewable energy—a 59% increase from the previous year—reinforcing its commitment to sustainable energy use and addressing a critical national energy need.



Solar Panel Installation - Unidil

ENERGY CONSUMPTION AND INTENSITY

ENERGY SOURCE	CONSUMPTION LEVEL IN 2022/23	CONSUMPTION LEVEL IN 2023/24	CONSUMPTION LEVEL IN 2024/25
<b>Internal, Non Renewable Resources</b>			
Electricity (GJ)	286,573	299,500	297,067
LP Gas (kg)	27,557,357	27,764,487	25,234,148
Diesel (litres)	2,053,006	651,341	744,565
Furnace oil (litres)	355,156	385,992	461,894
Kerosene (litres)	419,440	364,834	405,608
<b>Internal, Renewable Resources</b>			
Biomass/firewood (kg)	10,944,541	2,813,724	3,592,822
Solar power (kWh)	1,175,055	2,060,173	5,372,477
<b>External</b>			
Diesel and petrol (litres)	1,778,306	2,214,314	2,781,742
Energy intensity- electricity usage per employee (KWh)		8,858	8,306

## IMPACT MANAGEMENT

The sheer extent of Vallibel One's operating and its ensuing impact on the environment has led the Group to undertake deliberate efforts to reduce its impact in four key domains: solid waste, effluents, emissions, and ecosystem management.



### SOLID WASTE MANAGEMENT

The Group places strong emphasis on waste segregation, storage, and responsible disposal of both hazardous and non-hazardous waste, following best practices across all sectors with support from third-party suppliers.

During the year, the Group managed a total of 181,193 metric tonnes of waste, a significant increase from 61,290 metric tonnes in the previous year. This rise is primarily due to increased waste from

the Investments and Others sector, which contributed 11,491 MT, up from 8,753 MT previously. The Lifestyle sector generated 29,439 MT, showing a slight reduction from 32,428 MT last year, while the Finance sector reported 140,263 MT of waste generation compared to 20,109 MT in the prior period.

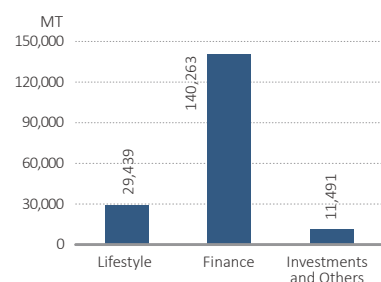
Overall, 129% (181,193 MT) of the waste was recycled, reinforcing the Group's commitment to circular economy practices. Landfill and on-site storage accounted for

**129 %**  
IN RECYCLED WASTE

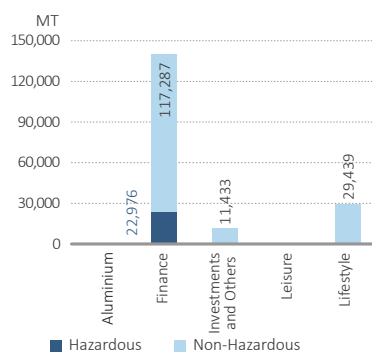
11% and 5% respectively, while reuse made up 4%. Incineration and other disposal methods remained minimal.

These results reflect the Group's ongoing efforts to improve waste management and reduce environmental impact through increased recycling and sustainable waste handling.

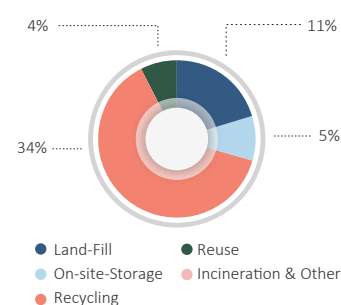
### Waste Generation By Sector



### Type of Waste



### Waste Disposal By Methods

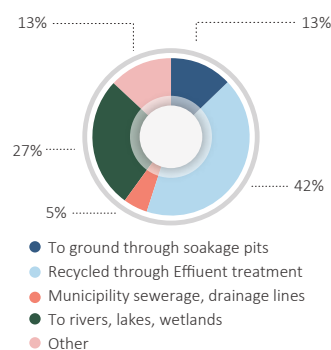


### EFFLUENT TREATMENT

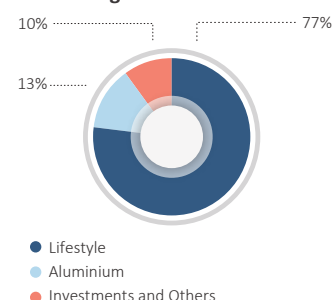
Effluents generated across the Group primarily stems from its manufacturing operations. Vallibel One ensures that all effluents are treated using structured systems before discharge, in line with national environmental regulations and industry best practices, to prevent water contamination and protect ecosystems.

Several Group factories are equipped with operational effluent treatment plants, each supported by the necessary infrastructure to monitor, treat, and discharge water responsibly.

### Effluent treated water discharge



### Effluent water discharged by manufacturing sectors

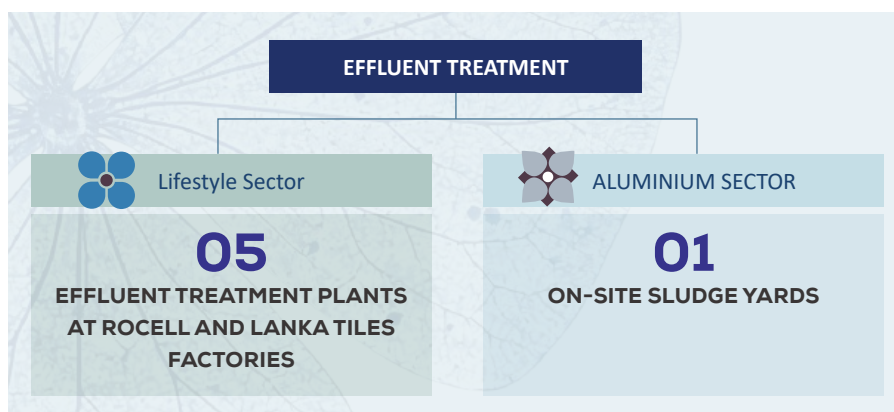




## CAPITAL REPORTS

### NATURAL CAPITAL

In 2024/25, the Group discharged a total of 178.1 million litres of effluent water, a marginal increase from 171.3 million litres the previous year. Despite the increase, treatment efforts remained robust, with 42% (74.7 million litres) of total effluents successfully treated prior to discharge. The Lifestyle sector remained the largest contributor, accounting for 77% of the Group's total effluents representing a decrease of 4% year-on-year, followed by the Aluminium sector at 13%, which saw a notable increase in activity compared to 9% recorded in the preceding year, and Investments and Others remaining stable at 10%.



#### EMISSIONS MANAGEMENT

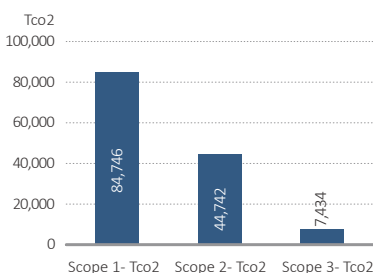
The Group's carbon footprint for the 2024/25 financial year stood at 136,921 tCO<sub>2</sub>e, reflecting a 2.9% reduction from 140,945 tCO<sub>2</sub>e in 2023/24. This decline highlights the Group's continued commitment to decarbonisation through improved energy efficiency, renewable energy adoption, and emissions control across operations.

Scope 1 emissions—primarily from direct fuel combustion—accounted for 62% of total emissions, followed by Scope 2 (electricity consumption) at 33%, and Scope 3 (other indirect emissions) at 5%. The lifestyle sector remained the highest emitter, contributing 87% of total GHG emissions due to the scale and energy intensity of its manufacturing processes. The aluminium and investments and others

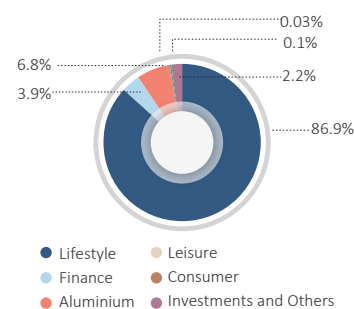
sectors followed, contributing 7% and 2%, respectively.

In a notable development, the packaging segment successfully offset its emissions and achieved carbon neutrality certification, positioning itself as a leader in sustainable packaging and further supporting the Group's overall climate goals.

#### GHG Emissions Scope 1,2,3



#### GHG Emissions by sectors



ENERGY CONSUMPTION AND INTENSITY								
SECTOR	SCOPE 1 EMISSION (TCO2)	%	SCOPE 2 EMISSION (TCO2)	%	SCOPE 3 EMISSION (TCO2)	%	TOTAL EMISSION (TCO2)	%
Aluminium	3,833.25	5%	4,930.21	11%	523	7%	9,286	7%
Consumer	0.00	0%	154.47	0%	26	0%	181	0%
Finance	2,220.58	3%	2,840.84	6%	301	4%	5,363	3.9%
Investments and Others	1,021.15	1%	1,798.03	4%	219	3%	3,038	2.2%
Leisure	0.00	0%	31.81	0%	3	0%	35	0%
Lifestyle	77,670.78	92%	34,986.30	78%	6,361	86%	119,018	87%
Total	84,746		44,742		7,434		136,921	
% From Total	61		33		6			

# 2.9%



## IN TOTAL EMISSIONS

Key drivers of the Group's emission reduction included:

- Lower electricity and LPG usage across core operations
- A 59% increase in solar power generation, rising to 5.37 million kWh
- Energy optimisation measures across the sectors.



## ECOSYSTEM MANAGEMENT

Vallibel One is committed to preserving the ecosystems in which it operates by adhering strictly to regulatory requirements and minimising environmental disturbances, including noise pollution. Across the Group, initiatives are in place to enhance biodiversity and improve the natural environment surrounding operations. Rocell's ecosystem enhancement project focuses on increasing forest cover and biodiversity within factory premises while also raising public awareness on ecosystem conservation. Similarly, the aluminium sector contributes through targeted tree-planting campaigns, and the leisure sector actively supports coastal conservation via regular beach cleanups. These collective efforts reflect the Group's broader commitment to reducing its environmental footprint and fostering sustainable, nature-positive outcomes.



Tree planting Project - Royal Ceramics Eheliyagoda

The Lifestyle sector actively supports environmental conservation through multiple tree planting programs. In collaboration with the Divisional Secretariat Horana and the Central Environmental Authority Kalutara District Office, two programs were held by Rocell's factories for National Environmental Day. One focused on empowering low-income families by enhancing their domestic income sources, resulting in 94 plants being planted. Additionally, a large-scale tree planting initiative took place on factory land in Eheliyagoda, where 1,000 trees were planted to reinforce the sector's commitment to environmental protection and conservation. Furthermore, a new plantation project was introduced at Nadungamuwa by Swisstek Ceylon, expanding ongoing reforestation efforts.

**670**  
**TREES**  
**PLANTED**



Tree planting Project 2024 - Swisstek Aluminium



Unidil Packaging





CAPITAL REPORTS

NATURAL CAPITAL

EMPOWERING GREEN CHOICES

At Vallibel One, the Group is committed to aligning its operations with global sustainability trends while empowering customers and communities to make environmentally responsible choices. Across its diverse sectors, the Group delivers products and services designed to minimise environmental impact and promote a greener future.

Beyond its product and service offerings, Vallibel One actively engages its employees and surrounding communities through sustainability awareness programmes and training. These initiatives aim to foster eco-conscious behaviours, promote environmental stewardship, and encourage participation in activities such as tree planting and cleanups. Through these efforts, the Group continues to cultivate a culture of responsibility and empower individuals to contribute meaningfully to a more sustainable future.






SECTOR	INITIATIVES
 Lifestyle Sector	<ul style="list-style-type: none"><li>• The sector continues to lead the way in sustainable living with eco-friendly tiles, certified by recognised green building councils, that help reduce the carbon footprint of construction projects.</li><li>• The sector’s bathroom solutions are also designed with both sustainability and user comfort in mind, incorporating water-saving technologies, energy-efficient components, and advanced flushing systems that ensure hygiene while significantly reducing water consumption.</li></ul>
 Finance Sector	<ul style="list-style-type: none"><li>• Specialised solar loans are offered to enable customers to transition to clean energy solutions, making solar power more accessible and affordable for both households and businesses.</li></ul>
 Aluminium Sector	<ul style="list-style-type: none"><li>• The Group supports the renewable energy transition by supplying aluminium for solar panels, a critical component of clean energy infrastructure.</li></ul>
 Investments and Others	<ul style="list-style-type: none"><li>• The cluster operates on a circular economy model, sourcing recycled paper and exporting it to clients, thereby reducing reliance on virgin materials and promoting resource efficiency across the value chain.</li><li>• The sector ventured into marketing lubricants, thereby supporting energy efficiency by providing high-performance solutions that reduce friction and fuel consumption in machinery, contributing to lower emissions.</li></ul>

COMPLIANCE AND STANDARDS

Each business segment complies with all relevant local environmental regulations administered by the Central Environmental Authority (CEA) and holds valid Environmental Protection Licences (EPLs). These licences are essential for legal operational continuity and demonstrate the Group’s commitment to baseline environmental compliance in emissions control, waste management, and resource usage.

However, the Group goes beyond regulatory compliance by actively pursuing certifications and frameworks that address broader environmental and sustainability impacts in each sector: The Group adheres to best practices and internationally recognised standards to regulate its resource consumption and environmental impact across its diverse business sectors. Vallibel One is guided by globally accredited certifying bodies to ensure that environmental responsibilities are executed efficiently and responsibly.

During the review period, no fines or non-monetary sanctions were recorded for violations of environmental laws, underscoring the effectiveness of its compliance frameworks.

 <p><b>Lifestyle Sector</b></p>	<p><b>Tiling and Sanitaryware</b></p> <ul style="list-style-type: none"> <li>• Certified with ISO 14001:2015 for Environmental Management Systems, ensuring systematic environmental performance management.</li> <li>• Holds Green Building Council certifications for producing eco-friendly tiles.</li> <li>• Complies with CE certifications, meeting stringent European environmental and safety standards.</li> </ul>	 <p><b>Aluminium Sector</b></p> <ul style="list-style-type: none"> <li>• Holds Green Label certification and QUALICOAT accreditation, reflecting high standards in environmental compliance and product quality.</li> <li>• Swisstek Aluminium retained its membership in the Aluminium Stewardship Initiative (ASI), affirming its alignment with international standards in responsible sourcing, ethical production, and stewardship. ASI focuses on four key priorities across the global aluminium supply chain: climate action, circularity, nature positive action, and human rights.</li> </ul>
 <p><b>Finance Sector</b></p>	<ul style="list-style-type: none"> <li>• L B Finance obtained ISO 14064 – Carbon Footprint Verification and partnered with Control Union Sri Lanka to assess its carbon footprint, including financed emissions under Scope 3 of the GHG Protocol.</li> <li>• Using the PCAF (Partnership for Carbon Accounting Financials) standard, the company measured emissions linked to its financial products, enabling more targeted action to reduce environmental impact.</li> </ul>	 <p><b>Consumer Sector</b></p> <ul style="list-style-type: none"> <li>• Delmege continues to maintain its ISO 14001 certification, reflecting sustained commitment to environmental management across its operations.</li> </ul> <p><b>Packaging Cluster</b></p> <ul style="list-style-type: none"> <li>• Certified with ISO 14001:2015 – Environmental Management Systems.</li> <li>• Achieved ISO 14064 – Carbon Footprint Verification and ISO 14067 – Carbon Neutrality Certification, confirming low-carbon operations.</li> <li>• Holds WRAP and FSC Chain of Custody certifications, ensuring the responsible sourcing of raw materials.</li> </ul>
		 <p><b>Investments and Others</b></p>

### FUTURE STRATEGY AND OUTLOOK:

The Group is committed to long-term sustainability by reducing environmental impact and strengthening climate resilience. Key strategies include:

- **Renewable Energy & Efficiency:** Expanding solar capacity and promoting energy-efficient technologies and low-impact products to support a low-carbon economy.
- **Ecosystem Restoration:** Increasing tree planting, forest cover, and biodiversity on operational lands to offset impacts and promote ecological balance.
- **Water & Waste Management:** Investing in advanced water treatment and sustainable waste systems to prevent contamination and boost recycling.
- **Circular Economy:** Advancing sustainable sourcing, material reuse, and green product development to maximise resource efficiency and reduce waste.

- **Resilience & Continuity:** Embedding climate adaptation strategies to ensure long-term operational resilience.
- **Oversight & Disclosure:** Adopting enhanced environmental standards and transparency frameworks for better governance.
- **Climate Risk Mitigation:** Strengthening mechanisms to assess and manage climate-related risks, integrating them into business continuity planning.

These strategies reinforce the Group's commitment to responsible environmental stewardship, long-term value creation, and alignment with global climate goals.





# Where Integrity Stands Tall

Guided by transparency, at Vallibel One, we uphold the highest standards of governance and integrity. Our steadfast commitment to ESG principles, proactive stakeholder engagement, and stringent regulatory compliance forms the bedrock of our accountability. The clearer our principles, the stronger our progress, driving us toward sustainable growth and ever-greater achievements.

*The camellia is a flowering plant native to East Asia, with over 200 species and a long history of cultivation. It thrives in temperate climates with high humidity and well-drained, acidic soil. Camellias are known for their evergreen foliage and precisely layered petals, which form symmetrical blooms in a range of colours and shapes throughout the year.*



# CORPORATE GOVERNANCE

Vallibel One firmly believes that robust corporate governance structures and frameworks are essential towards achieving the Group’s short-term goals and long-term vision. The organisation’s dedication to good governance is reflected in the leadership of the Board of Directors, who adhere to the highest standards of accountability, transparency, and oversight. This commitment cascades down to every level of the organisation, and has been a cornerstone of the Group’s growth and success over the course of 15 years — and will continue to serve as the organisation’s guiding philosophy in the years to come.

This report outlines the roles and responsibilities of Vallibel One’s governing bodies and details the systems that support sound governance, active stakeholder engagement, and informed decision-making. The Group remains focused on fostering trust and delivering sustainable value through purpose-driven leadership and integrity.

### GROUP GOVERNANCE FRAMEWORK

Vallibel One’s governance framework is underpinned by internally established frameworks, and adherence to voluntary codes and best practices, thereby establishing its commitment towards governance that goes beyond mere regulatory compliance.

Mandatory Standards and Regulations	Internal Frameworks and Policies	Voluntary Codes and Best Practices
<ul style="list-style-type: none"><li>• <b>Identify and segment:</b> Companies Act of Sri Lanka: Compliance with the legal framework governing corporate entities in Sri Lanka.</li><li>• <b>Listing Rules of the Colombo Stock Exchange (CSE):</b> Adherence to regulations for publicly listed companies, including disclosure requirements and corporate governance practices.</li><li>• <b>Articles of Association</b></li><li>• <b>Tax and Financial Regulations:</b> Compliance with Sri Lanka’s tax laws and financial reporting standards.</li></ul>	<ul style="list-style-type: none"><li>• <b>Environmental, Social, and Governance (ESG) Policies:</b> Commitment to sustainability and ethical business practices, as outlined in the Group’s various policy documents.</li><li>• <b>Internal Code of Business Conduct and Ethics:</b> Ensuring ethical behaviour and integrity across all operations.</li><li>• <b>Risk Management Framework:</b> Implementation of policies to identify, assess, and mitigate risks effectively.</li></ul>	<ul style="list-style-type: none"><li>• <b>Code of Best Practices on Corporate Governance 2017:</b> Adoption of the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, focusing on board structure, risk management, and stakeholder engagement.</li><li>• <b>GRI Standards:</b> issued by the Global Reporting Initiative</li><li>• <b>Integrated Reporting Framework:</b> issued by the IIRC</li><li>• <b>UN Sustainable Development Goals (UN SDGs)</b></li></ul>

Vallibel One’s governance structure is fully compliant with legal and regulatory requirements and is further reinforced through established governance frameworks at key subsidiaries. To drive value creation, Vallibel One ensures:

- **Strategic Oversight:** Regular strategic meetings are conducted by the Centralised Research and Development Team, focusing on the growth, governance, and development of its subsidiaries.



- **Compliance & Risk Management:** The Group places significant emphasis on maintaining governance best practices, ensuring accountability and effective risk management across all operations.



## Oversight of Investments and Subsidiaries

Vallibel One operates eight publicly listed companies (as at March 31, 2025), each with its own governance framework. To ensure seamless oversight, across the Group's diverse business entities, Board representation is maintained within each subsidiary, with at least one member of the Vallibel One Board being a member in each subsidiary's Board.

*Refer page 304-310 for more details.*

Additionally, LB Finance which represents the Group's presence in the financial services sector, also complies with the Corporate Governance Directions issued by the Monetary Board of the Central Bank of Sri Lanka for non-bank financial institutions.

## ROLES AND RESPONSIBILITIES

### Board Composition and Diversity

As at 31st March 2025, the Board of Directors comprised 4 Non-Executive Directors, 5 Independent Non-Executive Directors, and 2 Executive Directors. Vallibel One PLC ensures that the composition of its Board complies with the Listing Rules of the Colombo Stock Exchange, the Company's Articles of Association, and the Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka. This governance structure promotes a balanced distribution of authority, preventing any single Director from exercising unfettered control. Board composition is periodically reviewed and may be influenced by appointments, resignations, retirements, or re-elections.

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>The Board serves as the highest governing body, tasked with establishing a robust governance framework that drives performance and protects the Group's assets.</li> <li>The Board is responsible for guiding the Group's strategic direction, overseeing performance, and ensuring effective internal controls are in place to support accurate financial reporting and informed decision-making.</li> </ul>
<b>Roles of the Chairman and CEO</b>	<ul style="list-style-type: none"> <li>The roles of the Chairman and CEO are distinct, allowing for a balance of power on the Board. The Chairman oversees the Board's activities, including scheduling meetings, setting agendas, conducting meetings, ensuring that Board members have adequate information for decision-making, and facilitating effective participation from all members. The Managing Director is responsible for executing strategy within the established policy framework and adhering to regulatory requirements.</li> </ul>
<b>Company Secretary</b>	<p>Secretarial services are provided by P W Corporate Secretarial (Pvt) Ltd who have assigned an Attorney-at-Law to provide Secretarial services to the Board.</p> <ul style="list-style-type: none"> <li> <b>Corporate Governance:</b> <ul style="list-style-type: none"> <li>Ensuring adherence to the Code of Best Practice on Corporate Governance in Sri Lanka.</li> <li>Advising the Board of Directors on governance matters and implementing governance frameworks.</li> </ul> </li> <li> <b>Board Support:</b> <ul style="list-style-type: none"> <li>Organising and preparing agendas for Board meetings.</li> <li>Recording minutes and ensuring follow-up on Board decisions.</li> <li>Acting as a liaison between the Board and shareholders.</li> </ul> </li> <li> <b>Compliance:</b> <ul style="list-style-type: none"> <li>Ensuring compliance with statutory and regulatory requirements, including the Companies Act of Sri Lanka.</li> </ul> </li> <li> <b>Risk Management:</b> <ul style="list-style-type: none"> <li>Filing of statutory forms and other regulatory compliance and maintaining statutory records.</li> <li>Supporting the Board in identifying, assessing, and mitigating risks.</li> <li>Implementing risk management strategies.</li> </ul> </li> <li> <b>Stakeholder Communication:</b> <ul style="list-style-type: none"> <li>Managing relationships with shareholders, regulators, and other stakeholders.</li> <li>Ensuring transparent communication and addressing stakeholder concerns.</li> </ul> </li> <li> <b>Ethics and Sustainability:</b> <ul style="list-style-type: none"> <li>Overseeing ethical practices and compliance programs.</li> </ul> </li> </ul>

## CORPORATE GOVERNANCE

### BOARD COMPOSITION:

4

Non-Executive Directors

5

Independent Non-Executive Directors

2

Executive Directors

36%

46%

18%

- Non-Executive Directors
- Independent Non-Executive Directors
- Executive Directors

#### Directors by Tenure:

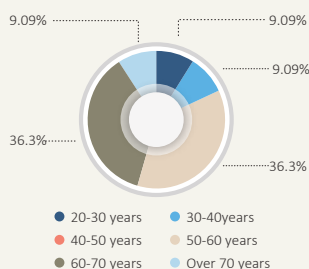
81.8%

0%

18.1%

- 0-3 years
- 3-6 years
- More than 6 years

#### Directors by Age:



#### Directors by Gender:

Vallibel One's Board comprises five female Directors, representing 45% of the total Board composition. This marks one of the highest levels of female representation on the Board of a listed company in Sri Lanka, underscoring Vallibel One's commitment to gender diversity and inclusive leadership at the highest level.

55 %  
Male45 %  
Female

### Board Knowledge and Expertise

The Board comprises a diverse group of accomplished professionals with expertise spanning entrepreneurship, finance, law, marketing, and banking. As detailed in their profiles, they bring a wealth of experience and strategic insight, ensuring effective leadership and oversight. Their collective knowledge represents a balanced mix of traditional disciplines and emerging domains, positioning the organisation to capitalise on current opportunities while staying resilient and adaptive in the face of future challenges.

Refer page 43-46 for Board Profiles.

Board Member	Economics	Risk Management	Accounting & Finance	Entrepreneurship	Banking & Management	Marketing & Sales	Corporate & Commercial Law	Sustainability & ESG Strategy	Digital Transformation and Technology	Engineering and Operations	International Business
Dhammika Perera	●	●	●	●	●	-	-	-	-	-	-
Harsha Amarasekera	-	●	-	-	●	-	●	-	-	-	●
Dinusha Bhaskaran	-	●	●	●	●	●	-	●	-	-	●
Sumith Adhihetty	-	●	●	●	●	●	-	-	-	-	-
Kawshi Amarasinghe	-	●	-	●	●	-	-	●	●	-	-
Brindhiini Perera	-	●	-	●	●	-	-	-	●	●	-
Manil Jayasinghe	●	●	●	-	●	-	-	-	-	-	●
Anura Fernando	-	●	●	-	●	-	-	-	-	-	●
Devika Weerasinghe	-	●	●	-	●	-	-	-	-	-	-
Romany Parakrama	-	●	-	-	●	●	-	●	-	-	-
Jonathan Alles	●	●	●	-	●	●	-	-	-	-	-

### Board Induction and Training

The Board recognises the importance of continuous training and development in corporate governance and their respective areas of expertise to strengthen the collective capabilities of the Board. The Company's management supports this by providing timely information and facilitating visits to facilities and other operational locations as needed or requested. All Directors are encouraged to participate in relevant programmes to enhance their skills and stay informed on developments that may impact the business interests of the Company and the Group.

### Appointment, Re-Election and Resignation of Directors

The Nominations and Governance Committee assists the Board to identify the requirements on the Board, after assessing the skills, knowledge, experience, expertise, diversity, and levels of independence necessary that will best complement the effectiveness of the Board.

Based on such requirements, and the Board's concurrence thereon, the Nominations and Governance Committee then proceeds with the assessment, selection and nomination of suitable candidates to be appointed as Directors.

The Committee makes such recommendations after assessment of the fitness and propriety of such candidates, as per Rule 9.7.3 of the Listing Rules and by obtaining the required Declarations from those candidates. If the candidate is to be appointed as an Independent Director, the Committee will also assess such candidate's independence against the criteria set out in Rule 9.8.3 of the Listing Rules.

The Board, after taking cognizance of such recommendations and assessment of the requirements, makes new appointments to the Board either to fill casual vacancies or as additional Directors. With the proposed amendments to the Articles, these appointees will be required to offer themselves for re-election at the next succeeding Annual General Meeting.

All such appointments to the Board are promptly disclosed to the Colombo Stock Exchange with a brief profile of the appointee in terms of Rule 9.10.2 of the Listing Rules, together with information on relevant interest in shares held by the Director concerned as per Listing Rule 7.8b and the relevant Forms are filed with the Registrar General of Companies concerning the said appointment.

In accordance with the Articles of Association of the Company, one-third of the Directors retire by rotation at each Annual General Meeting (AGM) and are eligible for re-election. Directors who are appointed to the office of Chairman, Deputy Chairman, Chief Executive, Managing or Joint Managing Director, or other Executive Officer are not subject to retirement by rotation while holding such office. Furthermore, in terms of Section 210 of the Companies Act, Directors who are over 70 years of age must be appointed or re-appointed by shareholders at the AGM.

#### Pursuant to these provisions:

the Nomination and Governance Committee, after due consideration has recommended the re-election of Mr Harsha Amarasekera and Ms Brindhiini Perera who retire by rotation and the re-appointment of Mr Sumith Adhihetty who is 74 years of age. Additionally, despite the applicable Article being silent on Directors appointed since the last AGM having to offer themselves for re-election by the Shareholders, the Committee in recognition

of the best practices and the new Directors commitment to uphold such practices, has recommended that the Directors who were appointed since the last AGM, offer themselves for re-election at the forthcoming Annual General Meeting. Accordingly, the Board recommends the re-election of six Directors appointed since the last AGM, and these matters will be placed before the shareholders at the forthcoming Annual General Meeting.

### Directors' Independence

In determining the independence of its Directors, the Board has assessed all relevant criteria as set out in the Listing Rules of the Colombo Stock Exchange.

The Board has, pursuant to review by the Nominations and Governance Committee, reviewed the declarations submitted by the current Independent Non-Executive Directors — Mr. Manil Jayasinghe, Mr. Anura Fernando, Ms. Devika Weerasinghe, Ms. Romany Parakrama, and Mr. Jonathan Alles — and is satisfied that they meet all criteria for independence as prescribed by the Listing Rules. Accordingly, the Board has determined that all five of them are independent in both fact and judgment, and continue to bring an objective and unbiased perspective to Board deliberations.

New Appointments in 2024/25	Resignations in 2024/25	Re-elections at the AGM	Re-appointments at the AGM
<ul style="list-style-type: none"> <li>Mr. Manil Jayasinghe – Independent Non-Executive Director (w.e.f. 01 January 2025)</li> <li>Mr. Anura Fernando – Independent Non-Executive Director (w.e.f. 01 January 2025)</li> <li>Ms. Devika Weerasinghe – Independent Non-Executive Director (w.e.f. 01 January 2025)</li> <li>Ms. Romany Parakrama – Independent Non-Executive Director (w.e.f. 01 January 2025)</li> <li>Mr. Jonathan Alles – Independent Non-Executive Director (w.e.f. 14 February 2025)</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Rajan N. Asirwatham – Independent Non-Executive Director (w.e.f. 31 December 2024)</li> <li>Mrs. Shirani Jayasekara – Independent Non-Executive Director (w.e.f. 31 December 2024)</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Harsha Amarasekera and Ms. Brindhiini Perera, retire in terms of Articles 87 and 88 of the Company's Articles of Association.</li> <li>Mr. Dhammika Perera, Mr. Manil Jayasinghe, Mr. Anura Fernando, Ms. Devika Weerasinghe, Ms. Romany Parakrama and Mr. Jonathan Alles who were appointed in terms of Article 94 of the Articles of Association will all retire at the forthcoming Annual General Meeting and offer themselves for re-election.</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Sumith Adhihetty is recommended for reappointment in terms of Section 211 of the Companies Act.</li> </ul>

### Directors' Interests, Related Party Transactions and Conflicts of Interest

Board members dedicate sufficient time to fulfill their responsibilities diligently, contributing independent perspectives and professional judgment on matters presented to the Board. Each Director's external directorships and significant shareholdings are disclosed and reviewed annually through formal declarations, with timely updates for any new appointments. Directors are required to declare any personal interests related to Board matters and recuse themselves from discussions and decisions where a potential or perceived conflict of interest may exist. The Board is satisfied that these external commitments do not impair the objectivity or effectiveness of its members. As experienced professionals, all Directors are fully aware of their obligation to act in the best interests of the Company in accordance with the Companies Act.

## CORPORATE GOVERNANCE

### MATTERS ADDRESSED BY THE BOARD IN 2024/25

- Investment decisions
- Monitoring performance of investments
- Divestments
- Delegation of authority
- Voting at key AGMs of investee companies
- Policy formulation
- Directors' remuneration
- Compliance and risk-related matters as reported by the Audit Committee
- Matters escalated to the Board by the Related Party Transactions Review Committee
- Re-election/appointment/ reappointment of Directors as recommended by the Nominations and Governance Committee
- Compliance with the new corporate governance rule embodied in Section 9 of the Listing Rules and related matters.

### Board/Sub Committee Meetings and Attendance

To ensure timely and well-informed decision-making, comprehensive Board packs—including the Notice of Meeting, Agenda, and relevant supporting documents—are circulated to Directors well in advance of each meeting. This allows ample time for review and for Directors to seek any necessary clarifications from management. The Board, Audit Committee, and Related Party Transactions Review Committee convene quarterly, with additional meetings scheduled as needed. The Remuneration Committee and Nomination Committee meet, depending on requirements.

Four (4) Board Meetings of the Company were held during the year under review. Directors' attendance at such meetings appear below along with their attendance at sub-committee meetings.

### Board Meeting Attendance

Name of Director	Directorship Status	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nominations and Governance Committee Meetings	Related Party Transaction Review Committee Meetings
Dhammika Perera	● ●	2/2	-		-	-
Harsha Amarasekera	● ●	4/4	4/4	1/1	3/3	3/3
Dinusha Bhaskaran	●	4/4	-		2/2	-
Sumith Adhihetty	●	3/4	-	1/1	1/1	-
Kawshi Amarasinghe	●	4/4	-		-	-
Brindhiini Perera	●	4/4			2/2	-
Manil Jayasinghe	●	1/1	1/1		1/1	
Anura S. Fernando	●	1/1	-		1/1	2/2
Kamani Weerasinghe	●	1/1	1/1			2/2
Romany Parakrama	●					
Jonathan Alles	●	1/1			1/1	2/2
Mrs. Shirani Jayasekara (Resigned w.e.f. 31.12.2024)	●	1/1				
Mr. Rajan N. Asirwatham	●	3/3	3/3	1/1		3/3
(Resigned w.e.f. 31.12.2024)	●	3/3	3/3		1/1	3/3

● NED (Non-Executive Director)

● INED (Independent Non-Executive Director)

● ED (Executive Director)

● Chairman

● Co-Chairman

The directorship status of each Director together with an analysis of their other directorships / key positions appear below: This illustrates that the other directorships in listed companies held by Directors are within the limit prescribed by the Board in terms of the Policy on Matters relating to the Board of Directors, namely maximum of 11 directorships in listed companies.

Name of Director	Directorship Status	Number of Board Seats held in Other Listed Companies		Number of Board Seats held in Unlisted Companies	
		Executive Capacity	Non-Executive Capacity	Executive Capacity	Non-Executive Capacity
Dhammika Perera	● ●	-	02	-	02
Harsha Amarasekera	● ●	-	05	-	12
Yogadinusha Bhaskaran	●	-	03	01	02
Sumith Adhihetty	●	01	01	-	06
Kawshi Amarasinghe	●	-	04	01	01
Brindhiini Perera	●	-	10	-	07
Manil Jayasinghe	●	-	07	-	07
Anura Fernando	●	-	-	-	01
Devika Weerasinghe	●	-	04	-	-
Romany Parakrama	●	-	-	-	-
Jonathan Alles	●	-	07	-	-

● NED (Non-Executive Director)    ● INED (Independent Non-Executive Director)    ● ED (Executive Director)    ● Chairman    ● Co-Chairman

### The Role of the Board Sub-Committees

The Board has established four Committees to support the effective discharge of its responsibilities, as outlined below:

Sub-Committee	Members	Main Area/s of Oversight
Audit Committee	Comprises three Non-Executive Directors of whom two are Independent: Mr Manil Jayasinghe (Chairman) ● Mr Harsha Amarasekera ● ● Ms Devika Weerasinghe ●	Exercising oversight over the following functions: <ul style="list-style-type: none"> <li>control environment and risk management, quality, cost and scope of internal and external audits</li> <li>evaluating and recommending appointment/re-appointment of Auditors, to Board</li> <li>management and statutory reporting including financial reporting processes</li> <li>review and approval of accounting policies and implementation of the same</li> <li>pre-approval of any non-audit services obtained from External Auditors to ensure independence is maintained</li> </ul> <i>Please refer the Report of the Audit Committee on page 164 for more information</i>
Remuneration Committee	Comprises three Non-Executive Directors of whom two are Independent: Ms Romany Parakrama ● (Chairperson) Mr Dhammika Perera ● ● Ms Devika Weerasinghe ●	Making recommendations to the Board on the following matters: <ul style="list-style-type: none"> <li>Remuneration framework of the Company including Senior Management</li> <li>Senior Management performance incentives</li> <li>Remuneration of Executive Directors</li> </ul> <i>Please refer the Report of the Remuneration Committee on page 174 for more information</i>

## CORPORATE GOVERNANCE

Sub-Committee	Members	Main Area/s of Oversight
Related Party Transactions Review Committee	Comprises three Independent Non-Executive Directors: Ms Devika Weerasinghe ● (Chairperson) Ms Romany Parakrama ● Mr Anura Fernando ●	<ul style="list-style-type: none"> <li>Independent review, approval and oversight of related party transactions</li> </ul> <p><i>Please refer the Related Party Transactions Review Committee Report on page 167 for more information</i></p>
Nominations and Governance Committee	Comprises five Non-Executive Directors of whom three are Independent: Mr Anura Fernando ● (Chairman) Mr Harsha Amarasekera ●● Mr Manil Jayasinghe ● Ms Brindhiini Perera ● Ms Romany Parakrama ●	<ul style="list-style-type: none"> <li>Assisting the Board with oversight on competence and composition of the Board of the Company and its subsidiaries and other key personnel.</li> <li>Advise on and recommend appointments and re-appointments/re-election of Directors to the Board including but not limited to:</li> <li>Ensuring that Directors are fit and proper persons to hold office</li> <li>Ascertaining eligibility criteria such as qualifications, experience, independence of the Directors and their capability to meet the strategic demands of the Company.</li> <li>Evaluate as to whether each of such nominees or Directors as the case may be is capable of adequately carrying out his/her duties.</li> <li>Regularly review the structure, size, composition and competencies of the Board and recommend changes to the Board;</li> <li>Consider succession plan for the Key Management Personnel.</li> </ul> <p><i>Please refer the Report of the Nominations and Governance Committee on page 169 for more information</i></p>

### MONITORING STRATEGY AND PERFORMANCE

Vallibel One PLC adopts a structured and multi-faceted approach to monitor its overall strategy and performance, ensuring alignment with its long-term vision, risk appetite, and stakeholder expectations. The Group's efforts are guided by principles of accountability, transparency, and continuous improvement.

Strategic Planning and Review	The Group formulates a comprehensive strategic plan that serves as a roadmap for value creation across its diverse business segments. This plan is periodically reviewed by the Board of Directors and senior management to ensure its relevance in a dynamic operating environment. Progress against defined strategic objectives is monitored regularly, enabling the identification of emerging challenges and opportunities for course correction.
Risk Management	A robust risk management framework underpins the Group's ability to navigate uncertainties. Risks that may affect the achievement of strategic and operational goals are continuously identified, assessed, and mitigated through proactive management. This ensures that strategy execution is resilient and sustainable.
Stakeholder Engagement	The Group places a strong emphasis on engaging with its key stakeholders—including shareholders, employees, customers, suppliers, and regulators—to ensure strategic alignment. Feedback gathered from these interactions informs business decisions and helps fine-tune strategies to meet evolving stakeholder expectations.
Sustainability and ESG Monitoring	Sustainability is embedded into the Group's strategic agenda, with clear commitments to Environmental, Social, and Governance (ESG) principles. Progress on ESG initiatives is actively tracked and transparently disclosed through the Group's annual report and other communication channels. This focus enhances long-term resilience and stakeholder trust.
External Audits	Independent external audits offer an objective assessment of the Group's financial health and operational performance. These audits provide assurance to stakeholders and reinforce the integrity of the Group's reporting and internal control processes.
Board Oversight	The Board of Directors plays a central role in monitoring the implementation of strategies and holding management accountable for performance outcomes. Board subcommittees—including the Audit Committee, Risk Management Committee, and the Related Party Transactions Review Committee—provide targeted oversight in their respective domains, strengthening governance and decision-making.



## MONITORING INVESTMENTS

Dividends from investments represent the principal source of revenue for the Company, making the effective monitoring of these investments a key strategic priority. This is achieved through the judicious exercise of shareholder rights and the rigorous analysis of information provided by investee companies. Directors of Vallibel One PLC also serve on the Boards of its subsidiaries and associate company in various capacities—whether as Executive Directors, Non-Independent Non-Executive Directors, or Independent Non-Executive Directors—as determined by the respective entities in line with the criteria for independence as set out in the Listing Rules. This governance structure ensures consistent strategic alignment, oversight, and value creation across the Group.

Investee	Category	Common Directors
L B Finance PLC	Subsidiary	Mr. Sumith Adhihetty – Managing Director Mrs. Dinusha Bhaskaran – Non-Executive Director
Royal Ceramics Lanka PLC	Subsidiary	Mr. Dhammika Perera – Chairman Mr. Harsha Amarasekera – Co-Chairman Mr. Manil Jayasinghe – Independent Non-Executive Director Ms. Brindhiini Perera – Non-Executive Director
Delmege Limited	Subsidiary	Mrs. Dinusha Bhaskaran – Executive Director Ms. Brindhiini Perera – Non-Executive Director
Greener Water Ltd	Subsidiary	Mrs. Dinusha Bhaskaran – Chairperson Mr. Sumith Adhihetty – Non-Executive Director Ms. Kawshi Amarasinghe – Non-Executive Director
The Fortress Resorts PLC	Associate	Mr. Sumith Adhihetty – Non-Executive Director Ms. Brindhiini Perera – Non-Executive Director Ms. Devika Weerasinghe – Independent Non-Executive Director Ms. Kawshi Amarasinghe – Non-Executive Director
Lanka Walltiles PLC	Subsidiary	Mrs. Dinusha Bhaskaran – Non-Executive Director Ms. Brindhiini Perera – Non-Executive Director
Lanka Tiles PLC	Subsidiary	Ms. Brindhiini Perera – Non-Executive Director
Swisstek (Ceylon) PLC	Subsidiary	Mr. Harsha Amarasekera – Non-Executive Chairman
Swisstek Aluminium Ltd	Subsidiary	Mr. Harsha Amarasekera – Non-Executive Chairman
Lanka Ceramic PLC	Subsidiary	Ms. Devika Weerasinghe – Independent Non-Executive Director

For further information on the Group Companies, refer to pages 304-310.

## DIRECTORS' REMUNERATION

Remuneration for Non-Executive Directors is determined with reference to their responsibilities, the time and expertise they contribute, and prevailing market benchmarks. The Board is responsible for approving these remuneration arrangements, ensuring they are fair and aligned with the scope of their role after considering the recommendations of the Remuneration Committee. Details of Directors' remuneration are disclosed in Note 42.1 to the Financial Statements on page 274.

CORPORATE GOVERNANCE

STAKEHOLDER ENGAGEMENT

At Vallibel One PLC, open and timely communication with shareholders is a cornerstone of good governance. The Company is committed to keeping shareholders informed and involved in key decisions, ensuring transparency, accountability, and compliance with regulatory requirements. The following practices reflect our dedication to maintaining a strong relationship with shareholders and other stakeholders:

Access to Annual Reports and Financial Statements

To ensure shareholders are well-informed, the Annual Report—including Financial Statements and the Notice of Meeting—is made available on the Company’s website and the Colombo Stock Exchange (CSE) website at least 15 working days prior to the Annual General Meeting (AGM).

Shareholder Voting at the AGM

Shareholders are empowered to vote on important matters such as the election or re-election of Directors, the appointment of Directors over the age of 70, and the appointment of Auditors. This ensures shareholder participation in the Company’s governance and decision-making processes.

Board Recommendations via Committees

Recommendations for the appointment and reappointment of Directors and Auditors are made by the Board based on inputs from the Nomination Committee and Audit Committee. This process reinforces transparency and provides shareholders with insight into how key decisions are made.

Quarterly Updates and Public Disclosures

The Company provides quarterly performance updates through Interim Financial Statements and press releases. This ensures shareholders receive regular updates on operational and financial performance.

SHAREHOLDER RELATIONS

Vallibel One PLC is committed to maintaining transparent and timely communication with its shareholders, in line with regulatory requirements and best governance practices.

The Annual Report, including the Financial Statements and Notice of Meeting, is made available to shareholders on both the Company’s and the Colombo Stock Exchange (CSE) websites at least 15 working days prior to the Annual General Meeting (AGM). At the AGM, shareholders are invited to vote on key matters such as:

- The election and re-election of Directors,
- The appointment or re-appointment of Directors over the age of 70,
- The appointment of Auditors, and the authorisation of donations under the Companies (Donations) Ordinance.

Director appointments and reappointments are recommended by the Board, based on evaluations and nominations

put forward by the Nominations and Governance Committee, while the Audit Committee evaluates and recommends the appointment of Auditors by assessing their competence, independence, and objectivity. The Chairman of the Audit Committee and the Auditors attend the AGM to address any shareholder queries, reinforcing accountability and transparency.

In compliance with the Continuing Listing Rules of the CSE, the Company ensures shareholders are kept up to date through quarterly performance disclosures—including Interim Financial Statements and press releases where applicable. Additionally, timely notifications are provided to the CSE on matters such as Director appointments or resignations, and any material, price-sensitive developments, in accordance with rules on corporate disclosure and related party transactions.

The Company has adopted a Policy on Relations with Shareholders and Investors in compliance with the provisions of Rule

*The next AGM of Vallibel One PLC will take place at 3.30 p.m. on the 30th of June 2025.*

9.2.1 of the Listing Rules, which sets out the process for directing their inquiries and suggestions or questions to the Board of Directors through the Company Secretaries.

Accordingly, Shareholders also have the opportunity to make inquiries and suggestions to the Board through the Company Secretaries- P W Corporate Secretarial (Pvt) Ltd, No. 3/17, Kynsey Road, Colombo 8 (011- 4640360, pwcs@pwcs.lk)

They also can directly communicate with the Board at the Annual General Meeting. All significant issues and concerns of Shareholders are referred to the Board with the views of the Management, for consideration and decision by the Board.

## ACCOUNTABILITY AND AUDIT

The Board ensures transparent and responsible business reporting by presenting an Annual Report that complies with all regulatory requirements and aligns with global best practices, including the Integrated Reporting Framework of the International Integrated Reporting Council and the Sustainability Reporting Standards of the Global Reporting Initiative. This report offers a fair and comprehensive view of the Company's financial position, performance, governance, business model, risk management, internal controls, and future outlook, as reflected in both Quarterly and Annual Financial Statements.

Before Board approval, the Managing Director provides a formal declaration confirming the accuracy of financial records, compliance with applicable accounting standards, and the effectiveness of internal controls and risk management systems.

## STRENGTHENING GOVERNANCE PRACTICES

Vallibel One PLC remains committed to enhancing its governance frameworks and practices. The Group began its journey towards aligning with the Code of Best Practice on Corporate Governance in the financial year 2021/22 and is steadily progressing towards full compliance with the revised Corporate Governance Listing Rules of the Colombo Stock Exchange, subject to the transitional provisions therein. With notable milestones already achieved, the Board is focused on further strengthening governance standards in the year ahead.

## Enhancing Budgetary Governance for FY 2025/26

As part of Vallibel One PLC's commitment to proactive risk management and strategic oversight, a structured budget review process has been introduced for the financial year 2025/26.

The initiative aims to ensure that budgets are realistic, strategically aligned, and benefit from Board-level insight. A quarterly review framework will further support this process by monitoring performance, evaluating variances, and identifying emerging risks.

This enhanced approach strengthens financial discipline, promotes transparency, and reinforces governance—supporting the Group's long-term sustainability and resilience.

The Annual Report also includes additional disclosures aligned with the Code of Best Practice on Corporate Governance, further reinforcing the Company's commitment to accountability and transparency.

### Disclosures and Accountability in Financial and Non-Financial Reporting

The Annual Report of the Board of Directors (page 6) outlines the Board's responsibilities in the preparation and fair presentation of the Financial Statements. It also includes statements regarding the Company's compliance with relevant regulatory requirements, as further detailed in the Statement of Directors' Responsibility for Financial Reporting on page 163.

The Independent Auditor's Report on the Financial Statements is presented on page 178.

The Independent Auditor's Report on Integrated Reporting is presented on page 311.

Additional key disclosures include:

- **Sector Review:** A detailed overview of the Group's operational performance by sector, provided on pages 78-89.
- **Related Party Transactions:** Comprehensive disclosures are available in Note 42 to the Financial Statements (page 274), in line with applicable Colombo Stock Exchange Listing Rules and the Annual Report of the Board of Directors.



## CORPORATE GOVERNANCE

### Vallibel One PLC Policy Framework: Governance, Risk, and Sustainability

Vallibel One PLC has established a comprehensive set of policies to uphold governance, ethical conduct, and sustainable practices across its operations. These policies are designed to ensure accountability, transparency, and alignment with stakeholder interests and in compliance with Rule 9.2.1 of the Listing Rule of the Colombo Stock Exchange. Below is a summary of the key policies:

Policy on Anti-Bribery and Corruption	This policy outlines Vallibel One's commitment to preventing bribery and corruption within its operations. It establishes clear guidelines for ethical conduct, prohibits bribery in any form, and sets forth procedures for reporting and addressing any violations.
Policy on Control and Management of Company Assets and Shareholder Investments	This policy provides a framework for the responsible management and safeguarding of company assets and shareholder investments. It emphasises the importance of prudent financial management, regular monitoring, and accountability to protect stakeholder interests.
Policy on Environmental, Social, and Governance (ESG) Sustainability	Vallibel One is committed to integrating ESG principles into its business strategy. This policy outlines the company's approach to sustainable practices, including environmental conservation, social responsibility, and robust governance structures, aiming to create long-term value for all stakeholders.
Internal Code of Business Conduct and Ethics	This code sets forth the ethical standards and behavioural expectations for all employees and directors. It covers areas such as integrity, compliance with laws, confidentiality, and conflicts of interest, fostering a culture of ethical decision-making and accountability.
Policy on Remuneration	This policy defines the principles and practices related to the compensation of directors and executives. It ensures that remuneration is aligned with the company's performance, competitive benchmarks, and the interests of shareholders, promoting fairness and transparency.
Policy on Risk Management and Internal Controls	Vallibel One has implemented a robust risk management framework to identify, assess, and mitigate risks that could impact its operations. This policy outlines the processes for establishing internal controls, monitoring risks, and ensuring compliance with applicable regulations.
Policy on Corporate Governance, Nominations, and Re-Election	This policy governs the company's approach to corporate governance, including the nomination and re-election of directors. It ensures that the board comprises individuals with the necessary skills and independence to provide effective oversight and strategic direction.
Policy on Whistleblowing	Vallibel One encourages employees and stakeholders to report any unethical behaviour or violations of company policies. This policy provides a confidential and protected channel for whistleblowers, ensuring that concerns are addressed promptly and appropriately.
Policy on Relations with Shareholders and Investors	This policy outlines the company's commitment to maintaining transparent and effective communication with shareholders and investors. It ensures that stakeholders are kept informed about the company's performance, strategies, and governance practices.
Policy on Corporate Disclosures	Vallibel One adheres to high standards of transparency in its corporate disclosures. This policy governs the timely and accurate release of information to the public, ensuring compliance with regulatory requirements and fostering trust with stakeholders.
Policy on Matters Relating to the Board of Directors	This policy defines the roles, responsibilities, and operations of the Board of Directors. It ensures that the board functions effectively, with clear guidelines on decision-making, accountability, and performance evaluation.
Policy on Board Committees	Vallibel One has established various board committees to oversee specific areas such as audit, risk, and remuneration. This policy outlines the formation, authority, and responsibilities of these committees, ensuring they operate efficiently and in alignment with the company's objectives.

Since adoption of the said policies, upto the reporting date and as at the date of this Report, no waivers from compliance with the internal code of business conduct and ethics or exemptions have been granted by the Company.


Corporate Governance Principles	Compliance Status	Vallibel One – Extent of Adoption
9.2.1 Policies	Compliant	Board has adopted a comprehensive set of policies including Code of Conduct, whistle-blower policy, and risk management policies.
9.3 Board Committees	Compliant	Audit, Remuneration, Nomination & Governance, and Related Party Transactions Review Committees established.
9.3.2 Composition and Disclosures	Compliant	Each Committee's composition, responsibilities, and meeting attendance disclosed.
9.3.3 Chairperson of Board Committees	Compliant	Independent Non-Executive Directors chair key committees.
9.4.1 Meeting Procedures	Compliant	Clear schedule and frequency for meetings; records maintained.
9.4.2 Communication and Relations with Shareholders	Compliant	Dedicated section for investor relations; AGM conducted with Q&A.
9.5 Policy on matters relating to the Board of Directors	Compliant	Policy outlines appointment, role clarity, training, and succession planning.
9.6.2 Chairperson and CEO	Compliant	Roles of Chairperson and CEO are separated.
9.6.3 Senior Independent Director	Not Applicable	Not Appointed as Chairman is a Non-Executive Director
9.6.3 (b), (c), (e)	Not Applicable	Not Applicable
9.6.4 Rationale for appointing a SID	Not Applicable	Not Applicable
9.7.1 / 9.7.4 Fitness of Directors and CEO	Compliant	Annual self-evaluations and external training ensure competency.
9.7.5 Disclosures in the Annual Report	Compliant	Skills, qualifications, and appointments listed for all directors.
9.8.1 Minimum number of Directors	Compliant	Meets/exceeds the minimum required number.
9.8.2 / 9.8.3 Independent Directors (IDs)	Compliant	5 out of 11 are Independent Non-Executive Directors.
9.8.5 Disclosure relating to Directors	Compliant	Complete profile, committee memberships, and attendance published.
9.9 Alternate Directors	Not Applicable	Not appointed.
9.10.1–4 Disclosure relating to Directors	Compliant	Complies with all subsections – personal, professional and financial.
9.11.1–3 Nomination and Governance Committee	Compliant	Active committee overseeing board composition and performance.
9.11.4 / 9.11.5 / 9.11.6	Compliant	Composition and duties detailed; outcomes disclosed.
9.12.1 / 9.12.5 / 9.12.7 Remuneration Committee	Compliant	Composed entirely of NEDs; Majority INEDs remuneration linked to performance.
9.12.8 Disclosure in the Annual Report	Compliant	Policy, members, and director remuneration disclosed.
9.13.1 / 9.13.4 Audit Committee	Compliant	Independent committee; duties and effectiveness described.
9.13.5 Disclosure in Annual Report	Compliant	Committee report provided with scope and attendance.
9.14.1–4 Related Party Transactions Review Committee	Compliant	RPTRC operates independently with defined scope and reporting.
9.14.7 Immediate Disclosures	Did not agree	The company did not enter into any non-recurrent RPTs
9.14.8 / 9.14.8 (4)	Did not agree	
9.16 Additional Disclosures	Compliant	Board disclosures include sustainability, ESG, and governance.

## STATEMENT OF COMPLIANCE

Vallibel One PLC confirms that it has complied with the Corporate Governance Rules outlined in the Listing Rules of the Colombo Stock Exchange during the year under review and as at the date of this Report.

By order of the Board,

**VALLIBEL ONE PLC**



**P W CORPORATE SECRETARIAL (PVT) LTD**

Secretaries

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Vallibel One PLC has pleasure in presenting to the shareholders their Annual Report on the affairs of the Company together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31st March 2025 conforming to all relevant statutory requirements.

This Report provides the information as required by the Companies Act, No.07 of 2007, Listing Rules of the Colombo Stock Exchange and the recommended Best Practices.

## GENERAL

Vallibel One PLC (the Company) was incorporated as a limited liability company under the name 'Vallibel One Limited' on 9th June 2010 under the Companies Act, No.07 of 2007.

The ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange since 8th July 2011 and consequent thereto its name was changed to Vallibel One PLC on 25th August 2011, under Registration No. PB 3831 PQ.

The Registered Office of the Company is situated at Level 29, West Tower, World Trade Centre, Echelon Square, Colombo 1.

## PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES

The Company carried on business as a diversified investment holding company during the year under review.

The principal activities of the subsidiary companies are referred to in Note 10 to the Financial Statements on page 261.

There have been no significant changes in the nature of activities of the Company and its subsidiaries during the financial year under review.

## REVIEW OF BUSINESS

### Review of Operations

The Chairman's Message on pages 36 to 38, Managing Director's Review on pages 39 to 41 provide an overall assessment of business performance of the Company

and its subsidiaries (hereinafter sometimes collectively referred to as the Group) and the associate company and future developments. These Reports together with the Financial Statements reflect the state of affairs of the Company and its subsidiary companies.

The segment-wise contribution to Group Results, Assets and Liabilities are provided in Note 39 to the Financial Statements on page 270.

## FINANCIAL STATEMENTS

The Financial Statements of the Company and the Consolidated Financial Statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRS) and the Sri Lanka Accounting Standards (LKAS) laid down by The Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the Companies Act, No.7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The aforesaid Financial Statements, duly signed by the Head of Finance and two Directors on behalf of the Board are included in this Annual Report and form an integral part of this Annual Report of the Board of Directors.

## AUDITORS' REPORT

The Report of the Independent Auditors on the Group Financial Statements is on page 178.

## ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The accounting policies adopted in the preparation of the Financial Statements are given on pages 192 to 199. There were no significant changes to the accounting policies used by the Company during the year under review vis-à-vis those used in the previous year.

## DIRECTORS RESPONSIBILITIES FOR FINANCIAL REPORTING

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

The Directors are of the view that the Statement of Financial Position, Statement of Profit or Loss, Statement of Changes in Equity, Cash Flow Statement and Notes to Financial Statements appearing on pages 183 to 292 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act, No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the amendments thereto and the Listing Rules of the Colombo Stock Exchange.

The Statement of Directors' Responsibility for Financial Reporting is given on page 163.

## NET REVENUE, RESULTS AND APPROPRIATIONS

The net revenue of the Group during the year under review was LKR 123 Bn (LKR 122 Bn in the year 2023/24).

The Net Profit before tax of the Group and the Company amounted to LKR 24 Bn and LKR 4 Bn respectively in the year under review [LKR 27 Bn and LKR 4 Bn respectively in 2023/24].

The Net Profit after tax of the Group and the Company amounted to LKR 16 Bn and LKR 4 Bn respectively in the year under review [LKR17.4 Bn and LKR 4.1 Bn respectively in 2023/24].

Details of Appropriations are given in the Statement of Changes in Equity on pages 187 to 189.

## DIVIDENDS ON ORDINARY SHARES

An Interim Dividend of LKR 3/- per share was paid to the shareholders for the year under review.

## RESERVES

A summary of the Group's Reserves is given in Note 26 to the Financial Statements on pages 252.

## PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Information on property, plant and equipment and intangible assets of the Group and the Company are given in Notes 15.2 and 15.1 of Financial Statements on pages 229 and 227 respectively.



The Company does not own any land or buildings.

## INVESTMENTS

Information on investments held by the Group and the Company are given in Notes 4 pages 200 to 204.

## STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 was LKR 29,337,103,000 represented by 1,138,915,644 Ordinary Shares. There were no changes in the Stated Capital of the Company during the year.

## SHARE INFORMATION

### Distribution Schedule of Shareholding

Information on the distribution of shareholding and the respective percentages and analysis of shareholders are given on pages 298 to 303 under Shareholders' Information.

### Earnings, Dividends, Net Assets and Market Value of Shares

Information relating to earnings, dividend, net assets and market value per share are given on page 298 to 303.

### Major Shareholders

Information on the twenty largest shareholders of the Company is given on page 302 under Shareholders' Information.

### Public Holding

Information on public holding in terms of the Listing Rules is given on page 298 under Shareholders' Information.

### Information on the Directors of the Company and Directors of Group Companies as at 31st March 2025

The Board of Directors of the Company as at 31st March 2025 consisted of eleven (11) Directors, with a broad range of skills, experience and attributes which include entrepreneurship, finance, audit and risk management, banking, corporate communications digital transformation, marketing, governance and legal as detailed in the brief Profiles of the Directors on pages 43 to 46.

Names of the Directors who held office during the year and as at 31st March 2025 as required by section 168 (1) (h) of the Companies Act are given below :

Executive Directors
Ms Dinusha Bhaskaran - Managing Director
Ms Kawshi Amarasinghe- Executive Director
Non-Executive Directors
Mr Dhammika Perera- Chairman
Mr Harsha Amarasekera- Co-Chairman
Mr Sumith Adhihetty
Ms Brindhiini Perera
Independent Non-Executive Directors
Mr. Manil Jayasinghe
Mr. Anura Fernando
Mrs. Devika Weerasinghe
Mrs. Romany Parakrama
Mr. Jonathan Alles

## CHANGES IN THE DIRECTORATE DURING THE YEAR

### New Appointments

Mr Dhammika Perera was appointed as a Non-Executive Director with effect from 11th October 2024, and was appointed the Chairman of the Board of Directors with effect from the said date.

Consequently, Mr Harsha Amarasekera was designated as the Co-Chairman with effect from 11th October 2024.

Messrs Manil Jayasinghe, Anura Fernando, Mrs Romany Parakrama and Mrs Devika Weerasinghe were appointed as Independent Non-Executive Directors with effect from 1st January 2025.

Mr. Jonathan Alles was appointed as Independent Non-Executive Director with effect from 14th February 2025.

## Resignations

Mr Shirani Jayasekara Mr. R N Asirwatham, Independent Non-Executive Directors resigned with effect from 31st December 2024.

## Re-designations

Mr Harsha Amarasekera who served as an Independent Non-Executive Director, as per the determination made by the Board "as nevertheless independent" notwithstanding him having completed nine years of service, was re-designated as a Non-Independent Non-Executive Director with effect from 1st January 2025, in compliance with applicable Listing Rule.

## Directors of the subsidiaries and the associate company as at 31st March 2025

Names of the Directors of the subsidiaries and the associate company are given on pages 305 to 310.

## Retirement by Rotation and Re-Election of Directors / Annual Assessment of continuing Directors

Mr. Harsha Amarasekera and Ms Brindhiini Perera retire in terms of Articles 87 and 88 of the Articles of Association and being eligible, consequent to review by the Nominations and Governance Committee are recommended by the Board for re-election.

## Appointment of Directors who are over 70 years of age

Mr Sumith Adhihetty who is 74 years of age and vacates office at the conclusion of the Annual General Meeting in terms of Section 210(2)(b) of the Companies Act No.7 of 2007, consequent to review and recommendation by the Nominations and Governance Committee is recommended by the Board, for re-appointment as a Director under Section 211 of the Companies Act, specially declaring that the age limit stipulated in Section 210 of the Companies Act shall not apply to the said Director.

## CORPORATE GOVERNANCE

The Board of Directors confirm that the Company is compliant with Corporate Governance Rules set out in Section 9 of the Listing Rules of the Colombo Stock Exchange.

## ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The corporate governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity and commitment of the Board of Directors, Management and employees.

The Corporate Governance Statement on pages 146 to 157 explains the measures adopted by the Company during the year.

### 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 set out in the Listing Rules during the financial year under review and as at the date of such Declarations. These Declarations were placed before the Nominations and Governance Committee, where no member participated in decisions relating to his/her continuation, were then presented to the Board.

The Board determined that all Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules and the requirements of the Companies Act, and qualify to continue as Directors in their respective capacities, subject to those who retire by rotation and over 70 years of age and those who were appointed to the Board since the last Annual General Meeting being re-elected by the shareholders at the forthcoming Annual General Meeting.

### INDEPENDENCE OF DIRECTORS

The Board, based on the Declarations submitted by the Independent Directors declaring his/her independence against the criteria specified in Rule 9.8.3 of the Listing Rules and such other information available to the Board that could reasonably be constructed to have a bearing on the independence of such Directors, determined that the Five (5) Independent Directors namely Mr Manil Jayasinghe,

Mr Anura Fernando, Mr Jonathan Alles, Ms Devika Weerasinghe and Ms Romany Parakrama are 'Independent' in terms of the Listing Rules.

### Policy on Relations with Shareholders and Investors

The Company has established a process for effective communication and relations with shareholders and investors. Accordingly, the shareholders have access to the Company as set out under stakeholder engagement in the Corporate Governance Report on page 154 of this Report.

### Other Directorships held by the Directors

The Board, based on the recommendations of the Nominations and Governance Committee, and considering the time allocation required of the Directors for Board related matters of the Company decided that a Director of the Company shall not hold more than eleven (11) directorships in Listed Companies.

### Policy on Matters Relating to the Board of Directors

The Company has in terms of the above Policy, acted in compliance with the requirements set out in Rule 9.5.1 of the Listing Rules.

### Additional disclosures pertaining to Directors

- (i) Material Interests in Contracts involving the Company

The Directors have declared all material interests in contracts involving the Company in terms of the Companies Act and the Articles of the Association of the Company and have acted as prescribed therein, and where relevant have refrained from voting on matters in which they were materially interested.

- (ii) Material Business Relationships with each other

None of the Directors or close family members have any material business relationships with the other Directors of the Company.

- (iii) Other Directorships held by the Directors

Other Directorships held by Directors are disclosed on pages 43 to 46 and an analysis thereon on page 151.

- (iv) Review of Internal Controls

The Directors have, through the Audit Committee, conducted a review of the Internal controls covering financial, operational and compliance control and risk management and thereby obtained reasonable assurance of their effectiveness and successful adherence therewith.

- (v) Applicable Laws Rules and Regulations

The Directors have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of the changes, particularly to Listing Rules and applicable capital market provisions.

### Board Meetings

Four (4) Board Meetings of the Company were held during the year under review and the Directors' attendance at those Meetings is set out on page 150.

### Board Sub Committees

The Board of Directors has formed four Board Sub Committees in terms of the Listing Rules of the Colombo Stock Exchange, namely, Audit Committee, Remuneration Committee, the Related Party Transactions Review Committee and Nominations and Governance Committee.

The composition of the said Board Sub Committees appears on pages 151 and 152 as required by the Listing Rules. The Reports of the Audit Committee, the Related Party Transactions Review Committee, the Remuneration Committee and the Nominations and Governance Committee appear on pages 164 and 175 respectively.

### Declaration under the Listing Rules, on Related Party Transactions

The Directors declare that the Company is in compliance with the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31st March 2025.

### Directors' Interests in Shares

The information pertaining to the Directors' Shareholding in the Company is given on page 301.

### Directors' Remuneration

The Company has adopted a Remuneration Policy and established a formal procedure for determination of remuneration of Directors including Executive Directors. No Director is involved in deciding his or her own remuneration.

The Directors' remuneration is disclosed under Key Management Personnel Compensation in Note 42.1 to the Financial Statements on page 274.

### INTERESTS REGISTER

The Company maintains an Interests Register in terms of the Companies Act No. 7 of 2007, which is deemed to form part and parcel of this Annual Report and is available for inspection upon request.

All related party transactions which encompasses the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interests Register in due compliance with the provisions of the Companies Act.

The Directors declare that all material interests in contracts involving the Company have been disclosed to the Board and whenever any Director was materially interested in a contract or a proposed contract with the Company, they have refrained from voting on such contracts. It is further declared that during the year review, the Company did not enter into any contracts in which any Director was materially interested.

### RISK MANAGEMENT AND INTERNAL CONTROLS

Vallibel One PLC is a diversified conglomerate of which the primary business line is "Investment Holding".

The Management considers qualitative and quantitative methods to evaluate the likelihood and impact of potential events

which might affect the achievement of objectives including the failure to capitalise on opportunities.

The Board, through the Board Audit Committee, conducts a review of internal controls covering financial, operational and compliance controls and risk management and has obtained reasonable assurance of their effectiveness and successful adherence therewith.

Risk Management disclosures are set out in Note 45 on pages 281 to 292.

### DONATIONS

The Company did not make any donations during the year under review. The donations made by subsidiary companies during the year are set out in Note 31 to the Financial Statements on page 258.

### INDEPENDENT AUDITORS

#### Company

Messrs Ernst & Young, Chartered Accountants served as the Auditors of the Company and also provided other permitted non assurance services, whilst ensuring that the provision of such services does not impair their independence.

A total amount of LKR.2,979,414/- is payable by the Company to the Auditors for the year under review comprising LKR.375,200/- as audit fees and LKR.2,604,214/- for other services.

Based on the recommendations of the Audit Committee a resolution to re-appoint the Auditors and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

### GROUP

The audits of subsidiary companies are handled by firms of Chartered Accountants in Sri Lanka or their respective countries of incorporation.

Details of payments to such audit firms on account of audit fees and for permitted non audit services, are set out in Note 31 to the Financial Statements on page 258.

### HUMAN RESOURCES

The Group continued to invest in Human Capital Development and implement effective Human Resource Practices and Policies to develop and build an efficient and effective workforce and to ensure that its employees are possessed of skills and knowledge required for the future growth of the respective companies of the Group and for their own career development.

### RESEARCH AND DEVELOPMENT

The Group has endeavoured to invest in research and development and has made and will continue to make substantial efforts to introduce new products and processes and develop existing products and processes to improve operational efficiency of the relevant Group Companies.

### COMPLIANCE WITH LAWS AND REGULATIONS

The Board has made arrangements to make themselves aware of applicable laws, rules, and regulations and changes thereto, particularly to Listing Rules and applicable capital market provisions through regular updates provided by Directors themselves whose expertise lies in the field of Law / Finance / Audit and by the Company Secretaries.

To the best of knowledge and belief of the Directors, there were no material non-compliances with laws or regulations and there were no fines which are material imposed on the Company by any government or regulatory authority in the country.

### STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government, other regulatory institutions and related to employees have been paid on their due dates or where relevant have been provided for in the Financial Statements.

### CONTINGENT LIABILITIES

The contingent liabilities as at 31st March 2025 are given in Note 40.1 to the Financial Statements on page 273.

## ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

### EVENTS OCCURRING AFTER THE REPORTING DATE

No event of material significance that require adjustments to the Financial Statements, has occurred subsequent to the Reporting period other than those disclosed in Note 41 to the Financial Statements on page 274.

### MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS PERTAINING TO THE COMPANY

No material issues pertaining to employees or industrial relations of the Company occurred during the year under review which required disclosure under Rule 7.6 (vii) of the Listing Rules.

### GOING CONCERN

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has resources to continue in business for the foreseeable future.

### SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING - AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The "Special Business" set out as Item 2 of the Notice of Annual General Meeting contains amendments to certain Articles of the Articles of Association of the Company, as recommended by the Directors, to be adopted by way of a Special Resolution. The salient amendments proposed are:

- (a) Article 58 be deleted in its entirety and the new heading and the Article 58 be substituted therefore for meetings of shareholders to be held in addition to physical meetings as per the present Article; by means of audio or audio and visual communication ; thereby providing the Board to have the option to determine whether a General Meeting of shareholders would be held as a physical meeting, electronic meeting or as a hybrid meeting.

- (b) Currently, the minimum number of Directors shall not be less than two (02). The recent amendments to Listing Rules require the minimum number to be increased to five (05). The proposed amendment to the number of Directors is to be in line with the new Rule.
- (c) The Listing Rules have introduced provisions relating to the circumstances under which / the period for which an Alternate Director may be appointed. The proposed amendment to the provisions relating to Alternate Directors is to align the existing provisions with the Listing Rules.
- (d) Additional methods were brought in, to serve notice on shareholders.
- (e) Further provision in terms of the Rules that publication by advertisement must be done in all three languages in a national newspaper. Publication of notice was further enhanced if permitted by law, to be done via the official website of the Company and/ or the official website of the Colombo Stock Exchange so long as the Company is listed on the Colombo Stock Exchange.
- (f) With the introduction of the title Co-Chairman, certain provisions were introduced setting out the powers of the Co-Chairman.
- (g) To align the provisions relating to the re-election of Directors who retire by rotation and who are appointed during the year, with the best practices on Corporate Governance, certain amendments are proposed to the existing Articles.

### ANNUAL GENERAL MEETING

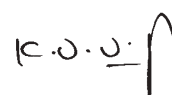
The Annual General Meeting will be held on 30th June 2025 at 3.30 p.m. at "The Winchester", The Kingsbury Hotel, No. 48, Janadhipathi Mawatha, Colombo 01

The Notice of the Annual General Meeting appears on page 324

### ACKNOWLEDGEMENT

The Board of Directors have approved the Audited Financial Statements together with the Annual Report of the Board of Directors and the Reviews which form part of the Annual Report on 3 June 2025.

This Annual Report is signed for and on behalf of the Board of Directors by



**Dhammika Perera**  
Chairman



**Dinusha Bhaskaran**  
Managing Director



**Anusha Wijesekara**  
**P W Corporate Secretarial (Pvt) Ltd**  
Secretaries

3 June 2025  
Colombo

# DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The following statement sets out responsibility of the Directors in relation to the Financial Statements of the Company and its subsidiaries prepared in accordance with the provisions of the Companies Act No. 07 of 2007.

The responsibility of the Independent Auditor in relation to the Financial Statements is set out in the Report of the Auditors given on page 170 to 182 of the Annual Report.

As per the provisions of sections 151, 153(1) and (2), 150(1) and 152(1) of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements for each financial year, which should give a true and fair view of the state of affairs of the Company and its subsidiaries as at the reporting date and its profit or loss for the financial year then ended, ensure that they are completed within six months or such extended period as may be determined by the Registrar General of Companies, certified by the person responsible for the preparation of the Financial Statements that it is in compliance with the said Companies Act and dated and signed on behalf of the Board by two Directors of the Company.

In terms of Section 166(1) read together with Sections 168(1)(b) and (c) and Section 167(1) of the Companies Act, the Directors shall cause a copy of the aforesaid Financial Statements together with the Annual Report of the Board of Directors of the Company prepared as per Section 166(1) of the Companies Act to be sent to every shareholder not less than fifteen working days before the date fixed for holding the Annual General Meeting. The above obligation is discharged by the Directors by making available the Annual Report on the Company's official website and the Colombo Stock Exchange website in terms of Rule 7.5(b) of the Listing Rules of the Colombo Stock Exchange. As per the said Rule printed copies of the Annual Report will be made available to the shareholders on request.

In preparing the Financial Statements, the Directors are responsible to ensure that appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgments and estimates have been made and all applicable accounting standards have been complied with.

The Directors are also required to ensure that the Company and its subsidiaries 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 Companies within the Group maintain sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and the subsidiaries.

Financial Statements prepared and presented in this Report have been prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS) and are consistent with the underlying books of account and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Directors have also implemented effective and comprehensive systems of internal control for identifying, recording, evaluating and managing the significant risks faced by the Company throughout the year, which is primarily handled through the Audit Committee.

The Directors have taken appropriate steps to ensure that the Company and its subsidiaries maintain proper books of accounts and the financial reporting system is directly reviewed by the Directors at their regular meetings and also through the Board Audit Committee.

The Board of Directors also approves the Interim Financial Statements prior to their release following a review and recommendation by the Board Audit Committee.

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report.

The Financial Statements of the Company and its subsidiaries have been certified by the Chief Financial Officer of the Company, the officer responsible for their preparation as required by the Section 152 (1) (b) and they have also been signed by two Directors of the Company as required by Section 152 (1) (c) of the Companies Act.

The Directors to the best of their knowledge and belief, are satisfied and all statutory payments in relation to all relevant regulatory and statutory authorities, which were due and payable by the Company and the Subsidiary as at the reporting date have been paid and where relevant, provided for.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board

**Vallibel One PLC**



**P W Corporate Secretarial (Pvt) Ltd**

Secretaries

3 June 2025

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Company was formed by the Board in June 2010 in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange to ensure compliance with those Rules.

### COMPOSITION OF THE COMMITTEE

The Committee comprises two Independent Non-Executive Directors (one of whom is the Chairman) and one Non-Executive Directors, in conformity with Rule 9.13.3 of the Listing Rules.

The Audit Committee of the Company was reconstituted with effect from 1st January 2025 in compliance with the Corporate Governance Rules of the Colombo Stock Exchange. The composition of the Committee during the financial year under review was as follows:

As of March 31, 2025 and the date of this Report the Committee consists of:

Name of Member	Date of Appointment to the Committee	Nature of Directorship
Mr. Manil Jayesinghe (Chairman)	01.01.2025	Independent Non-Executive Director
Mr. Harsha Amarasekera	15.11.2010	Non-Executive Director
Ms. Devika Weerasinghe	01.01.2025	Independent Non-Executive Director

The composition from 1st April 2024 to 31st December 2024 was as follows:

Name of Member	Date of Appointment to the Committee	Nature of Directorship
Mr. R N Asirwatham* (Chairman)	04.01.2011	Independent Non-Executive Director
Mr. Harsha Amarasekera	15.11.2010	Independent Non-Executive Director
Ms. Shirani Jayasekara*	11.02.2020	Independent Non-Executive Director

[Brief profiles of the Members appear on page 43 to 46]

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd serves as the Secretaries to the Company.

The Managing Director and the Head of Finance attend meetings by invitation.

The Chairman, Mr Manil Jayesinghe is a Fellow Member of the Institute of Chartered Accountants Sri Lanka. Brief profile of each member are given on page 45 of this report.

The Company Secretary acts as the Secretary to the Audit Committee.

The Managing Director and the Head of Finance attend the meetings by invitation.

### Meetings

Four meetings of the Committee were held during the year. The attendance of the members at these meetings is as follows:-

Name of Director	Attendance
Mr Rajan Asirwatham [resigned on 31.112.2024]	3/3
Ms Shirani Jayasekara [resigned on 31.112.2024]	3/3
Mr Harsha Amarasekera	4/4
Mr Manil Jayesinghe [appointed on 1.1.2025]	1/1
Ms Devika Weerasinghe [appointed on 1.1.2025]	1/1



## ROLE OF THE COMMITTEE

The Committee operates under a formal Audit Committee Charter, approved by the Board, which defines its scope of responsibilities. The primary role of the Committee is to assist the Board in fulfilling its oversight responsibilities in respect of:

1. The integrity of financial reporting, including compliance with Sri Lanka Accounting Standards and all applicable financial reporting regulations
2. The Company's compliance with legal and regulatory requirements.
3. Ensuring the independence of external and internal Auditors.
4. Evaluating internal controls and risk management processes within the Company to provide a reasonable assurance that the Company's assets are safeguarded.
5. The maintenance of a robust whistleblowing mechanism and governance framework.

## FINANCIAL REPORTING

The Committee reviewed and discussed the un-audited Interim Financial Statements and the Financial Statements for the year with the management and the External Auditors ensuring that the Company's financial reporting gives a true and fair view in accordance with the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, SEC Act, CSE Listing Rules, and other applicable regulations.

## INTERNAL CONTROLS AND RISK ASSESSMENT

The Committee reviewed the adequacy and effectiveness of the Company's internal control environment and the risk management framework relating to its investments. Given the nature of Vallibel One PLC as an investment holding company, the primary focus was on ensuring that robust controls are in place to safeguard investments and that appropriate governance structures exist to monitor associated risks.

The Committee evaluated the processes adopted by senior management and the Board in identifying, assessing, and managing investment-related risks. It also reviewed the Company's internal control mechanisms relating to financial reporting, compliance and operational integrity. Based on these evaluations, the Committee is satisfied that the existing framework provides reasonable assurance regarding the reliability of financial reporting and the effectiveness of risk oversight aligned with the Company's operational model.

## EXTERNAL AUDITORS

The Committee meets the Independent Auditors at least once a year to review their findings, issues raised, as well as the effectiveness of the internal controls in place.

The non-audit services provided by the Independent Auditors were also reviewed to ensure that the provisions of these services do not impair their independence

## INDEPENDENCE OF AUDITORS

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. The Committee has considered the nature of the services provided by the Auditors, Messrs Ernst & Young have served as the Company's External Auditors for fourteen (14) years, with the current audit partner serving in this role for one (1) year. The level of audit and non-audit fees paid to Auditors for Non Assurance Services including Sustainability Assurance Services comprising independent assurance on Integrated Reporting Framework of the Annual Report provided by Messrs Ernst & Young under Partners distinct from the Partner in Charge of the Audit, and where relevant granted its pre-concurrence / concurrence for the provisions of such services whilst ensuring that the provision of such services does not impair their independence.

To the extent that the Audit Committee is aware, the Auditors do not have any relationship with (other than the Auditor and provider of non-assurance services as aforesaid) or interest in, the Company and the Group, which in the opinion of the Audit Committee, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Sri Lanka as at the reporting date.

The Committee confirms receipt of written assurance from Ernst & Young stating that they remained independent throughout the audit engagement, in line with professional and regulatory standards.

## RE-APPOINTMENT OF AUDITORS

The Audit Committee having evaluated the performance of the Independent Auditors, has decided to recommend to the Directors the re-appointment of Messrs Ernst & Young, Chartered Accountants for the financial year ending 31st March 2026 up to the next Annual General Meeting, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

## ASSURANCE FROM MANAGEMENT

The Committee obtained a confirmation from the Managing Director and the Head of Finance affirming that, to the best of their knowledge, the financial statements and the operational performance of the Company are presented fairly, in all material respects

## INTERNAL AUDIT FUNCTION

Vallibel One PLC is an investment holding company. Investment-related risks are reviewed and monitored by the senior management and the Board of Directors. The Committee is of the view that this structure is appropriate given the nature of the Company's operations.

## REPORT OF THE AUDIT COMMITTEE

### DISCHARGE OF DUTIES

The Committee confirms that it effectively discharged its functions and responsibilities during the year by:

- Reviewing financial reporting and disclosures
- Monitoring risk and internal controls
- Overseeing internal and external audits
- Ensuring compliance with all relevant legal, regulatory, and governance requirements.

### CONCLUSION

The Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the Company and its subsidiaries' assets are safeguarded and that the financial position and the results disclosed in the Audited Accounts are free from, any material mis-statements.



**Manil Jayasinghe**

Chairman – Audit Committee

June 3, 2025

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee (RPTRC) of the Company was formed by the Board on 12th February, 2016 in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange to ensure compliance with those Rules facilitating independent review, approval and oversight of Related Party Transactions of the Company.

## COMPOSITION OF THE COMMITTEE

The Committee comprises three Independent Non-Executive Directors (one of whom is the Chairperson) in conformity with Rule 9.14.2 of the Listing Rules.

The Related Party Transactions Review Committee of the Company was reconstituted with effect from 1st January 2025 in compliance with the Corporate Governance Rules of the Colombo Stock Exchange. The composition of the Committee during the financial year under review was as follows:

As of March 31, 2025 and the date of this Report the composition of the Committee:

Name of Member	Date of Appointment to the Committee	Nature of Directorship
Ms. Devika Weerasinghe (Chairperson)	01.01.2025	Independent Non-Executive Director
Ms Romany Parakrama	01.01.2025	Independent Non-Executive Director
Mr. Anura Fernando	01.01.2025	Independent Non-Executive Director

The composition from 1st April 2024 to 31st December 2024 was as follows:

Name of Member	Appointed to the Committee on	Nature of Directorship
Ms. Shirani Jayasekara (Chairperson)	11.02.2020	Independent Non-Executive Director
Mr. Harsha Amarasekera	12.02.2016	Independent Non-Executive Director
Mr. Rajan Asirwatham	12.02.2016	Independent Non-Executive Director

[Brief profiles of the Members appear on pages 42 to 46]

The Company Secretaries P W Corporate Secretarial (Pvt) Ltd serves as the Secretaries to the Company.

The Managing Director and the Head of Finance attend meetings by invitation.

## Meetings

The Committee met five (05) times during the financial year under review, where they met once every calendar quarter with one additional meeting during the last quarter. Attendance of the members at these Meetings is as follows:-

Name of Director	Attendance
Ms. Devika Weerasinghe	2/2
Ms. Romany Parakrama	2/2
Mr. Anura Fernando	2/2
Ms. Shirani Jayasekara [resigned on 31.12.2024]	3/3
Mr. Harsha Amarasekera [ceased on 31.12.2024]	3/3
Mr. R N Asirwatham [resigned on 31.12.2024]	2/2

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

### POLICIES AND PROCEDURES

- The Committee operates within the Charter of the Committee / Terms of Reference as approved by the Board. The Company has adopted a Related Party Transactions (RPT) Policy whereby the categories of persons / entities who shall be considered as 'related parties' have been identified and the identification and reporting on RPTs have been established.
- In accordance with the RPT Policy, self-declarations are obtained from each Director for the purpose of identifying parties related to them.
- The RPTRC reviews all Non Recurrent RPTs of the Company, whilst Recurrent RPTs are entered into on an arm's length basis determined by market forces and as per pre-approved criteria as determined by the Committee and details of those Recurrent RPTs are presented to the Committee every quarter.
- During the year under review, the Company entered into three Non-Recurrent RPTs which were reviewed and recommended by the Committee and approved by the Board. The said Non-Recurrent RPTs did not require immediate market announcements as per the Listing Rules. With regard to the third RPT reviewed by the Committee, in addition to the information / representations / recommendations provided by the Management of the Company as per the RPT Policy, the Committee obtained a confirmation of procedural compliance on behalf of the Secretaries to the Company, that statutory procedures, rules and directives issued by the Securities and Exchange Commission of Sri Lanka and the Listing Rules of the CSE have been complied with by the other related parties vis-à-vis those parties decisions on the matter that resulted in Company's participation in the transaction, to ensure fairness of the transaction and compliance with the Listing Rules.

- In its review of RPTs, RPTRC considers the terms and conditions of the RPT, value, and the aggregate value of transactions with the said related party during the financial year, in order to determine whether they are carried out on an arm's length basis, the disclosure requirements as per the Listing Rules of the Colombo Stock Exchange and the level of approval required for the respective RPTs.
- The RPTRC ensures that all transactions with Related Parties are in the best interests of all shareholders, adequate transparency is maintained and are in compliance with the Listing Rules.
- The Committee has established guidelines in respect of Recurrent RPTs to be followed by the Senior Management of the Company, in the Company's dealings with Related Parties and has reviewed and assessed such ongoing relationships to ensure that the RPTs remain appropriate.
- Reviewing and approval of RPTs are either at a meeting of the Committee comprising at least two (2) members, one of whom shall be the Chairperson or by circulation, approved by all the members.
- The Committee ensures that immediate market disclosures and disclosures in the Annual Report as required by applicable Rules are made in a timely and detailed manner and approvals as required by applicable Rules and Laws are sought in respect of RPTs.

### Related Party Transactions / Disclosures during the year under review

1. Information on related parties / related party transactions, as extracted from the books of the Company as at the end of each quarter was presented to the RPTRC.
2. All Directors made annual disclosures of the related parties of the said Director, which were recorded by the Company Secretaries. Additionally if any Director assumes office as a Director of any company, the Director concerned makes a disclosure, which is then captured by the Company Secretaries and passed on to the officer concerned.

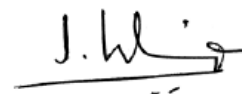
3. The aggregate value of all non-recurrent RPTs entered into by the Company during the year under review was below the threshold for disclosure in the Annual Report as per Rule 9.14.8(i) of the Listing Rules and/or immediate disclosure as per Rule 9.14.7 of the Listing Rules.

Nevertheless, for the purposes of transparency, it is disclosed that the Company entered into three Non-recurrent RPTs during the year under review whereby it made equity investments aggregating to Rs.200 Mn in Greener Water Ltd through two transactions and acquired 20,000,000 shares and also invested a sum Rs.492,480,714/- in the Rights Issue of Swisstek Aluminium Limited in the third transaction to acquire 44,770,974 shares of the said Swisstek Aluminium Limited.

4. The aggregate value of Recurrent RPTs entered into by the Company during the year was below the threshold for disclosure in the Annual Report as per the Listing Rules.
5. Related Party Disclosures in terms of LKAS 24 are set out in Note 42 to the Financial Statements.

### Declaration

In terms of Rule 9.14.8 (4) of the Listing Rules of the Colombo Stock Exchange, a declaration by the Board of Directors as an affirmative statement of the compliance with the Listing Rules pertaining to Related Party Transactions is given on pages 274 to 276 of the Annual Report.



**Devika Weerasinghe**

Chairperson

Related Party Transactions Review Committee

June 03, 2025

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee (NGC) of the Company was formed by the Board on 13th February 2019 in accordance with the Best Practices on Corporate Governance to establish inter alia a formal and transparent procedure for the appointment of new Directors to the Board of the Company and its subsidiaries. The scope and functions of the NGC were aligned with the provisions of the Listing Rules with effect from 1st October 2024, through a new Terms of Reference adopted with effect from 1st October 2024.

## COMPOSITION OF THE COMMITTEE

The Committee comprises three Independent Non-Executive Directors (one of whom is the Chairman) and two Non-Executive Directors, in conformity with Rule 9.11.4 of the Listing Rules.

The Committee was reconstituted with effect from 30th September 2024 and 1st January 2025 in compliance with the Corporate Governance Rules of the Colombo Stock Exchange. The composition of the Committee during the financial year under review was as follows:

As of March 31, 2025 and the date of this Report the composition of the Committee:

Name of Member	Date of Appointment	Nature of Directorship
Mr. Anura Fernando (Chairman)	01.01.2025	Independent Non-Executive Director
Mr. Harsha Amarasekera	13.02.2019	Non-Executive Director
Mr. Manil Jayasinghe	01.01.2025	Independent Non-Executive Director
Ms. Brindhiini Perera	30.09.2024	Non-Executive Director
Ms. Romany Parakrama	01.01.2025	Independent Non-Executive Director

The composition from 1st April 2024 to 31st December 2024 was as follows:

Name of Member	Date of Appointment	Nature of Directorship
<b>From 1.4.2024 to 29.9.2024</b>		
Mr. Harsha Amarasekera (Chairman)	13.02.2019	Independent Non-Executive Director
Mr. Sumith Adhihetty	11.02.2020	Non-Executive Director
Ms. Dinusha Bhaskaran	15.06.2022	Managing Director
<b>From 30.9.2024 to 31.12.2024</b>		
Mr. Rajan Asirwatham (Chairman)*	30.09.2024	Independent Non-Executive Director
Mr. Harsha Amaraskera	13.02.2019	Independent Non-Executive Director
Ms. Brindhiini Perera	30.09.2024	Non-Executive Director

Brief profile of each member appears on pages 43 to 46 of this report.

\*Resigned on 31st December 2024.

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd function as the Secretaries to the Committee.

## NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

### MEETINGS

The NGC had three meetings during the financial year under review. The attendance of the members at these meetings is set out in the table below:

Name of Member	Attendance
Mr Anura Fernando	1/1
Mr S Harsha Amarasekera	3/3
Mr Manil Jayasinghe	1/1
Ms Brindhiini Perera	2/2
Mrs Romany Parakrama	1/1
Mr J A S S Adhihetty	1/1
Mrs Yogadinusha Bhaskaran	2/2
Mr R N Asirwatham [resigned on 31.12.2024]	1/1

### POLICY AND PROCESSES FOR DIRECTORS' NOMINATIONS

The NGC operates under a documented policy and defined processes for the nomination of Directors. These processes include :

- Overseeing the identification, assessment, selection, and nomination of suitable candidates to be appointed as Directors to fill any vacancy on the Board, howsoever created and/or as additional Directors based on the business requirements of the Company;
- Assessing the skills, knowledge, experience, expertise, diversity, and levels of independence necessary that will best complement the effectiveness of the Board;
- Ensuring that the Directors nominees accord with the fit and proper criteria under Rule 9.7.3 of the Listing Rules and obtaining a declaration to that effect from the candidate and;
- Where a Director nominee is to be appointed as an Independent Director, identifying any potential conflicts of interest and assessing the independence of the candidate, and overseeing that he / she satisfies the criteria for independence as per Rule 9.8.5 of the Listing Rules and obtaining a duly completed declaration to that effect from the said party.
- Based on the assessment as aforesaid making recommendations to the Board on appointment of new Directors.

### RE-ELECTION OF DIRECTORS

- In accordance with the Company's Articles of Association, one-third of the Directors shall retire from office provided that Directors appointed to the office of Chairman, Deputy Chairman, Chief Executive Officer, Managing or Joint Managing Director or other Executive Officer shall not while holding that office be subject to retirement by rotation or be taken into account in determining the Directors to retire in each year.

- In pursuance of recommendations made by the NGC to align these provisions with the best practices, a Resolution will be placed before the shareholders to amend the relevant Article whereby one third of the Directors for the time being (excluding the Executive Directors) will be required to retire by rotation at every Annual General Meeting. The Directors who retire by rotation are those who have been longest in office since their last re-election / appointment.
- Additionally, the relevant provisions in the Articles dealing with the new appointments to the Board to fill casual vacancies or as additional Directors are not required to offer themselves for re-election at the immediately succeeding Annual General Meeting. This Article too is to be amended based on NGC's recommendations to align the said provisions with the best practices.

### INFORMATION ON DIRECTORS' RE-ELECTION / RE-APPOINTMENT

- As required by the Listing Rules, the table below sets out the details of the Directors who were re-elected / re-appointed at the 14th Annual General Meeting held on 28th June 2024, and the details of those Directors who are recommended for re-election / re-appointment at the forthcoming Annual General Meeting, in accordance with the provisions of the Articles of Association of the Company and the Companies Act No. 7 of 2007:



**14th Annual General Meeting held on 28th June 2024**

Name of Director	Board Committees served on	Date of First appointment as a Director	Date of last re-election / re-appointment as a Director	Directorships or Chairpersonship and other principal commitments both present and those held over the preceding three years in other Listed entities	Any relationship including close family relationships between the candidate and the Directors, the Listed Entity or its shareholders holding more than 10% of the shares of the Listed Entity
<b>Re-election in terms of Articles 87 and 88 of the Articles of Association of the Company</b>					
Ms. Brindhiini Perera	NGC	19.10.2022	N/A	Refer profile on page 44	Is the daughter of the Chairman – Mr Dhammika Perera who holds 63.48% of the issued shares of the Company
<b>Re-appointment in terms of Section 210 of the Companies act No. 07 of 2007</b>					
Mr R N Asirwatham	AC/RPTRC	04.01.2011	28.6.2024	Resigned on 31.12.2024	None
Mr J A S S Adhihetty	RC/NGC	15.11.2010	28.6.2024	Refer profile on page 44	None
Mrs Shirani Jayasekara	AC/RPTRC/RC	11.02.2020	28.6.2024	Resigned on 31.12.2024	None

**15th Annual General Meeting to be held on 30th June 2025**

Name of Director	Board Committees served on	Date of First appointment as a Director	Date of last re-election / re-appointment as a Director	Directorships or Chairpersonship and other principal commitments both present and those held over the preceding three years in other Listed entities	Any relationship including close family relationships between the candidate and the Directors, the Listed Entity or its shareholders holding more than 10% of the shares of the Listed Entity
<b>Recommended for re-election in terms of Articles 87 and 88 of the Articles of Association of the Company</b>					
Mr. Harsha Amarasekera	AC/RPTRC/RC/NGC	15.11.2010	30.6.2021	Refer profile on page 43	None
Ms. Brindhiini Perera	NGC	19.10.2022	28.6.2024	Refer profile on page 44	Is the daughter of the Chairman – Mr Dhammika Perera who holds 63.48% of the issued shares of the Company
<b>Re-appointment in terms of Section 210 of the Companies act No. 07 of 2007</b>					
Mr J A S S Adhihetty	None	15.11.2010	28.6.2024	Refer profile on page 44	None

## NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

### 15th Annual General Meeting to be held on 30th June 2025

#### Re-election of Directors appointed since last Annual General Meeting in terms of Article 94 of the Articles of Association of the Company

Mr. Dhammika Pere-ra	RC	11.10.2024	N/A	Refer profile on page 43	None
Mr. Manil Jayesinghe	AC / NGC	01.01.2025	N/A	Refer profile on page 45	None
Mr. Anura Fernando	RPTRC/ NGC	01.01.2025	N/A	Refer profile on page 45	None
Ms. Devika Weerasinghe	AC / RC / RPTRC	01.01.2025	N/A	Refer profile on page 45	None
Ms. Romany Parakrama	RCM / RPTRC / NGC	01.01.2025	N/A	Refer profile on page 46	None
Mr. Jonathan Alles		14.02.2025	N/A	Refer profile on page 46	None

AC	Audit Committee
RPTRC	Related party Transactions Review Committee
RC	Remuneration Committee
NGC	Nominations and Governance Committee

### BOARD DIVERSITY

Board diversity is considered an essential factor in ensuring the Board's effective performance. In that context, the Company is committed to maintaining a diverse Board across the following dimensions that align with its strategic goals and governance standards.

**Experience** The present Board comprises of Directors possessing varied experience / expertise in many disciplines which is appropriate for the business carried on by the Company. It reflects a diverse range of expertise, including entrepreneurship, finance, audit and risk management, banking, corporate communications, digital transformation, marketing, governance and legal.

**Skills** The Board is possessed of skills that are essential to drive the business of the Company including communication skills, leadership skills, decision making skills, organisational skills and skills to embody the vision of organisation. Many Directors are experienced entrepreneurs, professionals and business leaders and make significant contribution towards the strategic direction of the Company and its subsidiaries with their diverse skills and attributes.

**Age** There is a balanced distribution amongst different age groups, ranging from 24 years to 74 years.

**Gender** The Company's commitment to gender diversity is demonstrated by the composition of the present Board of Directors, where 5 out of 11 Directors are female Directors.

### EFFECTIVE IMPLEMENTATION OF POLICIES AND PROCESSES FOR APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The effectiveness of the policies and processes relating to the appointment and re-appointment of Directors is demonstrated by the following:

- The NGC reviewed the criteria for fitness and propriety, independence and other compliance requirements for individual Directors at the time of their initial appointments to the Board and through annual review. Such a review also covered the general disclosure of interests, declarations and other information provided by Director nominees and by individual Directors in accordance with the Listing Rules, Companies Act and the Company's Articles of Association.

- Director nominees are subject to reference checks and reviews of their past performance, particularly if the candidate has prior Board experience, and also interviews with the Management.
- A process has been established for Board evaluations, including attendance, engagement and effective contribution as a Board member, to ensure that each Director continues to add value to the Company to achieve its objectives, before the NGC recommends the re-election / re-appointment of a Director.

#### **PERIODIC EVALUATIONS ON THE PERFORMANCE OF THE BOARD AND THE EXECUTIVE DIRECTORS.**

As per the Rules on Corporate Governance embodied in the Listing Rules and the Policy on Corporate Governance, Nomination and Re-election adopted by the Company with effect from 1st October 2024, it is necessary that periodic evaluation of the performance of the Board of Directors and the Executive Directors of the Company are carried out, through a scheme of self-assessment to be undertaken by each Director. The NGC is responsible for such an assessment and to submit a report on the matter to the Board.

The NGC confirms that the annual evaluation of the performance of the Board of Directors has been conducted. This assessment ensures alignment with the organisation's strategic objectives and supports continuous improvement in governance and leadership effectiveness.

#### **PROCESS ON THE FLOW OF INFORMATION TO INDEPENDENT DIRECTORS ON MAJOR ISSUES**

The Company ensures that Independent Directors are informed through a structured communication framework, including regular Board and Committee meetings, with detailed agenda and relevant documents shared in advance. Directors receive periodic updates on key financial, operational and strategic matters, with direct access to the Senior Management and the Company Secretaries to seek clarifications on matters falling under the purview of the Board.

Special briefings are provided to the Directors through the Managing Director and/or the Company Secretaries in dealing with important matters. Strategy sessions, orientation, and training programs keep Directors informed on industry trends and governance. Crisis communication processes ensure timely updates during significant events, supporting effective oversight and contribution to the Company's objectives.

#### **INDUCTION AND ORIENTATION PROGRAMS**

The Company provides induction programs for newly appointed Directors, covering operations, governance, regulations, strategic objectives, financial performance and key policies.

Updates are also provided to the Board on corporate governance, regulatory developments and relevant laws, ensuring compliance, effective risk management, and alignment with legislative amendments to protect shareholder interests.

#### **DETERMINATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS**

The NGC confirms that the Independent Directors meet the criteria for independence as stipulated in Rule 9.8.3 of the Listing Rules.

#### **COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS STIPULATED UNDER THE LISTING RULES**

The NGC confirms that the Company has fully complied with the Corporate Governance Requirements outlined in the Listing Rules.



**Anura Fernando**

Chairman – Nominations and Governance Committee

June 03, 2025

# REMUNERATION COMMITTEE REPORT

## REMUNERATION COMMITTEE REPORT

The Remuneration Committee of the Company was formed by the Board on 4th January 2011.

### COMPOSITION OF THE COMMITTEE

The Committee comprises two Independent Non-Executive Directors (one of whom is the Chairperson) and one Non-Executive Director, in conformity with Rule 9.12.6 of the Listing Rules. The Committee was reconstituted twice during the year under review on 30 th September 2024 and 1 st January 2025 respectively, and the composition of the Committee during the year was as follows:

As of March 31, 2025 and the date of this Report the Committee consists of:

Members	Date of appointment to the Committee	Nature of Directorship
Mr. Harsha Amarasekera (Chairman)	01.01.2025	Independent Non-Executive Director
Mr. Dhammika Perera	01.01.2025	Non-Executive Director
Ms. Devika Weerasinghe	01.01.2025	Independent Non-Executive Director

Prior to reconstitution on 30th September 2024, Mr Harsha Amarasekera, then Chairman of the Board was the Chairman of the Committee and with effect from 1st October 2024 Mrs Shirani Jayasekara was appointed the Chairperson, in compliance with the Rule 9.12.5(2) of the Listing Rules.

Members				Nature of Directorship
From 1.4.2024 to 29.9.2024	Date of appointment to the Committee	From 1.10.2024 to 31.12.2024	Date of appointment to the Committee	
Mr. Harsha Amarasekera (Chairman)	04.01.2011	Mrs. Shirani Jayasekara (Chairperson) *	11.02.2020	IND
Ms. Shirani Jayasekara	11.02.2020	Mr. Harsha Amarasekera	04.01.2011	IND
Mr. Sumith Adhihetty	04.01.2011	Mr. J A S S Adhihetty **	04.01.2011	END

Independent Non-Executive Director- IND Non-Executive Directors-NED

\* resigned on 31st December 2024

\*\*ceased on 31st December 2024

Brief profile of each member appears on pages 43 to 46 of this Report.

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd serves as the Secretaries to the Company.

### MEETINGS

The Committee met once during the year prior to its reconstitution in January 2025. The attendance of the members is set out in the table below:

Members	Attendance
Mr. Harsha Amarasekera	1/1
Ms. Shirani Jayasekara [resigned on 31.12.2024]	1/1
Mr. Sumith Adhihetty [ceased on 31.12.2024]	1/1

Additionally, the recommendations of the Committee regarding Executive Directors' remuneration, bonus and other benefits were arrived at through discussion and thereupon, the agreement of Committee Members being recorded through circular resolutions.

### TERMS OF REFERENCE OF THE COMMITTEE

The Remuneration Committee operates under a well defined Terms of Reference incorporating scope, authority, duties and matters pertaining to quorum of Meetings. The new Terms of Reference of the Committee were adopted with effect from 1st October 2024.

### REMUNERATION POLICY

The objective of the Remuneration Policy of the Company is to attract and retain a highly qualified and experienced staff and accordingly, remuneration packages are aligned with market rates taking into consideration, the cost of replacement of qualified and experienced staff.

The Committee further reports that the Company has adopted a "Policy on Remuneration" in compliance with Rule 9.2.1 of the Listing Rules, and it has complied with the provisions of the Companies Act and the Articles of Association regarding Directors' Remuneration.

### ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee is responsible for advising and assisting the Board in determining a formal and transparent procedure for developing the policy on Executive Directors' remuneration and for fixing the remuneration of Non-Executive Directors.

Its key functions include:

- establishing and review of the parameters of the framework for remuneration of Executive Directors, Non-Executive Directors and Senior Management of the Company and its unlisted subsidiaries.
- review and making recommendations to the Board with regard to the remuneration of Executive Directors and Senior Management and also Non-Executive Directors.

- assisting the Board of Directors to comply with the obligations under section 216 of the Companies Act No.7 of 2007 read together with the Articles of Association of the Company when approving remuneration of Directors including the basis under which the remuneration may be considered fair to the Company or the relevant subsidiary.

#### **DISCLOSURE ON DIRECTORS' REMUNERATION**

The aggregate remuneration paid to the Directors of the Company during the year is disclosed in Note 42.1 to the Financial Statements in this Annual Report.



**Romany Parakrama**

Chairperson

Remuneration Committee

June 03, 2025





## FINANCIAL REPORTS

### FINANCIAL CALENDER

Interim Financial Statements - 2024/25 1st quarter	14th Aug 2024
Interim Financial Statements - 2024/25 2nd quarter	13th Nov 2024
Interim Dividend - 2024/25	28th June 2024
Interim Financial Statements - 2024/25 3rd quarter	14th Feb 2025
Interim Financial Statements - 2024/25 4th quarter	30th May 2025
Annual Report 2024/25	03rd June 2025
15th Annual General Meeting	30th June 2025

# The Foundation of Transparency

Our financial statements presented in this section offer a clear and comprehensive view of the Group's financial performance, position, and cash flows over the reporting period. Prepared in accordance with applicable accounting standards and regulatory requirements, these statements reflect our commitment to accuracy, accountability, and transparency. They serve as a critical tool for stakeholders to assess the Group's financial health and make informed decisions grounded in reliable and timely information.

# INDEPENDENT AUDITOR'S REPORT



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Chartered Accountants  
Rotunda Towers  
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## TO THE SHAREHOLDERS OF VALLIBEL ONE PLC Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Vallibel One 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our 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, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Suluimani ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sojewanani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), 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 matters -

Key audit matter	How our audit addressed the Matter
<b>Assessment of Impairment of Goodwill</b>	
<p>The Group's Statement of Financial Position includes an amount of Rs. 12.2 Bn relating to Goodwill, as disclosed in Note 14 and 14.2 to the financial statements.</p> <p>The CGU with goodwill is tested annually for impairment based on its recoverable amount. The recoverable amount is estimated using value in use (VIU) computations prepared by Management based on discounted future cash-flows.</p> <p>Assessment of impairment of this CGU with goodwill was a key audit matter due to the degree of management assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations considering economic conditions.</p> <p>As disclosed in note 14.2, key areas of significant judgments, estimates and assumptions included key inputs and assumptions related to the long-term growth rate and discount rate</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> <li>• we gained an understanding of how management has forecast its discounted future cash flows. Our procedures included understanding how management has considered the potential impact of the economic conditions in the country in forecasting the cash flows</li> <li>• we checked the calculations of the discounted future cash flows and tested the data used by management to relevant underlying accounting records.</li> <li>• based on the best available information up to the date of our report, we assessed the reasonableness of significant assumptions, judgements and estimates used by the Group, in particular those relating to the growth rates and discount rate of the estimated future cashflows</li> </ul> <p>We assessed the adequacy of the disclosures made in Note 14 and 14.2 in the financial statements.</p>

## INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the Matter
<b>Allowances for Expected Credit Losses of Financial Assets</b>	
<p>Allowances for expected credit losses of financial assets arising from loans and advances of LKR 199Bn (Note 5 and 6) is determined by the management based on the accounting policies described in Note 5 and 6.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>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</li> <li>the materiality of the reported amount of allowance of expected credit losses and use of complex calculations in its determination.</li> </ul> <p>Key areas of significant judgements, assumptions and estimates used by management included: assumed future occurrence of events and/or transactions and forward-looking macroeconomic scenarios and their associated weightages, which are subject to inherently heightened levels of estimation uncertainty.</p>	<p>In addressing the adequacy of the allowances for expected credit losses of financial assets, our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>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, based on the best available information up to the date of our report.</li> <li>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.</li> <li>checked 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.</li> <li>evaluated the reasonableness of credit quality assessments and related stage classifications.</li> <li>assessed the reasonableness of the judgements, assumptions and estimates used by the Management in assumed future occurrence of events and/or transactions including the value and the timing of cash flow forecasts, status of recovery actions of the collaterals, forward-looking macroeconomic scenarios and their associated weightages.</li> </ul> <p>We also assessed the adequacy of the related financial statement disclosures set out in notes 5 and 6.</p>
<b>Existence and carrying value of Inventories</b>	
<p>As at 31 March 2025, the carrying value of inventories amounted to Rs. 35.4 Bn net of a provision of Rs. 1.5 Bn for slowing-moving inventory as disclosed in note 13 &amp; 13.1 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"> <li>Materiality of the reported amount, which represents 9% of the Group's total assets</li> <li>Inventories being held at multiple locations</li> <li>Judgements applied by the management in determining the provision for slow-moving inventory on account of ageing, as disclosed in Note 13.1 to the financial statements.</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>observed physical inventory counts and reconciled the count results to the inventory listings compiled by management to support amounts reported as at the reporting date</li> <li>tested the relevant key controls over inventory valuation. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to inventory</li> <li>tested whether inventory was stated at the lower of cost and net realisable value, by comparing cost with subsequent selling prices</li> <li>assessed the reasonableness of management judgements applied in determining that the provision for slow-moving inventories. Our procedures included testing the completeness and accuracy of inventory age reports used as a basis to estimate the provision</li> </ul> <p>We also assessed the adequacy of the disclosures made in notes 13 &amp; 13.1 to the financial statements</p>



Key audit matter	How our audit addressed the Matter
<b>Assessment of fair value of land and buildings</b>	
<p>Property, Plant and Equipment and Investment Property include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the materiality of the reported fair value of land and buildings which amounted to Rs. 45.6 Bn representing 11% of the Group's total assets as of the reporting date; and</li> <li>the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach.</li> </ul> <p>Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Note 15.4, 17 &amp; 17.1 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as:</p> <ul style="list-style-type: none"> <li>Estimate of per perch value of the land</li> <li>Estimate of the per square foot value of the buildings</li> <li>Market rent per square foot, occupancy</li> <li>rates and yield</li> </ul>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>assessed the competence, capability and objectivity of the external valuers engaged by the Group</li> <li>read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property</li> <li>assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, market rent per square foot, occupancy rates, yield and valuation techniques as relevant in assessing the fair value of each property</li> </ul> <p>We also assessed the adequacy of the disclosures made in notes 15.4 ,17 and 17.1 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 for the financial statements

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

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

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance

## INDEPENDENT AUDITOR'S REPORT



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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 2440.

Colombo  
03 June 2025



# STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	COMPANY		GROUP	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
ASSETS					
Cash and Cash Equivalent	3	792,652	1,919,648	15,324,961	15,170,471
Financial Assets Measured at Fair Value Through Profit or Loss	4.1	32,672	41,888	91,269	103,898
Financial Assets At Amortised Cost- Loans and Advances	5	-	-	199,271,047	162,521,733
Equity Instruments measured at Fair Value through OCI	4.2	21,480,713	14,028,221	21,536,209	14,044,942
Other Financial Assets	7	1,324,192	800,000	22,581,468	21,308,052
Trade and Other Debtors, Deposits and Prepayments	8	1,652,406	1,092,035	15,130,054	12,341,097
Contract Asset	8.2	-	-	-	30,033
Other Non Financial Assets	9	4,940	5,038	2,129,267	1,107,536
Investments in Subsidiaries	10	25,309,805	24,617,324	-	-
Investment in Associate	11	413,068	413,068	692,154	640,417
Deferred Tax Assets	12	11,404	10,110	1,800,896	1,227,053
Income Tax Recoverable		-	-	26,475	37,578
Inventories	13	-	-	35,401,019	30,437,448
Intangible Assets	14	-	-	12,891,426	12,800,901
Investment Property	17	-	-	2,162,726	2,140,503
Property, Plant and Equipment	15	51,131	59,723	74,706,942	69,971,173
Right of use assets	16	25,628	73,672	2,986,963	2,674,321
Assets held for sale	36.5	-	-	36,370	36,056
Total Assets		51,098,611	43,060,727	406,769,246	346,593,212
LIABILITIES					
Due to Banks	18	28	1,590	40,953,523	24,291,390
Due to Customers	19	-	-	138,823,896	123,034,547
Interest Bearing Loans and Borrowings	20	26,872	79,868	36,640,362	30,815,073
Trade and Other Payables	21	23,837	19,133	13,296,284	10,920,939
Other Non Financial Liabilities	22	-	-	2,257,111	2,112,629
Contract Liabilities	22.1	-	-	1,605,281	1,338,017
Dividend Payable	23	18,726	14,082	454,595	513,426
Employee Benefit Liabilities	24	41,765	34,028	2,505,382	2,081,344
Income Tax Liabilities		26,618	14,913	3,159,657	4,165,976
Deferred Tax Liabilities	12	-	-	8,803,121	8,084,991
Liabilities directly associated with the assets classified as held for sale	36.6	-	-	262	195
Total Liabilities		137,846	163,615	248,499,474	207,358,527

## STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	COMPANY		GROUP	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>Shareholders' Funds</b>					
<b>Equity Attributable to Equity Holders of the Parent</b>					
Stated Capital	25	29,337,103	29,337,103	29,337,103	29,337,103
Retained Earnings		11,623,132	11,011,972	49,978,901	41,915,450
Other components of equity	26	10,000,530	2,548,038	29,628,713	20,786,630
<b>Total Equity Attributable to Equity Holders of the Parent</b>		<b>50,960,765</b>	<b>42,897,113</b>	<b>108,944,717</b>	<b>92,039,183</b>
Non Controlling Interest	27	-	-	49,325,055	47,195,502
<b>Total Equity</b>		<b>50,960,765</b>	<b>42,897,113</b>	<b>158,269,772</b>	<b>139,234,685</b>
<b>Total Equity and Liabilities</b>		<b>51,098,611</b>	<b>43,060,727</b>	<b>406,769,246</b>	<b>346,593,212</b>

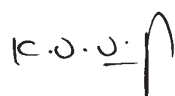
These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.



**Charith Ariyaratne**

Head of Finance

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board by.



**Dhammika Perera**

Chairman



**Yogadinusha Bhaskaran**

Managing Director

3 June 2025

Colombo

The accounting policies and notes on pages 190 through 292 form an integral part of these Financial Statements.

# STATEMENT OF PROFIT OR LOSS

For the year ended 31 March	Note	COMPANY		GROUP	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Revenue from Contracts with Customers		-	-	80,557,838	76,090,400
Interest Income		-	-	42,201,896	46,239,187
<b>Total Revenue</b>	28	-	-	122,759,734	122,329,587
Cost of Sales		-	-	(69,034,211)	(67,930,171)
<b>Gross Profit</b>		-	-	53,725,523	54,399,416
Dividend Income	29	3,914,313	4,078,503	1,399,277	880,744
Other Operating Income	30	422,960	481,357	1,170,530	836,168
Administrative Expenses		(415,082)	(451,157)	(15,102,658)	(13,233,534)
Distribution Expenses		-	-	(10,636,956)	(9,865,314)
Other Operating Expenses		(9,215)	(13,508)	(50,237)	(510,193)
<b>Result from operating activities</b>	31	3,912,976	4,095,195	30,505,479	32,507,287
Finance Cost	32	(6,579)	(23,405)	(2,437,058)	(2,855,021)
Finance Income	33	199,377	110,650	409,890	482,960
<b>Net Finance Income/ (Cost)</b>		192,798	87,245	(2,027,168)	(2,372,061)
Share of results of equity accounted Investees	11.2	-	-	53,228	47,870
<b>Operating Profit before Tax on Financial Services</b>		4,105,774	4,182,440	28,531,539	30,183,096
Tax on Financial Services	34	-	-	(4,183,241)	(3,630,243)
<b>Profit before tax</b>		4,105,774	4,182,440	24,348,298	26,552,853
Income Tax Expense	35	(73,663)	(45,125)	(8,323,288)	(9,286,436)
<b>Profit for the year from continuing operations</b>		4,032,111	4,137,315	16,025,010	17,266,417
<b>Discontinued Operation</b>					
Profit/ (Loss) after tax for the year from discontinued operations	36	-	-	(2,488)	177,410
<b>Profit for the year</b>		4,032,111	4,137,315	16,022,522	17,443,827
<b>Attributable to :</b>					
Equity holders of the Parent		4,032,111	4,137,315	11,760,829	9,893,816
Non Controlling Interests		-	-	4,261,693	7,550,011
		4,032,111	4,137,315	16,022,522	17,443,827
Earnings Per Share	37	3.54	3.63	10.34	8.69
Dividend Per Share	37.1	3.00	1.00	3.00	1.00

The accounting policies and notes on pages 190 through 292 form an integral part of these Financial Statements.

# STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	COMPANY		GROUP	
		2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Profit for the year</b>		4,032,111	4,137,315	16,022,522	17,443,827
<b>Other Comprehensive Income</b>		-	-	-	-
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</b>					
Exchange difference on translation of foreign operations		-	-	12,315	(92,301)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		-	-	12,315	(92,301)
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>					
Actuarial Gain/(loss) on retirement benefit obligation	24	(6,007)	(1,330)	(129,495)	(208,325)
Less: Deferred tax charge/ reversal on Actuarial Gain/(loss) on retirement benefit obligation		1,802	399	34,378	54,288
Actuarial Gain/(loss) on retirement benefit obligation- Net of tax		(4,205)	(931)	(95,117)	(154,037)
Revaluation of Property, Plant and Equipment		-	-	1,842,685	3,274,144
Less: Deferred tax charge revaluation		-	-	(446,891)	(857,888)
Revaluation- Net of tax		-	-	1,395,794	2,416,256
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income		7,452,492	4,877,307	7,453,216	4,873,359
Share of other comprehensive income of an associate		-	-	(1,491)	(1,385)
<b>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</b>		7,448,287	4,876,376	8,752,402	7,134,193
<b>Other comprehensive income/(loss) for the year, net of tax</b>		7,448,287	4,876,376	8,764,717	7,041,892
<b>Total Comprehensive Income for the year, net of tax</b>		11,480,398	9,013,691	24,787,239	24,485,719
<b>Total Other Comprehensive Income attributable to :</b>					
Equity holders of the Parent		11,480,398	9,013,691	20,019,677	16,241,407
Non- Controlling Interests		-	-	4,767,562	8,244,312
		11,480,398	9,013,691	24,787,239	24,485,719

The accounting policies and notes on pages 190 through 292 form an integral part of these Financial Statements.

# STATEMENT OF CHANGES IN EQUITY

## Company

For the year ended 31 March	Stated Capital  LKR '000	Other Component of Equity	Retained Earnings  LKR '000	Total Equity  LKR '000
		Fair Value Reserve LKR '000		
<b>Balance as at 01st April 2023</b>	29,337,103	(2,329,270)	8,014,503	35,022,336
Profit for the Period	-	-	4,137,315	4,137,315
Other Comprehensive Income/ (Expense), Net of Tax	-	4,877,307	(931)	4,876,376
<b>Total Comprehensive Income</b>	-	4,877,307	4,136,384	9,013,691
Dividend Paid	-	-	(1,138,916)	(1,138,916)
<b>Balance as at 31st March 2024</b>	29,337,103	2,548,037	11,011,972	42,897,113
<b>Balance as at 01st April 2024</b>	29,337,103	2,548,037	11,011,972	42,897,113
Profit for the Period	-	-	4,032,111	4,032,111
Other Comprehensive Income, Net of Tax	-	7,452,492	(4,205)	7,448,287
<b>Total Comprehensive Income</b>	-	7,452,492	4,027,906	11,480,398
Dividend Paid	-	-	(3,416,747)	(3,416,747)
<b>Balance as at 31st March 2025</b>	29,337,103	10,000,529	11,623,132	50,960,764

The accounting policies and notes on pages 190 through 292 form an integral part of these Financial Statements.

## STATEMENT OF CHANGES IN EQUITY

### Group

For the year ended 31 March	Stated Capital	Other Component of Equity			
		Treasury Shares	Statutory Reserve Fund	Fair Value Reserve	
	LKR '000	LKR '000	LKR '000	LKR '000	
<b>Balance as at 01st April 2023</b>	29,337,103	(44,112)	7,008,954	(2,403,033)	
Profit for the Period	-	-	-	-	
Other Comprehensive Income, Net of Tax	-	-	-	4,874,688	
<b>Total Comprehensive Income</b>	-	-	-	4,874,688	
Dividend Write back of unclaimed dividend	-	-	-	-	
Transfer	-	-	478,182	-	
Change in Non controlling Interest with Acquisition of a subsidiary	-	-	-	-	
Acquisition of NCI	-	-	-	-	
Dividend Paid	-	-	-	-	
Subsidiary Dividends to Minority Shareholders	-	-	-	-	
Change in ownership without change in control	-	-	-	-	
<b>Balance as at 31st March 2024</b>	29,337,103	(44,112)	7,487,136	2,471,655	
<b>Balance as at 01st April 2024</b>	29,337,103	(44,112)	7,487,136	2,471,655	
Profit for the Period	-	-	-	-	
Other Comprehensive Income, Net of Tax	-	-	-	7,452,973	
<b>Total Comprehensive Income</b>	-	-	-	7,452,973	
Dividend Write back of unclaimed dividend	-	-	-	-	
Transfer	-	-	540,282	-	
Transfer from revaluation reserve to retained earnings on disposal of land	-	-	-	-	
Adjustments due to Amalgamation with Subsidiary- LB Finance	-	-	-	-	
Dividend Paid	-	-	-	-	
Preference Shares dividend	-	-	-	-	
Subsidiary Dividends to Minority Shareholders	-	-	-	-	
Change in ownership without change in control	-	-	-	-	
<b>Balance as at 31st March 2025</b>	29,337,103	(44,112)	8,027,418	9,924,628	

The accounting policies and notes on pages 190 through 292 form an integral part of these Financial Statements.



	Foreign Currency Translation Reserve LKR '000	Revaluation Reserve LKR '000	General Reserve LKR '000	Retained Earnings LKR '000	Total Equity Attributable to Equity Holders of the Parent LKR '000	Non Controlling Interest LKR '000	Total Equity LKR '000
	103,670	8,623,574	578,449	33,720,011	76,924,618	42,457,533	119,382,150
	-	-	-	9,893,816	9,893,816	7,550,011	17,443,827
	(59,240)	1,625,498	-	(93,356)	6,347,590	694,301	7,041,891
	(59,240)	1,625,498	-	9,800,460	16,241,406	8,244,312	24,485,718
	-	-	-	18,114	18,114	6,299	24,413
	-	-	-	(478,182)	-	-	-
	-	-	-	-	-	(282,649)	(282,649)
	-	-	-	(6,964)	(6,964)	6,964	-
	-	-	-	(1,137,989)	(1,137,989)	-	(1,137,989)
	-	-	-	-	-	(3,294,964)	(3,294,964)
	-	-	-	-	-	58,007	58,007
	44,430	10,249,072	578,449	41,915,450	92,039,183	47,195,502	139,234,686
	44,430	10,249,072	578,449	41,915,450	92,039,183	47,195,502	139,234,686
	-	-	-	11,760,829	11,760,829	4,261,693	16,022,522
	5,524	857,379	-	(57,027)	8,258,849	505,869	8,764,718
	5,524	857,379	-	11,703,802	20,019,678	4,767,562	24,787,240
	-	-	-	2,702	2,709	-	2,709
	-	-	-	(540,282)	-	-	-
		(14,075)		14,075	-	-	-
				(2,197)	(2,197)	(98,670)	(100,867)
	-	-	-	(3,413,849)	(3,413,849)	-	(3,413,849)
				(39)	(39)	-	(39)
	-	-	-	-	-	(2,240,107)	(2,240,107)
				299,232	299,232	(299,232)	-
	49,954	11,092,376	578,449	49,978,901	108,944,716	49,325,055	158,269,772

# CONSOLIDATED STATEMENT OF CASH FLOWS

## Accounting Policy

The Cash flows statement is prepared using the indirect method, as stipulated in LKAS 7- "Statement of Cash Flows". Cash and cash equivalents comprise cash in hand; cash at bank, bank overdrafts and Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

For the year ended 31 March	Note	COMPANY		GROUP	
		2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Net Profit before Taxation		4,105,774	4,182,440	24,348,298	26,552,853
Profit/ (Loss) from Discontinued operation	36	-	-	(2,488)	177,410
<b>ADJUSTMENTS FOR</b>					
Net Gain/ (Loss) on Financial Assets Recognised Through Profit or Loss	30	8,042	13,425	(3,849)	(3,409)
Impairment Provision/ (Reversal) of Financial Assets At Amortised Cost- Loans and Advances	6	-	-	(471,807)	(542,380)
Impairment Provision/ (Reversal) of Trade and Other Debtors, Deposits and Prepayments	8	-	-	71,839	83,002
Share of profits of equity accounted Investees	11.2	-	-	(53,228)	(47,870)
Provision for inventory	13.1	-	-	237,923	262,014
Amortisation Intangible assets	14	-	-	109,843	104,583
Impairment of Goodwill	14	-	-	-	108,098
Change in Fair Value of Investment Property	17	-	-	(21,357)	(66,290)
Depreciation on Property, plant and equipments	15	15,131	11,738	3,215,232	2,655,312
Loss/ (Profit) on sale of Property, plant & equipment	30	-	(24,000)	(30,038)	(93,347)
Depreciation of Right of Use Assets	16	43,934	35,082	721,663	630,884
Gain on Lease remeasurement	16	(6,196)	-	(6,196)	-
Provision For Employee Benefit Liabilities	24	8,407	8,798	466,225	455,715
Dividend income	29	(3,914,313)	(4,078,503)	(1,399,277)	(880,744)
Finance Cost	32	6,579	23,405	2,437,058	2,855,021
Finance Income	33	(199,377)	(110,650)	(409,890)	(482,960)
<b>Operating Profit before Working Capital Changes</b>		67,981	61,735	29,209,952	31,767,892
(Increase)/Decrease in Financial Assets At Amortised Cost- Loans and Advances		-	-	(36,277,507)	(15,607,757)
(Increase)/Decrease in Other Financial Assets		(524,192)	(800,000)	(1,273,416)	484,509
(Increase)/Decrease in Trade and Other Debtors, Deposits and Prepayments		(560,371)	(36,107)	(2,860,796)	(1,930,894)
(Increase)/Decrease in Other Non Financial Assets		98	775	(743,031)	3,659,054
(Increase)/Decrease in Inventories		-	-	(5,201,494)	(3,300,828)
Increase/(Decrease) in Asset held for Sale		-	-	67	(112,409)
Increase/(Decrease) in Due to Banks		-	-	15,667,786	2,055,781
Increase/(Decrease) in Due to Customers		-	-	15,789,349	8,786,294
Increase/(Decrease) in Trade & Other Payables		4,704	(25,578)	(4,560,910)	(4,392,247)
Increase/(Decrease) in Other Non Financial Liabilities		-	-	411,746	(1,299,516)
Cash Generated from/ (Used in) Operations		(1,011,780)	(799,175)	10,161,746	20,109,879

For the year ended 31 March	Note	COMPANY		GROUP	
		2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Retirement Benefits Liabilities paid	24	(6,677)	(1,822)	(171,682)	(241,893)
Finance Cost Paid		(6,579)	(23,405)	(2,388,121)	(2,893,909)
Interest received		199,377	110,650	409,890	482,960
Taxes Paid		(61,449)	(64,992)	(9,586,730)	(9,141,465)
<b>Net Cash from/ (Used in) Operating Activities</b>		<b>(887,108)</b>	<b>(778,744)</b>	<b>(1,574,897)</b>	<b>8,315,572</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale/(Purchase) of Financial Assets Recognised Through Profit or Loss		1,174	-	16,478	143,975
Sale/(Purchase) of Equity Instruments measured at Fair Value through OCI		-	(167,266)	(38,051)	(167,383)
Disposal/ (Investment) in Subsidiary	10	(692,481)	(1,383,000)	-	-
Purchase of Intangible assets	14	-	-	(200,378)	(82,600)
Purchase of investment property	17	-	-	(866)	-
Purchase of Property, Plant & Equipment	15	(6,539)	(50,276)	(5,937,390)	(9,100,103)
Proceeds from Sale of Property, Plant & Equipment		-	24,000	6,795,143	5,485,546
Acquisition of Right of use assets	16	-	-	(1,287,083)	(830,321)
Dividend Received		3,914,313	4,078,503	1,399,277	880,744
<b>Net Cash from/ (Used in) Investing Activities</b>		<b>3,216,467</b>	<b>2,501,960</b>	<b>747,130</b>	<b>(3,670,142)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net Proceeds from Interest Bearing Loans & Borrowings	20	(42,690)	(35,634)	5,835,595	6,678,114
Disposal/ (Acquisition) of Non controlling interest	27	-	-	(100,867)	(224,642)
Dividend Paid		(3,412,103)	(1,135,947)	(5,710,117)	(4,411,225)
<b>Net Cash Generated from/ (Used in) Financing Activities</b>		<b>(3,454,793)</b>	<b>(1,171,581)</b>	<b>24,611</b>	<b>2,042,247</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(1,125,435)</b>	<b>551,635</b>	<b>(803,156)</b>	<b>6,687,677</b>
Net Unrealised Exchange (Gains)/Losses		-	-	12,550	(91,282)
<b>Cash and Cash Equivalents at the beginning of the Year</b>		<b>1,918,058</b>	<b>1,366,423</b>	<b>11,796,548</b>	<b>5,200,153</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	3.2	<b>792,624</b>	<b>1,918,058</b>	<b>11,005,942</b>	<b>11,796,548</b>

The accounting policies and notes on pages 190 through 292 form an integral part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

### 1.1 General

Vallibel One PLC (“Company”) is a public limited liability company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office of the Company is located at 29, West Tower, World Trade Centre, Echelon Square, Colombo – 01.

### 1.2 Principal Activities and Nature of Operations

A principal activity of the company is holding investments in other companies.

#### Vallibel One PLC

Group holding company manages a portfolio of diversified business holdings.

#### Royal Ceramics Lanka PLC Group

Royal Ceramics Lanka PLC (RCL) is engaged in manufacturing and marketing of floor and wall tiles. Subsidiaries of RCL were engaged in the business of property holding, manufacturing and marketing of floor and wall tiles, supply of raw material to the ceramic industry, sanitary ware, cartoons and paper sacks for packing, aluminium extrusions.

#### LB Finance PLC

LB Finance PLC provides a comprehensive range of financial services encompassing acceptance of deposits, granting lease facilities, hire purchases, mortgage loans, gold loans, personal loans, factoring, margin trading, trade finance loans, microfinance and other credit facilities, real estate development and related services.

#### Greener Water Ltd

Principal activities of the Company are to engage in the business of leisure sector. However, Company is yet to start its commercial operations.

#### Delmege Ltd

Delmege Ltd is managing its subsidiaries, carrying out investment activities and providing management and administration services to the companies within the group. Subsidiaries of the group were engaged in the business of manufacturing, trading, shipping, logistics, airline and travel, and insurance brokering.

In addition to the above investments, company holds investment in Fortress Resorts PLC which is accounted as investment in associates.

### 1.3 Parent Entity and Ultimate Parent Entity

The Group’s ultimate controlling party is Mr. K. D. D. Perera.

### 1.4 Consolidated Financial Statements

The Consolidated Financial Statements of Vallibel One PLC, as at and for the year ended 31st March 2025 encompass the Company, its Subsidiaries (together referred to as the “Group”) and the Group’s interest in Equity Accounted Investees (Associates).

### 1.5 Date of Authorisation for Issue

The Consolidated Financial Statements of Vallibel One PLC and its subsidiaries for the Year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 03/06/2025.

### 1.6 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors’ Responsibility Report in the Annual Report.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The financial statements which comprise the Statement of profit or loss, Statements of comprehensive income, statements of financial position, statements of changes in equity and the cash flows statements, together with the accounting policies and notes (the “financial statements”) 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.

### 2.2 Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for land & buildings, derivative financial instruments, fair value through profit or loss financial assets and fair value through other comprehensive income financial assets.

The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in Sri Lankan Rupees except when otherwise indicated.

The Group presents its statement of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date

(current) and more than 12 months after the reporting date (non-current) is presented in Note 43.

### 2.3 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.

### 2.4 Functional & Presentation Currency

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

### 2.5 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on Presentation of Financial Statements.

### 2.6 Basis of Consolidation

The Group's Financial Statements comprise, Consolidated Financial Statements of the Company and its Subsidiary in terms of the Sri Lanka Accounting Standard- SLFRS 10 (Consolidated Financial Statements).

Details of the Company's subsidiary are set out in Note 10 to these Financial Statements

### 2.7 Going Concern

The directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. The assessment took into consideration the existing and potential implications of the prevailing economic condition on the business operations and performance of the Group and the measures adopted by the government to mitigate the pandemic's spread and support recovery of the economy. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### 2.8 Changes in Accounting Policies

#### New and amended standards and interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 March 2025, except for the adoption of new standards effective as of 1 April 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Classification of Liabilities as Current or Non-current - Amendment 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

#### 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

## NOTES TO THE FINANCIAL STATEMENTS

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

The amendments to SLFRS 16 Leases specifies 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

### 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 above amendments had no impact on the financial statements of the group.

## 2.9 Significant Accounting Judgments, Estimates, Assumptions

The preparation of Financial Statements of the Group in conformity with Sri Lanka Accounting Standards requires the management to make assumptions, judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty involved with estimates, actual results may differ from these estimates.

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

The most significant areas of estimation uncertainties and critical judgments in applying accounting policies that have most significant effect on the amounts recognised in the Financial Statements of the Group are as follows:

Impairment of Non-Financial Assets	2.10.1 (i)
Classification of Financial Assets & Liabilities	2.10.1 (vii)
Fair Value of Financial Instruments	38
Allowance for Impairment Losses	6
Deferred Taxation	12
Useful lifetime of the Property, Plant and Equipment	15
Useful lifetime of the Intangible Assets	14
Employee Benefit Liability	24
Taxation	35
Fair value of free hold land and buildings	15.4
Investment properties	17
Impairment of goodwill	14.2

## 2.10 Significant Accounting Policies

### 2.10.1 Statement of Financial Position

#### (i) Impairment of Non-Financial Assets

The Group assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU's) fair value less costs to sell and its value in use. 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, 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.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds 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 Income Statement.



## (ii) Foreign Currency

### Foreign Currency Transactions and Balances

Foreign currency transactions are translated into the functional currency, which is Sri Lankan Rupees, using the exchange rates prevailing at the dates of the transactions on which 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 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 items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### Foreign Operations

The results and financial position of overseas operations that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at the rates of exchange ruling as at the Reporting date.

Income and expenses are translated at the average exchange rate for the period, unless this average rate is not a reasonable approximation of the rate prevailing at the transaction date, in which case income and expenses are translated at the exchange rates ruling at the transaction date.

All resulting exchange differences are recognised in the OCI and accumulated in the Foreign Currency Translation Reserve (Translation Reserve), which is a separate component of Equity, except to the extent that the translation difference is allocated to the NCI.

When a foreign operation is disposed of such that the control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to Income Statement as part of the gain or loss on disposal. If the Group disposes of only part of its interest in a subsidiary

that includes a foreign operation while retaining control, then the relevant proportion of the cumulative amount of the translation reserve is reattributed to NCI.

### (iv) Provisions

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

The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking in to account the risks and uncertainties surrounding the obligation at that date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract. The expense relating to any provision is presented in the Income Statement or Loss net of any reimbursement.

### (v) Employee Benefit Obligations

#### (1) Gratuity

Refer Note 24 for detailed policy on defined benefit obligation

#### (2) Defined contribution plan

The Group also operates a defined contribution plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to the Group by the employees and is recorded as an expense under 'Personnel expenses'. Unpaid contributions are recorded as a liability.

The Group contributes to the following Schemes:

#### *Employees' Provident Fund*

The Group and employees contribute 12%-15% and 8%-10% respectively of the employee's monthly gross salary (excluding overtime) to the Provident Fund.

## NOTES TO THE FINANCIAL STATEMENTS

### - *Employees' Trust Fund*

The Company contributes 3% of the employee's monthly gross salary excluding overtime to the Employees' Trust Fund maintained by the Employees Trust Fund Board.

### (vi) Non-current /distribution to owners and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use. Non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. 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. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. 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. Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

### (vii) Financial Instruments

#### Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to depositors, are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Group recognises balances due to depositors when funds are transferred to the Group.

#### 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 FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables of subsidiaries are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss.

### Day 1 Profit or Loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and the fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

### Classification and Subsequent Measurement of Financial Assets

From 1 April 2018 as per SLFRS 9, the Group classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms measured at either;

\*Amortised cost

\*Fair value through other comprehensive income (FVOCI)

\*Fair value through profit or loss (FVTPL)

The subsequent measurement of financial assets depends on their classification.

### Business Model Assessment

Group determines its business model at the level that best reflects how it manages the financial assets to achieve its objectives. 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 asset 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 value of the assets managed or on the contractual cash flow collected)
- The expected frequency, value and timing of sales

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 expectation, 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.

#### **Contractual Cash flow Characteristic Test (The SPPI Test)**

As the second test of the classification process the Group assesses the contractual terms of the financial asset to identify whether those meet "Solely the Payment of Principle and Interest" (SPPI) criteria.

'Principle for the purpose of this test is defined as the fair value of the financial asset at initial recognition which may change over the life of the financial asset (for example, if there are repayments of principle 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 SPPI assessment, the Group applies judgment and considers relevant factors such as currency in which the financial asset is denominated and the period for which the interest rate is set.

#### **Classification and subsequent measurement of financial liabilities**

As per SLFRS 9, the Group classifies financial liabilities, other than financial guarantees and loan commitments into one of the following categories:

Financial liabilities at fair value through profit or loss, and within this category as

- Held-for-trading; or
- Designated at fair value through profit or loss;

Financial liabilities measured at amortised cost.

The subsequent measurement of financial liabilities depends on their classification.

#### **Reclassification of Financial Assets and Financial Liabilities**

As per SLFRS 9, Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Group changes its objective of the business model for managing such financial assets which may include the acquisition, disposal or termination of a business line.

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

#### **Derecognition of Financial Assets and Financial Liabilities**

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.

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

#### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

During the year Group has not offset any financial assets and financial liabilities in the Statement of Financial Position.

### **2.10.2 Statement of profit or loss**

#### **(i) Revenue recognition**

Refer note 28 for detailed policy on revenue recognition

#### **(ii) Impairment Charges and Other Losses**

The Group recognises the changes to the impairment provision which are assessed based on expected credit loss method in accordance with Sri Lanka Accounting Standard-SLFRS 09 (Financial Instruments). The methodology adopted by the Group is explained in the Note 6 to these financial statements. Recovery of amounts written-off as bad and doubtful debts is recognised on a cash basis.

#### **(iii) Personal Expenses**

Personnel Expenses include salaries and bonus, terminal benefits and other staff-related expenses. The provision for bonus is recognised when it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

## NOTES TO THE FINANCIAL STATEMENTS

### Defined Contribution Plans- Employees' Provident Fund and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods as defined in the Sri Lanka Accounting Standard- LKAS 19 (Employee Benefits).

The contribution payable to a defined contribution plan is in proportion to the services rendered to the Company by the employees and is recorded as an expense when they become due. Unpaid contributions are recorded as a liability.

The Company and the employees contribute 15% and 10% respectively on the salary of each employee to the Employees' Provident Fund.

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

### Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity was considered as defined benefit plan as per Sri Lanka Accounting Standard- LKAS 19 (Employee Benefits). 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.

### (iv) Other Operating Expenses

Other operating expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earnings of the specific items of the income. All the 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 in arriving at the profit for the year.

### (vi) Directors' Emoluments

Directors' Emoluments include fees paid to Non-Executive Directors. Remunerations paid to Executive Directors are included under Administrative Expenses in these Financial Statements.

### (vii) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group/Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

## 2.11 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the consolidated financial statements of the Group in the foreseeable future. The Group intends to adopt these amended standards, if applicable, when they become effective.

### 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 SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. 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.

### Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. CASH AND CASH EQUIVALENTS

#### Accounting Policy

Cash and cash equivalents are cash at bank and in hand, call deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Cash in hand and at Bank	792,652	1,919,648	10,709,230	9,566,118
Cash in transit	-	-	6,341	48,288
Securities under Reverse Repurchase Agreements (Less than 03 Months)	-	-	3,908,338	3,647,723
Investment in Trust Certificates			701,052	1,908,342
	792,652	1,919,648	15,324,961	15,170,471

**3.1** The collateral value of repurchase agreements reflected on the Statement of Financial Position under cash and cash equivalents as at 31 March 2025 and 31 March 2024 was Rs.4,045,927,197/- and Rs.4,066,678,750/- respectively.

### 3.2 Cash and Cash Equivalents for the purpose of the Cash Flow Statement

#### Accounting Policy

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

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Cash and Cash Equivalents	792,652	1,919,648	15,324,961	15,170,471
Cash and Cash Equivalents attributable to discontinued operations	-	-	370	56
Bank Overdrafts ( Note 18)	(28)	(1,590)	(4,319,389)	(3,373,979)
Cash and Cash Equivalents at the end of the Period	792,624	1,918,058	11,005,942	11,796,548

## 4 FINANCIAL INVESTMENTS

### 4.1 Financial Assets Measured at Fair Value Through Profit Or Loss

#### Accounting Policy

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.



## 4.1.1 Investment in Shares - Company

As at 31 March	2025		2024	
	Number of Shares	LKR '000	Number of Shares	LKR '000
<b>Hotels and Travels</b>				
Citrus Leisure PLC	8,380,767	32,672	8,380,767	41,888
		32,672		41,888

## 4.1.2 Investment in Shares - Group

As at 31 March	2025		2024	
	Number of Shares	LKR '000	Number of Shares	LKR '000
<b>Quoted</b>				
<b>Bank, Finance and Insurance</b>				
Softlogic Finance PLC	8	0	8	0
Seylan Bank PLC (Non- Voting)	129,830	6,894	129,830	4,934
<b>Food Processing</b>				
Bairaha Farms PLC	19,360	3,190	19,360	3,349
<b>Hotels and Travels</b>				
Aitken Spence PLC	225,000	28,744	225,000	29,306
Royal Palms Beach Hotels PLC	4,299	142	4,299	129
John Keells Hotels PLC	45,009	909	45,009	837
Citrus Leisure PLC	11,149,043	43,469	11,149,043	55,729
Serendib Hotels PLC	16,000	296	16,000	224
Hikkaduwa Beach Resort PLC	583,393	1,925	583,393	2,742
<b>Diversified Holdings</b>				
Hayleys PLC	16,660	2,282	16,660	1,368
<b>Health Care</b>				
The Lanka Hospital Corporation PLC	45,519	3,418	45,519	5,280
<b>Total Quoted Investments</b>		91,269		103,898
<b>Non-Quoted</b>				
MBSL Insurance	4,666,667	8,667	4,666,667	8,667
Less: Impairment	-	(8,667)	-	(8,667)
<b>Total Non-quoted Investments</b>		91,269		103,898

## NOTES TO THE FINANCIAL STATEMENTS

### 4.2 Financial Assets Measured at Fair Value Through Other Comprehensive Income

#### Accounting Policy

Financial assets at fair value through other comprehensive income are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Other Comprehensive Income.

#### Equity Instruments Measured At Fair Value Through Other Comprehensive Income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 – “Financial Instruments”: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Statement of Profit or Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

#### Investment in Shares- Company

As at 31 March	2025		2024	
	Number of Shares	LKR '000	Number of Shares	LKR '000
<b>Quoted</b>				
<b>Bank, Finance and Insurance</b>				
Sampath Bank PLC	175,352,762	21,480,713	175,352,762	14,028,221
Advanced towards right issue- Sampath bank PLC	-	-	-	-
<b>Total Quoted Investments</b>	<b>175,352,762</b>	<b>21,480,713</b>	<b>175,352,762</b>	<b>14,028,221</b>
<b>Total</b>	<b>175,352,762</b>	<b>21,480,713</b>	<b>175,352,762</b>	<b>14,028,221</b>

#### Investment in Shares- Group

As at 31 March	2025		2024	
	Number of Shares	LKR '000	Number of Shares	LKR '000
<b>Quoted</b>				
<b>Manufacturing</b>				
Central Industries PLC	10,016	1,467	10,016	1,112
Samson International PLC	5,881	985	5,881	867
<b>Bank Finance and Insurance</b>				
Sampath Bank PLC	175,352,762	21,480,713	175,352,762	14,028,221
Seylan Bank PLC	115	8	-	-
Softlogic Finance PLC	2,090,000	11,286	2,090,000	11,918
<b>Beverages, Food and Tobacco</b>				
Lanka Milk Foods PLC	54,010	2,344	54,010	1,469
<b>Total Quoted Investments</b>		<b>21,496,804</b>		<b>14,043,587</b>
<b>Non-Quoted</b>				
Credit Information Bureau	1,072	107	1,047	107
Finance House Association	20,000	200	20,000	200
National Asset Management Limited	25,000	1,312	25,000	1,048
National Credit Guarantee Institution Ltd	3,778,618	37,786	-	-
<b>Total Non-quoted Investments</b>		<b>39,405</b>		<b>1,355</b>
Less: Provision for Financial Assets- Equity Instruments measured at FVOCI	-	-	-	-
<b>Total Carrying Value of Financial Assets - Equity Instruments measured at FVOCI</b>		<b>21,536,209</b>		<b>14,044,942</b>

### 4.3 Fair value of financial instruments

#### The Following Methods & Assumptions were Used to Estimate the Fair Value

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the Group estimate of assumptions that a market participant would make when valuing the financial instruments.

Cash & cash equivalent, trade receivable, trade payable and other financial liabilities, Long term variable-rate borrowing approximate at their carrying amounts due to the short term maturities of these current financial instruments.

Hence the above carrying amounts of Group's financial instruments are reasonable approximation of their fair value.

#### *Financial Assets - Fair Value Through Profit or Loss*

Fair value of quoted equity shares is based on price quotations at the reporting date.

#### *Equity Instruments measured at Fair value through OCI*

Equity Instruments measured at Fair value through OCI, primarily consist of equity securities and Government debt securities are valued using valuation techniques or pricing models. These assets are valued using models that use observable data. Government debt securities are valued using yield curves published by the Central Bank of Sri Lanka and Fair value of quoted equity shares is based on price quotations at the reporting date.

#### Determination of Fair Value and Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by Valuation techniques.

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.

The Group held the following financial instruments carried at fair value in the Statement of Financial position:

#### Company

As at 31st March 2025	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
<b>Financial Assets - Fair Value Through Profit or Loss</b>				
Quoted equities	32,672	-	-	32,672
	32,672	-	-	32,672
<b>Financial Assets measured at Fair value through OCI</b>				
Quoted equities	21,480,713	-	-	21,480,713
	21,480,713	-	-	21,480,713
<b>Total</b>	<b>21,513,385</b>	<b>-</b>	<b>-</b>	<b>21,513,385</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4.3 Fair value of financial instruments (Contd.)

As at 31st March 2024	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
<b>Financial Assets - Fair Value Through Profit or Loss</b>				
Quoted equities	41,888	-	-	41,888
	41,888	-	-	41,888
<b>Financial Assets measured at Fair value through OCI</b>				
Quoted equities	14,028,221	-	-	14,028,221
	14,028,221	-	-	14,028,221
<b>Total</b>	14,070,109	-	-	14,070,109

#### Group

As at 31st March 2025	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
<b>Financial Assets - Fair Value Through Profit or Loss</b>				
Quoted equities	91,269	-	-	91,269
	91,269	-	-	91,269
<b>Financial Assets measured at Fair value through OCI</b>				
Quoted equities	21,496,804	-	-	21,496,804
Un-Quoted equities	-	1,312	38,093	39,405
	21,496,804	1,312	38,093	21,536,209
<b>Total</b>	21,588,073	1,312	38,093	21,627,478

As at 31st March 2024	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
<b>Financial Assets - Fair Value Through Profit or Loss</b>				
Quoted equities	103,898	-	-	103,898
Un-Quoted equities	-	-	-	-
	103,898	-	-	103,898
<b>Financial Assets measured at Fair value through OCI</b>				
Quoted equities	14,043,587	-	-	14,043,587
Un-Quoted equities	-	1,048	307	1,355
	14,043,587	1,048	307	14,044,942
<b>Total</b>	14,147,485	1,048	307	14,148,840

- 4.3 (a)** Description of the valuation technique for Unquoted Equity Securities under Level 3 Hierarchy Cost is assumed to be the best approximation for the fair value of unquoted equity shares due to the absence of most recent exit prices.

**4.3 (b)** Reconciliation of Fair Value Measurement for Unquoted Equity Securities under Level 3 Hierarchy

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
As at the Beginning of the Year				
Remeasurement Recognised in Other Comprehensive Income	-	-	307	307
Purchases	-	-	-	-
As at the End of the Year	-	-	37,786	-
	-	-	38,093	307

**5. FINANCIAL ASSETS AT AMORTISED COST- LOANS AND ADVANCES****Accounting Policy**

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial measurement loans and advances are subsequently measured at amortised cost using the effective interest rate (EIR), less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Lease Receivables**

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases. When the Group is the lessor under finance leases the amounts due under the leases, after deduction of unearned income, are recognised on the Statement of Financial Position. The finance income receivable is recognised in 'interest income' over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

**Operating Lease**

All other leases are classified as operating leases. When acting as lessor, the Group includes the assets subject to operating leases in 'property, plant and equipment' and accounts for them accordingly. Impairment losses are recognised to the extent that residual values are not fully recoverable and the carrying value of the assets is thereby impaired.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Gold Loans	-	-	85,686,491	74,662,865
Lease Receivables (Note 5.1)	-	-	37,528,724	31,907,593
Vehicle Loans	-	-	47,184,658	39,753,374
Term loans	-	-	13,853,743	9,199,280
Mortgage Loans	-	-	3,949,755	3,987,233
Power Drafts	-	-	18,248,927	10,667,223
	-	-	206,452,299	170,177,568
Less : Allowance for Impairment Losses (Note 6)	-	-	(7,181,215)	(7,653,022)
Rentals Received in Advance	-	-	(37)	(2,813)
Net Loans and Advances	-	-	199,271,047	162,521,733
Fair Value	-	-	201,278,635	164,529,320

## NOTES TO THE FINANCIAL STATEMENTS

### 5.1 Lease Receivables

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Gross Rentals Receivable				
- Within One Year	-	-	21,816,050	20,562,918
- One to five years	-	-	27,114,696	21,484,794
- Over five years	-	-	9,269	720
	-	-	48,940,015	42,048,432
Unearned Income				
- Within One Year	-	-	(6,003,797)	(5,608,730)
- One to five years	-	-	(5,406,985)	(4,532,065)
- Over five years	-	-	(509)	(44)
	-	-	(11,411,291)	(10,140,838)
<b>5.1.1 a) Lease Receivables</b>	-	-	37,528,724	31,907,593
Rentals Received in Advance	-	-	(37)	(2,813)
Allowance for Impairment Losses	-	-	(1,493,487)	(2,010,824)
<b>5.1.1 b) Net Lease Receivable</b>	-	-	36,035,200	29,893,956

### 5.2 Medium and Short Term Loans include loans granted to Company Officers, the movement of which is as follows :

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
As at 1st April	-	-	512,241	403,484
Add : Loans granted during the year	-	-	1,361,851	519,932
Less : Repayments during the year	-	-	(1,259,630)	(411,175)
As at 31st March	-	-	614,462	512,241

### 5.3 Contractual Maturity Analysis of Loans and Advances- Group

As at 31st March 2025	Within 1 Year LKR '000	1 - 5 Years LKR '000	Over 5 Years LKR '000	Total LKR '000
Gold Loans	85,686,491	-	-	85,686,491
Lease Receivables	15,812,253	21,707,712	8,759	37,528,724
Vehicle Loans	16,352,958	30,764,971	66,729	47,184,658
Medium and short term loans	6,051,864	3,393,505	4,408,374	13,853,743
Mortgage Loans	2,174,800	1,663,942	111,013	3,949,755
Power Drafts	6,478,176	11,770,751	-	18,248,927
Gross Loans and Receivables	132,556,542	69,300,881	4,594,875	206,452,298
Allowance for Impairment Losses				(7,181,215)
Rentals Received in Advance				(37)
Net Loans and Advances				199,271,046



As at 31st March 2024	Within 1 Year LKR '000	1 - 5 Years LKR '000	Over 5 Years LKR '000	Total LKR '000
Gold Loans	74,662,865	-	-	74,662,865
Lease Receivables	14,954,188	16,952,728	677	31,907,593
Vehicle Loans	13,801,605	25,903,015	48,754	39,753,374
Medium and short term loans	4,515,292	1,939,317	2,744,671	9,199,280
Mortgage Loans	2,206,262	1,633,514	147,457	3,987,233
Power Drafts	2,763,870	7,903,353	-	10,667,223
Gross Loans and Advances	112,904,082	54,331,927	2,941,559	170,177,568
Allowance for Impairment Losses				(7,653,022)
Rentals Received in Advance				(2,813)
Net Loans and Advances				162,521,733

Loans and advances are prepayable, so prepayments may cause actual maturities to differ from contractual maturities.

#### 5.4 Credit Exposure Movement - ECL Stage-wise

##### Loans and Advances

	GROUP			
	2025	2025	2025	2025
	Stage 01 LKR '000	Stage 02 LKR '000	Stage 03 LKR '000	Total LKR '000
Gross Carrying Amount as at 1 April	142,440,448	20,711,214	7,023,093	170,174,755
Transfer to Stage 01	3,484,520	(3,230,938)	(253,582)	-
Transfer to Stage 02	(8,330,872)	8,474,969	(144,097)	-
Transfer to Stage 03	(296,096)	(574,912)	871,008	-
New Assets Originated or Purchased	145,082,476	13,260,316	354,145	158,696,937
Financial Assets Derecognised or Repaid	(105,557,886)	(13,722,658)	(2,650,442)	(121,930,986)
Write-offs	-	-	(469,195)	(469,195)
Exchange Rate Variance on Foreign Currency Provisions	(17,156)	(81)	(2,012)	(19,249)
As at 31 March	176,805,434	24,917,910	4,728,918	206,452,262

	GROUP			
	2024	2024	2024	2024
	Stage 01 LKR '000	Stage 02 LKR '000	Stage 03 LKR '000	Total LKR '000
Gross Carrying Amount as at 1 April	118,243,460	22,973,387	13,350,152	154,566,999
Transfer to Stage 01	4,173,856	(3,512,039)	(661,817)	-
Transfer to Stage 02	(6,403,582)	7,467,578	(1,063,996)	-
Transfer to Stage 03	(693,879)	(1,407,274)	2,101,153	-
New Assets Originated or Purchased	125,090,412	16,648,264	2,020,723	143,759,399
Financial Assets Derecognised or Repaid	(97,908,364)	(21,458,331)	(7,772,586)	(127,139,281)
Write-offs	-	-	(936,394)	(936,394)
Exchange Rate Variance on Foreign Currency Provisions	(61,455)	(371)	(14,142)	(75,968)
As at 31 March	142,440,448	20,711,214	7,023,093	170,174,755

## NOTES TO THE FINANCIAL STATEMENTS

### 6. ALLOWANCE FOR IMPAIRMENT LOSSES

#### Accounting Policy

##### Overview of the Expected Credit Loss (ECL) Principles

The Group has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as “financial instruments”.

The ECL allowance is based on the credit losses expected to arise over the life of the asset.

The 12 months ECL is the portion of lifetime ECLs 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 lifetime ECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has 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 such process Group allocates loans in to stage 1, stage 2, Stage 3 as described below:

##### Stage 1

When loans are first recognised, the Group recognises an allowance based on 12 months ECLs. 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 lifetime ECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

##### Stage 3

When a loan is considered to be credit impaired/contain objective evidences of incurred loss, the Group records an allowance for the life time ECLs.

##### Significant Increase in Credit Risk

The Group continuously monitors all assets subject to ECL, in order to determine whether there has been a significant increase in credit risk since initial recognition and whether the instrument or a portfolio of instruments is subject to 12 months ECL or Lifetime ECL. The Group considers an exposure to have a significant increase in credit risk at 30 days passed due.

Individually significant impairment assessment and loans which are not impaired individually Group will individually assess all significant customer exposures to identify whether there are any indicators of impairment. Loans with objective evidence of incurred losses are classified as Stage 3. Loans which are individually significant but not impaired will be assessed collectively for impairment under either Stage 1 or Stage 2, based on the above specified criteria to identify whether there have been a significant credit deterioration since origination.

While establishing significant credit deterioration, Group will consider the following criteria:

- Other changes in the rates or terms of an existing financial instrument that would be significantly different if the instrument was newly originated
- Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instrument
- Other information related to the borrower, such as changes in the price of a borrower’s debt/equity instrument
- An actual/expected internal credit rating downgrade for the borrower or decrease in behavioural score used to assess credit risk internally

### Accounting Policy

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its obligation
- An actual or expected significant change in the operating results of the borrower in relation to actual/expected decline in revenue, increase in operating risk, working capital deficiency, decrease in asset quality, increase in gearing and liquidity management problems
- Significant increase in credit risk on other financial instruments of the same borrower
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet the debt obligation

### Grouping Financial Assets Measured on a Collective Basis

As explained above, Group calculates ECL either on a collective or individual basis. Asset classes where the Company calculates ECL on an individual basis includes all individually significant assets which belong to Stage 3. All assets which belong to Stage 1 and 2 will be assessed collectively for impairment.

The Group allocates smaller homogeneous exposures based on a combination of internal and external characteristics such as product type, customer type, days past due etc.

### Calculation of ECL

The expected cash shortfalls are calculated by multiplying respective loan level PDs, EADs and LGDs. The cash shortfall is discounted to the Effective Interest Rate (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.

PDs and LGDs are adjusted to the forward-looking information using statistically quantified variance.

The mechanics of the ECL calculation are outlined below and the key elements are as follows:

- **Probability of Default (PD):** PD is an estimate of the likelihood of default over a given time horizon. Hence majority of our client base being retail; we use internal information to estimate the PDs. The client has two credit statuses which can be identified as default or not default. We used Cohort method (CM) to compute the PDs.
- **Exposure at Default (EAD):** EAD is the estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of the principle and interest, whether scheduled by contract or otherwise and expected draw downs on committed facilities.
- **Loss Given Default (LGD):** LGD is an estimate of the loss arising, where a default occurs at a given time calculated based on historical recovery data. It is usually expressed as a % of the EAD.

For all products, Company considers the maximum period over which the credit losses are determined is the contractual life of a financial instrument.

The published global financial sector credit rating migration matrix Probability of Default used for fixed income (bank deposits) securities expected loss calculation, Value at Risk Methodology (VAR) is used for gold based loan expected loss calculation and bi-nominal distribution model is used for small number of obligors portfolio expected loss calculation. Any Financial Asset, fully secured through a cash collateral, has not taken into the expected loss calculation.

### Forward-looking information

Group relies on broad range of qualitative/quantitative forward-looking information as economic inputs in the multiple economic factor model developed to forecast the expected non-performing loans.

## NOTES TO THE FINANCIAL STATEMENTS

### 6. ALLOWANCE FOR IMPAIRMENT LOSSES (CONTD.)

The model predicts the one year forward industry NPL levels and which has been used to adjust the Company PD curve using statistically quantified variance. The economic factor model is developed by the University of Colombo, Science and Technology CELL and consent to use with an annual review. The economic factor model predicts the NPL as an output and use some key economic factors as an input to the model. The key variables of the model is as follows;

- Industry NPL
- Business Confidence Index
- All Share Price Index(ASPI)
- Exchange Rates
- Fuel Prices
- GDP Growth Rate
- Interest Rates
- Inflation Rates
- Unemployment Rates
- Rainfall
- Per Capita GDP
- Assets Recovery Ratio
- Company Probability of Default Curve

#### 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 financial asset impairment allowance account accordingly. The write-back is recognised in the Income Statement.

#### Write-off of loans and advances

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.

#### 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, vehicles, gold, securities, letters of guarantees, real estate, receivables, inventories, other non-financial assets. 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. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent valuers.

#### Collateral repossessed

Reposessed collateral will not be taken into books of accounts unless the Group has taken those collaterals into its business operations. However, such additions from the reposessed collaterals to the business operations are not significant.

#### Non-accrual receivables

Non performing classification point is triggered out when the receivables are more than five months in arrears, receivables are subject to legal action/ongoing legal action, receivables are subject to untraceable or unattainable collaterals, or receivables are determined to be uncollectible. For receivables in non-accrual status, subsequent financing revenue is recognised only to the extent a payment is received. Payments are generally applied first to outstanding interest and then to the unpaid principal balance.

## 6. ALLOWANCE FOR IMPAIRMENT LOSSES (CONTD.)

### 6.1 Stage-wise Analysis of the Allowance for Impairment Losses

As at 31 March	GROUP							
	Stage 01 2025	Stage 02 2025	Stage 03 2025	Total 2025	Stage 01 2024	Stage 02 2024	Stage 03 2024	Total 2024
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
As at 01 April	3,013,269	522,425	4,117,328	7,653,022	2,384,657	697,415	5,113,330	8,195,402
Charge / (Reversal) for the year	291,291	(15,174)	(277,704)	(1,587)	630,418	(174,936)	(56,440)	399,042
Amounts written off	-	-	(469,195)	(469,195)	-	-	(936,394)	(936,394)
Exchange Rate Variance on Foreign Currency Provisions	(360)	(53)	(612)	(1,025)	(1,806)	(54)	(3,168)	(5,028)
As at 31 March	3,304,200	507,198	3,369,817	7,181,215	3,013,269	522,425	4,117,328	7,653,022

### 6.2

As at 31 March	GROUP							
	Stage 01 2025	Stage 02 2025	Stage 03 2025	Total 2025	Stage 01 2024	Stage 02 2024	Stage 03 2024	Total 2024
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Individual Impairment	-	-	3,369,817	3,369,817	-	-	4,117,328	4,117,328
Collective Impairment	3,304,200	507,198	-	3,811,398	3,013,269	522,425	-	3,535,694
Total	3,304,200	507,198	3,369,817	7,181,215	3,013,269	522,425	4,117,328	7,653,022
Gross Amount of Loans Individually Determined to be Impaired, before Deducting the Individually Assessed Impairment Allowance	-	-	4,728,918	4,728,918	-	-	7,023,093	7,023,093
Gross Amount of Loans Collectively Assessed for the Impairment	176,805,434	24,917,910	-	201,723,344	142,575,448	20,576,214	-	163,151,662
Gross Receivables	176,805,434	24,917,910	4,728,918	206,452,262	142,575,448	20,576,214	7,023,093	170,174,755
Gross Amount of Loans Individually Determined to be Impaired				2.29%				4.13%

### 6.3 Product-wise Analysis of the Allowance for Impairment Losses

As at 31 March	GROUP							
	Stage 01 2025	Stage 02 2025	Stage 03 2025	Total 2025	Stage 01 2024	Stage 02 2024	Stage 03 2024	Total 2024
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Gold Loans	1,648,977	33,049	31,704	1,713,730	1,424,251	39,352	29,050	1,492,653
Lease Receivables	383,613	141,366	968,508	1,493,487	379,301	166,906	1,464,617	2,010,824
Vehicle Loans	533,960	184,770	359,703	1,078,433	571,502	164,039	449,022	1,184,563
Medium and short term loans	394,310	30,039	148,225	572,574	341,422	14,454	245,866	601,742
Mortgage Loans	119,476	52,301	1,600,069	1,771,846	141,695	92,539	1,609,992	1,844,226
Power Drafts	223,865	65,671	261,609	551,145	155,098	45,135	318,781	519,014
Total Allowance for Impairment lossess	3,304,200	507,198	3,369,817	7,181,215	3,013,269	522,425	4,117,328	7,653,022

## NOTES TO THE FINANCIAL STATEMENTS

### 6.4 Stage Movements in Allowance for Impairment Losses

As at 31 March	GROUP							
	Stage 01	Stage 02	Stage 03	Total	Stage 01	Stage 02	Stage 03	Total
	2025	2025	2025	2025	2024	2024	2024	2024
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>Opening Balance</b>	3,013,269	522,425	4,117,328	7,653,022	2,384,657	697,415	5,113,330	8,195,402
Transfer to Stage 01	182,189	(95,066)	(87,123)	-	187,681	(115,203)	(72,478)	-
Transfer to Stage 02	(182,608)	202,566	(19,958)	-	(170,444)	260,879	(90,435)	-
Transfer to Stage 03	(7,890)	(27,116)	35,006	-	(24,074)	(58,637)	82,711	-
New Assets Originated or Purchased	2,833,666	310,818	759,879	3,904,363	2,507,229	419,471	1,289,568	4,216,268
Financial Assets Derecognised or Repaid	(2,533,962)	(406,426)	(965,617)	(3,906,005)	(1,869,974)	(681,446)	(1,265,806)	(3,817,226)
Write-offs	-	-	(469,195)	(469,195)	-	-	(936,394)	(936,394)
Exchange Rate Variance on Foreign Currency Provisions	(464)	(3)	(503)	(970)	(1,806)	(54)	(3,168)	(5,028)
<b>Closing Balance</b>	3,304,200	507,198	3,369,817	7,181,215	3,013,269	522,425	4,117,328	7,653,022

### 6.5 Sensitivity Analysis of Allowance for Impairment Losses

As at 31 March		Sensitivity Effect on Impairment Allowance Increase	
		2025 LKR '000	2024 LKR '000
<b>Changed Criteria</b>	<b>Changed Factor</b>		
Loss Given Default (LGD)	Increase by 10%	135,364	192,194
Probability of Default (PD)	Increase by 1%	10,261	10,273

## 7 OTHER FINANCIAL ASSETS

### Accounting Policy

These include treasury bills repurchase agreements, where we are the transferee and investments in fixed deposits with banks and other financial institutions. Treasury bills repurchase agreements allow us to offset our entire gross exposure in the event of default or breach of contract. Other financial assets are initially recognised at fair value net of transactions cost. Subsequently, they are stated at amortised cost; any difference between the proceeds (Net of transaction cost) and the receivable amount (including interest income) is recognised in the Income Statement over the period of the assets using effective interest method.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Securities under Reverse Repurchase Agreements	-	-	2,541,436	4,568,918
Insurance premium receivables	-	-	409,665	433,725
Investment in Fixed Deposits (Note 7.2)	1,324,192	800,000	11,932,914	5,081,841
Investment in Treasury Bills	-	-	7,489,281	11,042,675
Others	-	-	208,172	180,893
	1,324,192	800,000	22,581,468	21,308,052
Fair Value	1,324,192	800,000	22,581,468	21,308,052



- 7.1** The collateral value of repurchase agreements reflected on the Statement of Financial Position under Other Financial Assets as at 31 March 2025 and 31 March 2024 was Rs. 2,719,380,186/- and Rs. 5,070,493,000/- respectively.

**7.2 Investment in Fixed Deposits**

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Counterparty External Credit Rating*</b>				
AA	-	-	-	2,397
AA-	-	-	4,494,823	4,963
A+	-	-	59,452	51,940
A	-	-	6,056,211	2,576,423
A-	-	-	-	1,013,401
BBB	1,324,192	800,000	1,324,192	800,000
BBB-	-	-	-	634,576
Investment in Fixed deposits	1,324,192	800,000	11,934,678	5,083,700
Less: Impairment Allowance	-	-	(1,764)	(1,859)
	1,324,192	800,000	11,932,914	5,081,841

\*Fitch Ratings Lanka Ltd

**8. TRADE & OTHER DEBTORS, DEPOSITS AND PREPAYMENTS**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial instruments – initial recognition and subsequent measurement.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Gross Trade receivables	-	-	10,345,030	8,370,599
(-) Bad debt provision	-	-	(603,015)	(531,176)
Net Trade receivables	-	-	9,742,015	7,839,423
Amounts due from Related Parties (Note 8.1)	210,193	181,299	24,652	808
Deposits	30,388	-	30,388	-
Other Advances	-	-	196,597	2,292,022
Interest Receivables	16,080	-	16,080	-
Principle Receivable	-	-	223,005	72,151
Other Receivables	1,395,745	910,736	4,884,001	2,124,080
Loans to company officers	-	-	13,315	12,613
	1,652,406	1,092,035	15,130,054	12,341,097

## NOTES TO THE FINANCIAL STATEMENTS

### 8.1 Amounts due From Related Parties

Related party transactions disclosures in Note 42.

Related Party	Relationship	COMPANY		GROUP	
		2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Royal Ceramics Lanka PLC	Subsidiary	36,203	10,970	-	-
Lanka Walltile PLC	Subsidiary	9,908	6,649	-	-
Lanka Tiles PLC	Subsidiary	67,571	67,719	-	-
Swisstech Ceylon PLC	Subsidiary	-	22,258	-	-
Uni Dill Packaging Ltd	Subsidiary	58,284	49,178	-	-
Singer Sri Lanka PLC	Affiliate	-	-	6,472	-
The Kingsbury PLC	Affiliate	-	-	774	67
Delmege Forsyth & Co Ltd	Subsidiary	534	2,023	-	-
Fentons Ltd	Affiliate	-	-	-	294
Dipped Products PLC	Affiliate	-	-	-	134
Kandyan Resorts (Pvt) Ltd	Affiliate	-	-	-	139
Kelani Valley Plantations PLC	Affiliate	-	-	473	52
Hanwella Rubber Products Ltd	Affiliate	-	-	566	-
Ultracarb (Pvt) Ltd	Affiliate	-	-	6,597	-
Fentons Smart facilities (Pvt) Ltd	Affiliate	-	-	932	-
Ceylon Hospitals Plc	Affiliate	-	-	798	-
Country Energy (Pvt) Ltd	Affiliate	-	-	-	2
Hayleys Fabric PLC	Affiliate	-	-	6,761	49
Energynet (Pvt) Ltd	Affiliate	-	-	-	56
Uni Dill Packaging Solution Ltd	Subsidiary	10,493	17,889	-	-
Grip Delmege & Co. Ltd	Subsidiary	4,722	4,393	-	-
Grip Nordic (Pvt) Ltd	Subsidiary	220	220	-	-
Swisstech Aluminium Ltd	Subsidiary	22,258	-	-	-
Horana Plantations Plc.	Affiliate	-	-	223	-
Hayleys Aviation (Pvt) Ltd	Affiliate	-	-	1,056	-
Summer Season Ltd	Affiliate	-	-	-	15
		210,193	181,299	24,652	808

### 8.2 Contract Asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
As at 1st April	-	-	30,033	32,343
During the year recognised	-	-	-	-
Transfers	-	-	(30,033)	(2,310)
As at 31st March	-	-	-	30,033

The contract assets primarily relate to rights to consideration for work completed but not billed at the reporting date on supply of timber. The contract assets are transferred to receivables when the rights become unconditional this usually occurs when the company issues an invoice to the customer.

## 9. OTHER NON FINANCIAL ASSETS

### Accounting Policy

Group classifies all other non financial assets other than Intangible Assets and Property, Plant and Equipment under other non financial assets. Other non financial assets include real estate stock, vehicle stock, gold stock, deposits, advances and prepayments, etc. These assets are non-interest earning and recorded at the amounts that are expected to be received.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Advance for Vehicle Stock	-	-	-	34,381
Advances & Pre-Payments	4,940	5,038	2,029,308	957,382
Gold Stock (Note 9.1)	-	-	1,514	1,514
Stationary Stock	-	-	18,252	19,513
Sundry Debtors	-	-	26,570	48,177
Pre-paid Staff Cost (Note 9.2)	-	-	4,957	11,622
Receivables & Others	-	-	36,088	21,957
Advance Company Tax Receivable	-	-	1,750	1,187
Withholding Tax Receivable	-	-	10,828	11,803
	4,940	5,038	2,129,267	1,107,536

### 9.1 Gold Stock

The gold inventory is valued at lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

### 9.2 The Movement in the Pre-Paid Staff Cost

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
As at the Beginning of the Year	-	-	11,622	16,537
Adjustment for New Grants and Settlements	-	-	(4,780)	(1,354)
Charge to Personnel Expenses	-	-	(1,886)	(3,561)
As at the End of the Year	-	-	4,957	11,622

## NOTES TO THE FINANCIAL STATEMENTS

### 10 INVESTMENT IN SUBSIDIARIES

#### Accounting Policy

The Company recognises investment in subsidiary at cost.

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 rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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 a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The ownership of the subsidiary companies as at the reporting date are as follows:

Quoted Investments	Year of Incorporation	Effective Holding (%)		Number of Shares	
		2025	2024	2025	2024
Quoted Investments					
Royal Ceramics Lanka PLC	1990/91	55.98%	55.98%	620,026,000	620,026,000
LB Finance PLC	1971/72	66.34%	66.34%	286,729,600	286,729,600
Unquoted Investments					
Delmege Limited	1915/16	68.75%	68.75%	424,674	424,674
Greener Water Limited	2010/11	100.00%	100.00%	678,606,366	658,606,366
Swisstek Aluminium Ltd	2009	37.56%	19.99%	44,770,974	

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 in 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.

The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date when control ceases.

The Financial Statements of the Subsidiary in the Group has a common financial year which ends on 31 March. The Financial Statements of the Company's Subsidiary are prepared using consistent accounting policies.

There are no significant restrictions on the ability of the Subsidiary to transfer funds to the Parent (the Company) in the form of cash dividend or repayment of loans and advances.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions, income and expenses are eliminated in full.

The cost of an acquisition is measured at fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. Subsequent to the initial measurement, the Company continues to recognise the investments in Subsidiaries at cost.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Quoted Investments	Cost		Market Value	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Royal Ceramics Lanka PLC	9,920,440	9,920,440	22,940,962	19,282,809
LB Finance PLC	5,461,361	5,461,361	24,601,400	17,782,236
	15,381,801	15,381,801	47,542,362	37,065,045

## NOTES TO THE FINANCIAL STATEMENTS

Unquoted Investments	Cost		Market Value	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Delmege Limited	2,648,126	2,648,126	2,648,126	2,648,126
Greener Water Limited	6,787,397	6,587,397	6,787,397	6,587,397
Swisstek Aluminium Ltd	492,481	-	492,481	-
Total	9,928,004	9,235,523	9,928,004	9,235,523
<b>Total</b>	<b>25,309,805</b>	<b>24,617,324</b>	<b>57,470,366</b>	<b>46,300,568</b>

### 11. INVESTMENT IN ASSOCIATES

#### Accounting Policy

The Group investment in associates is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment 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 associate since acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Statement of profit or loss reflects the Group's share of net of tax results of operations of the associates. When there has been a change recognised directly in the equity of the associates, 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 are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of an associate is shown on the face of the Statement of Comprehensive Income.

Equity method of accounting has been applied for associates Financial Statements using their corresponding/matching 12-month financial period.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in "share of losses of an associate" in the Statement of Profit or Loss. Upon loss of significant influence over the associate, the Group measures and recognises any retained Investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

#### 11.1 Company

Quoted Investments	Holding (%)		Number of Shares	
	2025	2024	2025	2024
The Fortress Resorts PLC	18.59%	18.59%	20,618,257	20,618,257

Quoted Investments	Cost		Market Value	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
The Fortress Resorts PLC	413,068	413,068	505,147	474,220
	413,068	413,068	505,147	474,220



**11.2 Group**

Quoted Investments	Effective Holding (%)		Number of Shares	
	2025	2024	2025	2024
The Fortress Resorts PLC	21.18%	21.18%	25,005,457	25,005,457

Quoted Investments	Cost		Market Value	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
The Fortress Resorts PLC	499,463	499,463	612,634	575,131
	499,463	499,463	612,634	575,131

**The Fortress Resorts PLC****Principal activities of the Company and its subsidiaries**

The Company has invested in its wholly owned subsidiary, La Forteresse (Private) Limited, which provides lodging, food, beverage and other hospitality industry related activities.

**Principal place of business of the Company**

The Company's principal place of business is located in Galle, Sri Lanka.

**11.2 Group**

	2025 LKR '000	2024 LKR '000
Balance at the beginning of the year	640,417	593,932
Share of Profit/ (Loss)	53,228	47,870
Surcharge Tax	-	-
Share of Other Comprehensive income	(1,491)	(1,385)
Less: Dividend	-	-
Balance at the end of the Year	692,154	640,417

**11.3 Summarised financial information of equity accounted investees has not been adjusted for group share,****11.3.1 Statement of profit or loss**

	2025 LKR '000	2024 LKR '000
Revenue	1,006,142	921,487
Cost of sales	(291,446)	(282,850)
Income (Includes Other Income, Finance Income)	97,539	97,238
Expenses (Includes Operating , Administration & Distribution expenses)	(499,429)	(461,824)
Finance Cost	(7,683)	(7,346)
Income Tax	(69,015)	(54,363)
Profit after Tax	236,108	212,342
<b>Other comprehensive income</b>	<b>(6,612)</b>	<b>(6,140)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11.3.2 Statement of Financial Positions

	2025 LKR '000	2024 LKR '000
Non current assets	1,190,585	1,171,986
Current assets	1,219,877	1,006,204
	-	
Non current liabilities	140,872	136,798
Current liabilities	224,747	226,044
<b>Net assets</b>	<b>2,044,844</b>	<b>1,815,348</b>

### 11.3.3 Commitments and Contingencies

	2025 LKR '000	2024 LKR '000
<b>Commitments</b>		
Lease commitments	68,939	65,007

## 12. DEFERRED TAX ASSETS (LIABILITIES)

### Accounting Policy

Deferred tax is provided on temporary differences at the financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, 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 differences. Carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits 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 and associates 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 a deferred tax asset is reviewed at each financial position date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profits will be available against which such tax losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with the future tax planning strategies.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or subsequently enacted at the Financial Position date.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
As at 01 April	10,110	8,580	(6,857,938)	(6,483,058)
Reclassification from liability	-	-	-	42,664
Recognised in Profit or Loss	(509)	1,131	273,815	385,453
Recognised in Other Comprehensive Income	1,802	399	(455,642)	(802,997)
On acquisition of Subsidiary	-	-	37,541	-
At the end of the year	11,403	10,110	(7,002,225)	(6,857,938)
Deferred Tax Assets	11,404	10,110	1,800,896	1,227,053
Deferred Tax Liabilities	-	-	(8,803,121)	(8,084,991)
	11,404	10,110	(7,002,225)	(6,857,939)

#### 12.1 The closing net differed tax liability relate to the following;

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Property, Plant & Equipments	(1,499)	(1,957)	(4,932,557)	(5,706,379)
Revaluation surplus on Land and Buildings	-	-	(5,254,989)	(3,198,852)
Leased Assets	-	-	57,589	(161,466)
Right of use assets	373	1,859	150,061	142,488
Defined Benefit Obligation	12,530	10,208	720,816	505,331
Unrealised Exchange Gain/(Loss)	-	-	3,043	19,700
Provisions	-	-	1,702,256	1,551,468
Deferred Taxation on Un distributed Associate Profit	-	-	(53,136)	(60,880)
Revaluation Surplus on Investment property	-	-	(390,006)	(719,225)
Carried Forward Qualifying Payment	-	-	20,173	-
Reversal of tax losses claimed	-	-	(127,000)	-
Unutilised tax losses	-	-	1,101,524	769,877
	11,404	10,110	(7,002,225)	(6,857,938)

## NOTES TO THE FINANCIAL STATEMENTS

### 13 INVENTORIES

#### Accounting Policy

Inventories are valued at 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 cost incurred in bringing inventories to its present location and condition is accounted using the following cost formulae:

- Raw material – At purchase cost on weighted average cost basis, except for, Vallibel Plantation Management Limited, Swisstek Aluminium Limited and Swisstek (Ceylon) PLC which is on a first in first out basis.
- Consumable and spares – At purchase cost on weighted average cost basis.
- Finished goods and work-in-progress – at the cost of direct material, direct labour and appropriated proportion of production overheads based on normal operating capacity.
- Goods in transit have been valued at cost.
- Trading goods – At purchase cost on weighted average basis except for Lanka Walltiles group which is on first in first out basis.

#### Agricultural produce harvested from Biological Assets

Agricultural produce harvested from Biological Assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi finished inventories from Agricultural produce are valued by adding the cost of conversion to the fair value of agricultural produce.

#### Agricultural produce after further processing

Further processed output of Agricultural Produce are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for estimated costs of conversion and the estimated costs necessary to bring them to a saleable condition.

The cost incurred in bringing the inventories to its present location and conditions are accounted using the following cost formulas.

#### Input Material

At actual cost on first-in-first-out basis.

#### Spares and Consumables

At actual cost on first-in-first-out basis.

#### Produced Stocks

Valued at cost or NRV.

#### Provision for Slow moving inventories

A provision for slow moving inventories is recognised based on the best estimates available to management on their future usability/sale. As management uses historical information as the basis to determine the future usability and recoverability, actual future losses on inventories could vary from the provision made in these Financial Statements.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Raw Materials	-	-	9,537,944	8,834,938
Other Consumables	-	-	31,944	29,265
Spares and Consumables	-	-	3,252,829	3,794,140
Accessories	-	-	1,316,338	786,351
Work In Progress	-	-	1,340,754	1,318,219
Finished Goods	-	-	21,442,182	16,917,216
Goods in Transit	-	-	7,878	48,247
	-	-	36,929,869	31,728,376
Less : Provision for Obsolete and Slow Moving Inventory (Note 13.1)	-	-	(1,528,851)	(1,290,928)
	-	-	35,401,019	30,437,448

### 13.1 Movement of the Provision for Obsolete and Slow Moving Inventory

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Opening Balance	-	-	1,290,928	1,028,914
Reversal of Write off	-	-	(4,560)	-
Charge to Profit or Loss	-	-	242,483	262,014
Closing Balance	-	-	1,528,851	1,290,928

## 14. INTANGIBLE ASSETS

An intangible asset is an identifiable monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others or for administrative purposes.

The Group's intangible assets include the value of computer software, brand name and goodwill on business combination.

### Accounting Policy

#### Basis of Recognition

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

#### Useful lives of Intangible Assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they 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 asset.

## NOTES TO THE FINANCIAL STATEMENTS

### 14. INTANGIBLE ASSETS (CONTD.)

#### Accounting Policy

##### Amortisation

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

The class of intangible assets	Useful life	Amortisation method
Computer software	5 – 15 years	Straight line method
Brand name	20 years	Straight line method

##### Derecognition of intangible assets

The carrying amount of an item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition of an item of intangible asset is included in the Income Statement when the item is derecognised.

	GROUP			
	Software LKR '000	Brand Name LKR '000	Goodwill LKR '000	Total LKR '000
<b>Cost</b>				
As at 01st April 2023	760,925	904,891	12,445,876	14,111,693
Acquisition of Subsidiaries	-	-	55,051	55,051
Acquired during the year	27,549	-	-	27,549
Impairment	-	-	(108,098)	(108,098)
Effect of change in exchange rate	(1,615)	-	-	(1,615)
As at 31st March 2024	786,859	904,891	12,392,829	14,084,580
Acquired during the year	200,378	-	-	200,378
Disposals/ write-off	(3,569)	-	-	(3,569)
Effect of change in exchange rate	(297)	-	-	(297)
As at 31st March 2025	983,371	904,891	12,392,829	14,281,092
<b>Amortisation</b>				
As at 01st April 2023	448,064	561,788	170,710	1,180,563
Acquisition of Subsidiaries	-	-	-	-
Charge for the year	59,338	45,245	-	104,583
Effect of change in exchange rate	(1,467)	-	-	(1,467)
As at 31st March 2024	505,935	607,033	170,710	1,283,679
Charge for the year	64,598	45,245	-	109,843
Disposals/ write-off	(3,569)	-	-	(3,569)
Effect of change in exchange rate	(287)	-	-	(287)
As at 31st March 2025	566,677	652,278	170,710	1,389,666
<b>Net Book Value</b>				
Net book value as at 31st March 2025	416,694	252,613	12,222,119	12,891,426
Net book value as at 31st March 2024	280,924	297,858	12,222,119	12,800,901



### 14.1 Software

Cost of all computer software licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets and carried at cost less accumulated amortisation and any accumulated impairment losses.

#### Subsequent Expenditure

Expenditure incurred on software is capitalised only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

### 14.2 Goodwill

Goodwill allocated through business combination have been allocated to four Cash Generating Units (CGU) for impairment testing as follows;

As at 31 March	COMPANY	
	2025 LKR '000	2024 LKR '000
Royal Ceramic Lanka PLC and its Subsidiaries	7,461,083	7,461,083
LB Finance PLC and its Subsidiaries	3,930,073	3,930,073
Greener Water Limited	3,420	3,420
Delmege Limited and its subsidiaries	827,543	827,543
	12,222,119	12,222,119

The recoverable amount of all CGU's have been determine based on the value in use (VIU) calculation.

The key assumptions used to determine the recoverable amount for the significant cash generating units, are as follows;

#### Gross Margin

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

#### Discount Rate

The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium. The discount rate applied to cash flow projections range between 12.34%- 15.30% .

#### Inflation

The basis used to determine the value assigned to budgeted cost inflation, is the inflation rate based on projected economic conditions.

#### Growth Rate

The Management has estimated 2%- 4% growth rate in the cash flow beyond the five-year period.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used during more than one period. The Group applies the requirements of the Sri Lanka Accounting Standard- LKAS 16 (Property, Plant and Equipment) in accounting for these assets.

#### Accounting Policy

##### Basis of Recognition

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

##### Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of, or service it. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of computer equipment.

##### Subsequent Cost

The subsequent cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be reliably measured. The costs of day-to-day servicing of property, plant and equipment are charged to the Income Statement as incurred. Costs incurred in using or redeploying an item is not included under carrying amount of an item.

##### Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives and depreciation is charge when the underlying asset is available for use.

The rates of depreciation based on the estimated useful lives are as follows:

Category of asset	Useful life
Building	15- 50 years
Furniture and fittings	3- 6.67 years
Equipment	3- 5 years
Motor vehicles and accessories	4- 8 years
Computer hardware	4- 5 years
Motor bike	3 years
Mobile accessories	2 Years
Leasehold improvement	6.67 years
Fixtures and fittings	3 years
Water supply scheme, electricity distribution, household items – heavy	25- 40 years
Tools and Implements and sundry inventory and household items – light	0-2 years
Factory equipment, plant and machinery and moulds	10- 20 years

#### Accounting Estimates

##### Useful Life of the Property, Plant and Equipment

The Groups reviews the residual values, useful lives and methods of depreciation of Property Plant and Equipment at each reporting date, judgement of the management is exercised in the estimation of these values, methods and hence they are subject to uncertainty.

## 15. PROPERTY, PLANT &amp; EQUIPMENT (CONTD.)

**Accounting Policy****Revaluation**

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any 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 Income, in which case the increase is recognised in the Statement of Income. A revaluation deficit is recognised in the statement of income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Cost of repairs and maintenance are charged to the Statement of Income during the period in which they are incurred.

**Derecognition**

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in "Other operating income" in the Statement of Profit or Loss in the year the asset is derecognised.

**Permanent Land Development Cost**

Permanent land development costs incurred in making major infrastructure development and building new access roads on leasehold lands. These costs have been capitalised and amortised over the remaining lease period. Permanent impairments to land development costs are charged to the Statement of Profit or Loss and Other Comprehensive Income in full and reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

## 15.1 Property, Plant and Equipment- Company

## (a) Company - 2025

Cost	Balance as at 01/04/2024 LKR '000	Additions During the Year LKR '000	Transfers/ Disposals LKR '000	Balance as at 31/03/2025 LKR '000
Furniture and Fittings	54,744	144	-	54,888
Equipment	5,807	-	-	5,807
Motor Vehicles and Accessories	81,561	-	-	81,561
Computer Hardware	29,966	6,395	-	36,361
	172,078	6,539	-	178,617

Depreciation	Balance as at 01/04/2024 LKR '000	Charge for the Year LKR '000	Transfers/ Disposals LKR '000	Balance as at 31/03/2025 LKR '000
Furniture and Fittings	42,670	753	-	43,423
Equipment	4,032	376	-	4,408
Motor Vehicles and Accessories	32,574	9,565	-	42,139
Computer Hardware	33,079	4,437	-	37,516
	112,355	15,131	-	127,486
<b>Carrying value</b>	59,723	-	-	51,131

## NOTES TO THE FINANCIAL STATEMENTS

### 15.1 Property, Plant and Equipment- Company (Contd.)

#### (b) Company - 2024

Cost	Balance as at 01/04/2023 LKR '000	Additions During the Year LKR '000	Transfers/ Disposals LKR '000	Balance as at 31/03/2024 LKR '000
Furniture and Fittings	52,796	1,948	-	54,744
Equipment	5,696	111	-	5,807
Motor Vehicles and Accessories	48,861	45,500	(12,800)	81,561
Computer Hardware	27,249	2,717	-	29,966
	134,602	50,276	(12,800)	172,078

Depreciation	Balance as at 01/04/2023 LKR '000	Additions During the Year LKR '000	Transfers/ Disposals LKR '000	Balance as at 31/03/2024 LKR '000
Furniture and Fittings	41,925	745	-	42,670
Equipment	3,634	398	-	4,032
Motor Vehicles and Accessories	39,288	6,086	(12,800)	32,574
Computer Hardware	28,570	4,509	-	33,079
	113,417	11,738	(12,800)	112,355
Carrying value	21,185			59,723

Carrying Amount - Company	As at 31/03/2025 LKR '000	As at 31/03/2024 LKR '000
Property, plant and equipment	51,131	59,723
	51,131	59,723

#### 15.1.1 Property, Plant and Equipment Acquired During the Financial Year - Company

During the financial year, the Company acquired property, plant and equipment to the aggregate value of Rs.6,539,077 (2024 - Rs.50,276,496/-). Cash payments amounting to Rs.6,539,077 (2024- Rs.50,276,496/-) was paid during the year for purchases of property, plant and equipment.

#### 15.1.2 Fully-Depreciated Property, Plant and Equipment - Company

The initial cost of fully-depreciated property, plant and equipment, which are still in use as at reporting date is Rs. 109,369,181/- (2024- Rs. 87,439,171/-).

## 15.2 Property, Plant and Equipment- Group

## (a) Group - 2025

Cost / Valuation	Balance as at 01/04/2024  LKR '000	Additions/ Transfers During the Year  LKR '000	Recognition on acquisition of subsidiary  LKR '000	Revaluation  LKR '000	Transfers/ Disposals  LKR '000	Exchange Translation Difference  LKR '000	Balance as at 31/03/2025  LKR '000
Land & Building	40,988,022	1,152,306	-	1,407,809	(6,700)	-	43,541,437
Furniture and Fittings	1,761,996	330,571	-	-	(20,914)	(113)	2,071,540
Equipment	2,925,511	333,877	18,338	-	(29,414)	(136)	3,248,176
Motor Vehicles and Accessories	1,204,107	59,730	-	-	(35,270)	(13)	1,228,554
Computer Hardware	1,690,548	251,254	-	-	(46,635)	(226)	1,894,941
Leasehold Improvements	952,108	80,479	-	-	(14,743)	-	1,017,844
Fixtures and Fittings	3,355,395	420,465	-	-	(10,562)	-	3,765,298
Water Supply Scheme	890,495	389,173	-	-	-	-	1,279,668
Electricity Distribution	579,151	29,215	-	-	-	-	608,366
Tools and Implements	1,946,702	299,454	12,613	-	(18,170)	-	2,240,599
Plant and Machinery	23,474,827	5,570,781	239,011	-	(98,701)	-	29,185,918
Moulds	143,513	68,590	-	-	-	-	212,103
Stores Buildings on Leasehold Land	328,390	-	-	-	-	-	328,390
Capital Work In Progress	13,562,687	3,887,750	-	-	(7,048,683)	-	10,401,754
	93,803,452	12,873,645	269,962	1,407,809	(7,329,792)	(488)	101,024,589

Accumulated Depreciation	Balance as at 01/04/2024  LKR '000	Charge for the Year  LKR '000	Transfers/ Disposals  LKR '000	Exchange Translation Difference  LKR '000	Balance as at 31/03/2025  LKR '000
Building	633,731	305,118	(472,441)	-	466,408
Furniture and Fittings	1,355,862	153,507	(21,784)	(54)	1,487,531
Equipment	1,770,345	263,063	(24,801)	(70)	2,008,537
Motor Vehicles and Accessories	901,472	75,620	(35,266)	(6)	941,820
Computer Hardware	1,217,962	170,679	(46,409)	(134)	1,342,098
Leasehold Improvements	676,178	82,444	(13,749)	-	744,873
Fixtures and Fittings	1,960,705	274,416	(7,790)	-	2,227,331
Water Supply Scheme	464,261	249,539	(53,769)	-	660,031
Electricity Distribution	68,413	44,324	-	-	112,737
Tools and Implements	1,463,431	257,989	(20,918)	-	1,700,502
Plant and Machinery	13,090,939	1,337,575	(32,673)	-	14,395,841
Moulds	136,960	958	-	-	137,918
Stores Buildings on Leasehold Land	92,020	-	-	-	92,020
	23,832,279	3,215,232	(729,600)	(264)	26,317,647
<b>Carrying value</b>	69,971,173				74,706,942

## NOTES TO THE FINANCIAL STATEMENTS

### 15.2 Property, Plant and Equipment- Group (Contd.)

#### (b) Group - 2024

Cost / Valuation	Balance as at 01/04/2023 LKR '000	Additions/ Transfers During LKR '000	Revaluation LKR '000	Transfers/ Disposals LKR '000	Exchange Translation Difference LKR '000	Balance as at 31/03/2024 LKR '000
Land & Building	37,004,985	860,009	3,259,654	(136,626)	-	40,988,022
Furniture and Fittings	1,681,226	86,787	-	(5,502)	(515)	1,761,996
Equipment	2,700,356	270,305	-	(44,654)	(496)	2,925,511
Motor Vehicles and Accessories	1,093,971	181,650	-	(71,442)	(72)	1,204,107
Computer Hardware	1,408,277	295,339	-	(12,121)	(947)	1,690,548
Leasehold Improvements	910,659	59,391	-	(17,942)	-	952,108
Fixtures and Fittings	3,086,194	311,757	-	(42,556)	-	3,355,395
Water Supply Scheme	706,213	184,282	-	-	-	890,495
Electricity Distribution	119,884	459,267	-	-	-	579,151
Tools and Implements	1,687,079	260,031	-	(408)	-	1,946,702
Plant and Machinery	20,057,037	3,608,711	-	(190,921)	-	23,474,827
Moulds	143,513	-	-	-	-	143,513
Stores Buildings on Leasehold Land	328,390	-	-	-	-	328,390
Capital Work In Progress	11,159,082	7,831,689	-	(5,428,084)	-	13,562,687
	82,086,866	14,409,218	3,259,654	(5,950,256)	(2,030)	93,803,452

Accumulated Depreciation	Balance as at 01/04/2023 LKR '000	Charge for the Year LKR '000	Transfers/ Disposals LKR '000	Exchange Translation Difference LKR '000	Balance as at 31/03/2024 LKR '000
Building	428,164	358,307	(152,740)	-	633,731
Furniture and Fittings	1,270,055	91,502	(5,448)	(247)	1,355,862
Equipment	1,604,899	209,845	(44,091)	(308)	1,770,345
Motor Vehicles and Accessories	902,652	62,745	(63,897)	(28)	901,472
Computer Hardware	1,094,638	132,149	(8,249)	(576)	1,217,962
Leasehold Improvements	611,894	81,810	(17,526)	-	676,178
Fixtures and Fittings	1,698,821	296,213	(34,329)	-	1,960,705
Water Supply Scheme	425,576	38,685	-	-	464,261
Electricity Distribution	57,269	11,144	-	-	68,413
Tools and Implements	1,242,259	222,035	(863)	-	1,463,431
Plant and Machinery	12,195,002	1,141,341	(245,404)	-	13,090,939
Moulds	136,960	-	-	-	136,960
Stores Buildings on Leasehold Land	82,484	9,536	-	-	92,020
	21,750,673	2,655,312	(572,547)	(1,159)	23,832,279
<b>Carrying value</b>	60,336,193	-	-	-	69,971,173



### 15.2.1 Borrowing Costs

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 capitalised as part of the cost of the respective assets.

The amount of borrowing costs capitalised during the year ended 31 March 2025 was Rs. 687,939,367/- (2024- Rs. 654,840,564/-). The rate used to determine the amount of borrowing costs eligible for capitalisation was between 8%- 12% (2024- 8%- 19.5%) ,which is the EIR of the specific borrowing.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 15.2.2 Capital work-in-progress

Capital work in progress represents the cost of civil construction work not completed and property, plant and equipment that are not ready for their intended use.

### 15.2.3 Property, Plant and Equipment Acquired During the Financial Year - Group

During the financial year, the Group acquired property, plant and equipment to the aggregate value of Rs. 13,143,607,000 /- (2024 - Rs. 14,409,218,169/-). Cash payments amounting to Rs. 5,937,389,772/- (2024- Rs. 9,100,103,308/-) was paid during the year for purchases of property, plant and equipment.

### 15.2.4 Fully-Depreciated Property, Plant and Equipment - Group

The initial cost of fully-depreciated property, plant and equipment, which are still in use as at reporting date is Rs.14,543,426,407 /- (2024- Rs. 12,913,141,865/-).

## 15.3 Carrying Value of Property, Plant and Equipment- Group

Carrying Amount - Company	As at 31/03/2025 LKR '000	As at 31/03/2024 LKR '000
Property, plant and equipment (Note 15.2)	74,706,942	69,971,173
	74,706,942	69,971,173

## 15.4 Fair Value Hierarchy - Non Financial Assets

The following properties are revalued and recorded under freehold land & clay mining land. Fair Value measurement disclosure for revalued land based on un-observable input as follows.

- (A) Quoted Price (unadjusted) in active markets for identical assets or liabilities (Level-1).
- (B) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices) (Level- 2)
- (C) Input for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level-3).

## NOTES TO THE FINANCIAL STATEMENTS

### 15.4 Fair Value Hierarchy - Non Financial Assets (Contd.)

Company	Location	Extent	Valuer	Valuation Date	Valuation Details	Significant unobservable input : price per perch/ acre/range	Fair Value measurement using Significant unobservable inputs (Level 3) LKR Mn	
							2025	Fair value as per previous revaluation year
Greenerwater Limited	Mosque lane, Poruthota,Kochchikade	18 A 2 R 7.8P	H.B. Manjula Basnayaka	30th March 2025	Comparison Method of Valuation	Estimated price per perch Lot 1- Rs.1,250,000/- per perch & Lot 2- Rs.550,000/- per perch	3,518	3,457
Delmege Forsyth & Co-Ltd	No 101, Vinayalankara Mawatha, Colombo 10	A- 2	H.B. Manjula Basnayaka	31st March 2023	Land- Market Value approach	Rs. 15,000,000 per perch	5,155	4,176
		R- 0			Building- Depreciated Replacement Cost	Rs.1,600/- to Rs.6,000/- Per Square Foot	470	281
		P- 14.05						
Grip Delmege (Pvt) Ltd	No. 125C, Mabima Road, Heiyanthuduwa, Sapugaskanda	A- 0	H.B. Manjula Basnayaka	31st March 2023	Land- Market Value approach	Rs.375,000 Per Perch	78	59
		R- 3			Building- Depreciated Replacement Cost	Rs.1,750/-to 2,500/- Per Square Foot	43	29
Grip Delmege (Pvt) Ltd	Lot No 170, Ekamuthu Mawatha, Mattegoda, Polgasowita	A- 0	H.B. Manjula Basnayaka	31st March 2023	Land- Market Value approach	Rs. 400,000 per perch	6	4
		R- 0						
		P- 14.03						
Grip Delmege (Pvt) Ltd	No 125/55, Sri Bodhiraja Mawatha, Mattegoda, Polgasowita	A- 0	H.B. Manjula Basnayaka	31st March 2023	Land- Market Value approach	Rs. 650,000/- per perch	30	18
		R- 1			Building- Depreciated Replacement Cost	Rs.1,000/- Per Square Foot	2	2
		P- 5.88						
Grip Nordic (Pvt) Ltd	No 125/26, Sri Bodhiraja Mawatha, Mattegoda, Polgasowita	A- 0	H.B. Manjula Basnayaka	31st March 2023	Land- Market Value approach	Rs. 400,000 per perch	31	19
		R- 1			Building- Depreciated Replacement Cost	Rs.500/-to 1500/- Per Square Foot	10	12
		P- 7.06						
Royal Ceramics Lanka PLC *	Factory at Ehaliyagoda	A50-R1-P34.72	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 100,000/- - Rs. 250,000/- per perch	825	656
	Showroom and Cutting Center Land at Kottawa	A1-R1-P24.75		Mr. A.A.M. Fathihu	31 March 2025	Rs. 2,250,000/- - Rs. 5,000,000/- per perch	643	505
	Land at Meegoda Warehouse	A2-R3-P31.29		Mr. A.A.M. Fathihu	31 March 2025	Rs. 475,000/- - Rs. 525,000/- per perch	226	183
	Land at Nawala for Nawala New Showroom	P24.90	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 11,000,000- per perch	274	237
	Land at Nattandiya	A10	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 28,125/- per perch	45	39
	Land at Seeduwa	R1-P12.50	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 3,750,000/- per perch	197	168
	Land at Narahenpita	P17.02	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 11,500,000/- per perch	196	162
	Land at Colpitty	P19.97	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 22,000,000/- per perch	439	349

Company	Location	Extent	Valuer	Valuation Date	Valuation Details	Significant unobservable input : price per perch/ acre/range	Fair Value measurement using Significant unobservable inputs (Level 3) LKR Mn	
							2025	Fair value as per previous revaluation year
	Land at Panadura	P18.82	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 5,000,000/- per perch	94	85
	Land at Dehiwela	P14.83	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 11,000,000/- per perch	163	141
	Land at Narahenpita	R1-P5.32	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 11,500,000/- per perch	472	410
	Factory buildings Eheliyagoda	333,019sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs 2,000/-- Rs.8,000 per sq.ft	1,090	921
	Showroom Building-kottawa	9,556sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs.3,500/-- Rs.11,000per sq.ft	79	72
	Warehouse Building at Meegoda	108,921sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs.1,500/-- Rs.7,000 per sq.ft	618	540
	Showroom Building at Nawala 101	9,216sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs 4,000/-- Rs.13,500per sq.ft	66	64
	Showroom Building at Narahenpita 100	13,410sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs.15,000 per sq.ft	171	163
	Showroom Building at Panadura	5,176sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs 12,000 per sq.ft	56	55
	Showroom Building at Seeduwa	7,320sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 5,500/-- Rs.11,500 per sq.ft	56	54
	Showroom Building at Dehiwela	11,574sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs.15,000/- per sq.ft	139	131
	Head office Building No 20,Colombo	28,278sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs.20,000per sq.ft	401	376
	Factory Land at Horana	A.14- R.1- P.7.36	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 150,000/- per perch	347	289
	Factory Building at Horana	301,617 sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs.850/- to Rs. 15,500/- per sq.ft	957	802
	Building at Nawala 98 Showroom	9,235 sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Market Based Evidence	Rs.10,000 per sq.ft	35	28
	Land at Nawala 98 Showroom	P18.20	Mr. A.A.M. Fathihu	31 March 2025	Market Based Evidence	Rs. 11,000,000/- per perch	200	182
Rocell Bathware Ltd *	Factory land at Homagama	A1-R2-P19.60	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 500,000/- per perch	130	78
	Land at Meegoda	A1-R3-P04.10	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 475,000/- per perch	135	91
	Factory complex at Homagama	206,933 Sq. ft	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 2,000/- to 8,750/- per Sq. ft	909	708
Lanka Walltiles PLC	Land at No.215,Nawala Road,Narahenpita,colombo 05.	A1-R1-P2.1	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Market based evidence	Rs 8,000,000 Per perch	1,617	1,415
		36,170 Square feet building	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Contractor's basis method valuation	Rs.3,000/-to Rs 7,000/- per square feet	219	136
	Plan No 2205 Situated at Mawathagama and Galagedara Village	A23-R1-P24.16	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Market based evidence	Rs. 300,000/- per perch	1,149	1,123
		308,612 Square Feet building	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Contractor's basis method valuation	Rs.2,000/-to Rs 11,000/- per sq.ft	1,464	897

## NOTES TO THE FINANCIAL STATEMENTS

### 15.4 Fair Value Hierarchy - Non Financial Assets (Contd.)

Company	Location	Extent	Valuer	Valuation Date	Valuation Details	Significant unobservable input : price per perch/ acre/range	Fair Value measurement using Significant unobservable inputs (Level 3) LKR Mn	
							2025	Fair value as per previous revaluation year
Lanka Tiles PLC	Factory Premises , Jaltara , Ranala- Land	28A-02R-32.69P	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Market based evidences	Rs. 50,000/- to 150,000/- per perch	642	518
	Factory Premises , Jaltara , Ranala- Buildings	415,638 sqft	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Contractor's method	Rs 1,130/- to Rs. 6,190/- per sqft	1,631	1,191
	Land Adjacent to the Factory Premises , Jaltara , Ranala	08A-02R-08.56P	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Market based evidences	"Rs. 126,000/- to 231,000/- per perch "	223	203
	Land Adjacent to the Factory Premises , Jaltara , Ranala	25,604 sqft	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Contractor's method	Rs 1,400/- to Rs. 5000/- per sqft	50	49
	Lanka Tiles Warehouse, Samurdhi Mawatha Biyagama - Land	02A-00R-15.93P	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Market approach	Rs. 1,500,000/- per perch	504	336
	Lanka Tiles Warehouse , Samurdhi Mawatha Biyagama - Buildings	48,531 sqft	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Contractor's method	Rs 1,900/- to Rs. 5,100/- per sqft	243	192
	Land at Nugegoda	00A-00R-32.03P	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Market approach	Rs. 9,000,000/- per perch	288	240
	Showroom, Nugegoda- Building	15,385 sqft	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024	Market approach	Rs 15,000/- per sqft	231	-
Uni Dil Packing Ltd.	Land at Narampola road, Moragala, Deketana	A12-R03-P37.1	Mr. D.G.Newton	31 March 2024	Market based evidence	Rs.85,000/- per perch	124	124
	Building and land improvement at Narampola road, Moragala, Deketana	179,357 sq.ft	Mr. D.G.Newton	31 March 2024	Depreciated Replacement cost	Rs.750/- to Rs. 2,000/- per sq.ft	334	334
Uni Dil Packaging Solutions Ltd	Land at Narampola road, Moragala, Deketana	A2-R2-P35	Mr. D.G.Newton	31 March 2024	Market based evidence	Rs. 80,000/- per perch	35	35
	Building at Narampola road, Moragala, Deketana	32103 sq.ft	Mr. D.G.Newton	31 March 2024	Depreciated Replacement cost	Rs.1,750/- to Rs. 2,500/- per sq.ft	66	66
Swisstek (Ceylon) PLC	Factory Complex, Belummahara, Imbulgoda	984.5 Perches	Mr. D.G.Newton	31 March 2024	Market based evidence	Rs. 800,000/- per perch	788	738
	No: 288/26, Colombo Road, Belummahara, Imbulgoda	81.6 perches	Mr. D.G.Newton	31 March 2024	Market based evidence	Rs. 725,000/- per perch	59	51
	No:334/5, Colombo Road, Belummahara, Imbulgoda	20.0 Perches	Mr. D.G.Newton	31 March 2024	Market based evidence	Rs. 650,000/- per perch	13	12
	No: 177/6, New Kandy Rd., Weliveriya	85.0 Perches	Mr. D.G.Newton	31 March 2024	Market based evidence	Rs. 600,000/- per perch	51	45
	Land at Ratupaswela	2446.0 Perches	Mr. D.G.Newton	31 March 2024	Contractors Method	Rs. 100,000/- to 175,000/- per perch	388	-
	Land at Belummahara	0.95 Perches	Mr. D.G.Newton	31 March 2024	Contractors Method	Rs. 848,000/- per perch	0.81	-
	Factory Complex, Belummahara, Imbulgoda	62,530 sq.ft	Mr. D.G.Newton	31 March 2024	Contractors Method	Rs. 750/- to 4,500/- per sqft	226	139

Company	Location	Extent	Valuer	Valuation Date	Valuation Details	Significant unobservable input : price per perch/ acre/range	Fair Value measurement using Significant unobservable inputs (Level 3) LKR Mn	
							2025	Fair value as per previous revaluation year
	No: 177/6, New Kandy Rd., Weliveriya	27,170 Sq.ft.	Mr. D.G.Newton	31 March 2024	Contractors Method	Rs. 2,850/- to 3,250/- per sqft	82	80
	Factory Complex, Belummahara, Imbulgoda-Tiles Stores	27,285 sq.ft	Mr. D.G.Newton	31 March 2024	Income Approach	Rs. 4,378.96/- per sqft	119	87
	Factory Complex, Belummahara, Imbulgoda-Sales Center	4944 sq.ft	Mr. D.G.Newton	31 March 2024	Income Approach	Rs. 8,458.33/- per sqft	42	30
	Factory Complex, Belummahara, Imbulgoda-Open shed	3400 sq.ft	Mr. D.G.Newton	31 March 2024	Income Approach	Rs. 3,282.42/- per sqft	11	8
	Factory Complex, Belummahara, Imbulgoda-Warehouse	5000 sq.ft	Mr. D.G.Newton	31 March 2024	Income Approach	Rs. 5,908.35/- per sqft	30	22
Swisstek Aluminum Ltd.	76/7,Pahala Dompe,Dompe	A11-R1-P 22.8	Mr. A.A.M. Fathihu	31 March 2024	Market based evidence	Rs.50,000/- to Rs.150,000/- Per Perch	299	218
	76/7,Pahala Dompe,Dompe	171,861 Sq.ft	Mr. A.A.M. Fathihu	31 March 2024	Contractors Method	Rs.1250/- to Rs.7,500/- per sqft	802	559
Lanka Ceramic PLC	Mining Land at Owala	25A-0R-35P	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 100,000/- to Rs. 1,100,000/- per acre	25	23
	Land situated at Owala	1A-1R-02P	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 1,100,000/- per acre	1	1
	Factory, office building & other infrastructure at Owala mine	10,535 sq.ft	Mr. A.A.M. Fathihu	31 March 2025	Depreciated Cost method	Rs. 250/- to Rs. 8,000/- per sq.ft	41	9
	Mining Land at Meetiyyagoda	13A-1R-01.54P	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 2,750,000/- per acre	36	34
	Land situated at Meetiyyagoda	2A-3R-14.96P	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 100,000/- to Rs. 1,600,000/- per acre	3	3
Biscuits and Chocolate Company Limited	Kiriwaththuduwa Estate, Moonamalwatta Road,Kiriwaththuduwa, Homagama	33A-2R-26.0P	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 120,000/- per perch	646	539
	Kiriwaththuduwa Estate, Moonamalwatta Road,Kiriwaththuduwa, Homagama	3R 20P	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 16,000/- per perch	5	5
	Thalawitiya Watta Road, Eheliyagoda	15P	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs. 400,000/- per perch	6	6
CP Holding (Pvt) Ltd	Akuressa	105A 2R 14.94P	Mr. A.A.M. Fathihu	31 March 2025	Market based evidence	Rs 200,000- Rs 2,750,000	136	131
LB Finance PLC	Kollupitiya- No 20, Dharmapala Mawatha, Colombo 03	52.82P , 57020 Sq.ft	H.B. Manjula Basnayaka.	31 March 2025	Contractor's Test Method of Valuation	Rs. 27,500,000 p.p. / Rs. 13,250 p.sq.ft.	2,210	2,208
	Kollupitiya- No 676, Galle Road, Colombo 03	167.65P , 63251 Sq.ft	H.B. Manjula Basnayaka.	31 March 2025	Comparison Method of Valuation.	Rs. 27,500,000 p.p. / Rs. 2,416 p.sq.ft.	4,763	4,610
	Cinnamon Gardens- No 165, Dharmapala Mawatha, Colombo 07	48.95P , 7400 Sq.ft	H.B. Manjula Basnayaka.	31 March 2025	Contractor's Test Method of Valuation	Rs. 25,500,000 p.p. / Rs. 5,750 p.sq.ft.	1,301	1,291

## NOTES TO THE FINANCIAL STATEMENTS

### 15.4 Fair Value Hierarchy - Non Financial Assets (Contd.)

Company	Location	Extent	Valuer	Valuation Date	Valuation Details	Significant unobservable input : price per perch/ acre/range	Fair Value measurement using Significant unobservable inputs (Level 3) LKR Mn	
							2025	Fair value as per previous revaluation year
	Kandy- No 115B, Kotugodella Veediya, Kandy	25.76P , 7780 Sq ft	H.B. Manjula Basnayaka.	31 March 2025	Contractor's Test Method of Valuation	Rs. 22,750,000 p.p. / Rs. 1,900 p.sq.ft.	603	601
	Kandy- No 226, D S Senanayake Street, Kandy	7.05P, 3674 Sq.ft	H.B. Manjula Basnayaka.	31 March 2025	Contractors Test Method of Valuation	Rs. 12,500,000 p.p. / Rs. 1,700 p.sq.ft.	96	94
	Kandy-Moragaspitiyawatta Road, Balagolla, Kengalla	110P, 2400 Sq.ft	H.B. Manjula Basnayaka.	31 March 2025	Contractors' Test Method of Valuation	Rs. 650,000 p.p. / Rs. 2,775 p.sq.ft.	79	78
	Kandy- No 47/10 A, Luwiss Pieris Mawatha, Buwelikada, Kandy.	42.4P	H.B. Manjula Basnayaka.	31 March 2025	Comparison Method of Valuation	Rs. 1,250,000 p.p.	54	53
	Maradana- No 104/1, Vipulasena Mawatha, Colombo 10	50.60 P , 5750 Sq.ft	H.B. Manjula Basnayaka.	31 March 2025	Contractor's Test Method of Valuation	Rs. 7,500,000 p.p. / Rs. 3,000 p.sq.ft.	409	397
	Nuwara Eliya- No 35/4, Upper Lake Road, Nuwara Eliya	359P	H.B. Manjula Basnayaka.	31 March 2025	Comparison Method of Valuation	Rs. 1,600,000 p.p.	592	574
	Nuwara Eliya- No.71, City Lite Building Queen Elisabeth Drive.	6 P , 2360 Sq.ft	H.B. Manjula Basnayaka.	31 March 2025	Contractor's Test Method of Valuation	Rs. 17,750,000 p.p. / Rs. 12,000 p.sq.ft.	135	-
	Wellawatta- No 51A, W A Silva Mawatha, Colombo 06	14.23 P	H.B. Manjula Basnayaka.	31 March 2025	Contractors Test Method of Valuation	Rs. 14,500,000 p.p. / Rs. 7,250 p.sq.ft.	250	248
	Panadura- No 37, Jayathilake Mawatha, Panadura	42P , 1925 Sq ft	H.B. Manjula Basnayaka.	31 March 2025	Contractors Test Method of Valuation	Rs. 4,000,000 p.p. / Rs. 2,000 p.sq.ft.	206	172
	Kalutara-No 334, Main Street, Kaluthara South	26.27 P, 10620 sq ft	H.B. Manjula Basnayaka.	31 March 2025	Contractors Test Method of Valuation	Rs. 6,750,000 p.p. / Rs. 5,750 p.sq.ft.	240	238
	Borella- No 1024, Maradana Road, Borella	25.5 P	H.B. Manjula Basnayaka.	31 March 2025	Contractors Test Method of Valuation	Rs. 15,500,000 p.p. / Rs. 7,500 p.sq.ft.	427	415
	No 63V, Kurunegala Road, Chilaw.	20.55 P	H.B. Manjula Basnayaka.	31 March 2025	Comparison Method of Valuation	Rs. 2,850,000 p.p.	59	-
	No. 25/1, Shalawa Road, Embuldeniya, Nugegoda	20.1 P, 1300 sq ft	H.B. Manjula Basnayaka.	31 March 2025	Contractors Test Method of Valuation	Rs. 2,000,000 p.p. / Rs. 3,000 p.sq.ft.	46	-
	419, Old Kotte Road, Rajagiriya	16.3 P	H.B. Manjula Basnayaka.	31 March 2025	Contractor's Test Method of Valuation	Rs. 8,000,000 p.p. / Rs. 14,350 p.sq.ft.	289	286

Significant increases/ (decreases) in estimated price per perch/ price per square foot in isolation would result in a significantly higher/ (lower) fair value.

\* Reassessment of the fair valuation was obtained from the same independent professional valuer who determined that there would have been no substantial material change in the fair value between the last valuation date and reporting date.



## Valuation Methodology

### Market Based Evidence:

This valuation approach utilises recent transaction prices of comparable assets in the open market to determine the value of the subject asset. Adjustments are made for differences in location, condition, and other relevant factors to ensure comparability. This method reflects current market conditions and provides a reliable benchmark for asset valuation. It is particularly suitable for assets with an active and transparent market.

### Contractor's Method / Contractor's Basis Method:

This approach estimates the value of an asset based on the total cost a contractor would incur to reproduce or replace the asset, including materials, labour, overhead, and profit margin. It considers contemporary construction costs and adjusts for any necessary entrepreneurial profit. This method is effective for valuing specialised or unique assets where market comparables are unavailable. It provides a detailed and cost based perspective on asset value.

### Depreciated Replacement Cost:

This method calculates the current cost to replace an asset with a similar new one and then subtracts depreciation to account for physical deterioration, functional obsolescence, and economic factors. It offers a realistic assessment by considering the asset's remaining useful life and current condition. This approach is widely used for fixed assets such as buildings and industrial equipment. It ensures the valuation reflects both the cost of replacement and the asset's depreciated date.

### Income Approach:

This valuation technique determines an asset's value based on the present value of future economic benefits it is expected to generate. It involves projecting future cash flows and discounting them to their present value using an appropriate discount rate that reflects the risk associated with those cash flows. This method is commonly applied to income-producing properties and businesses. It provides an intrinsic valuation by focusing on the asset's potential to generate future revenue.

## 16. RIGHT OF USE ASSETS

### Accounting Policy

The Group recognises right-of-use assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-Use assets are measured at cost less any accumulated amortisation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right of use assets are amortised on the straight line basis over the lease term.

The Group provides depreciation for Right of Use Assets as mentioned below:

- If the lease transfers ownership of the underlying asset to the Company/ Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Company/ Group will exercise a purchase option, the Company/ Group provides depreciation on right-of-use asset from the commencement date to the end of the useful life of the underlying asset.
- Otherwise, the Company/ Group provides depreciation on right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has lease contracts for various items of property, plant & machinery, motor vehicles and land & immovable estate asset used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The lease terms of various items of right of use assets are listed below,

## NOTES TO THE FINANCIAL STATEMENTS

### 16. RIGHT OF USE ASSETS (CONTD)

Item	Lease Term
Land	49 years
Building	3- 36 years
Motor Vehicles	5 years
Plant & Machinery	5 years
Land & immovable Estate Asset-Plantation	53 years

#### Right of Use Assets/ Lease Liabilities - Company

Set below, are the carrying amounts of the Group's right if use assets and liabilities and the movements during the period.

	Building LKR '000	Total LKR '000
<b>Right of Use Asset</b>		
As at 1 April 2023	108,754	108,754
Additions	-	-
Less: Depreciation Expense	(35,082)	(35,082)
As at 31 March 2024	73,672	73,672
<b>Additions</b>	-	-
Less: Depreciation Expense	(43,934)	(43,934)
Remeasurement of leasehold rights	(4,110)	(4,110)
<b>As at 31 March 2025</b>	<b>25,628</b>	<b>25,628</b>
<b>Lease Liability</b>		
As at 1 April 2023	115,503	115,503
Additions	-	-
Interest Expense	21,185	21,185
Less: Payments	(56,820)	(56,820)
As at 31 March 2024	79,868	79,868
<b>Additions</b>	-	-
Remeasurement of leasehold rights	(10,306)	(10,306)
Interest Expense	6,121	6,121
Less: Payments	(48,810)	(48,810)
<b>As at 31 March 2025</b>	<b>26,873</b>	<b>26,873</b>

**Right of Use Assets/ Lease Liabilities- Group**

Set below, are the carrying amounts of the Group's right if use assets and liabilities and the movements during the period.

Cost / Valuation	Land	Building	Motor Vehicles	Plant & Machinery	* Land & immovable Estate Asset -Plantation	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>Right of Use Asset</b>						
As at 1 April 2023	88,058	2,456,889	-	-	-	2,544,947
Remeasurement of leasehold rights	-	9,818	-	-	-	9,818
Additions	-	830,321	-	-	-	830,321
Disposals / Lease term changes	-	(79,881)	-	-	-	(79,881)
Less: Depreciation Expense	(6,094)	(624,790)	-	-	-	(630,884)
As at 31 March 2024	81,964	2,592,357	-	-	-	2,674,321
Remeasurement of leasehold rights	-	(4,110)	-	-	-	(4,110)
Additions	-	1,287,083	-	-	-	1,287,083
Disposals / Lease term changes	-	(248,669)	-	-	-	(248,669)
Less: Depreciation Expense	(4,786)	(716,877)	-	-	-	(721,663)
As at 31 March 2025	77,178	2,909,784	-	-	-	2,986,963
<b>Lease Liability</b>						
As at 1 April 2023	102,410	2,927,696	-	-	-	3,030,106
Remeasurement of leasehold rights	-	2,702	-	-	-	2,702
Additions	-	677,989	-	-	-	677,989
Termination and lease term changes	-	(75,245)	-	-	-	(75,245)
Interest Expense	11,817	461,765	-	-	-	473,582
Less: Concessions	-	(181)	-	-	-	(181)
Less: Payments	(9,356)	(907,541)	-	-	-	(916,897)
As at 31 March 2024	104,871	3,087,185	-	-	-	3,192,056
Remeasurement of leasehold rights	-	1,609	-	-	-	1,609
Additions	-	1,057,816	-	-	-	1,057,816
Termination and lease term changes	-	(248,564)	-	-	-	(248,564)
Interest Expense	11,879	463,220	-	-	-	475,099
Less: Payments	(9,327)	(1,006,184)	-	-	-	(1,015,511)
Less: Concessions	-	(183)	-	-	-	(183)
As at 31 March 2025	107,423	3,354,899	-	-	-	3,462,322

## NOTES TO THE FINANCIAL STATEMENTS

### 16. RIGHT OF USE ASSETS (CONTD.)

The following are the amounts recognised in profit or loss:

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Depreciation expense of right-of-use assets	43,934	35,082	721,663	630,884
Interest expense on lease liabilities	6,121	21,185	475,099	473,582
Total amount recognised in profit or loss	50,055	56,267	1,196,762	1,104,466

Cash outflow from short term leases and leases of low-value assets for the year ended 31 March 2025 in Group was Rs. 121,411,695/- (2024- Rs. 98,065,907/-).

### 17. INVESTMENT PROPERTY

Properties held for capital appreciation and properties held to earn rental income have been classified as investment property.

#### Accounting Policy

##### Basis of Recognition

Investment property is recognised if it is probable that future economic benefits that are associated with the investment property will flow to the Group and cost of the investment property can be reliably measured.

##### Measurement

An investment property is measured initially at its cost. The cost of a purchased Investment property comprises of its purchase price and any directly attributable expenditure. The cost of a self-constructed investment is its cost at the date when the construction or development is complete.

The Group applies the fair value model for Investment Properties in accordance with Sri Lanka Accounting Standard 40 (LKAS 40), - "Investment Property". Accordingly, land and buildings classified as Investment Properties are stated at fair value.

Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
At the beginning of the year	-	-	2,140,503	2,074,213
Additions	-	-	866	-
Disposals during the Year	-	-	-	-
Change in Fair Value	-	-	21,357	66,290
At the end of the year	-	-	2,162,726	2,140,503

## 17.1 Fair Value of Investment Property

Company	Location	Extent	Valuation Date	Valuer	Valuation Details	Significant unobservable input : price per perch/ acre/range	Significant unobservable inputs (Level 3) LKR'000
Lanka Ceramics PLC	No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03.	1R- 1.12 P	31 March 2025	Mr. A.A.M. Fathihu	Market based evidence	Rs. 23,500,000/- per perch	966,320
	No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03.	27,712 Sq.ft	31 March 2025	Mr. A.A.M. Fathihu	Depreciated replacement cost	Rs. 9,500/-- Rs. 14,000/- per Sq.ft	90,062
LWL Development Limited	Agalagedara Village, Divulapitiya, Gampha	48A-03R-17.9P	31 March 2025	KPMG Real Estate & valuation Services (Private) Limited	Market based evidence	Rs. 8,000,000/- per Acre	390,900
	Waradala Village, Divulapitiya, Gampha	4A-01R-15.9P	31 March 2025	KPMG Real Estate & valuation Services (Private) Limited	Market based evidence	Rs.5,000,000/- per Acre	21,800
	Agalagedara Village, Divulapitiya, Gampha	00A-00R-45 P	31 March 2025	KPMG Real Estate & valuation Services (Private) Limited	Market based evidence	Rs.130,000/- per Perch	5,850
	Agalagedara Village, Divulapitiya, Gampha	00A-00R-6.90 P	31 March 2025	KPMG Real Estate & valuation Services (Private) Limited	Market based evidence	Rs.80,000/- per Perch	552
Beyond Paradise Collection Limited	Agalagedara Village, Divulapitiya, Gampha	48A-03R-17.9P	31 March 2025	KPMG Real Estate & valuation Services (Private) Limited	Market based evidence	Rs. 8,000,000/- per Acre	390,895
	House	981.sq.ft	31 March 2025	KPMG Real Estate & valuation Services (Private) Limited	Market based evidence	Rs.5,800/- per sq.ft	5,690
CP Holding (Pvt) Ltd	Paraduwa Estate- Akuressa	190A 2R 7.86P	31 March 2025	Mr. A.A.M. Fathihu	Market based evidence	Rs 50,000- Rs 2,750,000- per Perch	285,271
LB Finance PLC	Nattarampotha	46.14 P	31 March 2025	H.B. Manjula Basnayaka	Comparison Method	Rs. 30,000/- per Perch	1,385
LB Finance PLC	Doratiyawa	92.50 P	31 March 2025	H.B. Manjula Basnayaka	Comparison Method	Rs. 42,500/- per Perch	4,000

The following Investment properties are revalued during the financial year 2023/2024.

Company	Location	Extent	Valuation Date	Valuer	Valuation Details	Significant unobservable input : price per perch/ acre/range	Significant unobservable inputs (Level 3) LKR'000
Lanka Ceramics PLC	No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03.	1R- 1.12 P	31 March 2024	Mr. A.A.M. Fathihu	Market based evidence	Rs. 23,000,000/- per perch	945,760
	No 696,696 1/1,696 2/1,696 3/1,696 4/1, Kolupitiya Road, Colombo 03.	27,712 Sq.ft	31 March 2024	Mr. A.A.M. Fathihu	Depreciated replacement cost	Rs. 9,000/-- Rs. 13,500/- per Sq.ft	98,144
LWL Development Limited	Agalagedara Village, Divulapitiya, Gampha	48A-03R-17.9P	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 8,000,000/- per Acre	390,900
	Waradala Village, Divulapitiya, Gampha	4A-01R-15.9P	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs.5,000,000/- per Acre	21,800
	Agalagedara Village, Divulapitiya, Gampha	00A-00R-45 P	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs.130,000/- per Perch	5,850
	Agalagedara Village, Divulapitiya, Gampha	00A-00R-6.90 P	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs.80,000/- per Perch	552
Beyond Paradise Collection Limited	Agalagedara Village, Divulapitiya, Gampha	48A-03R-17.9P	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs. 8,000,000/- per Acre	390,895
	House	981.sq.ft	31 March 2024	FRT Valuation Services (Pvt) Ltd	Market based evidence	Rs.5,800/- per sq.ft	5,690
CP Holding (Pvt) Ltd	Paraduwa Estate- Akuressa	190A 2R 7.86P	31 March 2024	Mr. A.A.M. Fathihu	Market based evidence	Rs 50,000- Rs 2,650,000- per Perch	275,862
Multi Finance PLC	Nattarampotha	46.14 P	31 March 2024	H.B. Manjula Basnayaka	Comparison Method	Rs. 29,000/- per Perch	1,350
Multi Finance PLC	Doratiyawa	92.50 P	31 March 2024	H.B. Manjula Basnayaka	Comparison Method	Rs. 40,000/- per Perch	3,700

Significant increases/ (decreases) in estimated price per perch/ price per square foot in isolation would result in a significantly higher/ (lower) fair value.

## NOTES TO THE FINANCIAL STATEMENTS

**17.2** Rental Income earned from Investment Property by the Group amounted Rs. 74.22 Mn. (2024- Rs. 37.86 Mn). Direct operating expenses incurred by the Group amounted to Rs. 4.1 Mn (2024- Rs. 3.91 Mn.).

**17.3** Rental income receivable under the operating lease agreement of investment property as follows;

	Less than 1 year LKR '000	1-2 year LKR '000	2-3 year LKR '000	3-4 year LKR '000	4-5 year LKR '000	Over 5 years LKR '000
<b>2025</b>	<b>74,216</b>	<b>74,305</b>	<b>74,393</b>	<b>74,393</b>	<b>-</b>	<b>-</b>
2024	74,216	74,216	74,305	74,393	74,393	-

### 18. DUE TO BANKS

#### Accounting Policy

These include bank overdrafts, syndicated loans and other bank facilities. Due to bank balances are initially recognised at fair value net of transactions cost. Subsequently, they are stated at amortised cost; any difference between the proceeds (Net of transaction cost) and the repayable amount (including interest) is recognised in the Statement of Comprehensive Income over the period of the loan using effective interest rate method.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Bank Overdrafts	28	1,590	4,319,389	3,373,979
Debt Funding from Banks (Note 18.1)	-	-	36,634,134	20,917,411
	28	1,590	40,953,523	24,291,390

### 18.1 Securitised Borrowings and Other Bank Facilities- Group

Cost / Valuation	As at 01.04.2024 LKR '000	Loans Obtained LKR '000	Interest Recognised LKR '000	Repayments		As at 31.03.2025 LKR '000
				Capital LKR '000	Interest LKR '000	
Term Loans						
Commercial Bank 1	5,764,170	12,437,275	1,001,911	(3,826,500)	(975,955)	14,400,901
Nations Trust Bank 1	-	2,000,000	10,301	-	(6,137)	2,004,164
DFCC Bank 1	485,823	-	29,577	(338,095)	(33,447)	143,858
Sampath Bank 1	8,001,018	-	652,096	(2,582,934)	(651,218)	5,418,962
Hatton National Bank 1	4,096,562	7,996,487	375,785	(6,593,720)	(362,387)	5,512,727
Bank of Ceylon	-	4,990,000	5,753	-	-	4,995,753
Seylan Bank 1	708,442	2,000,000	48,969	(1,000,400)	(44,850)	1,712,161
Pan Asia Bank	638,331	-	30,505	(425,000)	(31,001)	212,835
Habib Bank	254,189	748,740	38,115	(229,167)	(35,737)	776,140
Standard Chartered Bank	-	600,000	1,926	-	-	601,926
UAB Bank	250,950	141,100	32,746	-	(36,771)	388,025
CB Bank- Myanmar	717,926	-	56,201	(250,000)	(57,445)	466,682
	20,917,411	30,913,602	2,283,885	(15,245,816)	(2,234,948)	36,634,134



**18.2 Contractual Maturity Analysis of Debt Funding from Banks- Group**

As at 31st March 2025	Within One Year LKR '000	1 - 5 Years LKR '000	Over 5 Years LKR '000	Total LKR '000
Term Loans	17,206,479	19,427,655	-	36,634,134
	17,206,479	19,427,655	-	36,634,134

As at 31st March 2024	Within One Year LKR '000	1 - 5 Years LKR '000	Over 5 Years LKR '000	Total LKR '000
Term Loans	9,649,219	11,268,192	-	20,917,411
	9,649,219	11,268,192	-	20,917,411

The Group doesn't have pre-termination options for Syndicated Loans and Other Bank Facilities.

**19. DUE TO CUSTOMERS****Accounting Policy**

Due to customers comprise of interest-bearing savings deposits and term deposits. Customer deposits are initially recognised at fair value net of transactions cost. Subsequent to the initial recognition they are measured at their amortised cost using the effective interest rate method. Interest expense on these deposits is recognised to the Income Statement.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Fixed Deposits	-	-	132,032,628	119,146,443
Saving Deposit	-	-	6,791,268	3,888,104
	-	-	138,823,896	123,034,547
Fair Value	-	-	142,128,942	126,339,593

**19.1 Contractual Maturity Analysis of Customer Deposits**

As at 31st March 2025	Within One Year LKR '000	1 - 5 Years LKR '000	Over 5 Years LKR '000	Total LKR '000
Fixed Deposits	102,038,367	29,994,261	-	132,032,628
Savings Deposits	6,791,268	-	-	6,791,268
	108,829,635	29,994,261	-	138,823,896

## NOTES TO THE FINANCIAL STATEMENTS

### 19.1 Contractual Maturity Analysis of Customer Deposits (Contd.)

As at 31st March 2024	Within One Year LKR '000	1 - 5 Years LKR '000	Over 5 Years LKR '000	Total LKR '000
Fixed Deposits	99,193,187	19,953,256	-	119,146,443
Savings Deposits	3,888,104	-	-	3,888,104
	103,081,291	19,953,256	-	123,034,547

We have raised fixed deposits with a pre-termination option to the customers, so fixed deposit pre-terminations may cause actual maturities to differ from contractual maturities.

### 20 INTEREST BEARING LOANS AND OTHER BORROWINGS

#### Accounting Policy

Debt instruments and other borrowings are initially recognised at fair value net of transactions cost. Subsequently, they are stated at amortised cost; any difference between the proceeds (Net of transaction cost) and the repayable amount (including interest) is recognised in the Income Statement over the period of the loan using effective interest rate method.

Under leases, the leased assets are capitalised and included in 'property, plant and equipment' and the corresponding liability to the lessor is included in 'Due to Banks'. At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the incremental borrowing rate. Finance charges payable are recognised in 'Finance Cost' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining period of the liability.

Company	2025			2024		
	Amount Repayable Within 1 Year LKR '000	Amount Repayable After 1 Year LKR '000	Total LKR '000	Amount Repayable Within 1 Year LKR '000	Amount Repayable After 1 Year LKR '000	Total LKR '000
Lease liability (Note 16 )	26,872	-	26,872	63,981	15,887	79,868
	26,872	-	26,872	63,981	15,887	79,868

Group	2025			2024		
	Amount Repayable Within 1 Year LKR '000	Amount Repayable After 1 Year LKR '000	Total LKR '000	Amount Repayable Within 1 Year LKR '000	Amount Repayable After 1 Year LKR '000	Total LKR '000
Lease liability (Note 16)	634,414	2,827,908	3,462,322	582,514	2,609,542	3,192,056
Bank Loans / Term Loans	2,911,334	8,241,792	11,153,126	1,661,105	9,403,021	11,064,126
Short Term Loan	17,019,509	-	17,019,509	11,067,490	-	11,067,490
Import Loans	-	-	-	-	-	-
Securitised Borrowings	2,340,948	1,897,595	4,238,543	389,534	3,562,585	3,952,119
Borrowings From International Financial Institutions (Note 20.2.1)	766,862	-	766,862	1,040,319	498,963	1,539,282
	23,673,067	12,967,295	36,640,362	14,740,962	16,074,111	30,815,073

## 20.1 Details of the Long Term Loans- Group

Lender	Approved Facility	Rate of Interest	Repayment Terms	Security	Balance As At 31st March 2025	Balance As At 31st March 2024
Greener Water Limited					Rs. '000	Rs. '000
Sampath Bank PLC	Rs. 2 Bn	AWPLR+1%	Settlement- To be paid over 14 months (1 Year and 2 months) 13 equal monthly installments and separate final installment, Grace period- 8 Years and 10 months (Total Tenure 10 years)	Corporate Gurantee of Vallibel One PLC	406,774	268,501
Delmege Group						
Sampath Bank PLC	Rs. 2.25 Bn	Floating Rate	Within 09 Yrs	Mortgage over Land & Buildings	-	-
Royal Ceramics Lanka PLC						
Commercial Bank of Ceylon PLC	Rs. 218.71Mn	Fixed	Payable in 22 equal monthly installments of Rs.4,300,000.00 / 61 equal monthly installments of Rs.2,000,000.00 each and a final installment of Rs.2,112,360.00 together with interest.	primary mortgage bond for Rs. 359Mn over solar panels and related equipment installed on the roofs of Royal Ceramics Lanka factories at Horana and Eheliyagoda	78,112	102,112
Commercial Bank of Ceylon PLC	Rs. 77.35Mn	AWPLR	Payable in 10 equal monthly installments of Rs.2,262,000.00 / 51 equal monthly installments of Rs.1,052,500.00 each and a final installment of Rs.1,050,865.00 together with interest.	primary mortgage bond for Rs. 359Mn over solar panels and related equipment installed on the roofs of Royal Ceramics Lanka factories at Horana and Eheliyagoda.	41,046	53,676
Commercial Bank of Ceylon PLC	Rs. 400Mn	Fixed	Payable in 2 equal monthly installments of Rs.16,666,000.00 / 56 equal monthly installments of Rs.6,432,772.00 each and a final installment of Rs.6,432,768.00 together with interest.	General terms and conditions relating to term loan facility for Rs. 400Mn dated 30/12/2021 signed by the Company	167,252	244,445
Commercial Bank of Ceylon PLC	Rs. 600Mn	AWPLR	Payable in 56 equal monthly installments of Rs.10,526,315.00 each and a final installment of Rs 10,526,360.00 together with interest.	General terms and conditions relating to term loan facility for Rs. 600Mn dated 01.11.2022 signed by the company	294,737	421,053
Commercial Bank of Ceylon PLC	Rs. 1,000Mn	AWPLR plus margin	Payable in 59 equal monthly installments of Rs.16,700,000.00 each and a final installment of Rs 14,700,000.00 together with interest.	Leeway available in mortgage bonds of following properties: Primary mortgage bond no.3180 dated 31/03/2006 for Rs.50Mn over the property at Baddeggedaramulla, Meegoda and Secondary mortgage bond no.346 dated 02/11/2016, Primary mortgage bond no.3097 dated 07/12/2005 for Rs.62.5Mn over the property at no.101, Nawala Rd, Nugegoda and Secondary mortgage bond no.3912 dated 10/12/2008 for Rs. 25 Mn, Primary mortgage bond no.3096 dated 07/12/2005 for Rs. 24.5Mn over the property at no.472, Highlevel Rd, Makumbura, Pannipitiya, Primary mortgage bond no.3823 dated 2/10/2013 for Rs.300Mn over the property at no.20, R A De Mel Mawatha, Colombo 03 and Secondary mortgage bond no.266 dated 3/11/2016 for Rs.110Mn and Tertiary mortgage bond no.3420 dated 12/10/2017 for Rs.100Mn, Primary mortgage bond no.1250 dated 12/11/2017 for Rs.150Mn over the property at no.106, Galle Road, Dehiwala, Primary mortgage bond no.1945 dated 12/11/2013 for Rs.200Mn over factory stores at Highlevel Road, Badeegedaramulla, General terms and conditions relating to term loan facility for Rs.1Bn signed by the company	883,100	1,000,000

## NOTES TO THE FINANCIAL STATEMENTS

### 20.1 Details of the Long Term Loans- Group (Contd.)

Lender	Approved Facility	Rate of Interest	Repayment Terms	Security	Balance As At 31st March 2025	Balance As At 31st March 2024
Commercial Bank of Ceylon PLC	Rs. 100Mn	AWPLR	Payable in 35 equal monthly installments of Rs.2,777,000.00 each and a final installment of Rs.2,805,000.00 together with interest.	Floating Primary mortgage bond for Rs.100Mn over the property bearing assessment no.98, 98 1/1, 98 2/1 and 98 B1, Nawala Road, Nugegoda. General terms & conditions relating to term loan facility for Rs.100Mn signed by the company	66,676	100,000
Commercial Bank of Ceylon PLC	Rs. 220Mn	Fixed	Payable in 59 equal monthly installments of Rs. 3,667,000.00 each and a final installment of Rs. 3,647,000.00 together with interest	Floating Primary mortgage bond for Rs.144Mn to be executed over the machinery and equipment to be installed at Royal Ceramics Lanka PLC Eheliyagoda factory. General terms & conditions relating to term loan facility for Rs.220Mn signed by the company	-	-
Commercial Bank of Ceylon PLC	Rs. 147Mn	Fixed for the first three years and balance period AWPLR plus margin	Payable in 60 equal monthly installments of Rs. 2,450,000.00 each together with interest	Floating Primary mortgage bond for Rs.108Mn to be executed over the machinery and equipment installed at Royal Ceramics Lanka PLC Horana factory. General terms & conditions relating to term loan facility for Rs.147Mn signed by the company	99,125	-
Hatton National Bank PLC	Rs. 175Mn	Fixed	Payable in 59 equal monthly instalments of Rs.2,900,000.00 each and a final instalment of Rs.3,900,000.00 together with interest.	Negative pledge over machinery for Rs.175Mn	-	21,300
Hatton National Bank PLC	Rs. 100Mn	Fixed	Payable in 59 equal monthly installments of Rs.1,660,000.00 each and a final installment of Rs.2,060,000.00 together with interest.	Negative Pledge over heat recovery system for Rs.100Mn	-	17,000
Hatton National Bank PLC	Rs. 45Mn	Fixed	Payable in 60 equal monthly installments of Rs.750,000.00 each together with interest.	Negative Pledge over machinery for Rs.45Mn	-	3,750
<b>Rocell Bathware Limited</b>						
Commercial Bank of Ceylon PLC	Rs. 106.11Mn	Fixed	Payable in 21 equal monthly installments of Rs.1,650,000.00 / 62 equal monthly installments of Rs.1,134,000.00 each and a final installment of Rs.1,152,600.00 together with interest.	Primary Mortgage bond for Rs. 138Mn over solar panels and related equipment installed on the roof of Rocell Bathware factory at Panagoda.	45,379	58,987
Commercial Bank of Ceylon PLC	Rs. 20.69Mn	Fixed	Payable in 1 installment of Rs.3,333,000.00 / 58 equal monthly installments of Rs.294,220.00 each and a final installment of Rs.294,240.00 together with interest.	General terms & conditions relating to the term loan for Rs. 200Mn dated 07/01/2022 signed by the Company.	8,238	11,769
Commercial Bank of Ceylon PLC	Rs. 84Mn	AWPLR	Payable in 15 equal monthly installments of Rs. 3,039,118.00 / 43 equal monthly installments of Rs. 873,000.00 each and a final installment of Rs. 876,730.00 together with interest.	General terms & conditions relating to the term loan for Rs. 179,308,000 dated 02/11/2022 signed by the company.	27,067	37,543
Commercial Bank of Ceylon PLC	Rs. 24.13Mn	AWPLR	Payable in 10 equal monthly installments of Rs.506,000.00 / 52 equal monthly installments of Rs.359,700.00 each and a final installment of Rs.361,000.00 together with interest.	Primary Mortgage bond for Rs. 138Mn over solar panels and related equipment installed on the roof of Rocell Bathware factory at Panagoda.	14,389	18,706

Lender	Approved Facility	Rate of Interest	Repayment Terms	Security	Balance As At 31st March 2025	Balance As At 31st March 2024
Commercial Bank of Ceylon PLC	Rs. 525Mn	AWPLR	Payable in 60 equal monthly instalments of Rs.8,750,000.00 each together with interest.	Primary mortgage bond for Rs.230.80Mn over the machinery and equipment relating to factory expansion project of Rocell Bathware Limited Panagoda factory. General terms & conditions relating to term loan facility for Rs.525Mn signed by the company.	472,500	-
Lanka Ceramic PLC						
Hatton National Bank PLC	Rs. 500Mn	AWPLR plus margin	60 Monthly instalments (Restructured)	Mortgage for Rs, 500 Mn over investment property of land and building at No 696,696/1,696/ 2/,696/3,696/4, Galle Road, Colombo 03 (1R- 1.12 P).	-	8,520
Lanka Walltiles PLC						
Commercial Bank of Ceylon PLC	Rs. 3660 Mn	11.50%	72 monthly instalments (12 month Grace period)	"KAHATAGAHAHENA" land, and the plants and machinery located thereon are mortgaged	3,602,199	3,500,000
Commercial Bank of Ceylon PLC	Rs. 800Mn	11.50%	72 monthly instalments (12 month Grace period)	"KAHATAGAHAHENA" land, and the plants and machinery located thereon are mortgaged	679,640	786,660
Lanka Tiles PLC						
DFCC Bank	Rs. 1500Mn	AWPLR+0.75%	72 monthly instalments (12 month Grace period)	"A primary mortgage plant and machinery amounting to Rs.1500"	166,667	418,290
Uni-Dil Packaging Limited						
Standard Chartered Bank	Rs. 17.74Mn	7.75%(fixed)	54 monthly instalments	Mortgage bond for USD 500,000 over Movable Machinery	-	12,518
Commercial Bank of Ceylon PLC	Rs. 70.755Mn	7.75%(fixed)	54 monthly instalments	Solar System & related equipment	23,585	39,308
Hatton National	Rs. 60Mn	AWPLR+0.5%	36 monthly instalments	Clean	-	6,668
Peoples Bank	Rs. 100Mn	AWPLR	36 monthly instalments	Clean	44,400	77,760
Uni-Dil Packaging Solution Limited						
Commercial Bank of Ceylon PLC	Rs. 17.744Mn	7.75%(fixed)	54 monthly instalments	Solar System & related	6,558	10,506
Peoples Bank	Rs. 100Mn	AWPLR	36 monthly instalments	Clean	44,400	77,760
Uni Dil Packaging Kenya Limited						
Hatton National Bank	USD 1.4 Mn	3M SOFR+4%	54 monthly instalments	Corporate Guarantee of Uni Dil Packaging Limited & Uni Dil Packaging Solutions Ltd	356,551	-
Swisstek (Ceylon) PLC						
DFCC Bank PLC 60 monthly instalments	Rs. 110Mn	AWPLR+1.25%	60 monthly instalments	Mortgage over Land, Building, Plant & Machinery , Stocks and Book debts owned by Swisstek Aluminium Ltd	-	17,413
Bank of Ceylon	Rs. 382.5Mn	AWPLR+1%	60 monthly instalments	Mortgage over land and Buildings situated at Balummahara	369,167	-

## NOTES TO THE FINANCIAL STATEMENTS

Lender	Approved Facility	Rate of Interest	Repayment Terms	Security	Balance As At 31st March 2025	Balance As At 31st March 2024
<b>Swisstek Aluminum Limited</b>						
Commercial Bank of Ceylon PLC	Rs. 156.53Mn	AWPR+1.4%	60 monthly instalments, After a 24 months grace period	Mortgage over Solar Panel Equipment	70,399	101,719
DFCC Bank PLC	Rs. 2000Mn	AWPLR+ 1%	12 M Grace period , 0%- for the first 06 month,start int from Dec-23	Mortgage Bond for Rs. 1,500 Mn over stock and Debtors with an insurance policy over stocks assigned in favour of the Bank	1,907,920	2,000,000
DFCC Bank PLC	Rs. 74.81Mn	Fixed Rate 10%	48 instalments with 3M Grace period	Mortgage Bond for Rs.660 over stock & debtors	73,534	96,198
Seylan Bank PLC	Rs. 1065Mn	AWPLR+ 1%	48 instalments with 6M Grace period	Mortgage Bond for Rs.660 over stock & debtors	789,872	1,064,872
Nations Trust Bank PLC	Rs. 489Mn	AWPLR	36 instalments	Primary Mortgage Bond over stocks and Book Debts for Rs.600Mn	413,842	485,094

### 20.2 Debt Instruments Issued and Other Borrowed Funds

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Borrowings From International Financial Institutions (Note 20.2.1)	-	-	766,862	1,539,282
Securitised Borrowings	-	-	4,238,543	3,952,119
	-	-	5,005,405	5,491,401
Fair Value	-	-	5,217,194	5,703,189

#### 20.2.1. Borrowings From International Financial Institutions

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	-	-	766,862	1,539,282
	-	-	766,862	1,539,282

### 21. TRADE & OTHER PAYABLES

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Trade & Other Payables	2,416	1,408	7,643,791	5,254,684
Accrued Expenses	3,995	3,756	759,607	789,758
Other Payable	17,426	13,969	269,965	163,626
Payable to Related Parties (Note 21.1)	-	-	3,053	16,526
Bills Payables and Current account with principal	-	-	13,079	57,990
Unclaimed Balances	-	-	921,754	879,765
Unidentified Deposits	-	-	9,809	-
Income Tax Payable	-	-	1,465	-
Sundry Creditors	-	-	3,296,789	3,456,927
Insurance Premium Payable	-	-	374,138	288,891
Advances collected from customers	-	-	2,834	12,772
	23,837	19,133	13,296,284	10,920,939

**21.1 Payable to Related Parties**

As at 31 March		COMPANY		GROUP	
		2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Singer (Sri Lanka) PLC	Affiliate	-	-	2,409	3,669
Fentons Ltd.	Affiliate	-	-	-	12,253
Hayleys Aventura (Pvt) Ltd	Affiliate	-	-	644	599
Hayleys Electronics Lighting (Pvt) Ltd	Affiliate	-	-	-	5
		-	-	3,053	16,526

**22. OTHER NON FINANCIAL LIABILITIES****Accounting Policy**

Group classifies all non financial liabilities other than post employment benefit liability, Deferred tax liabilities and current tax liabilities under other non financial liabilities. Other non financial liabilities include accruals, advances and provisions. These liabilities are non-interest bearing and recorded at the amounts that are expected to be paid.

**Provisions**

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

As at 31 March		COMPANY		GROUP	
		2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Provisions		-	-	242,466	317,431
Refundable Deposits		-	-	33,884	34,500
Accrued Expenses		-	-	1,181,817	1,091,195
Other Payables		-	-	93,115	89,568
Other Statutory Payables		-	-	689,848	565,666
Impairment provision in respect of Off Balance sheet credit exposure		-	-	15,981	14,269
		-	-	2,257,111	2,112,629

**22.1 Contract Liability**

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services as well as transaction price allocated to unexpired service warranties.

As at 1st April		COMPANY		GROUP	
		2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
As at 1st April		-	-	1,338,017	2,831,093
Advance received		-	-	1,455,820	1,124,488
During the year recognised		-	-	(1,188,556)	(2,617,564)
As at 31st March		-	-	1,605,281	1,338,017

The contract liability primarily relates to the advance consideration received from customers for Supply of timber and installation of timber flooring, for which revenue is recognised overtime. This will be recognised as revenue when the company issues an invoice to the customer, which is expected to occur over the next year.



## NOTES TO THE FINANCIAL STATEMENTS

### 23. DIVIDENDS PAYABLE

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Company. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Unclaimed Dividend	18,726	14,082	454,595	513,426
	18,726	14,082	454,595	513,426

### 24. EMPLOYEE BENEFIT LIABILITIES

#### Accounting Estimates

Our end of service benefit obligations are measured based on the present value of projected future benefit payments for all participants for services rendered to date. In Sri Lanka such plans are regulated by Payment of gratuity act no 12 of 1983. The measurement of projected future benefits is dependent on the stipulated formula, salary assumptions, demographics of the group covered by the plan, and other key measurement assumptions. The net periodic benefit costs associated with the Company's defined benefit plans are determined using assumptions regarding the benefit obligations. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

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

#### Recognition of Actuarial Gains and Losses

The Company recognises the total actuarial gains and losses that arise in calculating the Company's obligation in respect of the plan in Other Comprehensive Income during the period in which it occurs.

#### Expected Return on Assets

Expected return on assets is zero as the plan is not pre-funded.

#### Funding Arrangements

The gratuity liability is not externally funded.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Balance at the beginning of the year	34,028	25,722	2,081,344	1,659,197
Current service cost	4,323	8,797	257,813	182,428
Interest cost	4,083	-	203,238	270,636
Actuarial (gain)/loss	6,007	1,330	134,668	210,976
Payments made during the year	(6,677)	(1,822)	(171,682)	(241,893)
Balance at the end of the year	41,765	34,028	2,505,382	2,081,344

### 24.1 Actuarial assumptions

An actuarial valuation of the gratuity of subsidiary companies was carried out as at 31st March 2025 and 31st March 2024 by a firm of professional actuaries. The valuation method used by the actuary to value the Fund is the "Projected Unit Credit Method", recommended by LKAS 19.

As at 31 March	COMPANY		GROUP	
	2025	2024	2025	2024
Discount Rate	11%	12%	10% - 24%	12% - 24%
Future Salary increase	10%	10%	10% - 20%	10% - 20%
Staff Turnover	10%	10%	2% - 29%	2% - 29%
Retirement age	60 Years	60 Years	60 Years	60 Years

### 24.2 Sensitivity Analysis

In order to illustrate the significance of the salary escalation rates and discount rates assumed in these valuations a sensitivity analysis for all employees of Vallibel One PLC and its subsidiaries is carried out as follows;

	COMPANY	GROUP
	LKR '000	LKR '000
<b>Discount Rate as at 31 March 2025</b>		
Effect on DBO due to decrease in the discount rate by 1%	2,893	283,593
Effect on DBO due to increase in the discount rate by 1%	(2,581)	(344,590)
<b>Salary Escalation Rate as at 31 March 2025</b>		
Effect on DBO due to decrease in salary escalation rate by 1%	(2,779)	(341,348)
Effect on DBO due to increase in salary escalation rate by 1%	3,066	288,189
<b>Discount Rate as at 31 March 2024</b>		
Effect on DBO due to decrease in the discount rate by 1%	2,338	298,654
Effect on DBO due to increase in the discount rate by 1%	(2,085)	(262,832)
<b>Salary Escalation Rate as at 31 March 2024</b>		
Effect on DBO due to decrease in salary escalation rate by 1%	(2,504)	(264,725)
Effect on DBO due to increase in salary escalation rate by 1%	2,265	299,900

### 24.3 The Expected Benefit Payout in the Future Years for Retirement

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Within the next 12 months	4,477	3,584	198,319	201,367
Between 1 and 5 years	14,406	13,316	1,003,764	850,971
Beyond 5 years	22,881	17,128	1,420,165	1,157,449
	41,765	34,028	2,622,248	2,209,787

## NOTES TO THE FINANCIAL STATEMENTS

### 25. STATED CAPITAL

	2025		2024	
	Number of Voting Shares	LKR '000	Number of Voting Shares	LKR '000
Fully paid ordinary shares				
Balance as at the beginning of the year	1,138,915,644	29,337,103	1,138,915,644	29,337,103
Scrip dividends paid during the year	-	-	-	-
Balance as at the end of the year	1,138,915,644	29,337,103	1,138,915,644	29,337,103

#### 25.1 Rights of Shareholders

The holders of ordinary shares have the right to receive dividends as declared from time to time and are entitled to one vote per share at meetings. All shares rank equally with regard to the Company's residual assets.

### 26. OTHER COMPONENTS OF EQUITY

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Treasury shares	-	-	(44,112)	(44,112)
Statutory reserve fund	-	-	8,027,418	7,487,136
Fair value reserve	10,000,529	2,548,037	9,924,628	2,471,655
Foreign currency translation reserve	-	-	49,954	44,430
Revaluation reserve	-	-	11,092,376	10,249,072
General Reserve	-	-	578,449	578,449
	10,000,529	2,548,037	29,628,713	20,786,630

Statutory reserve is a capital reserve which contains profits transferred as required by Section 3(b)(ii) of Central Bank Direction No 1 of 2003.

Fair value reserve of financial assets at FVOCI comprises the cumulative net change in fair value of financial investments available for sale until such investments are derecognised or impaired.

Foreign currency translation reserve comprises the net exchange movement arising on the currency translation of foreign operations and equity accounted investees into Sri Lankan rupees.

Revaluation reserve consists of the net surplus on the revaluation of property, plant and equipment and present value of acquired in-force business (PVIB).

General reserves are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

## 27. NON CONTROLLING INTERESTS

Non-Controlling Interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

As at 31 March	GROUP	
	2025 LKR '000	2024 LKR '000
Adjusted Balance as at 01 April	47,195,502	42,457,533
Change in Non controlling Interest with Acquisition of a subsidiary	-	(43,297)
Profit for the year	4,261,693	7,550,011
Other Comprehensive Income Net of Tax	505,869	694,301
Disposal of Shares	-	-
Dividend write back of unclaimed dividend	-	6,299
Acquisition of non-controlling interest	-	6,964
Subsidiary Dividends to Minority Shareholders	(2,240,107)	(3,294,964)
Adjustments due to Amalgamation with Subsidiary- LB Finance	(98,670)	
Change in Non controlling Interest with disposal of a sub-subsidiary	-	(239,352)
Change in ownership without change in control	(299,232)	58,007
Balance as at 31 March	49,325,055	47,195,502

## NOTES TO THE FINANCIAL STATEMENTS

### 27. NON CONTROLLING INTERESTS (CONTD.)

#### PRINCIPLE SUBSIDIARIES WITH NON CONTROLLING INTERESTS

Summarised financial information in respect of Vallibel One PLC's subsidiaries that have non-controlling interest, reflecting amounts before inter-company eliminations, is set out below.

	2025			2024		
	LB Finance PLC	Royal Ceramics Lanka PLC	Delmege Limited	LB Finance PLC	Royal Ceramics Lanka PLC	Delmege Limited
Non controlling Interests in %	33.66%	44.02%	31.25%	33.66%	44.02%	31.25%
Accumulated Balance of Non Controlling Interest	-	16,387,238	510,441	96,738	15,345,120	450,091

Summarised statement of profit or loss for the year ended 31 March	2025			2024		
	LB Finance	Rocell	Delmege	LB Finance	Rocell	Delmege
Revenue	46,844,811	60,651,016	15,371,176	49,456,646	61,192,057	11,745,427
Cost of sales	(16,783,707)	(41,248,506)	(11,089,732)	(21,460,631)	(37,704,490)	(8,826,772)
Administrative expenses	(9,233,509)	(4,293,326)	(1,592,250)	(8,395,875)	(3,910,986)	(930,445)
Finance cost	-	(2,309,347)	(121,037)	-	(2,524,386)	(307,072)
Finance Income	-	193,286	15,414	-	358,330	13,604
Profit before tax	16,412,677	7,908,137	1,485,681	15,334,425	12,079,379	877,774
Income Tax	(5,550,824)	(1,855,089)	(461,786)	(5,627,414)	(3,023,279)	(52,710)
Profit for the year from continuing operations	10,861,853	6,053,048	1,023,895	9,707,011	9,056,100	825,064
Profit/ (Loss) from Discontinuing operations	-	(2,488)	-	-	177,410	-
<b>Profit:</b>						
Attributable to owners	7,206,228	3,386,833	703,943	6,440,055	5,168,505	567,244
Attributable to non controlling interests	3,657,625	2,663,728	319,952	3,266,956	4,065,004	257,820
Other Comprehensive income	6,914	1,038,005	(6,005)	(110,070)	1,516,762	(6,187)
Total Comprehensive income	10,868,767	7,088,566	1,017,890	9,596,941	10,750,271	818,877
Attributable to owners	7,210,815	3,967,862	699,815	6,367,030	6,017,521	562,991
Attributable to non controlling interests	3,657,952	3,120,704	318,075	3,229,911	4,732,750	255,887
<b>Summarised statement of financial position as at 31 March</b>						
Current Assets	160,613,691	46,127,226	9,488,785	139,758,722	40,380,307	5,979,749
Non Current Assets	81,370,722	67,238,379	6,152,144	63,389,164	61,238,780	5,907,739
Current Liabilities	136,906,906	31,135,923	6,432,400	121,914,068	24,140,005	3,812,833
Non current Liabilities	53,487,362	17,190,323	739,176	37,225,825	17,365,962	623,153
<b>Summarised statements of cash flows for the year ended 31 March</b>						
Operating cash flows	(10,068,007)	330,677	253,684	5,531,503	5,768,395	750,159
Investing cash flows	(554,592)	(3,449,591)	(323,029)	(2,198,402)	(5,902,688)	118,208
Financing cash flows	11,918,956	2,933,468	444,417	(365,566)	1,417,146	(329,824)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>1,296,357</b>	<b>(185,446)</b>	<b>375,073</b>	<b>2,967,535</b>	<b>1,282,853</b>	<b>538,544</b>

**28. REVENUE****Accounting Policy**

The Group is primarily involved in manufacturing and marketing of tiles and associated items, sanitaryware, packing material, aluminium products and consumer products in Sri Lanka and overseas. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group/Company is the principal in its revenue arrangements, as it typically controls the goods before transferring them to the customer.

**Goods transferred at a point in time**

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods.

**Services transferred over time**

Under SLFRS 15, the Group determines, at contract inception, whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

**Interest Income**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

The Group use the Effective Interest Rate (EIR) method for recognising the interest income and interest expenses of Financial Assets and Financial Liabilities that are measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income under SLFRS 9. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The calculation of EIR takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as an impairment charge or reversal to the Income Statement.

Interest income on impaired financial instruments continues to be recognised at original EIR to the unadjusted carrying amount until the financial asset has been classified as fully impaired. Until such the accrued interest added to the unadjusted carrying amount has been impaired to the estimated Loss Given Default (LGD).

**28.1 Disaggregation of revenue**

The Group presented disaggregated revenue with Group's reportable segments based on timing of revenue recognition and operating segment information section.

**(a) Sale of goods- tiles and associated items, sanitaryware, packing materials, aluminium products and consumer products.**

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods which include one performance obligation. Control transition point to recognise the revenue on export sales is determined based on the international commercial terms applicable for the respective transactions. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, which is not materially affect on the recognition of revenue.

## NOTES TO THE FINANCIAL STATEMENTS

### 28.1 Disaggregation of revenue (Contd.)

#### (b) Rendering of services

Revenue from services is recognised as the services are provided. Revenue from service contracts that cover periods of greater than 12 months is recognised in the profit and loss in proportion to the services delivered at the reporting date.

#### (c) Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in SLFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### (d) Net trading income

Net trading income includes all gains and losses from changes in fair value and related dividends for financial assets and financial liabilities “held for trading” other than interest income.

Set out below is the disaggregation of the Group's/ Company's revenue from contracts with customers:

#### 28.1.1 Sector-wise Segmentation

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Financial Services Sector	-	-	42,201,897	46,239,187
Sale of goods	-	-	75,102,117	72,119,108
Rendering of services	-	-	5,455,721	3,971,292
<b>Total Revenue</b>	-	-	<b>122,759,735</b>	<b>122,329,587</b>

#### Geographical Segmentation

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Export Sales	-	-	7,590,961	2,345,216
Local Sales	-	-	68,323,962	70,527,724
Total Revenue Contracts with Customers	-	-	75,914,923	72,872,940
Income from financial services	-	-	46,844,811	49,456,647
<b>Total Revenue</b>	-	-	<b>122,759,734</b>	<b>122,329,587</b>

#### 28.1.2 Timing of Revenue Recognition

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Goods/ services transferred at a point in time	-	-	75,396,035	72,420,063
Services transferred over time	-	-	5,161,803	3,670,337
Total Revenue Contracts with Customers	-	-	80,557,838	76,090,400
Interest income	-	-	42,201,896	46,239,187
<b>Total Revenue</b>	-	-	<b>122,759,734</b>	<b>122,329,587</b>



**28.2 Contract Balances**

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Trade Receivables (Note 8)	-	-	9,742,015	7,839,475
Contract Assets (Note 8.2)	-	-	-	30,033
Contract Liabilities (Note 22.1)	-	-	1,605,281	1,338,017

**29. DIVIDEND INCOME****Accounting Policy**

Revenue is recognised when the Group's/Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Income from Investment in Related Parties	3,914,313	4,078,503	1,396,516	877,199
Income from Other Investments	-	-	2,761	3,545
	3,914,313	4,078,503	1,399,277	880,744
Dividend income from Associate	-	-	-	-
Other	3,914,313	4,078,503	1,399,277	880,744
	3,914,313	4,078,503	1,399,277	880,744

**30. OTHER OPERATING INCOME****Accounting Policy**

Income earned on other sources, which are not directly related to the normal operations of the Group is recognised as other operating income on an accrual basis.

**Profit / (Loss) on Disposal of Property, Plant & Equipment**

The profit/(loss) on disposal of property, plant and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, net of incremental disposal costs. This is recognised as an item of "other operating income" in the year in which significant risks and rewards of ownership are transferred to the buyer.

**Fee and Commission Income**

The Group earns fee and commission income from a diverse range of services it provides to its customers. These fees include credit-related fees and commission income. All fees and commissions are recognised to the Income Statement on an accrual basis.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

## NOTES TO THE FINANCIAL STATEMENTS

### 30. OTHER OPERATING INCOME (CONTD.)

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Profit / (Loss) on Disposal of Property, Plant & Equipment	-	24,000	30,038	93,347
Fee and Commission Income	-	-	60,903	33,306
Hiring Income	-	-	2,990	5,212
Recoveries of Variable Overhead	-	-	3,895	1,840
Rent income	-	-	99,895	62,713
Change in fair value of investment property	-	-	21,022	65,790
Sundry Income	-	-	683,965	570,551
Gains/(Losses) from Investment in Unit Trusts	-	-	97,710	-
Net Gain on Financial Assets at FVTPL	1,173	-	3,849	3,409
Exchange Gain	-	-	144,920	-
Gain on Lease remeasurment	6,196	-	6,196	-
Gain on Bargain Purchase	-	-	15,149	-
Technical Fee income	415,591	457,357	-	-
	422,960	481,357	1,170,530	836,168

### 31. PROFIT FROM OPERATION STATED AFTER THE FOLLOWING EXPENSES

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Directors' Fees	19,976	12,560	60,022	49,165
Auditors' Remuneration (Fees and Expenses)	375	327	35,142	43,507
Audit-Related Expenses	-	-	3,522	2,250
Non-Audit Fees to Auditors	2,604	2,126	2,729	3,405
Depreciation	59,065	46,820	3,860,192	3,286,196
Amortisation	-	-	109,843	104,583
Professional and Legal Expenses	12,942	21,245	158,313	555,010
Deposit Insurance Premium	-	-	190,332	171,521
General Insurance Expenses	2,593	2,101	289,556	223,908
Donation	-	5	798	667
Employee Benefits including the following				
Other Staff Costs	189,856	195,216	11,966,743	11,787,000
Defined Benefit Plan Costs- Gratuity	8,407	8,797	461,052	453,064
Defined Contribution Plan Costs- EPF & ETF	20,076	22,118	975,060	757,687

### 32. FINANCE COST

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Interest on Loans	-	-	1,909,496	1,992,864
Interest on Bank Overdrafts and Other charges	458	2,220	305,913	632,650
Interest on Leases	6,121	21,185	221,650	229,507
	6,579	23,405	2,437,058	2,855,021

**33. FINANCE INCOME**

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Interest Income	199,377	110,650	401,429	481,526
Realised Gain on Disposal of AFS Investment	-	-	8,461	-
Income on termination of Lease	-	-	-	1,434
	199,377	110,650	409,890	482,960

**34. TAX ON FINANCIAL SERVICES****Accounting Policy**

Tax on Financial Services include Value Added Tax on Financial Services and Social Security Contribution Levy on Financial Services.

**Value Added Tax (VAT) on financial services**

VAT on Financial Services is calculated in accordance with the Value Added Tax Act No 14 of 2002 and subsequent amendments thereto. The base for the computation of VAT on Financial Services is the accounting profit before VAT on Financial Services and income tax adjusted for the economic depreciation and emoluments payable to employees including cash benefits, non-cash benefits and provisions relating to terminal benefits. VAT on Financial Services was charged at 18% with effect from 1 January 2022.

**Social Security Contribution Levy (SSCL) on Financial Services**

As per the Social Security Contribution Levy (SSCL) Act No.25 of 2022, effective from October 1, 2022, the Company is liable to pay SSCL on Financial Services at the rate of 2.5% on the value addition attributable to the supply of financial services. Further the non-financial services are also made liable on the turnover at the rate of 2.5%.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Value Added Tax on Financial Services	-	-	3,673,990	3,187,317
Social Security Contribution Levy (SSCL)	-	-	509,251	442,926
	-	-	4,183,241	3,630,243

## NOTES TO THE FINANCIAL STATEMENTS

### 35. INCOME TAX EXPENSE

#### Accounting Policy

As per Sri Lanka Accounting Standard- LKAS 12 (Income Taxes), tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income tax expense is recognised in the Income Statement except to the extent it relates to items recognised directly in 'Equity' or 'Other Comprehensive Income (OCI)', in which case it is recognised in Equity or in OCI.

#### Current Taxation

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue in respect of the current year and any adjustment to tax payable in respect of prior years. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date. Accordingly, provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No 24 of 2017 and the amendments thereto at the rates specified in Note 35.2 to these Financial Statements.

Provision for taxation on the overseas operations is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the relevant statutes in those countries, using the tax rates enacted or substantively enacted as at the reporting date.

#### Accounting Estimates

The Group is subject to income taxes and other taxes. Significant judgment was required to determine the total provision for current, deferred and other taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements. The Company recognised assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income, deferred and other tax amounts in the period in which the determination is made.

#### Deferred Taxation

Detailed disclosure of accounting policies and estimate of deferred tax is available in Note 12 to these Financial Statements.

**35.1 The major components of income tax expense for the years ended 31 March are as follows:****35.1.1 In Statement of Profit or Loss**

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Current Income Tax</b>				
Income Tax for the year	73,154	50,642	8,334,410	9,312,726
WHT on Dividend	-	-	383,019	12,823
Under/(over) provision of current taxes in respect of prior years	-	(4,386)	(120,326)	(128,546)
<b>Deferred Income Tax</b>				
Deferred tax charge / (reversal) (Refer Note 35.3)	509	(1,131)	(273,815)	89,433
	<b>73,663</b>	<b>45,125</b>	<b>8,323,288</b>	<b>9,286,436</b>

**35.1.2 Statements of Other Comprehensive Income**

Deferred tax related to items recognised in OCI during the year:				
Revaluation of property, plant and equipments	-	-	499,414	857,888
Disposal of land	-	-	(4,223)	-
Net gain on hedge of net investment	-	-	-	-
Remeasurement (gain)/loss on actuarial gains and losses	(1,802)	(399)	(39,549)	(54,288)
	<b>(1,802)</b>	<b>(399)</b>	<b>455,642</b>	<b>803,600</b>

**35.1.3 Total Tax Expense for the Financial Year**

	<b>71,861</b>	<b>44,726</b>	<b>8,778,930</b>	<b>10,090,036</b>
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**35.1.4 Impact on Deferred Tax Charge/ (Reversal) due to Change in Tax Rates**

Charge/ (Reversal) Recognised in Profit or Loss:				
- Arising on During the Year Movement	509	(1,131)	(273,815)	89,433
- Due to Change in Tax Rates	-	-	-	-
	<b>509</b>	<b>(1,131)</b>	<b>(273,815)</b>	<b>89,433</b>
Charge/ (Reversal) Recognised in Other Comprehensive Income:				
- Arising on During the Year Movement	(1,802)	(399)	455,642	803,600
- Due to Change in Tax Rates	-	-	-	-
	<b>(1,802)</b>	<b>(399)</b>	<b>455,642</b>	<b>803,600</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 35.2 Reconciliation between tax charge and the product of accounting profit

A reconciliation between the tax expense and the accounting profit multiplied by relevant tax rate for the years ended 31 March is as follows.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Accounting profit before tax	4,105,774	4,182,440	24,348,298	26,552,853
Less: Share of results of associates	-	-	(53,228)	(47,870)
	4,105,774	4,182,440	24,295,070	26,504,983
Less: Exempt Profit	(3,915,486)	(4,078,503)	(4,004,073)	(5,849,395)
Add: Non deductible expenses	115,547	153,040	9,552,793	4,617,783
Less: Deductible expenses	(61,990)	(64,170)	(4,990,449)	(5,451,905)
Less: Tax losses utilised	-	-	(1,413,985)	(89,732)
Add: Income considered as a separate source of income	-	-	532,979	403,120
Less: Qualifying payment relief	-	-	(10,087)	20,941
Taxable Income	243,845	192,807	23,962,248	20,155,795
Tax on taxable income @ 30%	73,154	50,643	8,319,697	9,185,857
Tax on taxable income @ 24%	-	-	-	112,960
Tax on taxable income @ 22%	-	-	14,713	13,909
Dividend Tax @ 15%	-	-	383,019	12,823
Adjustments in respect of prior years	-	(4,387)	(120,326)	(128,547)
	73,154	46,256	8,597,103	9,197,003
Deferred Tax Charge/(Reversal)	509	(1,131)	(273,815)	89,433
Income Tax Expense charged to Profit or Loss	73,663	45,125	8,323,288	9,286,436
Effective Tax Rate	1.79%	1.08%	34.18%	34.97%
Effective Tax Rate (Excluding Deferred Tax)	1.78%	1.11%	35.31%	34.64%
Accounting Profit Before Tax on Financial Services	4,105,774	4,182,440	28,531,539	30,183,096
Effective Tax Rate (Excluding Tax on Financial Services)	1.79%	1.08%	29.17%	30.77%

#### Lanka Ceramics PLC

As per the transitional provisions of the Inland Revenue Act No. 24 of 2017, brought forward tax losses can be claimed against the taxable income for a period of six years with effective from 1 April 2018. The Company has a cumulative tax loss of Rs.37,712,392/- (2024- Rs.176,143,012/-) as at 31st March 2025 which can be carried forward up to the financial year of 2029/2030 based on year of loss incurred.

### 35.3 Deferred Tax

Deferred tax recognised in statements of profit and loss relates to the following:

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Property, Plant & Equipments	(458)	931	(514,505)	(2,730,161)
Investment Property	-	-	3,743	2,842,689
Right of use assets	1,486	165	(11,193)	49,024
Defined Benefit Obligation	(520)	(2,227)	(99,055)	27,831
Unrealised Exchange Gain/(Loss)	-	-	13,776	(65,414)
Reversal of tax losses claimed	-	-	127,000	-
Provisions	-	-	(156,261)	257,587
Deferred Taxation on Un distributed Associate Profit	-	-	7,761	(10,986)
Unutilised tax losses	-	-	354,920	(281,137)
	509	(1,131)	(273,815)	89,433

## 36. DISCONTINUED OPERATIONS

### Ever Paint and Chemical Industries (Pvt) Ltd ("EPCI")

On 25th July 2016, the Board of Directors took a decision to cease the operations of Ever Paint and Chemical Industries (Private) Limited ("EPCI") and to dispose of the assets thereof. EPCI is a fully owned subsidiary of Royal Ceramics Lanka PLC and it was engaged in the business of manufacturing and marketing of paints and allied products. With EPCI being classified as discontinued operations, the paint and allied products segment is no longer presented in the segment note.

### Rocell Pty Ltd

On 31st January 2021, the Board of Directors decided to cease the operations of Rocell Pty Ltd ("RPTY") and to dispose of the assets thereof. RPTY is a fully owned subsidiary of Royal Ceramics Lanka PLC and it was engaged in the business of wholesale and retailing of floor tiles and wall tiles in Australia. With RPTY being classified as discontinued operations, its figures are no longer taken to tiles and associated items segment. However the Company settled its liabilities in March 2024 and wound up the company by 31 March 2024.

During the year 2024/25, Management has reassessed the recoverability of the remaining assets and liabilities as at the reporting date. Management is continued to take steps to dispose the remaining assets of the Group. The results of discontinued operations for the period ended is presented below:



## NOTES TO THE FINANCIAL STATEMENTS

### 36.1 Loss on discontinued Operations

As at 31 March	EPCI		Rocell Pty Ltd	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Revenue</b>	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
Finance Income	-	-	-	-
Other Income and Gains	-	-	-	173,332
Selling and Distribution Costs	-	-	-	-
Administrative Expenses	(2,488)	(2,487)	-	89
Finance Cost	-	-	-	6,476
Gain on disposal of subsidiary to VPML	-	-	-	-
<b>Gain/(Loss) before tax</b>	(2,488)	(2,487)	-	179,897
<b>Tax Expense</b>	-	-	-	-
<b>Total Gain/(Loss) for the year from discontinued operations</b>	(2,488)	(2,487)	-	179,897

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Gain/Loss from discontinued operations for the year ended	-	-	(2,488)	177,410
	-	-	(2,488)	177,410

### 36.2 The major classes of assets and liabilities is classified as held for sale as at the end of the year:

As at 31 March	EPCI		Rocell Pty Ltd	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Assets</b>				
Property, Plant and Equipment	36,000	36,000	-	-
Cash and Cash Equivalents	370	56	-	-
Assets Held for Sale	36,370	36,056	-	-
<b>Current Liabilities</b>				
Trade and Other Payables	(262)	(195)	-	-
Interest Bearing Loans & Borrowings	-	-	-	-
Liabilities Directly Associated with the Assets Held for Sale	(262)	(195)	-	-
<b>Net Assets Directly Associated with Disposal Group</b>	36,108	35,861	-	-

**36.3 The net cash flows incurred by Ever Paint and Chemical Industries (Pvt) Ltd ("EPCI") and Rocell Pty Ltd ("RPTY") are as follows:**

As at 31 March	EPCI		RPTY	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Operating	(56)	(115)	-	6,605
Investing	-	-	-	-
Financing	-	-	-	75,303
<b>Net cash (outflow)/inflow</b>	<b>(56)</b>	<b>(115)</b>	<b>-</b>	<b>81,908</b>

**36.4 Earnings per Share**

As at 31 March	EPCI		RPTY	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Basic earnings/ (losses) for the year from discontinued operations	(0.00)	(0.00)	-	0.07

**36.5 Asset Held For Sale**

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Ever Paint and Chemical Industries (Private) Limited	-	-	36,370	36,056
Rocell Pty Ltd	-	-	-	-
	-	-	36,370	36,056

**36.6 Liabilities directly associated with the assets classified as held for sale**

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Ever Paint and Chemical Industries (Private) Limited	-	-	262	195
Rocell Pty Ltd	-	-	-	-
	-	-	262	195

**36.7 Fair value of land and buildings of Discontinued Operations**

The fair value of land and buildings amounting to Rs. 36 Mn was determined by Mr. A.A.M. Fathihu, an independent professionally qualified valuer in reference to market based evidence. (valuation report dated 9 April 2018).

Reassessment of the fair valuation was obtained from the same independent professional valuer who determined that there would have been no substantial material change in the fair value between the last valuation date and reporting date.

**Significant increases (decrease) in estimated price per perch/ price per square feet in isolation would result in a significantly higher (lower) fair value.**

Price per square feet is in the range of Rs. 3,000/- to Rs.2,000/-

Price per perch is in the range of Rs. 85,000/ to Rs. 5,000/-

Significant increases/ (decreases) in estimated price per perch/ price per square foot in isolation would result in a significantly higher/ (lower) fair value.

## NOTES TO THE FINANCIAL STATEMENTS

### 37. EARNINGS PER SHARE

#### Accounting Policy

The Group presents Basic and Diluted Earnings per Share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by weighted average number of ordinary shares outstanding during the year, as per the Sri Lanka Accounting Standard- LKAS 33 (Earnings Per Share).

Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares, which comprise share options granted to employees. The Group does not have any potentially dilutive shares.

#### Profit and Shares Details Used in the Basic Earning per Share Computation

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Amounts Used as the Numerators:</b>				
Net Profit Attributable to Ordinary Shareholders of the Company/ Parent	4,032,111	4,137,315	11,760,829	9,893,816

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Number of Ordinary Shares Used as Denominators for Basic Earnings per Share</b>				
Weighted Average number of Ordinary Shares in issue	1,138,915,644	1,138,915,644	1,137,949,831	1,137,949,831

#### Profit and Shares Details Used in the Diluted Earning per Share Computation

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Amounts Used as the Numerators:</b>				
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	4,032,111	4,137,315	11,760,829	9,893,816

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Number of Ordinary Shares Used as Denominators for Diluted Earnings per Share</b>				
Weighted average number of ordinary shares adjusted for the effect of dilution	1,138,915,644	1,138,915,644	1,137,949,831	1,137,949,831

To calculate the earnings per share amounts for discontinued operation the weighted average number of ordinary shares for both the basic and diluted amounts is as per the table above. The following table provides the profit/(loss) amount used:

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Net profit attributable to ordinary equity holders of the parent from continuing operations	4,032,111	4,137,315	11,763,317	9,716,406
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations	-	-	(2,488)	177,410
<b>Net profit attributable to ordinary equity holders of the parent for basic earnings</b>	<b>4,032,111</b>	<b>4,137,315</b>	<b>11,760,829</b>	<b>9,893,816</b>
<b>Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution</b>	<b>4,032,111</b>	<b>4,137,315</b>	<b>11,760,829</b>	<b>9,893,816</b>

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Basic Earnings Per Share</b>	<b>3.54</b>	<b>3.63</b>	<b>10.34</b>	<b>8.69</b>
<b>Basic Earnings Per Share for Continuing Operations</b>	<b>3.54</b>	<b>3.63</b>	<b>10.34</b>	<b>8.54</b>
<b>Diluted Earnings Per Share</b>	<b>3.54</b>	<b>3.63</b>	<b>10.34</b>	<b>8.69</b>

### 37.1 Dividend Per Share

As at 31 March	COMPANY	
	2025 LKR '000	2024 LKR '000
Cash Dividend	3,416,747	1,138,916
	3,416,747	1,138,916
Weighted average number of ordinary shares	1,138,915,644	1,138,915,644
<b>Dividend Per Share</b>	<b>3.00</b>	<b>1.00</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 38. FAIR VALUE MEASUREMENT

#### Accounting Policy

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:

01. In the principal market for the asset or liability; or

02. 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 various valuation methodologies that are appropriate in the circumstances and 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 use of observable and unobservable inputs and their significance in measuring fair value are reflected in our fair value hierarchy assessment.

Level 1: Inputs include quoted prices for identical instruments,

Level 2: Inputs include quoted prices for similar instruments and observable inputs such as interest rates, currency exchange rates, and yield curves.

Level 3: Inputs include data not observable in the market and reflect management judgment about the assumptions market participants would use in pricing the instruments.

#### Valuation framework

The Company/ Group has an established control framework for the measurement of fair values. Management review the inputs to the fair value measurements to ensure they are appropriately categorised within the fair value hierarchy. Transfers into and transfers out of the hierarchy levels are recognised as if they had taken place at the end of the reporting period.

#### 38.1 Assets Measured at Fair Value:

As at 31 March	Notes	2025				2024			
		Fair Value Measurement Using			Total Fair Value LKR '000	Fair Value Measurement Using			Total Fair Value LKR '000
		Quoted prices in active market Level 1 LKR '000	Significant observable inputs Level 2 LKR '000	Significant unobservable inputs Level 3 LKR '000		Quoted prices in active market Level 1 LKR '000	Significant observable inputs Level 2 LKR '000	Significant unobservable inputs Level 3 LKR '000	
Financial Assets									
Financial Assets Recognised Through Profit or Loss	4.3	91,269	-	-	91,269	103,898	-	-	103,898
Equity Instruments measured at Fair Value through OCI	4.3	21,496,804	1,312	38,093	21,536,209	14,043,587	1,048	307	14,044,942
Non Financial Assets									
Investment Property	17	-	-	2,162,726	2,162,726	-	-	2,140,503	2,140,503
Property, Plant and Equipment									
Land and Building	15	-	-	43,075,029	43,075,029	-	-	44,131,761	44,131,761
Assets held for sale	36.5	-	-	36,370	36,370	-	-	36,056	36,056
		21,588,073	1,312	45,312,218	66,901,603	14,147,485	1,048	46,308,627	60,457,160

### Valuation Methodologies and Assumptions

Details of valuation methodologies and assumptions are disclosed in the relevant notes to the financial statements.

### 38.2 Assets not carrying at fair value in the financial statements and valued using significant unobservable inputs:

	Notes	2025		2024	
		Fair Value LKR '000	Carrying Value LKR '000	Fair Value LKR '000	Carrying Value LKR '000
Financial Assets At Amortised Cost- Loans and Advances	5	201,278,635	199,271,047	164,529,320	162,521,733
		201,278,635	199,271,047	164,529,320	162,521,733

#### Unobservable Inputs Used in Measuring Fair Value under Level 3 Category

The following table sets out information about significant unobservable inputs used as at 31 March 2025 and 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of Financial Instrument	Valuation Technique	Significant Unobservable Input	Range of Estimates for Unobservable Input	Fair Value Measurement Sensitivity to Unobservable Inputs
Financial Assets At Amortised Cost- Loans and Advances	Discounted cash flow	Spread	4.6-10.4% (2024 : 4.1-12.1%)	A significant increase in the spread would result in a lower fair value.
		Probability of default	8.8-20.3% (2024 : 12.4-26.9%)	Significant increases in probability of default isolation would result in lower fair values.
		Loss severity	5-100% (2024 : 5-100%)	A significant reduction would result in higher fair values.
		Expected prepayment rate	0.03-15.8% (2024 : 0.03-15.8%)	Correlates with the current interest rates.

### 38.3 Other Financial Assets and Financial Liabilities not carried at fair value

For financial assets and financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values.

Majority of the Interest-bearing loans and borrowings balances comprise floating rate instruments therefore fair value of the value due to banks approximate to the carrying value as at the reporting date.

Accordingly, the following is a list of financial instruments whose carrying amount is a reasonable approximation of fair value.

#### Financial Assets

- Cash and Cash Equivalent
- Other Financial Assets
- Trade and Other Debtors

#### Financial Liabilities

- Due to Banks
- Due to Customers
- Interest Bearing Loans and Borrowings
- Trade and Other Payables

### 39. SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chairman 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 Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

## NOTES TO THE FINANCIAL STATEMENTS

### 39.1 Operating Segment Information

As at 31 March	Lifestyle Sector		Finance Sector		Aluminium Sector		Leisure Sector		Consumer Sector		
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	
<b>Income Statement</b>											
Revenue	44,351,886	49,584,284	46,844,811	49,456,647	11,974,818	7,200,106	-	-	10,290,473	8,416,947	
Intra Group Revenue	-	2,044	-	-	7,833	64,689	-	-	-	-	
<b>Total Revenue</b>	<b>44,351,886</b>	<b>49,586,328</b>	<b>46,844,811</b>	<b>49,456,647</b>	<b>11,982,651</b>	<b>7,264,795</b>	<b>-</b>	<b>-</b>	<b>10,290,473</b>	<b>8,416,947</b>	
<b>Results</b>											
<b>Gross Profit</b>	<b>15,816,959</b>	<b>21,062,011</b>	<b>30,061,104</b>	<b>27,996,016</b>	<b>2,398,253</b>	<b>1,130,983</b>	<b>-</b>	<b>-</b>	<b>2,270,845</b>	<b>1,723,242</b>	
Dividend Income	956	1,016	4,126	3,764	-	-	-	-	-	-	
Other Operating Income	496,255	644,404	307,323	175,360	102,544	83,038	-	-	41,602	6,840	
Administrative Expenses	(3,441,468)	(3,423,251)	(9,233,517)	(8,395,883)	(548,641)	(333,409)	(2,078)	(3,115)	(483,011)	(347,933)	
Distribution Expenses	(8,236,145)	(7,964,184)	(543,117)	(544,495)	(806,671)	(650,274)	-	-	(842,614)	(694,513)	
Other Operating Expenses	(5,710)	(70,009)	-	(270,093)	-	-	-	-	-	-	
<b>Results from Operating Activities</b>	<b>4,630,847</b>	<b>10,249,987</b>	<b>20,595,919</b>	<b>18,964,669</b>	<b>1,145,485</b>	<b>230,338</b>	<b>(2,078)</b>	<b>(3,115)</b>	<b>986,822</b>	<b>687,636</b>	
Finance Cost	(1,642,110)	(2,100,915)	-	-	(571,360)	(664,010)	(96)	(160)	(344,515)	(594,630)	
Finance Income	297,590	619,355	-	-	413	24,043	1,813	376	96,016	184,658	
<b>Net Finance Cost</b>	<b>(1,344,520)</b>	<b>(1,481,560)</b>	<b>-</b>	<b>-</b>	<b>(570,947)</b>	<b>(639,967)</b>	<b>1,717</b>	<b>216</b>	<b>(248,499)</b>	<b>(409,972)</b>	
Share of Results of Equity accounted investees	-	-	-	-	-	-	53,228	47,870	-	-	
<b>Profit Before Tax on Financial Services</b>	<b>3,286,327</b>	<b>8,768,427</b>	<b>20,595,919</b>	<b>18,964,669</b>	<b>574,538</b>	<b>(409,629)</b>	<b>52,867</b>	<b>44,971</b>	<b>738,323</b>	<b>277,664</b>	
Tax on Financial Services	-	-	(4,183,241)	(3,630,243)	-	-	-	-	-	-	
<b>Profit/(Loss) before tax</b>	<b>3,286,327</b>	<b>8,768,427</b>	<b>16,412,678</b>	<b>15,334,426</b>	<b>574,538</b>	<b>(409,629)</b>	<b>52,867</b>	<b>44,971</b>	<b>738,323</b>	<b>277,664</b>	
Tax Expense	(1,306,054)	(2,482,263)	(5,550,824)	(5,627,414)	(156,546)	74,197	31	166	(241,235)	-	
<b>Profit for the year from continuing operations</b>	<b>1,980,273</b>	<b>6,286,164</b>	<b>10,861,854</b>	<b>9,707,012</b>	<b>417,992</b>	<b>(335,432)</b>	<b>52,898</b>	<b>45,137</b>	<b>497,088</b>	<b>277,664</b>	
<b>Assets and Liabilities</b>											
Segment Assets	80,252,950	76,321,493	242,196,482	203,147,886	9,373,356	7,499,651	10,342,205	9,872,451	5,422,355	3,760,810	
<b>Total Assets</b>	<b>80,252,950</b>	<b>76,321,493</b>	<b>242,196,482</b>	<b>203,147,886</b>	<b>9,373,356</b>	<b>7,499,651</b>	<b>10,342,205</b>	<b>9,872,451</b>	<b>5,422,355</b>	<b>3,760,810</b>	
Segment Liabilities	39,981,556	36,986,729	190,606,426	159,139,893	7,651,199	7,110,747	899,197	763,990	6,501,529	5,334,627	
<b>Total Liabilities</b>	<b>39,981,556</b>	<b>36,986,729</b>	<b>190,606,426</b>	<b>159,139,893</b>	<b>7,651,199</b>	<b>7,110,747</b>	<b>899,197</b>	<b>763,990</b>	<b>6,501,529</b>	<b>5,334,627</b>	
<b>Other Segment information</b>											
Total Cost incurred during the period to Acquire,											
Property ,Plant and Equipment	3,741,198	7,467,518	1,163,208	820,750	168,531	54,642	244,725	278,574	19,604	97,167	
Intangible Assets	135,493	72,408	58,876	6,487	-	-	-	-	-	3,705	
Depreciation and Amortisation PPE, ROUA and Intangible assets	2,605,978	2,067,514	1,001,528	893,761	113,837	104,769	7,827	8,071	49,346	-	
Provisions for Employment Benefit Liability	236,219	271,049	153,692	119,098	16,647	9,334	1,523	1,499	22,253	7,548	



	Investment Sector		Other Sector		Total Segments		Eliminations / Adjustments		Group	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
	-	-	9,377,054	7,671,603	122,839,042	122,329,587	(59,771)	-	122,779,271	122,329,587
	-	-	999,298	1,387,035	1,007,131	1,453,768	(1,026,668)	(1,453,768)	(19,537)	-
	-	-	10,376,352	9,058,638	123,846,173	123,783,355	(1,086,439)	(1,453,768)	122,759,734	122,329,587
	-	-	3,037,117	2,628,077	53,584,278	54,540,329	141,245	(140,913)	53,725,523	54,399,416
	3,914,313	4,078,503	2,898	456	3,922,293	4,083,739	(2,523,016)	(3,202,995)	1,399,277	880,744
	422,961	481,357	1,058,946	909,138	2,429,631	2,300,137	(1,259,101)	(1,324,396)	1,170,530	836,168
	(415,082)	(451,158)	(1,738,929)	(1,338,370)	(15,862,726)	(14,293,119)	760,068	1,059,585	(15,102,658)	(13,233,534)
	-	-	(595,644)	(465,419)	(11,024,191)	(10,318,885)	387,236	453,571	(10,636,956)	(9,865,314)
	(9,215)	(13,508)	-	(1,317)	(14,925)	(354,927)	(35,311)	(294,839)	(50,237)	(510,193)
	3,912,977	4,095,194	1,764,388	1,732,565	33,034,360	35,957,274	(2,528,879)	(3,449,987)	30,505,479	32,507,287
	(6,578)	(23,405)	(252,798)	(382,166)	(2,817,457)	(3,765,286)	380,399	910,265	(2,437,058)	(2,855,021)
	199,377	110,650	249,520	268,607	844,729	1,207,689	(434,839)	(724,729)	409,890	482,960
	192,799	87,245	(3,278)	(113,559)	(1,972,728)	(2,557,597)	(54,440)	185,536	(2,027,168)	(2,372,061)
	-	-	-	-	53,228	47,870	-	-	53,228	47,870
	4,105,776	4,182,439	1,761,110	1,619,006	31,114,860	33,447,547	(2,583,319)	(3,264,451)	28,531,539	30,183,096
	-	-	-	-	(4,183,241)	(3,630,243)	-	-	(4,183,241)	(3,630,243)
	4,105,776	4,182,439	1,761,110	1,619,006	26,931,619	29,817,304	(2,583,319)	(3,264,451)	24,348,297	26,552,853
	(73,662)	(45,124)	(483,285)	(440,946)	(7,811,575)	(8,521,384)	(511,713)	(765,052)	(8,323,288)	(9,286,436)
	4,032,114	4,137,315	1,277,825	1,178,060	19,120,044	21,295,920	(3,095,032)	(4,029,503)	16,025,010	17,266,417
	51,098,612	43,060,727	26,067,527	20,993,737	424,753,487	364,656,755	(17,984,243)	(18,063,543)	406,769,246	346,593,212
	51,098,612	43,060,727	26,067,527	20,993,737	424,753,487	364,656,755	(17,984,243)	(18,063,543)	406,769,246	346,593,212
	137,846	163,615	10,127,036	5,641,958	255,904,707	215,141,559	(7,405,314)	(7,783,031)	248,499,474	207,358,527
	137,846	163,615	10,127,036	5,641,958	255,904,707	215,141,559	(7,405,314)	(7,783,031)	248,499,474	207,358,528
	6,539	50,276	693,373	259,437	6,037,178	9,028,364	(99,789)	71,739	5,937,390	9,100,103
	-	-	6,009	-	200,378	82,600	-	-	200,378	82,600
	59,064	46,821	172,596	172,280	4,010,176	3,293,216	36,562	97,563	4,046,738	3,390,779
	8,407	8,797	29,227	38,983	467,968	456,308	(1,743)	(593)	466,225	455,715

## NOTES TO THE FINANCIAL STATEMENTS

### 39. SEGMENT INFORMATION (CONTD.)

#### 39.2 Reconciliation of reportable segment profit or loss, assets and liabilities

Reconciliation of reportable segment profit or loss, assets and liabilities

##### Reconciliation of net profit for the year

As at 31 March	GROUP	
	2025 LKR '000	2024 LKR '000
Segment Net Profit for the year	19,120,044	21,295,920
Profit/ (Loss) after tax for the year from Discontinued Operations	(2,488)	177,410
Elimination of Intercompany Dividend	(2,523,016)	(3,202,995)
Tax on Intercompany transactions	(511,713)	(765,052)
Inter/ Intra Segment Elimination	(60,305)	(61,456)
<b>Group Net Profit For the Year</b>	<b>16,022,522</b>	<b>17,443,827</b>

##### Reconciliation of Assets and Liabilities

As at 31 March	GROUP	
	2025 LKR '000	2024 LKR '000
Segment Assets	424,753,487	364,656,755
Assets of Discontinued Operations	36,370	36,056
Investment in subsidiaries (Elimination)	(25,309,805)	(24,617,324)
Inter company balance (Elimination)	(4,091,986)	(4,916,754)
Financial Assets- Fair Value Through P&L (Elimination)	(70,105)	(61,528)
Financial Assets- Fair Value Through OCI (Elimination)	(110,840)	(102,921)
Intangible Assets recognised/(eliminated)	11,283,037	11,371,579
Share of Associate companies accumulated Profit and OCI net of dividend received	279,086	227,349
<b>Group Assets</b>	<b>406,769,246</b>	<b>346,593,212</b>
Segment Liabilities	255,904,788	215,141,559
Liabilities of discontinued operations	262	195
Inter company balance (Eliminations)	(7,405,576)	(7,783,227)
<b>Group Liability</b>	<b>248,499,474</b>	<b>207,358,527</b>

### 40. COMMITMENTS AND CONTINGENCIES

#### Accounting Policy

All discernible risks are accounted for in determining the amount of all known liabilities.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

#### 40.1 Contingent Liabilities

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Guarantees Issued to Banks and Other Institutions	-	-	6,600	5,500
Counter Indemnity Issued to Banks for Guarantees	-	-	46,975	47,420
Import LC and Ordinary Guarantees	-	-	118,533	-
Total Contingent Liabilities	-	-	172,108	52,920

##### a) Royal Ceramic Lanka PLC and Rocell Bathware Ltd

Commercial Bank of Ceylon PLC has offered a combined letter of guarantee facility for the Royal Ceramic Lanka PLC and Rocell Bathware Ltd amounting to Rs.150Mn & at the reporting date total guaranteed value is Rs. 111.34Mn.

The Department of Inland Revenue has issued two assessments to Royal Ceramics Lanka PLC, claiming additional income tax of Rs. 156 million and penalties amounting to Rs. 78 million for the years of assessment 2013/14 and 2014/15. The Company lodged appeals against these assessments; however, the subsequent determinations were not in the Company's favor. The matter was then referred to the Tax Appeals Commission, whose decision also upheld the position of the Commissioner General of Inland Revenue. The Company has now decided to pursue the matter further by filing an appeal with the Court of Appeal. Based on the information currently available, the Directors are of the view that the provision made in the financial statements, based on the proposal submitted, is reasonable. They further believe that the ultimate outcome of this matter is unlikely to have a material adverse impact on the Company. Accordingly, no provision has been made in these financial statements for additional income tax or penalties.

##### b) Lanka Walltiles PLC

As at the reporting date, the Lanka Walltiles PLC has received assessments issued by the Department of Inland revenue in respect of Income tax, Value added tax and economic service charge totalling Rs. 46,988,405/- for the year of assessment 2008/09, 2009/10. The Company has appealed against the assessments in the appeal hearing branch. The Directors believe, based on the information currently available, the ultimate resolution of such assessment is not likely to have a material adverse effect on the Company. Accordingly no provision for liability has been made in these financial statements.

#### 40.2 Commitments

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Contracted but not provided for	-	-	859,979	574,383
Unutilised facilities	-	-	3,901,327	2,116,519
	-	-	4,761,306	2,690,902

##### Lease commitments

a). Lanka Tiles PLC is committed to pay Rs. 14,808,000/- as rent per month for the use of land & buildings situated in Nawala.

#### 40.3 Litigation against the Company/ Group

Based on the information currently available, the Board of Directors is of the opinion that the ultimate resolution of the litigations would not likely to have a material impact on the Group.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Cases pending against the company and Group (Values claimed)	-	-	206,908	134,869
	-	-	206,908	134,869

## NOTES TO THE FINANCIAL STATEMENTS

### 41 EVENTS AFTER THE REPORTING PERIOD

No other circumstances have arisen subsequent to the reporting date which would require adjustment to or disclosure in the Financial Statements.

### 42. RELATED PARTY DISCLOSURES

The Group carried out transactions with key management and their related concerns and other related entities in the ordinary course of its business on an arms length basis at commercial rates except that the key management have availed facilities under the loan schemes uniformly applicable to all the staff.

Details of related party transactions during the year are as follows;

#### 42.1 Transactions with Key Management Personnel (KMPs)

Related party includes KMPs defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Such KMPs include the Board of Directors of the Company (inclusive of executive and non-executive directors ), KMPs of the subsidiary and KMPs of the parent company.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Short-Term Employment Benefits	59,204	52,523	1,372,319	1,249,308
Directors' Fees and Expenses	19,976	12,560	60,022	49,165
Post Employment Benefits	2,808	2,449	163,058	196,906
	81,988	67,532	1,595,399	1,495,379

In addition to the above, the Company has also paid non-cash benefits such as vehicles and fuel to Key Management Personnel in line with the approved employment benefits of the Company.

#### 42.2 Transactions, Arrangements and Agreements Involving KMPs and Their Close Members of the Family (CMFs)

CMFs of KMPs are those family members who may be expected to influence, or be influenced by, those KMPs in their dealing with the entity.

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Statement of Financial Position</b>				
<b>Assets</b>				
Loans against Deposit	-	-	-	-
Advance & Prepayments	-	-	-	-
	-	-	-	-
<b>Liabilities</b>				
Fixed Deposits	-	-	783,772	614,488
Savings Deposits	-	-	44,328	36,497
Dividend payable	-	-	-	-
Cash and Cash equivalents	-	-	-	-
Trade Debtors	-	-	-	-
	-	-	828,100	650,985
<b>Income Statement</b>				
Interest Expense on Customer Deposits	-	-	(85,241)	(92,973)
Interest Income on Loans and Receivables	-	-	-	299
Sale of Goods/Services	-	-	-	-
Rent Expenses	-	-	(15,060)	(11,160)

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Transport Expenses	-	-	(13,928)	(11,619)
Other Operating Expenses	-	-	(10,359)	(5,054)
	-	-	(124,588)	(120,507)
<b>Other Transactions</b>				
Deposits Accepted During the Year	-	-	459,038	215,879
Dividend Paid on Shareholdings	3,416,747	1,138,916	3,436,291	1,169,737
	3,416,747	1,138,916	3,895,328	1,385,616

**42.3** Transaction, Arrangements and Agreements Involving Entities which are Controlled, and/or Jointly Controlled by the KMPs and Their CMFs

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Statement of Financial Position</b>				
<b>Assets</b>				
Due from Other Related Parties	-	-	-	-
Money Market Investment	580,804	1,830,667	580,804	1,830,667
Investment in Equity Securities	-	-	2,282	1,368
Leasehold Improvements	-	-	-	39,537
	580,804	1,830,667	583,087	1,871,572
<b>Liabilities</b>				
Fixed Deposits	-	-	6,205	5,539
Due to Other Related Parties	-	-	-	-
	-	-	6,205	5,539
<b>Income Statement</b>				
Technical Fees	-	-	-	-
Interest Income on repo and Fixed Deposits	199,377	71,801	199,377	71,801
Sale of goods & services	-	-	3,436,516	3,018,231
Purchase of good & services	-	-	(1,723,211)	(2,487,772)
Income on Operating Lease	-	-	-	2,378
Interest Expense on Customer Deposits	-	-	(711)	(2,196)
Administration and Establishment Expenses	-	-	(23,492)	(19,316)
Dividend Income	-	-	89	693
Investment FV Adjustment	-	-	915	488
	199,377	71,801	1,889,483	584,307
<b>Other Transactions</b>				
Investment in Fixed Deposits	674,192	800,000	674,192	800,000
Withdrawal of Fixed Deposit	(150,000)	-	(150,000)	-
Purchase of Property, Plant and Equipment	-	-	59,588	-
	524,192	800,000	583,781	800,000

## NOTES TO THE FINANCIAL STATEMENTS

### 42.4 Transactions with Group Entities

The Group entities include the Parent, Fellow Subsidiaries and Associate companies of the parent.

#### Transactions with Parent Company

Vallibel One PLC does not have an identifiable parent of its own. The Group's ultimate controlling party is Mr. K. D. D. Perera and transactions with ultimate controlling party has been disclosed under KMP disclosures.

#### Transactions with Subsidiaries

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Statement of Financial Position</b>				
<b>Assets</b>				
Investment in Equity Securities	25,309,805	24,617,324	-	-
Due from Related Parties	210,193	181,299	-	-
	25,519,998	24,798,623	-	-
<b>Liabilities</b>				
Due to Related Parties	-	-	-	-
	-	-	-	-
<b>Statement of Profit and Loss</b>				
Dividend Income	2,826,745	3,628,855	-	-
Technical fee income	415,591	457,357	-	-
	3,242,336	4,086,211	-	-
<b>Other Transactions</b>				
Dividend Paid	2,897	966	-	-
	2,897	966	-	-

#### Transactions with Fellow Subsidiaries and Associate Companies of the Parent

As at 31 March	COMPANY		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Income Statement				
Other Transactions				
Investment in shares	-	-	-	-
	-	-	-	-

All related party transactions disclosed under note 42 were identified as arms length transactions and all settlements has been done when payment is due.

### 43 CURRENT AND NON CURRENT ANALYSIS OF ASSETS AND LIABILITIES

#### 43.1 Company

The table below shows an analysis of assets and liabilities of the Company according to when they are expected to be recovered or settled.

	2025			2024		
	With in 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000	With in 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000
<b>ASSETS</b>						
Cash and Bank	792,652	-	792,652	1,919,648	-	1,919,648
Financial Assets Recognised Through Profit or Loss	32,672	-	32,672	41,888	-	41,888
Financial Assets At Amortised Cost- Loans And Receivables	-	-	-	-	-	-
Equity Instruments measured at Fair Value through OCI	-	21,480,713	21,480,713	-	14,028,221	14,028,221
Other Financial Assets	1,324,192	-	1,324,192	800,000	-	800,000
Trade and Other Debtors, Deposits and Prepayments	1,652,406	-	1,652,406	1,092,035	-	1,092,035
Contract Asset	-	-	-	-	-	-
Other Non Financial Assets	-	4,940	4,940	-	5,038	5,038
Investments in Subsidiaries	-	25,309,805	25,309,805	-	24,617,324	24,617,324
Investment in Associate	-	413,068	413,068	-	413,068	413,068
Deferred Tax Assets	-	11,404	11,404	-	10,110	10,110
Income Tax Recoverable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-
Property, Plant and Equipment	-	51,131	51,131	-	59,723	59,723
Right of use assets	-	25,628	25,628	-	73,672	73,672
Assets held for sale	-	-	-	-	-	-
<b>Total Assets</b>	<b>3,801,922</b>	<b>47,296,689</b>	<b>51,098,611</b>	<b>3,853,571</b>	<b>39,207,156</b>	<b>43,060,727</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 43.1 Company (Contd.)

	2025			2024		
	With in 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000	With in 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000
<b>LIABILITIES</b>						
Due to Banks	28	-	28	1,590	-	1,590
Due to Customers	-	-	-	-	-	-
Interest Bearing Loans and Borrowings	26,872	-	26,872	63,744	16,124	79,868
Trade and Other Payables	23,837	-	23,837	19,133	-	19,133
Other Non Financial Liabilities	-	-	-	-	-	-
Dividend Payable	18,726	-	18,726	14,082	-	14,082
Employee Benefit Liabilities	4,477	37,288	41,765	3,584	30,444	34,028
Income Tax Liabilities	26,618	-	26,618	14,913	-	14,913
Deferred Tax Liabilities	-	-	-	-	-	-
Liabilities directly associated with the assets classified as held for sale	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>100,558</b>	<b>37,288</b>	<b>137,846</b>	<b>117,047</b>	<b>46,568</b>	<b>163,615</b>

### 43.2 Group

The table below shows an analysis of assets and liabilities of the Group according to when they are expected to be recovered or settled.

	2025			2024		
	With in 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000	With in 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000
<b>ASSETS</b>						
Cash and Bank	15,324,961	-	15,324,961	15,170,471	-	15,170,471
Financial Assets Recognised Through Profit or Loss	91,269	-	91,269	103,898	-	103,898
Financial Assets At Amortised Cost- Loans And Receivables	128,986,740	70,284,307	199,271,047	109,126,657	53,395,076	162,521,733
Equity Instruments measured at Fair Value through OCI	54,184	21,482,025	21,536,209	15,673	14,029,269	14,044,942
Other Financial Assets	22,581,468	-	22,581,468	21,308,052	-	21,308,052
Trade and Other Debtors, Deposits and Prepayments	15,130,054	-	15,130,054	12,341,097	-	12,341,097
Contract Asset	-	-	-	30,033	-	30,033
Other Non Financial Assets	2,124,327	4,940	2,129,267	1,102,498	5,038	1,107,536
Investments in Subsidiaries	-	-	-	-	-	-
Investment in Associate	-	692,154	692,154	-	640,417	640,417
Deferred Tax Assets	-	1,800,896	1,800,896	-	1,227,053	1,227,053
Income Tax Recoverable	26,475	-	26,475	37,578	-	37,578
Inventories	35,401,019	-	35,401,019	30,437,448	-	30,437,448
Intangible Assets	-	12,891,426	12,891,426	-	12,800,901	12,800,901
Investment Property	-	2,162,726	2,162,726	-	2,140,503	2,140,503
Property, Plant and Equipment	-	74,706,942	74,706,942	-	69,971,173	69,971,173
Right of use assets	-	2,986,963	2,986,963	-	2,674,321	2,674,321
Assets held for sale	36,370	-	36,370	36,056	-	36,056
<b>Total Assets</b>	<b>219,756,867</b>	<b>187,012,379</b>	<b>406,769,246</b>	<b>189,709,461</b>	<b>156,883,751</b>	<b>346,593,212</b>

	2025			2024		
	With in 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000	With in 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000
<b>LIABILITIES</b>						
Due to Banks	21,525,869	19,427,654	40,953,523	13,023,197	11,268,193	24,291,390
Due to Customers	108,829,633	29,994,263	138,823,896	103,081,291	19,953,256	123,034,547
Interest Bearing Loans and Borrowings	23,673,067	12,967,295	36,640,362	14,740,962	16,074,111	30,815,073
Trade and Other Payables	13,296,284	-	13,296,284	10,920,939	-	10,920,939
Other Non Financial Liabilities	2,223,227	33,884	2,257,111	2,078,129	34,500	2,112,629
Contract Liabilities	1,605,281	-	1,605,281	1,338,017	-	1,338,017
Dividend Payable	454,595	-	454,595	513,426	-	513,426
Employee Benefit Liabilities	198,319	2,307,063	2,505,382	201,367	1,879,977	2,081,344
Income Tax Liabilities	3,159,657	-	3,159,657	4,165,976	-	4,165,976
Deferred Tax Liabilities	-	8,803,121	8,803,121	-	8,084,991	8,084,991
Liabilities directly associated with the assets classified as held for sale	262	-	262	195	-	195
<b>Total Liabilities</b>	<b>174,966,194</b>	<b>73,533,280</b>	<b>248,499,474</b>	<b>150,063,499</b>	<b>57,295,028</b>	<b>207,358,527</b>

#### 44. ASSETS PLEDGED

The following assets have been pledged as security for liabilities other than that is disclosed under Note 20.1

Nature of assets	Nature of Liability	Carrying Amount Pledged 2025 LKR '000	Carrying Amount Pledged 2024 LKR '000	Included Under
<b>Delmege Group</b>				
Land & Building	Land & Building pledged for LC/ Import Loan, Overdraft, Term Loan & Bank Guarantee facilities.	3,000,000	3,000,000	Property, Plant and Equipment
Stocks & Book Debtors	Lien over Stocks & Book Debtors Pledged for LC/Import Loan, Overdraft & Bank Guarantee facilities.	750,000	750,000	Inventories and Trade and Other Debtors
Stocks & Book Debtors	Lien over Stocks & Book Debtors Pledged for LC/Import Loan, Overdraft & Bank Guarantee facilities.	750,000	750,000	Inventories and Trade and Other Debtors
Stocks & Book Debtors	Lien over Stocks & Book Debtors Pledged for LC, Short term loan and Guarantee Facilities	575,000	575,000	Inventories and Trade and Other Debtors
Stocks & Book Debtors	Lien over Stocks & Book Debtors Pledged for LC, Short term loan and Guarantee Facilities	700,000	700,000	Inventories and Trade and Other Debtors
		<b>5,775,000</b>	<b>5,775,000</b>	

## NOTES TO THE FINANCIAL STATEMENTS

### 44. ASSETS PLEDGED (CONTD.)

Nature of assets	Nature of Liability	Carrying Amount Pledged 2024 LKR '000	Carrying Amount Pledged 2023 LKR '000	Included Under
<b>LB Finance</b>				
Loans and Receivables*	Debt Funding from Banks	46,995,805	42,172,635	Loans and Receivables
Securities under Reverse Repurchase Agreements	Debt Funding from Banks	119,149	123,606	Other Financial Assets
Investment in Fixed Deposits	Debt Funding from Banks	264,406	315,382	Other Financial Assets
Freehold Land and Building	Debt Funding from Banks	819,126	831,678	Property, Plant and Equipment
		48,198,486	43,443,301	

\*The receivables and cash flows that have been included in bank loans, overdrafts, term loans and securitisation loans are only available for payment of the debt and other obligations issued or arising in such transactions. However, the Group hold the right to the excess cash flows not needed to pay the debt and other obligations issued or arising in each of such transactions.

#### Royal Ceramics Lanka PLC/Rocell Bathware Ltd

Bank overdrafts and Short term loans are secured primarily over stocks in Trade and over book debts.

#### Lanka Tiles PLC

Bank overdrafts are secured primarily on inventories.

Lender	Facility	Limit Rs. '000	Security
Hatton National Bank PLC	Import Loan	1,200,000	Immovable Property
Sampath Bank PLC	Import Loan	270,000	Corporate Bonds

#### Uni Dil Packaging Solutions Ltd

Lender	Facility	Limit Rs. '000	Security
Hatton National Bank PLC	Import Loan	570,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
	Overdraft	40,000	
HSBC	Import Loan	40,000	Corporate Guarantee from Uni Dil Packaging Limited
Seylan Bank PLC	Import Loan	100,000	Corporate Guarantee from Uni Dil Packaging Limited
	Overdraft	20,000	
DFCC Bank	Import Loan	100,000	Primary concurrent Mortgage Bond for Rs 120,000,000/- ranking equal and parri passu with mortgage bond no 2365.
	Overdraft	20,000	

**Lanka Walltiles PLC**

Lender	Facility	Limit Rs. '000	Security
Sampath Bank PLC	Overdraft	60,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
	Import Loan	80,000	
Seylan Bank PLC	Overdraft	10,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
	Short Term Loan	500,000	
Union Bank of Colombo PLC	Overdraft	100,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
	Short Term Loan	400,000	

**Swisstek Aluminium Ltd**

Lender	Facility	Limit Rs. '000	Security
Hatton National Bank PLC	Import Loan	300,000	Primary Mortgage Bond over the Company's Stock-in-trade and Book Debts
DFCC Bank PLC	Import Loan	800,000	Secondary Mortgage Bond over the Company's Stock-in-trade and Book Debts

**45. RISK MANAGEMENT DISCLOSURES****45.1 Introduction**

Risk is inherent in the Group's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for managing the risk exposures relating to his / her functional areas.

The Group identifies the following key financial risks in its business operations.

- Credit Risk
- Liquidity Risk
- Market Risk
- Capital Management

**Risk Management Framework**

The risk management framework is currently implemented at the individual subsidiary level as described below;

The Risk Management Framework of each subsidiary company has been optimised through the application and the embedment of the risk management process including risk identification, risk analysis, risk measurement, risk management decision and execution, risk monitoring and reporting.

The overall responsibility and oversight of the Risk Management framework of each subsidiary company is vested with the Board of Directors. The Integrated Risk Management Committee (IRMC), a sub-committee appointed by the Board, is responsible for developing and monitoring Group's risk management policies practiced.

## NOTES TO THE FINANCIAL STATEMENTS

The following management committees, each with a defined responsibility, support the IRMC by executing their respective risk management mandates.

- Asset and Liability Committee
- Credit Committee
- IT Steering Committee
- Sustainability Committee

### Risk Management Department (RMD)

Whilst the Business units have primary responsibility for Risk Management the RMD provides an independent oversight function acting as a second line of defence. RMD is headed by the CRO who directly reports to the Managing Director and also has a functional reporting to the IRMC. The RMD co-exists with other control functions in the Group that might uncover risk management issues, most notably Internal Audit, Compliance and Finance. Each of the control functions has a different focus and potential overlap between them is kept at a minimum, while ensuring that the approaches taken are complementary and lead to consistent, effective and timely escalation of risks.

### 45.2 Credit Risk

Credit risk is the risk of financial loss to the Group if a borrower or counterparty to a financial instrument, fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers/other companies and investments in debt securities. Credit risk constitutes the Group's largest risk exposure category. This can be broadly categorised into three types; default, concentration and settlement risk."

**Default risk** as the risk of the potential financial loss resulting from the failure of customer or counterparty to meet its debt or contractual obligations and arises principally from the Group's loans and advances to customers.

**Concentration risk** is the credit exposure being concentrated as a result of excessive build-up of exposure to a single counterparty, industry, product, geographical location or insufficient diversification.

**Settlement risk** is the risk of loss arising from trading/investment activities when there is a mutual undertaking to deliver on a progressive basis.

Group manages credit risk by focusing on following steps;

The loan origination stage comprises preliminary screening and credit appraisal. The objective of this process is to assess the borrower's ability to meet its obligations in an objective manner. The Company/Group has clearly defined guidelines for credit approvals where the limits have been set taking into consideration the factors such as maximum counterparty exposures, loan to value ratio and forced sale value. These steps enables the Company/Group in assessing the default risk of the borrower.

A comprehensive set of credit risk indicators are monitored monthly to review credit concentrations, status of loan recoveries and compliance with regulatory and prudent exposure limits.

### Post Disbursement Review

Initial monitoring and follow up activities are carried out by the Credit Department. Once a loan is overdue for a period exceeding the tolerance period, responsibility for recovery and collections is transferred to Recoveries Department. Risk Management Department (RMD) reviews asset quality performance regularly. Delinquencies are handled early with effective follow ups and reminders. Swift recovery actions are taken against critical exposures.

### Management of Large Exposures

#### Credit Committee

The Credit Committee consists of the Managing Director, Deputy Managing Director, Executive Directors, Head of Finance and Head of Risk Management. Sanctioning of large exposures are primarily handled by the Credit Committee. RMD independently monitors post sanctioning performance of large exposures.

### Impairment Assessment

The methodology of the impairment assessment has been explained in the Note 6 to these financial statements.

### Collateral and other credit enhancements

The Group uses collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, vehicles, gold, letters of guarantees, real estate, receivables, inventories and other non-financial assets. The fair value of collateral is generally assessed at the inception based on the guidelines issued by the Central Bank of Sri Lanka and the Central Bank of Myanmar.

To the extent possible, the Group uses active market data for valuing financial assets, held as collateral. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent valuers.

Repossession of collaterals is resorted to in extreme situations where action is necessitated to recover the dues. The repossessed assets are disposed, in an orderly and transparent manner through public auctions and the proceeds are used to reduce or recover the outstanding claims and the amount recovered in excess of the dues is refunded to the customer.

### Impact Assessment of Stressed Economic Conditions:

The Company's Enterprise Risk Management Framework strives to manage the outcomes of adverse economic and market conditions proactively, whilst achieving the risk-return objectives of the Company. This has been proven through the Company's ability to maintain its NPL at a lower level compared to the industry average (LFCs & SLCs). Company has always acted with due care and taken prudent measures to ensure an effective, efficient and healthy repayment behaviour of credit customers while safeguarding the interests of the stakeholders.

#### 45.2.1 Analysis of Credit Risk Exposure

The following table shows the maximum exposure to credit risk by class of financial asset. It further shows the net exposure to credit risk.

As at 31 March	COMPANY			
	2025		2024	
	Maximum Exposure to Credit Risk LKR '000	Net Exposure LKR '000	Maximum Exposure to Credit Risk LKR '000	Net Exposure LKR '000
Cash and Cash Equivalent	792,652	-	1,919,648	-
Financial Assets Recognised Through Profit or Loss	32,672	32,672	41,888	41,888
Equity Instruments measured at Fair Value through OCI	21,480,713	21,480,713	14,028,221	14,028,221
Trade Receivables	1,652,406	1,652,406	1,092,035	1,092,035
Other Financial Assets	1,324,192	1,324,192	800,000	800,000
	25,282,635	24,489,984	17,881,792	15,962,144

As at 31 March	GROUP			
	2025		2024	
	Maximum Exposure to Credit Risk LKR '000	Net Exposure LKR '000	Maximum Exposure to Credit Risk LKR '000	Net Exposure LKR '000
Cash and Cash Equivalent	15,324,961	-	15,170,471	-
Financial Assets Recognised Through Profit or Loss	91,269	91,269	103,898	103,898
Trade Receivables	15,733,067	15,733,066	10,580,253	10,580,253
Financial Assets At Amortised Cost- Loans And Receivables	206,452,299	14,384,840	170,177,568	11,210,530
Equity Instruments measured at FVOCI	21,536,209	21,536,209	14,044,942	14,044,942
Other Financial Assets*	22,581,468	12,550,751	21,308,052	5,696,457
<b>Total Financial Assets</b>	<b>281,719,273</b>	<b>64,296,135</b>	<b>231,385,184</b>	<b>41,636,080</b>

\* Net exposure of the Other Financial Assets mainly includes investment in fixed deposits in banks and other financial institutions.

## NOTES TO THE FINANCIAL STATEMENTS

### 45.2.2 Credit Quality By Class of Financial Assets

Current Year	COMPANY			
	Stage 1 LKR '000	Stage 2 LKR '000	Stage 3 LKR '000	Total LKR '000
Cash and Cash Equivalent	792,652	-	-	792,652
Financial Assets Recognised Through Profit or Loss	32,672	-	-	32,672
Equity Instruments measured at Fair Value through OCI	21,480,713	-	-	21,480,713
Trade Receivables	1,652,406	-	-	1,652,406
Other Financial Assets	1,324,192	-	-	1,324,192
	25,282,636	-	-	25,282,636

Comparative Year	COMPANY			
	Stage 1 LKR '000	Stage 2 LKR '000	Stage 3 LKR '000	Total LKR '000
Cash and Cash Equivalent	1,919,648	-	-	1,919,648
Financial Assets Recognised Through Profit or Loss	41,888	-	-	41,888
Equity Instruments measured at Fair Value through OCI	14,028,221	-	-	14,028,221
Trade Receivables	1,092,035	-	-	1,092,035
Other Financial Assets	800,000	-	-	800,000
	17,881,792	-	-	17,881,792

Current Year	GROUP			
	Stage 1 LKR '000	Stage 2 LKR '000	Stage 3 LKR '000	Total LKR '000
Cash and Cash Equivalents	15,324,961	-	-	15,324,961
Financial Assets Recognised Through Profit or Loss	91,269	-	-	91,269
Trade Receivables	15,733,069	-	-	15,733,069
Financial Assets At Amortised Cost- Loans And Receivables	176,805,434	24,917,910	4,728,918	206,452,262
Equity Instruments measured at Fair Value through OCI	21,536,209	-	-	21,536,209
Other Financial Assets	22,581,467	-	-	22,581,467
<b>Total Financial Assets</b>	252,072,409	24,917,910	4,728,918	281,719,237

Comparative Year	GROUP			
	Stage 1 LKR '000	Stage 2 LKR '000	Stage 3 LKR '000	Total LKR '000
Cash and Cash Equivalents	15,170,471	-	-	15,170,471
Financial Assets Recognised Through Profit or Loss	103,898	-	-	103,898
Trade Receivables	10,580,253	-	-	10,580,253
Financial Assets At Amortised Cost- Loans And Receivables	142,440,448	20,711,214	7,023,093	170,174,755
Equity Instruments measured at Fair Value through OCI	14,044,942	-	-	14,044,942
Other Financial Assets	21,308,052	-	-	21,308,052
<b>Total Financial Assets</b>	203,648,063	20,711,214	7,023,093	231,382,370



### 45.3 Liquidity Risk and Funding Management

In the context of a financial institution, liquidity risk arises primarily due to mismatches in the maturity profile of assets and liabilities. Liquidity risk for a financial institution can take two forms; market liquidity and funding liquidity risk.

Market liquidity risk is the inability to easily exit a position. Group's market liquidity risk is low if assets can be liquidated without moving the price too much.

Funding liquidity risk means the Group's inability to finance assets continuously at an acceptable borrowing rate. Funding liquidity risk generally arises when creditors either withdraw credit or change the terms on which it is granted in such a way they are no longer profitable. Funding liquidity risk would increase if the Group's credit quality is, or at least perceived to be, deteriorating, but also because financial conditions as a whole are deteriorating.

The Group's primary objective in liquidity risk management is to ensure adequate funding for its businesses throughout market cycles, including periods of financial stress. To achieve this objective the Group regularly monitors liquidity position and maintain an adequate buffer of liquid assets. Group also maintains access to diverse funding sources to meet unforeseen liquidity requirements. All statutory and prudent liquidity ratios are monitored against tolerance limits and stress testing is carried out regularly to assess the effectiveness of liquidity management. Further, the group has taken prudent measures to increase its liquidity buffers and maintained a strong excess liquidity position throughout the year under review. The Group is comfortable with its existing buffer of liquid assets.

#### Capital Management

The primary objective of Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintain healthy capital ratios in order to support its business and to maximise shareholders' value.

The Companies within the Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company/Group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

#### 45.3.1 Analysis of Liquidity Risk Exposure

45.3.1 (a) The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at Current Year

The table does not reflect the expected cash flows indicated by its deposit retention history and loan recovery patterns.

Current Year	On Demand LKR '000	Less than 03 Months LKR '000	03-12 Months LKR '000	01-05 Years LKR '000	Over 05 Years LKR '000	Total LKR '000
<b>Financial Assets</b>						
Cash and Cash Equivalents	792,652	-	-	-	-	792,652
Financial Assets Recognised Through Profit or Loss	32,672	-	-	-	-	32,672
Equity Instruments measured at Fair Value through OCI	21,480,713	-	-	-	-	21,480,713
Other Financial Assets	-	1,324,192	-	-	-	1,324,192
Trade and Other Receivables	-	1,652,406	-	-	-	1,652,406
Total Financial Assets	22,306,037	2,976,598	-	-	-	25,282,635
<b>Financial Liabilities</b>						
Due to Banks	28	-	-	-	-	28
Due to Customers	-	-	-	-	-	-
Trade and Other Payables	-	23,838	-	-	-	23,838
Interest Bearing Loans and Borrowings	-	11,286	15,586	-	-	26,872
Total Financial Liabilities	28	35,124	15,586	-	-	50,738
<b>Total Net Financial Assets/(Liabilities)</b>	<b>22,306,009</b>	<b>2,941,474</b>	<b>(15,586)</b>	<b>-</b>	<b>-</b>	<b>25,231,897</b>

## NOTES TO THE FINANCIAL STATEMENTS

Comparative Year	On Demand LKR '000	Less than 03 Months LKR '000	03-12 Months LKR '000	01-05 Years LKR '000	Over 05 Years LKR '000	Total LKR '000
<b>Financial Assets</b>						
Cash and Cash Equivalents	1,919,648	-	-	-	-	1,919,648
Financial Assets Recognised Through Profit or Loss	41,888	-	-	-	-	41,888
Equity Instruments measured at Fair Value through OCI	14,028,221	-	-	-	-	14,028,221
Other Financial Assets	-	800,000	-	-	-	800,000
Trade and Other Receivables	-	1,092,035	-	-	-	1,092,035
<b>Total Financial Assets</b>	<b>15,989,757</b>	<b>1,892,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,881,792</b>
<b>Financial Liabilities</b>						
Due to Banks	1,590	-	-	-	-	1,590
Due to Customers	-	-	-	-	-	-
Trade and Other Payables	-	19,133	-	-	-	19,133
Interest Bearing Loans and Borrowings	-	15,663	48,081	16,124	-	79,868
<b>Total Financial Liabilities</b>	<b>1,590</b>	<b>34,796</b>	<b>48,081</b>	<b>16,124</b>	<b>-</b>	<b>100,591</b>
<b>Total Net Financial Assets/(Liabilities)</b>	<b>15,988,167</b>	<b>1,857,239</b>	<b>(48,081)</b>	<b>(16,124)</b>	<b>-</b>	<b>17,781,201</b>

### 45.3.1 Analysis of Liquidity Risk Exposure

45.3.1 (b) The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at Current Year

The table does not reflect the expected cash flows indicated by its deposit retention history and loan recovery patterns.

Current Year	On Demand LKR '000	Less than 03 Months LKR '000	03-12 Months LKR '000	01-05 Years LKR '000	Over 05 Years LKR '000	Total LKR '000
<b>Financial Assets</b>						
Cash and Cash Equivalents	11,410,282	3,940,421	-	-	-	15,350,703
Financial Assets Recognised Through Profit or Loss	33,332	-	57,937	-	-	91,269
Financial Assets At Amortised Cost- Loans And Advances	14,127,488	59,340,208	81,475,359	87,463,793	7,870,771	250,277,619
Equity Instruments measured at Fair Value through OCI	21,534,897	-	-	1,312	-	21,536,209
Other Financial Assets	-	11,008,570	12,246,819	-	-	23,255,389
Trade and Other Receivables	5,635,784	3,243,629	6,520,467	-	-	15,399,880
<b>Total Financial Assets</b>	<b>52,741,783</b>	<b>77,532,828</b>	<b>100,300,582</b>	<b>87,465,105</b>	<b>7,870,771</b>	<b>325,911,069</b>
<b>Financial Liabilities</b>						
Due to Banks	1,165,601	12,975,604	9,476,153	22,083,568	-	45,700,926
Due to Customers	6,791,268	62,004,477	45,175,709	35,136,898	-	149,108,352
Trade and Other Payables	-	9,040,524	4,255,679	-	-	13,296,203
Interest Bearing Loans and Borrowings	1,351,039	11,713,023	10,609,005	12,076,147	891,148	36,640,362
Other Financial Liabilities	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>9,307,908</b>	<b>95,733,628</b>	<b>69,516,546</b>	<b>69,296,613</b>	<b>891,148</b>	<b>244,745,843</b>
<b>Total Net Financial Assets/(Liabilities)</b>	<b>43,433,875</b>	<b>(18,200,800)</b>	<b>30,784,036</b>	<b>18,168,492</b>	<b>6,979,623</b>	<b>81,165,226</b>

Comparative Year	On Demand LKR '000	Less than 03 Months LKR '000	03-12 Months LKR '000	01-05 Years LKR '000	Over 05 Years LKR '000	Total LKR '000
<b>Financial Assets</b>						
Cash and Cash Equivalents	11,474,461	3,704,626	-	-	-	15,179,087
Financial Assets Recognised Through Profit or Loss	54,159	-	49,740	-	-	103,899
Financial Assets At Amortised Cost- Loans And Advances	15,990,681	48,279,958	66,744,395	70,759,106	4,858,581	206,632,721
Equity Instruments measured at Fair Value through OCI	14,043,899	-	-	1,048	-	14,044,947
Other Financial Assets	868,634	10,191,187	10,190,309	-	-	21,250,130
Trade and Other Receivables	3,483,526	3,353,117	3,743,610	-	-	10,580,253
Total Financial Assets	45,915,360	65,528,888	80,728,054	70,760,154	4,858,581	267,791,037
<b>Financial Liabilities</b>						
Due to Banks	1,040,036	5,901,668	7,772,268	12,690,771	-	27,404,743
Due to Customers	3,978,135	62,538,259	41,771,384	25,356,639	-	133,644,417
Trade and Other Payables	-	6,554,814	4,366,125	-	-	10,920,939
Interest Bearing Loans and Borrowings	1,759,924	7,997,461	4,983,577	16,074,111	-	30,815,073
Total Financial Liabilities	6,778,095	82,992,202	58,893,354	54,121,521	-	202,785,172
<b>Total Net Financial Assets/(Liabilities)</b>	39,137,265	(17,463,314)	21,834,700	16,638,633	4,858,581	65,005,865

#### 45.4 Contractual Maturities of Commitments and Contingencies

The table below shows the contractual expiry by maturity of contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Current Year	On Demand LKR '000	Less than 03 Months LKR '000	03-12 Months LKR '000	01-05 Years LKR '000	Over 05 Years LKR '000	Total LKR '000
<b>Contingent Liabilities</b>						
Guarantees Issued to Banks and Other Institutions	-	1,800	3,300	1,500	-	6,600
Counter Indemnity Issued to Banks for Guarantees	-	-	46,975	-	-	46,975
Import LC and Ordinary Guarantees	-	118,533	-	-	-	118,533
<b>Total Contingent Liabilities</b>	-	120,333	50,275	1,500	-	172,108
<b>Commitments</b>						
Contracted but not provided for	472,984	-	-	-	-	472,984
Commitment for Unutilised Facilities	3,901,327	-	-	-	-	3,901,327
<b>Total Commitments</b>	4,374,311	-	-	-	-	4,374,311
<b>Total Commitments and Contingencies</b>	4,374,311	120,333	50,275	1,500	-	4,546,419

## NOTES TO THE FINANCIAL STATEMENTS

### 45.4 Contractual Maturities of Commitments and Contingencies (Contd.)

Comparative Year	On Demand LKR '000	Less than 03 Months LKR '000	03-12 Months LKR '000	01-05 Years LKR '000	Over 05 Years LKR '000	Total LKR '000
<b>Contingent Liabilities</b>						
Guarantees Issued to Banks and Other Institutions	-	1,000	3,000	1,500	-	5,500
Counter Indemnity Issued to Banks for Guarantees	-	-	-	47,420	-	47,420
Import LC and Ordinary Guarantees	-	-	-	-	-	-
<b>Total Contingent Liabilities</b>	-	1,000	3,000	48,920	-	52,920
<b>Commitments</b>						
Contracted but not provided for	224,852	-	349,531	-	-	574,383
Commitment for Unutilised Facilities	2,116,519	-	-	-	-	2,116,519
<b>Total Commitments</b>	2,341,371	-	349,531	-	-	2,690,902
<b>Total Commitments and Contingencies</b>	2,341,371	1,000	352,531	48,920	-	2,743,822

### 45.5 Market Risk

Market risk refers to the possible losses to the Group that could arise from changes in market variables like interest rates, exchange rates, equity prices and commodity prices. Among them, interest rate risk has been identified as the most critical risk given Group's nature of business.

#### 45.5.1 Commodity Price Risk

Commodity price risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. Given the significance of the Gold Loans business to Group's overall loan book, sharp fluctuations to the gold prices could have an adverse impact to earnings. Gold price fluctuations lead to market risk which is the primary source of credit risk associated with this product.

Group currently manages the credit and market risks arising from adverse movements in Gold prices by adopting the following strategies;

- Shorter product life: Group, as a credit risk management strategy lends for shorter periods allowing it to initiate its recovery process faster.
- Frequent revisions to Loan-to-Value (LTV) ratio : Group practices a process of revising advance offered per gold sovereign to reflect market value fluctuations to maintain the desired loan to value ratio.
- Timely auction of gold stocks : The gold stock of defaulted facilities are auctioned on frequent basis, avoiding pilling up of gold stock which would lead to larger losses at a sudden drop in the gold prices.

Further, stress tests are carried out regularly to assess the impact at decline in gold prices in varied levels.

Value at Risk (VaR) model is used as a key tool to assess the maximum estimated loss that can arise with a specified probability (confidence level) over a specified period of time due to adverse movement of gold price. The VaR model used is mainly on historical simulation and the model generates a wide range of plausible future scenarios for market price movements.

	31-Mar-25	31-Mar-24
3 months VaR of global gold price at 95% Confidence level	10.28%	9.64%
3 months VaR of exchange rate at 95% Confidence level	2.97%	4.19%
Expected Credit Loss (Rs. '000)	125,986	364,303

#### 45.5.2 EQUITY PRICE RISK

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks.

#### 45.5.3 Exchange Rate Risk

Exchange rate risk is the risk of loss as a result of unhedged exposure to volatility in the local (LKR) exchange rate with other major currencies. Exchange risk could materialise as an indirect risk too, affecting local gold prices resulting in exaggerated commodity risk.

##### Group is exposed to two types of risk caused by currency volatility.

**Transaction risk**—This risk arises whenever the Group has contractual cash flows (receivables and payables) whose values are subject to unanticipated changes in exchange rates due to a contract being denominated in a foreign currency. This type of exposure is short-term to medium-term in nature.

**Translation risk**—This exposure arises from the effect of currency fluctuations on the consolidated financial statements, particularly when it has foreign subsidiaries. This type of exposure is medium-term to long-term.

##### Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, AUD, EURO and GBP exchange rates, with all other variables held constant. The Group exposure to all the other currencies are not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

As at 31 March	COMPANY		GROUP	
	Change in exchange rate	Change in Profit before tax LKR '000	Change in exchange rate	Change in Profit before tax LKR '000
Impact to the profit before tax for the year 2024/25	20%	-	20%	(28,984)
	15%	-	15%	(21,738)
	10%	-	10%	(14,492)
	-10%	-	-10%	14,492
	-15%	-	-15%	21,738
	-20%	-	-20%	28,984

As at 31 March	COMPANY		GROUP	
	Change in exchange rate	Change in Profit before tax LKR '000	Change in exchange rate	Change in Profit before tax LKR '000
Impact to the profit before tax for the year 2023/24	20%	-	20%	(24,339)
	15%	-	15%	(18,254)
	10%	-	10%	(12,170)
	-10%	-	-10%	12,170
	-15%	-	-15%	18,254
	-20%	-	-20%	24,339

The sensitivity of the exchange rate is presented in the range of negative 20% to positive 20%.

## NOTES TO THE FINANCIAL STATEMENTS

### 45.5.4 Interest Rate Risk

Interest rate risk is a key constitute of the market risk exposure of the Group due to adverse and unanticipated movements in future interest rate which arises from core business activities; disbursing of credit facilities, accepting deposits and issuing debt instruments. Due to the nature of operations of the Group, the impact of interest rate risk is mainly on the earnings of the Group rather than the market value of portfolios.

Excessive movements in market interest rate could result in severe volatility to Group's net interest income and net interest margin. Group's exposure to interest rate risk is primarily associated with factors such as;

- Reprising risk arising from a fixed rate borrowing portfolio, where reprising frequency is different to that of the lending portfolio.
- Yield curve risk arising from unanticipated shifts of the market yield curve.

Interest rate risk is managed principally through minimising interest rate sensitive asset liability gaps. In order to ensure interest rate margin and spreads are maintained, the Group conducts periodic reviews and reprices its assets accordingly.

### 45.5.4 (a) Interest Rate Risk Exposure on Financial Assets and Liabilities

The following table demonstrates the impact on net interest income to a reasonably possible change in interest rates based on the assumption that a rate sensitive asset surplus would be subjected to reinvestment risk whereas a rate sensitive asset deficit would be subjected to funding risk.

Impact on Net Interest Income due to a parallel rate increase/ decrease on rate sensitive assets and liabilities is shown below.

#### Net Interest Income (NII) Sensitivity by Interest Rate Change

As at 31 March	COMPANY		GROUP	
	Change in basis points	Change in Profit before tax LKR '000	Change in basis points	Change in Profit before tax LKR '000
Impact to the profit before tax for the year 2024/25	+ 600 bps	223,111	+ 600 bps	974,963
	+ 400 bps	148,741	+ 400 bps	649,975
	+ 200 bps	74,370	+ 200 bps	324,988
	- 200 bps	(74,370)	- 200 bps	(324,988)
	- 400 bps	(148,741)	- 400 bps	(649,975)
	- 600 bps	(223,111)	- 600 bps	(974,963)

As at 31 March	COMPANY		GROUP	
	Change in basis points	Change in Profit before tax LKR '000	Change in basis points	Change in Profit before tax LKR '000
Impact to the profit before tax for the year 2023/24	+ 600 bps	222,666	+ 600 bps	952,382
	+ 400 bps	148,444	+ 400 bps	634,921
	+ 200 bps	74,222	+ 200 bps	317,461
	- 200 bps	(74,222)	- 200 bps	(317,461)
	- 400 bps	(148,444)	- 400 bps	(634,921)
	- 600 bps	(222,666)	- 600 bps	(952,382)

The sensitivity of the interest rate is presented in the range of negative 6% to positive 6%.

45.5.4 (b) The table below analyses the Company's interest rate risk exposure on financial assets & liabilities. The Company's assets & liabilities are included at carrying amount and categorised by the earlier of contractual reprising or maturity dates.

Current Year	Up to 03 Months	03-12 Months	01-03 Years	03-05 Years	Over 05 Years	Non-Interest Sensitive	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>Financial Assets</b>							
Cash and Cash Equivalents	792,652	-	-	-	-	-	792,652
Financial Assets Recognised Through Profit or Loss	-	-	-	-	-	32,672	32,672
Equity Instruments measured at Fair Value through OCI	-	-	-	-	-	21,480,713	21,480,713
Other Financial Assets	1,324,192	-	-	-	-	-	1,324,192
Trade and Other Debtors, Deposits	1,652,406	-	-	-	-	-	1,652,406
	3,769,250	-	-	-	-	21,513,385	25,282,635
<b>Financial Liabilities</b>							
Due to Banks	28	-	-	-	-	-	28
Due to Customers	-	-	-	-	-	-	-
Interest Bearing Loans and Borrowings	11,286	15,586	-	-	-	-	26,872
Trade and Other Payables	23,837	-	-	-	-	-	23,837
	35,151	15,586	-	-	-	-	50,737
<b>Interest Sensitivity Gap</b>	3,734,099	(15,586)	-	-	-	21,513,385	25,231,898

Comparative Year	Up to 03 Months	03 - 12 Months	01 - 03 Years	03 - 05 Years	Over 05 Years	Non-Interest Sensitive	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>Financial Assets</b>							
Cash and Cash Equivalents	1,919,648	-	-	-	-	-	1,919,648
Financial Assets Recognised Through Profit or Loss	-	-	-	-	-	41,888	41,888
Equity Instruments measured at Fair Value through OCI	-	-	-	-	-	14,028,221	14,028,221
Other Financial Assets	800,000	-	-	-	-	-	800,000
Trade and Other Debtors, Deposits	1,092,035	-	-	-	-	-	1,092,035
	3,811,683	-	-	-	-	14,070,109	17,881,792
<b>Financial Liabilities</b>							
Due to Banks	1,590	-	-	-	-	-	1,590
Due to Customers	-	-	-	-	-	-	-
Interest Bearing Loans and Borrowings	15,663	48,081	16,124	-	-	-	79,868
Trade and Other Payables	19,133	-	-	-	-	-	19,133
	36,386	48,081	16,124	-	-	-	100,591
<b>Interest Sensitivity Gap</b>	3,775,297	(48,081)	(16,124)	-	-	14,070,109	17,781,201



## NOTES TO THE FINANCIAL STATEMENTS

45.5.4 (c) The table below analyses the Group's interest rate risk exposure on financial assets & liabilities. The Group's assets & liabilities are included at carrying amount and categorised by the earlier of contractual reprising or maturity dates.

Current Year	Up to 03 Months	03-12 Months	01-03 Years	03-05 Years	Over 05 Years	Non-Interest Sensitive	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>Financial Assets</b>							
Cash and Cash Equivalents	11,184,733	-	-	-	-	4,140,228	15,324,961
Financial Assets Recognised Through Profit or Loss	-	-	-	-	-	91,269	91,269
Financial Assets At Amortised Cost- Loans and Advances	95,787,904	56,841,660	35,586,715	11,017,818	36,950	-	199,271,047
Equity Instruments measured at Fair Value through OCI	-	-	-	-	-	21,536,209	21,536,209
Other Financial Assets	10,310,085	11,644,574	-	-	-	626,809	22,581,468
Trade and Other Debtors, Deposits	8,974,737	540,392	-	-	-	5,614,925	15,130,054
	126,257,459	69,026,626	35,586,715	11,017,818	36,950	32,009,440	273,935,008
<b>Financial Liabilities</b>							
Due to Banks	13,457,408	8,068,461	15,637,342	3,790,312	-	-	40,953,523
Due to Customers	67,367,846	41,461,792	27,233,045	2,761,213	-	-	138,823,896
Interest Bearing Loans and Borrowings	13,059,225	10,613,841	6,050,108	6,026,040	891,148	-	36,640,362
Trade and Other Payables	9,258,412	-	-	-	-	4,037,872	13,296,284
	103,142,891	60,144,094	48,920,495	12,577,565	891,148	4,037,872	229,714,065
<b>Interest Sensitivity Gap</b>	23,114,568	8,882,532	(13,333,780)	(1,559,747)	(854,198)	27,971,568	44,220,943
<b>Comparative Year</b>							
	Up to 03 Months	03-12 Months	01-03 Years	03-05 Years	Over 05 Years	Non - Interest Sensitive	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>Financial Assets</b>							
Cash and Cash Equivalents	12,557,130	-	-	-	-	2,613,341	15,170,471
Financial Assets Recognised Through Profit or Loss	-	-	-	-	-	103,898	103,898
Financial Assets At Amortised Cost- Loans and Advances	80,907,217	44,080,557	29,377,271	8,128,378	28,310	-	162,521,733
Equity Instruments measured at Fair Value through OCI	-	-	-	-	-	14,044,942	14,044,942
Other Financial Assets	10,925,925	9,772,971	-	-	-	609,156	21,308,052
Trade and Other Debtors, Deposits	8,807,660	23,732	-	-	-	3,509,705	12,341,097
	113,197,932	53,877,260	29,377,271	8,128,378	28,310	20,881,042	225,490,193
<b>Financial Liabilities</b>							
Due to Banks	18,493,298	3,379,605	2,418,487	-	-	-	24,291,390
Due to Customers	64,879,301	38,202,028	14,340,153	5,613,065	-	-	123,034,547
Interest Bearing Loans and Borrowings	11,894,715	10,892,392	5,621,472	2,406,494	-	-	30,815,073
Trade and Other Payables	6,704,089	2,117,558	-	-	-	2,099,292	10,920,939
	101,971,403	54,591,583	22,380,112	8,019,559	-	2,099,292	189,061,949
<b>Interest Sensitivity Gap</b>	11,226,529	(714,323)	6,997,159	108,819	28,310	18,781,750	36,428,244

# The Foundation of Transparency

Our financial statements presented in this section offer a clear and comprehensive view of the Group's financial performance, position, and cash flows over the reporting period. Prepared in accordance with applicable accounting standards and regulatory requirements, these statements reflect our commitment to accuracy, accountability, and transparency. They serve as a critical tool for stakeholders to assess the Group's financial health and make informed decisions grounded in reliable and timely information.

# DECADE AT A GLANCE

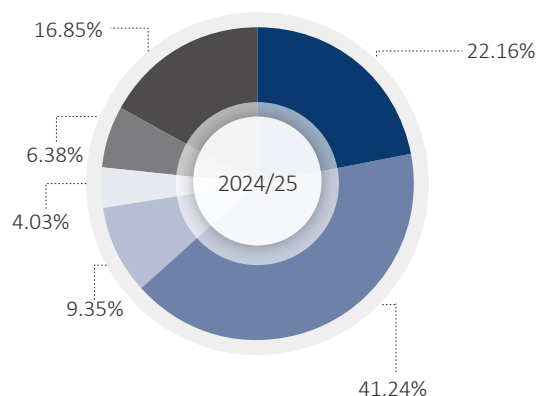
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	LKR'000	LKR'000	LKR'000	LKR'000	LKR'000	LKR'000	LKR'000	LKR'000	LKR'000	LKR'000
<b>OPERATING RESULTS</b>										
Group revenue	122,760	122,330	116,855	94,295	81,035	68,569	66,691	60,969	52,936	47,668
EBIT	30,505	32,507	30,678	30,139	22,472	15,068	14,989	13,723	10,535	10,975
Net Finance Cost	(2,027)	(2,372)	(2,917)	(498)	(1,841)	(3,011)	(2,603)	(1,915)	(1,156)	(945)
Share of results of equity accounted investees (net of tax)	53	48	(4)	7	(39)	6	45	31	687	1,533
Profit before tax	24,348	26,553	25,078	27,512	19,032	9,870	10,542	10,737	8,391	10,970
Tax Expense	(8,323)	(9,286)	(7,466)	(6,990)	(4,208)	(3,453)	(3,800)	(3,927)	(3,762)	(3,513)
Profit after tax	16,023	17,444	17,809	20,522	14,823	6,417	6,742	6,810	4,629	7,457
<b>Attributable to:</b>										
Equity Holders of the Parent	11,761	9,894	9,524	10,353	8,118	3,794	4,042	3,609	640	4,228
Non-Controlling interest	4,262	7,550	8,285	10,228	6,571	2,502	2,692	3,160	3,793	3,229
<b>CAPITAL EMPLOYED</b>										
Stated capital	29,337	29,337	29,337	29,337	29,337	27,164	27,164	27,164	27,164	27,164
Capital reserves and other components of equity	29,629	20,787	13,868	12,282	12,068	10,025	7,184	9,595	5,377	2,087
Retained Earnings	49,979	41,915	33,720	28,346	21,151	16,755	13,991	11,132	9,041	8,840
Equity attributable to equity holders of the Parent	108,945	92,039	76,925	69,965	62,556	53,944	48,339	47,891	41,582	38,091
Noncontrolling Interest	49,325	47,196	42,458	38,488	31,634	26,116	23,155	20,572	18,931	16,579
Total Equity	158,270	139,235	119,382	108,453	94,190	80,060	71,493	68,462	60,512	54,671
Total Debt	77,594	55,106	47,879	56,047	37,290	55,565	52,172	48,295	42,792	32,025
	235,864	194,341	167,261	164,500	131,480	135,625	123,665	116,757	103,304	86,695
<b>ASSETS EMPLOYED</b>										
Property plant and equipment (PP&E)	74,707	69,971	60,336	56,939	52,595	50,658	43,428	37,480	29,566	22,014
Assets other than PP&E	332,062	276,621	249,310	228,271	187,537	191,809	181,560	168,693	146,484	128,858
Liabilities net of debt	(170,905)	(152,251)	(142,385)	(120,710)	(108,651)	(106,842)	(101,322)	(89,416)	(72,746)	(64,177)
	235,864	194,341	167,261	164,500	131,480	135,625	123,665	116,757	103,304	86,695
<b>CASHFLOW</b>										
Net cash flow from operating activities	(1,760)	8,316	(11,141)	22,083	19,227	5,214	3,846	5,867	4,080	6,842
Net cash flow from/(used in) investing activities	932	(3,670)	(7,218)	(3,833)	(1,652)	(4,103)	(7,534)	(7,808)	(7,422)	(1,960)
Net cash flow from/(used in) Financing activities	25	2,042	(3,951)	114	(8,839)	(77)	(297)	3,700	(590)	(1,304)
Net increase/(decrease) in cash and cash equivalents	(803)	6,688	(22,310)	18,364	8,737	1,034	(3,985)	1,759	(3,931)	3,579
<b>KEY INDICATORS</b>										
Basic earnings per share (Rs.)	10.34	8.69	8.36	9.09	7.13	3.33	3.72	3.32	0.59	3.89
Dividend per share (Rs.)	3.00	1.00	-	2.50	3.50	-	-	0.50	0.50	0.50
Net assets per share (Rs.)	95.74	80.81	67.54	61.43	54.93	47.36	44.50	44.10	38.30	35.06
Market price per share (Rs.)	58.90	50.50	36.60	40.2	47.1	12	14.3	17.2	17.5	17.8
Return on equity (%)	10.1	12.5	14.9	18.9	15.6	7.9	9.4	9.8	7.0	13.6
Debt equity ratio (%)	49.03	39.58	40.11	51.68	39.59	69.40	72.97	70.54	70.72	58.58
Interest cover (Times)	15.05	11.4	7.4	29.1	11.9	4.9	5.6	6.9	6.3	9.03
Price earning ratio (Times)	5.70	5.81	4.38	4.42	6.61	3.60	3.84	5.18	29.66	4.58
Revenue growth rate (%)	0.35	4.69	23.92	16.36	18.18	2.82	9.39	15.17	11.05	9.71

# GROUP VALUE ADDED STATEMENT

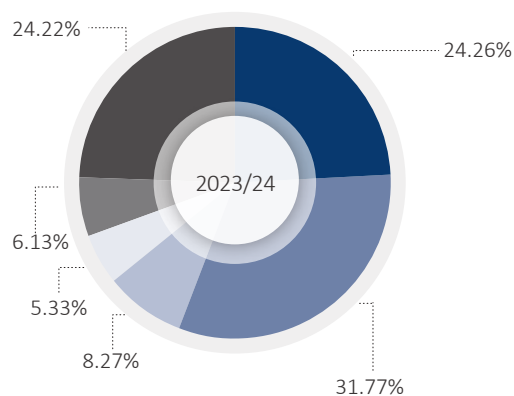
	2025 LKR '000	2024 LKR '000
Gross Turnover	133,794,787	126,165,091
Finance & Other Income	2,979,697	2,339,445
Share of Associate Company's Profit	68,787	47,870
Cost of material and services bought in	(76,349,723)	128,552,406
	60,493,547	53,570,541

	2025 LKR '000	2024 LKR '000
Employees	13,402,855	12,997,751
Government of Sri Lanka	24,946,362	17,021,932
Shareholders	5,653,995	4,432,953
Lenders of Capital	2,437,058	2,855,020
Retained for future as depreciation	3,860,192	3,286,189
Retained Profit	10,193,085	12,976,696
	60,493,547	53,570,541

### Value Addition 2024/25



### Value Addition 2023/24



# INDICATIVE US DOLLAR INCOME STATEMENT

For information Purposes only

For the year ended 31st March	COMPANY		GROUP	
	2025 USD '000	2024 USD '000	2025 USD '000	2024 USD '000
Revenue from contract with customers	-	-	271,833	252,641
Interest income	-	-	142,406	153,527
<b>Total Revenue</b>	-	-	414,239	406,168
Cost of sales	-	-	(232,948)	(225,547)
<b>Gross Profit</b>	-	-	181,291	180,621
Dividend income	13,208	13,542	4,722	2,924
Other operating Income	1,427	1,598	3,950	3,240
Administrative expenses	(1,401)	(1,498)	(50,962)	(43,939)
Distribution expenses	-	-	(35,893)	(32,756)
Other operating expenses	(31)	(40)	(170)	(2,157)
<b>Results from operating activities</b>	13,204	13,597	102,937	107,933
	-	-	-	-
Finance cost	(22)	(78)	(8,224)	(9,479)
Finance income	673	367	1,383	1,604
<b>Net Finance income/cost</b>	651	290	(6,840)	(7,876)
Share of results of equity accounted investees	-	-	180	159
Operating profit before tax on financial services	13,854	13,887	96,276	100,216
Tax on financial services	-	-	(14,116)	(12,053)
<b>Profit before tax</b>	13,854	13,887	82,161	88,163
Income tax expenses	(249)	(150)	(28,086)	(30,834)
<b>Profit for the year from continuing operations</b>	13,606	13,737	54,075	57,329
Discontinued Operations	-	-	-	-
Profit/(loss) after tax for the year from discontinued operations	-	-	(8)	589
<b>Profit for the year</b>	13,606	13,737	54,066	57,918
	-	-	-	-
Attributable to:	-	-	-	-
Equity holders of the parent	13,606	13,737	39,686	32,850
Non controlling Interest	-	-	14,381	25,068
	13,606	13,737	54,066	57,918
	-	-	-	-
Earning per share	-	-	-	-
Basic earnings per ordinary share	0.01	0.01	0.05	0.05

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. The above should be read together with the Auditors Opinion and the notes to the financial statements. Exchange rate prevailing at year end USD/Rs.296.35 (2024-Rs.301.18/-) have been used to convert the income statement and statement of financial position

# INDICATIVE US DOLLAR STATEMENT OF FINANCIAL POSITION

For information Purposes only

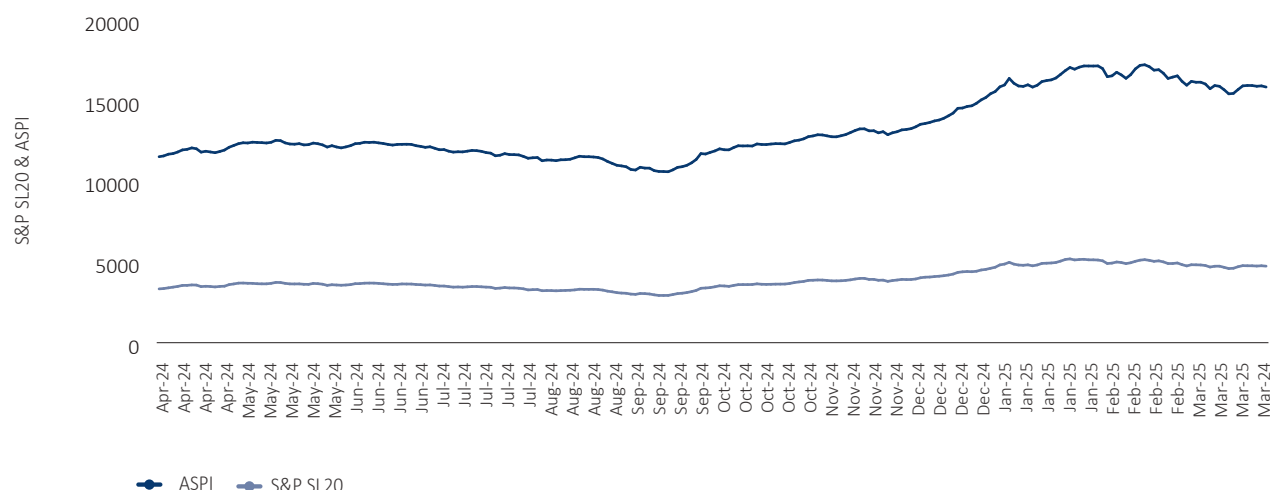
As at 31 March	COMPANY		GROUP	
	2025 USD '000	2024 USD '000	2025 USD '000	2024 USD '000
<b>ASSETS</b>				
Cash and Cash Equivalent	2,675	6,374	51,712	50,371
Financial Assets Measured at Fair Value Through Profit or Loss	110	139	308	345
Financial Assets At Amortised Cost- Loans and Advances	-	-	672,418	539,617
Financial Assets At Amortised Cost- Lease Rentals Receivable & Stock Out on Hire	-	-	-	-
Equity Instruments measured at Fair Value through OCI	72,484	46,578	72,672	46,633
Other Financial Assets	4,468	2,656	76,199	70,749
Trade and Other Debtors, Deposits and Prepayments	5,576	3,626	51,055	40,973
Contract Asset	-	-	-	94
Other Non Financial Assets	17	17	7,185	3,677
Investments in Subsidiaries	85,405	81,736	-	-
Investment in Associate	1,394	1,371	2,336	2,126
Deferred Tax Assets	38	34	6,077	4,074
Income Tax Recoverable	-	-	89	125
Inventories	-	-	119,457	101,061
Intangible Assets	-	-	43,501	42,502
Consumable Biological Assets	-	-	-	-
Investment Property	-	-	7,298	7,107
Property, Plant and Equipment	173	198	252,090	232,323
Leasehold Rights Over Mining Lands	86	-	-	-
Right of use assets	-	245	10,079	8,879
Assets held for sale	-	-	123	120
	172,427	142,973	1,372,597	1,150,782
<b>LIABILITIES</b>				
Due to Banks	0	5	138,193	80,654
Due to Customers	-	-	468,446	408,508
Interest Bearing Loans and Borrowings	91	265	123,639	102,314
Trade and Other Payables	80	64	44,867	37,108
Other Non Financial Liabilities	-	-	7,616	7,015
Contract Liabilities	-	-	5,417	4,443
Dividend Payable	63	47	1,534	855
Employee Benefit Liabilities	141	113	8,454	6,911
Income Tax Liabilities	90	50	10,662	13,832
Deferred Tax Liabilities	-	-	29,705	26,844
Liabilities directly associated with the assets classified as held for sale	-	-	1	1
	465	543	838,533	688,485
<b>Shareholders' Funds</b>				
<b>Equity Attributable to Equity Holders of the Parent</b>				
Stated Capital	98,995	97,407	98,995	97,407
Retained Earnings	39,221	36,563	168,648	139,171
Other components of equity	33,746	8,460	99,979	69,017
<b>Total Equity Attributable to Equity Holders of the Parent</b>	171,961	142,430	367,622	289,268
Non Controlling Interest	-	-	166,442	148,330
<b>Total Equity</b>	171,961	142,430	534,064	462,297
<b>Total Equity and Liabilities</b>	172,426	142,973	1,372,597	1,150,782

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. The above should be read together with the Auditors Opinion and the notes to the financial statements. Exchange rate prevailing at year end USD/Rs.296.35 (2024-301.18) have been used to convert the income statement and statement of financial position.

# SHAREHOLDER INFORMATION

## MARKET INFORMATION OF OUR SHARE

### Market Performance



### Stock Exchange Listing

Vallibel One PLC is a public quoted company, the ordinary shares of which are listed on the Diri Savi Board of the Colombo Stock Exchange. The date of listing was 08 July 2011.

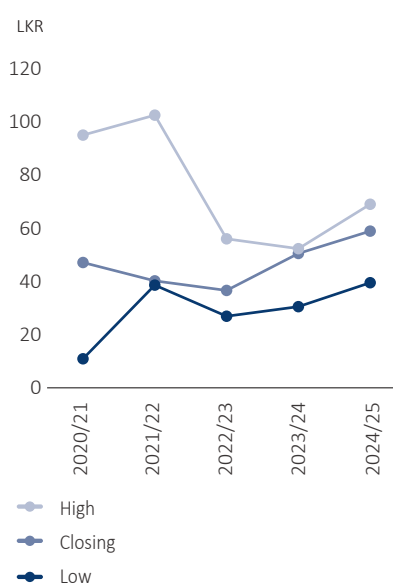
### MARKET CAPITALISATION

The Float adjusted market capitalisation as at 31st March 2025 – LKR 13,020,915,802 (As at 31st March 2024 – LKR 11,160,480,557)

The Float adjusted market capitalisation falls under Option 2 of Rule 7.14.1(i) (b) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under said option.

	As at 31st March		
	2025	2024	2023
Total Market Capitalisation of CSE (LKR Bn)	5,812.11	4,534.65	3,903.54
Total Market Capitalisation of Capitals Goods Industry Group (LKR Bn)	1,848.99	735.96	600.5
Company Market Capitalisation (LKR Bn)	67.08	57.52	41.68
Percentage of Total Market Capitalisation (%)	1.15	1.27	1.07
Percentage of Total Market Capitalisation: Capital Goods (%)	3.63	7.81	6.94

### Market Value Per Share

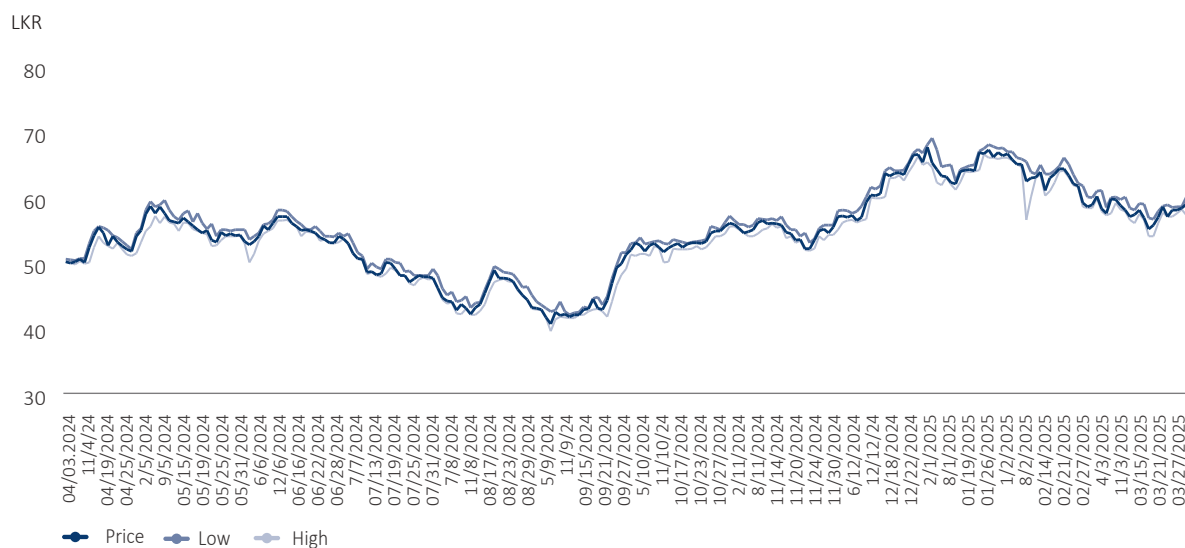




## SHARE PRICES FOR THE YEAR

Market price per share	2024/25		2023/24	
	Date	Price	Date	Price
Highest during the year	03/01/2025	69.00	28/07/2023	52.30
Lowest during the year	03/09/2024	39.50	30/05/2023	30.50
As at end of the year	28/03/2025	59.80	31/03/2024	50.50

## During the Year Price Movement



## SHARE TRADING SNAPSHOT

CIGS Industry Group	Capital Goods
CSE Ticker	VONE.N0000
ISIN	LK0389N00003

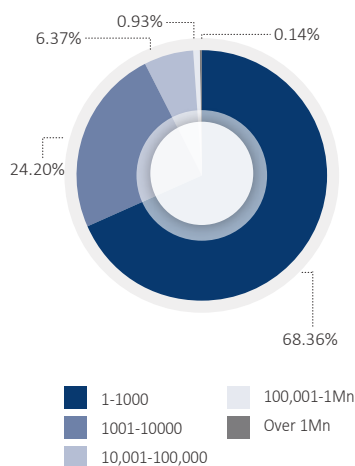
	31st March 2025	31st March 2024
No. of transactions	51,544	36,007
No. of Shares traded	118,392,923	67,999,905
Value of Shares traded (LKR)	6,736,016,699	3,034,109,330

## SHAREHOLDER INFORMATION

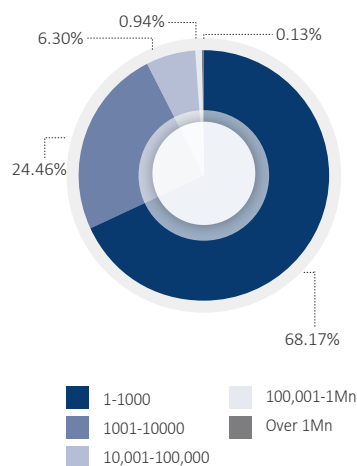
### DISTRIBUTION OF SHAREHOLDERS

From	To	2024/25			2023/24		
		Date	Price	%	Date	Price	%
1	1,000	10,617	2,901,296	68.36	10,413	2,849,611	68.17
1,001	10,000	3,759	12,078,615	24.20	3,737	11,827,464	24.46
10,001	100,000	989	28,741,240	6.37	962	27,185,025	6.30
100,001	1,000,000	144	36,000,116	0.93	144	40,271,270	0.94
Over	1,000,000	21	1,059,194,377	0.14	20	1,056,782,274	0.13
		15,530	1,138,915,644	100.00	15,276	1,138,915,644	100.00

As at 31st March 2025



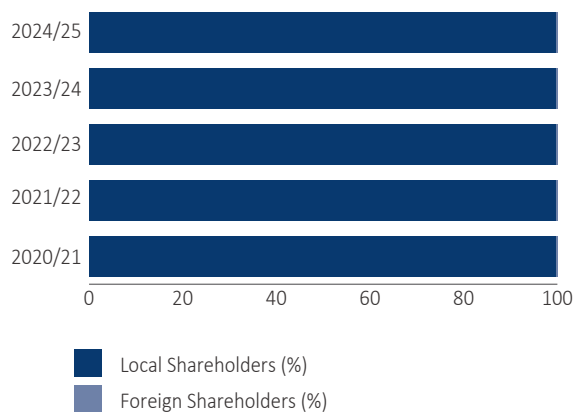
As at 31st March 2024



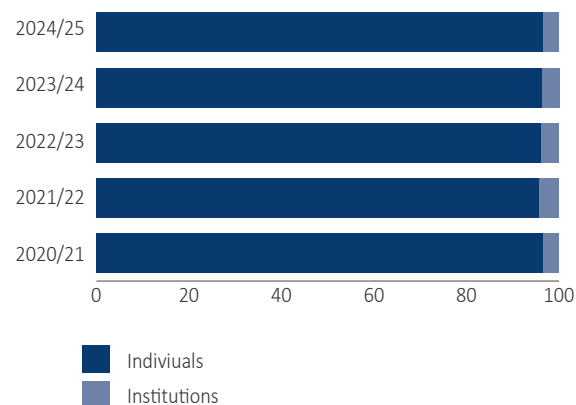
### SHARE PRICES FOR THE YEAR

	31st March 2025			31st March 2024		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
<b>Local</b>						
Individuals	14,953	791,790,996	69.52	14,661	787,524,244	69.15
Institutions	532	344,917,018	30.28	561	347,781,656	30.54
Total Local	15,485	1,136,708,014	99.81	15,222	1,135,305,900	99.68
<b>Foreign</b>						
Individuals	44	1,987,630	0.17	47	2,053,492	0.18
Institutions	1	220,000	0.02	7	1,556,252	0.14
Total Foreign	45	2,207,630	0.19	54	3,609,744	0.32
<b>Total</b>	15,330	1,138,915,644	100.00	15,276	1,138,915,644	100.00

## Local Vs Foreign Shareholders (%)



## Individuals Vs Institutions Shareholders



## DIRECTORS' SHARE HOLDING AS AT 31 MARCH

Name of Director	2024/25		2023/24	
	No. of Shares	%	No. of Shares	%
Mr. S H Amarasekara	-	-	-	-
Shares held in the following manner	-	-	-	-
Pan Asia Banking Corporation PLC / Mr. S H Amarasekara	1,048,192	0.092	1,048,192	0.092
Mr, K D D Perera	722,966,300	63.480	722,966,300	63.480
Ms. Yogadinusha Bhaskaran	-	-	-	-
Mr. J A S S Adhihetty	104,819	0.009	104,819	0.009
Ms. A A K Amarasinghe	4,192	0.000	4,192	0.000
Ms. K A D Brindhiini Perera	-	-	-	-
Mr. H M A Jayasinghe (Appointed w.e.f. 1st January 2025)	-	-	-	-
Mr. A S Fernando (Appointed w.e.f. 1st January 2025)	-	-	-	-
Ms. R M A S Parakrama (Appointed w.e.f. 1st January 2025)	-	-	-	-
Ms. K D Weerasinghe (Appointed w.e.f. 1st January 2025)	-	-	-	-
Mr. A J Alles (Appointed w.e.f. 14th February 2025)	-	-	-	-

## SHAREHOLDER INFORMATION

### TOP 20 SHAREHOLDERS- AS AT 31ST MARCH 2025

Name		AS AT 31ST MARCH 2025		AS AT 31ST MARCH 2024	
1	MR. K.D.D. PERERA	722,966,300	63.478	722,966,300	63.478
2	EMPLOYEE'S PROVIDENT FUND	106,443,137	9.346	106,443,137	9.346
3	VALLIBEL INVESTMENTS (PVT) LIMITED	96,398,569	8.464	96,398,569	8.464
4	VALLIBEL LEISURE (PRIVATE) LIMITED	96,359,379	8.461	96,359,379	8.461
5	FINCO HOLDINGS (PRIVATE) LIMITED	6,650,580	0.584		
6	BANK OF CEYLON A/C CEYBANK UNIT TRUST	4,388,441	0.385	5,471,735	0.48
7	MR. K.D.H. PERERA	4,300,609	0.378	4,300,609	0.378
8	MRS. S. VASUDEVAN & MR. S.VASUDEVAN	2,560,491	0.225		
9	MERRILL J FERNANDO & SONS (PVT) LIMITED	2,313,005	0.203	2,313,005	0.203
10	MRS. S.C.K.W.K.M.R.N KUMUDU KUMARI BANDARA	2,050,000	0.18		
11	HATTON NATIONAL BANK PLC- CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	1,754,940	0.154	4,262,155	0.374
12	MR. A. SITHAMPALAM	1,679,096	0.147	1,679,096	0.147
13	MR. H.R.S. WIJERATNE	1,638,469	0.144	1,640,469	0.144
14	CAPITAL ALLIANCE PLC	1,531,351	0.134	1,320,023	0.116
15	MACKENZIE CAPITAL LTD	1,500,000	0.132	1,840,000	0.162
16	DFCC BANK PLC A/C NO .02	1,191,096	0.105	553,337	0.049
17	MR. P. MURALITHARAN	1,130,000	0.099		
18	MR. W.M. SRIYANANDA	1,100,000	0.097		
19	INTERNATIONAL CONSTRUCTION CONSORRTIUM (PRIVATE) LIMITED	1,095,361	0.096	1,095,361	0.096
20	RENUKA CONSULTANTS & SERVICES LIMITED.	1,095,361	0.096	1,095,361	0.096
		1,058,146,185	92.91	1,047,738,536	91.990
	Others	80,769,459	7.09	91,177.108	8.001
		1,138,915,644	100.00	1,138,915,644	100.00

**DIVIDENDS**

Year ended 31 March	Dividend declared per share (LKR)	Total Dividends (LKR Mn)
2012/13	0.30	326
2013/14	0.70	761
2014/15	0.40	435
2015/16	0.50	543
2016/17	0.50	543
2017/18	0.50	543
2018/19-	-	-
2019/20	-	543
2020/21	0.50	543
2021/22	2.50	2,847
2022/23	-	-
2023/24	1.00	1,139
2024/25	3.00	3416

**DIVIDENDS**

Year ended 31st March	Number of Shares in Issue (LKR Mn)
2011/12	1,086,559,353
2012/13	1,086,559,353
2013/14	1,086,559,353
2014/15	1,086,559,353
2015/16	1,086,559,353
2016/17	1,086,559,353
2017/18	1,086,559,353
2018/19	1,086,559,353
2019/20	1,086,559,353
2020/21	1,138,915,644
2021/22	1,138,915,644
2022/23	1,138,915,644
2023/24	1,138,915,644
2024/25	1,138,915,644

## SUBSIDIARY/ASSOCIATE COMPANIES OF VALLIBEL ONE PLC

Name of Company	Company Registration No.	Situation of Registered Office	Relationship to Vallibel One PLC Subsidiary/ Associates	Directors who held Office during the year ended 31st March 2023
Royal Ceramics Lanka PLC	PQ 125	No. 20	Subsidiary	Mr. Dhammika Perera Mr. A M Weerasinghe Mr. M Y A Perera Mr. T G Thoradeniya Mr. G A R D Prasanna Mr. S H Amarasekera Mr. N J Weerakoon Mr. S M Liyanage Mr. J R Gunaratne Mr S R Jayaweera Ms K A D B Perera Mr H M Jayasinghe
Rocell Bathware Limited	PB 425	No. 20 R A De Mel Mawatha Colombo 3	Subsidiary	Mr. A M Weerasinghe Mr. M Y A Perera Mr. T G Thoradeniya Mr. G A R D Prasanna Mr. R N Asirwatham Mr. D J Silva
Rocell Properties Limited	PB 4989	No. 20 R A De Mel Mawatha Colombo 3	Subsidiary	Mr. A M Weerasinghe Mr. T G Thoradeniya Mr. G A R D Prasanna
Royal Ceramics Distributors (Private) Limited	PV 2524	No. 20 R A De Mel Mawatha Colombo 3	Subsidiary	Mr. A M Weerasinghe Mr. T G Thoradeniya Mr. G A R D Prasanna Mr. K D H Perera
Biscuits and Chocolate Company Ltd	PB 220	No. 20 R A De Mel Mawatha Colombo 3	Subsidiary	Mr. A M Weerasinghe Mr. T G Thoradeniya Mr. A K Dheerasinghe Mr. S M Liyanage Ms A A K Amarasinghe
Ever Paint and Chemical Industries (Private) Limited	PV 2211	No. 20 R A De Mel Mawatha Colombo 3	Subsidiary	Mr. A M Weerasinghe Mr. H Somashantha Mr. M W R N Somaratna Mr. J K A Sirinatha Mr. D B Gamalath
Lanka Ceramic PLC	PQ 157	No. 20 R A De Mel Mawatha Colombo 3	Subsidiary	Mr. A M Weerasinghe Mr. T G Thoradeniya Ms A M L Page Mr. J D N Kekulawala Mr. S M Liyanage Ms K D Weerasinghe Mr L P B Talwatte Mr J A P M Jayasekera – resigned w.e.f. 1.4.2025

Name of Company	Company Registration No.	Situation of Registered Office	Relationship to Vallibel One PLC Subsidiary/ Associates	Directors who held Office during the year ended 31st March 2023
Lanka Walltiles PLC	PQ 55	No. 215 Nawala Road Naranhenpita Colombo 5	Subsidiary	Mr. A M Weerasinghe Dr. S Selliah Ms. A M L Page Mr. M W R N Somaratne Mr. J D N Kekulawala Mr S R Jayaweera Ms K A D B Perera Ms Y Bhaskaran Mr B D S Mendis Mr N A Pelpola Mr L P B Talwatte – appointed w.e.f. 1.4.2025 Mr. J A P M Jayasekara – resigned w.e.f. 1.4.2025
Lanka Tiles PLC	PQ 129	No. 215 Nawala Road Naranhenpita Colombo 5	Subsidiary	Mr. A M Weerasinghe Dr. S Selliah Mr. T G Thoradeniya Ms. A M L Page Mr. J A N R Adhihetty Mr. J R Gunaratne Mr S R Jayaweera Ms K A D B Perera Mr R M M J Ratnayake Mr L P B Talwatte appointed w.e.f. 1.4.2025 Mr H Somashantha – appointed w.e.f.25.4.2025 Mr. J A P M Jayasekara – resigned w.e.f. 1.4.2025 Mr. S M Liyanage – resigned w.e.f. 25.4.2025
Swisstek (Ceylon) PLC	PQ 155	No. 215 Nawala Road Naranhenpita Colombo 5	Subsidiary	Mr. S H Amarasekera Mr. A M Weerasinghe Dr. S Selliah Mr. J K A Sirinatha Mr. A S Mahendra Mr. C U Weerawardena Mr R M M J Ratnayake Mr B D S Mendis – appointed w.e.f. 1.1.2025 Mr K D G Gunaratne – appointed w.e.f. 1.1.2025 Mr. J A P M Jayasekara – resigned w e f 1.4.2025
Swisstek Aluminum Limited	PB 3277	No. 76/7, Pahala Dompe Dompe	Subsidiary	Mr. S H Amarasekera Mr. A M Weerasinghe Mr. A S Mahendra Mr. T G Thoradeniya Mr. C U Weerawardena Mr. S M Liyanage Mr. J A P M Jayasekara – resigned w.e.f. 1.4.2025



## SUBSIDIARY/ASSOCIATE COMPANIES OF VALLIBEL ONE PLC

Name of Company	Company Registration No.	Situation of Registered Office	Relationship to Vallibel One PLC Subsidiary/ Associates	Directors who held Office during the year ended 31st March 2023
Swisstek Investments (Pvt) Ltd	PV 00229499	No. 76/7, Pahala Dompe Dompe	Subsidiary	Mr. A M Weerasinghe Mr. J A P M Jayasekara – resigned w.e.f. 1.4.2025
Swisstek Development Ltd	PB00236125	No. 215 Nawala Road Naranhenpita Colombo 5	Subsidiary	Mr. K D A Perera Mr A M Weerasinghe Mr. J A P M Jayasekara – resigned w.e.f. 1.4.2025
Vallibel Plantation Management Limited	PB 1030	No.400, Deans Road Colombo 10	Subsidiary	Mr A M Weerasinghe Mr. T G Thoradeniya Mr. A S Mahendra Mr L P B Talwatte – appointed w.e.f. 1.4.2025 Mr. J A P M Jayasekara - resigned w e f 1.4.025
Uni Dil Packaging Limited	PB 544	Kosgahalanda Kosgahawatta, Katulanda Narampola Road, Moragala Dekatana	Subsidiary	Mr. T G Thoradeniya Mr. H Somashantha Mr. N T Bogahalande Mr. C U Weerawardena Mr. S M Liyanage Mr L P B Talwatte – appointed w.e.f.1.4.2025 Mr. J A P M Jayasekara - resigned w e f 1.4.2025
Uni Dil Packaging Solutions Limited	PV 7976 PB	Narampola Road Moragala Dekatana	Subsidiary	Mr. K D H Perera Mr. C U Weerawardena Mr S M Liyanage – appointed.w.e.f. 12.8.2024 Mr L P B Talwatte – appointed w.e.f. 1.4.2025 Mr. J A P M Jayasekara – resigned w e f 1.4.2025
Beyond Paradise Collection Limited	PB 4706	No. 215 Nawala Road Naraheanpita Colombo 05	Subsidiary	Mr. M H Jamaldeen Mr .K D H Perera Mr L P B Talwatte – appointed w.e.f. 1.4.2025 Mr. J A P M Jayasekara resigned w e f 1.4 2025
L W L Development (Pvt) Ltd	PV 111856	No. 215, Nawala Road Naraheanpita, Colombo 05	Subsidiary	Mr .K D A Perera Mr. J A P M Jayasekara – resigned w e f 1.4.2025 Mr L P B Talwatte – appointed w.e.f. 1.4.2025
L T L Development Ltd	PB 235929	No. 215, Nawala Road Naraheanpita Colombo 05	Subsidiary	Mr. K D A Perera Mr A M Weerasinghe Mr L P B Talwatte – appointed w.e.f. 1.4.2025 Mr. J A P M Jayasekera – resigned w e f 1.4.2025

Name of Company	Company Registration No.	Situation of Registered Office	Relationship to Vallibel One PLC Subsidiary/ Associates	Directors who held Office during the year ended 31st March 2023
L W Plantation Investments Ltd	PB 00229452	No. 215, Nawala Road Narahenpita Colombo 05	Subsidiary	Mr A M Weerasinghe Mr L P B Talwatte appointed w.e.f. 1.4.2025 Mr J A P M Jayasekara – resigned w e f 1.4.2025
L C Plantation Projects Ltd	PB 00229453	No. 215, Nawala Road Narahenpita Colombo 05	Subsidiary	Mr A M Weerasinghe Mr L P B Talwatte appointed w.e.f. 1.4.2025 Mr J A P M Jayasekara – resigned w e f 1.4.2025
C P Holdings (Pvt) Ltd	PV 83903	No. 215, Nawala Road Narahenpita Colombo 05	Subsidiary	Mr A M Weerasinghe Mr L P B Talwatte appointed w.e.f. 1.4.2025 Mr J A P M Jayasekara – resigned w e f 1.4.2025
L C Development (Pvt) Ltd	PV 00229454	No. 215, Nawala Road Narahenpita Colombo 05	Subsidiary	Mr A M Weerasinghe Mr L P B Talwatte appointed w.e.f. 1.4.2025 Mr J A P M Jayasekara – resigned w e f 1.4.2025
Lanka Swisstek Private Limited	Company incorporation in India		Subsidiary	Mr A M Weerasinghe Mr J A P M Jayasekara resigned w e f 1.4.2025 Mr. Fatheraj Singhvi Mr. Praven Kumar Singhvi
Nilano Garments (Private) Limited	PV 14277	No. 20 R. A De Mel Mawatha, Colombo 03	Subsidiary	Mr. H Somashantha Mr B K G S M Rodrigo Ms W S B Gamage
Valley View Ceramics LLC	Company incorporation in USA		Subsidiary	Mr A M Weerasinghe Mr Benjamin Malloy Mr L P B Talwatte appointed w.e.f. 1.4.2025 Mr J A P M Jayasekara – resigned w e f 1.4.2025
Lanka Tiles USA Inc	Company incorporation in USA		Subsidiary	Mr A M Weerasinghe Mr L P B Talwatte appointed w.e.f. 1.4.2025 Mr J A P M Jayasekara – resigned w e f 1.4.2025

## SUBSIDIARY/ASSOCIATE COMPANIES OF VALLIBEL ONE PLC

Name of Company	Company Registration No.	Situation of Registered Office	Relationship to Vallibel One PLC Subsidiary/ Associates	Directors who held Office during the year ended 31st March 2023
L B Finance PLC	PQ 156	No. 275/75 Prof. Stanley Wijesundera Mawatha Colombo 07	Subsidiary	Mr. G A R D Prasanna Mr. M A J W Jayasekara Mr. J A S S Adhihetty Mr. N Udage Mr. B D A Perera Mr. R S Yatawara Mrs. Y Bhaskaran Mrs A Natesan Mr. D Rangalle Ms Y Amarasekera Mr P B Talwatte – appointed w e f 18.11.2024 Mr P D Hennayake – appointed w.e.f. 18.11.2024
L B Microfinance Myanmar Limited	Company incorporated in Myanmar 844 FC of 2016/17 (YGN)	Myawaddy Bank Luxury Complex – 4th Floor, Apt 401, Bo Gyoke Road cnr Wa Dan Street, Lanmadav Township Yangon, Myanmar	Subsidiary	Mr. J A S S Adhihetty Mr. B D A Perera Mr. N Udage Mr. R S Yatawara Mr. Dulan R G de Silva
Greener Water Ltd	PB 3837	Level 29, West Tower World Trade Centre Echelon Square Colombo 01	Subsidiary	Mrs Yogadinusha Bhaskaran Mr. T G Thoradeniya Mr. K D A Perera Mr. K D H Perera Mr. J A S S Adhihetty Mr. R J Karunarajah Ms A A K Amarasinghe Mr A K Dheerasinghe Mr Y Bhaskaran
Delmege Limited	PV 6351 PB	No.101 Vinayalankara Mawatha Colombo 10	Subsidiary	Mr. A M Pandithage Mr. T G Thoradeniya Mr. S Wilson Ms. Y Bhaskaran Mr. D J Silva Mr. N J Weerakoon Mr. S R Jayaweera Mr J R Gunaratne Ms K A D B Perera
The Fortress Resorts PLC	PQ 207	Level 29, west Tower World Trade Centre Echelon square Colombo 01	Associate	Mr. J A S S Adhihetty Mr. A M J Fernando Mr. Jan Peter Van Twest Mr. C V Cabraal Mr. C U Weerawardena Ma A A K Amarasinghe Mr Jitendra Gunaratne Ms K A D B Perera Mr R N Pallegama Mr V Leelananda Ms K D Weerasinghe Mr A Y E Joseph

Name of Company	Company Registration No.	Situation of Registered Office	Relationship to Vallibel One PLC Subsidiary/ Associates	Directors who held Office during the year ended 31st March 2023
Delmege Forsyth & Co (Shipping) Ltd	PB 294	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. N S L Fernando Mr. J A N R Adhihetty Mr. H P G P P De Alwis
Delmege Coir (Pvt) Limited	PV 1489	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. A M Pandithage Mr. N T Bogahalande Mr. H Somashantha Mr. G A R D Prasanna Mr. H P G P P De Alwis
L B Management Services (Pvt) Ltd	PV 3012	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. A M Pandithage Mr. N T Bogahalande Mr. H Somashantha Mr. G A R D Prasanna Mr. H P G P P De Alwis
L B Management Services (Pvt) Ltd	PV 3012	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. N T Bogahalande Mr. J K A Srinatha Mr. H P G P P De Alwis
Delmege Forsyth & Co (Shipping) Ltd	PB 272	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. A M Pandithage Mr. H Somashantha Mr. G A R D Prasanna Mr. N S L Fernando Mr. S N Wickremasooriya Mr. H P G P P De Alwis
Delshipping & Logistics (Pvt) Ltd	PV 99520	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. N S L Fernando Mr. H P G P P De Alwis Mr. S N Wickremasooriya
Delmege Freight Services (Pvt) Ltd	PV 3571	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. A M Pandithage Mr. J K A Srinatha Mr. G A R D Prasanna Mr. N S L Fernando Mr. S N Wickremasooriya Mr. H P G P P De Alwis
Lewis Shipping (Pvt) Limited	PV 18008	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. A M Pandithage Mr. H Somashantha Mr. N S L Fernando Mr. S N Wickremasooriya Mr. H P G P P De Alwis
Delmege Air Services (Pvt) Limited	PV 3373	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. H Somashantha Mr. G A R D Prasanna Mr. N S L Fernando Mr. H P G P P De Alwis Ms. D K Premachandra
Delmege Aviation Services (Pvt) Ltd	PV 99520	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. G A R D Prasanna Mr. N S L Fernando Mr. H P G P P De Alwis Ms. D.K. Premachandra
Lewis Brown Air Services (Pvt) Limited	PV 16022	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. A M Pandithage Mr. L R V Waidyaratne Mr. G A R D Prasanna Mr. N S L Fernando Mr. H P G P P De Alwis

## SUBSIDIARY/ASSOCIATE COMPANIES OF VALLIBEL ONE PLC

Name of Company	Company Registration No.	Situation of Registered Office	Relationship to Vallibel One PLC Subsidiary/ Associates	Directors who held Office during the year ended 31st March 2023
Delair Travels (Pvt) Limited	PV 3830	101,Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. H Somashantha Mr. N S L Fernando Mr. H.P.G.P.P. De Alwis Ms. D.K. Premachandra
Grip Delmege (Pvt) Limited	PV 3439	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. N S L Fernando Mr. J.A.N.R. Adhihetty Mr. H.P.G.P.P. De Alwis
Grip Nordic (Pvt) Limited	PV121497	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr G A R D Prasanna Mr. H.P.G.P.P. De Alwis Ms. D.K. Premachandra
Delmege Electronics (Private) Limited	PV 2565	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. N S L Fernando Mr. J.A.N.R. Adhihetty Mr. H.P.G.P.P. De Alwis
Delmege Insurance Brokers (Pvt) Limited	PV3398	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr H Somashantha Mr G A R D Prasanna Mr. H.P.G.P.P. De Alwis Mr. P.G. Welagedara
Delmege Risk Solutions (Pvt) Limited	PV3550	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. H.P.G.P.P. De Alwis Mr. P.G. Welagedara
Delmege Airline Services (Private) Limited	PV 108869	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. G A R D Prasanna Mr. H.P.G.P.P. De Alwis Ms. D.K. Premachandra
Delmege Aero Services (Private) Limited	PV121497	101, Vinayalankara Mawatha, Colombo 10.	Subsidiary	Mr. G A R D Prasanna Mr. H.P.G.P.P. De Alwis Ms. D.K. Premachandra
Delmege Electronics (Private) Limited	PV21430	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. N S L Fernando Mr. H.P.G.P.P. De Alwis
Delmege Financial Services (Private) Limited	PV3398	Level 29, west Tower World Trade Centre Echelon square Colombo 01	Subsidiary	Mr. N S L Fernando Mr. H.P.G.P.P. De Alwis
Delmege General Equipment (Private) Limited	PV3550	101 Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. N S L Fernando Mr. H.P.G.P.P. De Alwis
Union Express Tours (Pvt) Ltd	PV3374	101, Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. N S L Fernando Mr. H P G P P De Alwis Mr. D K Premachandra
Delmege Automotive Products (Pvt) Ltd	PV60199	101, Vinayalankara Mawatha, Colombo 10.	Subsidiary	Mr. N S L Fernando Mr. H P G P P De Alwis
Eden Pharmaceuticals (Pvt) Ltd	PV63595	101, Vinayalankara Mawatha, Colombo 10	Subsidiary	Ms. E.A.N.Hemali Mr. J.A.N.R.Adhihetty Mr. H P G P P De Alwis Mr. A.A.J. Schokman
Delmege Forsyth Energy (Pvt) Ltd	PV00314742	101, Vinayalankara Mawatha, Colombo 10	Subsidiary	Mr. H P G P P De Alwis Mr. J.A.N.R. Adhihetty

# INDEPENDENT PRACTITIONER'S ASSURANCE REPORT



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
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Email: eysl@lk.ey.com  
ey.com

## INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF VALLIBEL ONE PLC ON THE INTEGRATED ANNUAL REPORT 2024/25

### Scope

We have been engaged by Vallibel One PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Vallibel One PLC's Information on how its strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Vallibel One PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Vallibel One PLC

In preparing the Subject Matter, Vallibel one PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organisational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

### Vallibel One PLC's responsibilities

Vallibel one PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised)), and the terms of reference for this engagement as agreed with Vallibel one PLC on 19 May 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

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, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Suluimuni ACA ACMA, Ms. L K H L Fonscha FCA, Ms. P V K N Sajewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

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

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## INDEPENDENT PRACTITIONER'S ASSURANCE REPORT



Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

### Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organisation creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organisation's strategy and how the organisation creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.

- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

### Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Vallibel one PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.

03 June 2025

Colombo

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 Goudan ACA, D L B Karunathilaka ACA, W S J De Silva BSc (Hons) - MIS MSc - IT, V Shakthivel B.Com (Sp)

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# GRI CONTENT INDEX

GRI Standard	Vallibel One PLC has reported in accordance with the GRI Standards for the period from 1st April 2023-31st March 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standards

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	Corporate Information Cover	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organisation’s sustainability reporting	16			
	2-3 Reporting period, frequency and contact point	7			
	2-4 Restatements of information	8			
	2-5 External assurance	9,178			
	2-6 Activities, value chain and other business relationships	14,15			
	2-7 Employees	106,107			
	2-8 Workers who are not employees		2-8	Not applicable	No outsourced workers employes
	2-9 Governance structure and composition	146			
	2-10 Nomination and selection of the highest governance body	147-148			
	2-11 Chair of the highest governance body	36			
	2-12 Role of the highest governance body in overseeing the management of impacts	147-151			
	2-13 Delegation of responsibility for managing impacts	151-152			
	2-14 Role of the highest governance body in sustainability reporting	151-152			
	2-15 Conflicts of interest	151-152			
	2-16 Communication of critical concerns		2-16	Information unavailable/ incomplete	Not tracked information
	2-17 Collective knowledge of the highest governance body	148			

## GRI CONTENT INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
	2-18 Evaluation of the performance of the highest governance body	148			
	2-19 Remuneration policies	151			
	2-20 Process to determine remuneration	151			
	2-21 Annual total compensation ratio		2-21	Confidentiality constraints	Cannot be disclosed due to confidentiality reasons
	2-22 Statement on sustainable development strategy	36-38			
	2-23 Policy commitments	177,146			
	2-24 Embedding policy commitments	56-58,117,146			
	2-25 Processes to remediate negative impacts		2-25	Information unavailable/incomplete	Not tracked information
	2-26 Mechanisms for seeking advice and raising concerns	68	2-26	Information unavailable/incomplete	Not tracked information
	2-27 Compliance with laws and regulations	4			
	2-28 Membership associations	124			
	2-29 Approach to stakeholder engagement	59-63			
	2-30 Collective bargaining agreements	109			
	Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	64	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	65-68			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	13,183			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	13			
	201-2 Financial implications and other risks and opportunities due to climate change	57			
	201-3 Defined benefit plan obligations and other retirement plans	116			
	201-4 Financial assistance received from government		201-4	Not applicable	No financial assistance received from the government

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	96			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	96-104			
	203-2 Significant indirect economic impacts	132			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	61			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	61			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	259			
GRI 207: Tax 2019	207-1 Approach to tax	259			
	207-2 Tax governance, control, and risk management	259			
	207-3 Stakeholder engagement and management of concerns related to tax	259			
	207-4 Country-by-country reporting		207-4	Information unavailable/incomplete	Not tracked data
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	135			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	135			
	301-2 Recycled input materials used	135			
	301-3 Reclaimed products and their packaging materials		301-3	Not applicable	No reclaimed products
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	134			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	137-138			
	302-2 Energy consumption outside of the organisation	137-138			
	302-3 Energy intensity	137-138			
	302-4 Reduction of energy consumption	137-138			
	302-5 Reductions in energy requirements of products and services		302-5	Information unavailable/incomplete	Not tracked data

## GRI CONTENT INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	139-140			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	139-140			
	303-2 Management of water discharge-related impacts	139-140			
	303-3 Water withdrawal	137			
	303-4 Water discharge	137			
	303-5 Water consumption	137			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	140			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	140			
	305-2 Energy indirect (Scope 2) GHG emissions	140			
	305-3 Other indirect (Scope 3) GHG emissions	140			
	305-4 GHG emissions intensity		305-4	Information unavailable/incomplete	Not tracked data
	305-5 Reduction of GHG emissions	140			
	305-6 Emissions of ozone-depleting substances (ODS)	140	305-6	Not applicable	No emission of ozone-depleting substances (ODS)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7	Not applicable	No emission of Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	134			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	135			
	306-2 Management of significant waste-related impacts	135			
	306-3 Waste generated	139			
	306-4 Waste diverted from disposal	138			
	306-5 Waste directed to disposal	139			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	125-130			

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	131			
	308-2 Negative environmental impacts in the supply chain and actions taken		308-2	Not applicable	No negative environmental impacts in the supply chain
<b>Employment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	105-116			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		a,b	Information unavailable/incomplete	Information was not calculated using values. Only partial reporting
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	108-111			
	401-3 Parental leave	111			
<b>Labor/management relations</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	108-109			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	108			
<b>Occupational health and safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	109-111			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	109			
	403-2 Hazard identification, risk assessment, and incident investigation	110			
	403-3 Occupational health services	110			
	403-4 Worker participation, consultation, and communication on occupational health and safety	110-111			
	403-5 Worker training on occupational health and safety	111			
	403-6 Promotion of worker health	110			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	110-112			
	403-8 Workers covered by an occupational health and safety management system	109			
	403-9 Work-related injuries	110			
	403-10 Work-related ill health	110			

## GRI CONTENT INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	114-116			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		404-1	Information unavailable/incomplete	Not tracked data
	404-2 Programs for upgrading employee skills and transition assistance programs	113-115			
	404-3 Percentage of employees receiving regular performance and career development reviews	115			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	108			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	108			
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	111			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	111-112			
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	108			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	108			
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	105			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	108			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	125			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	132			
	413-2 Operations with significant actual and potential negative impacts on local communities		413-2	Not applicable	No negative impacts on local communities as a result of operations

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	125			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	61			
	414-2 Negative social impacts in the supply chain and actions taken		414-2	Not applicable	No negative social impacts in the supply chain
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	98			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	98			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	99			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	148			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		417-1	Information unavailable/incomplete	
	417-2 Incidents of non-compliance concerning product and service information and labeling	148			
	417-3 Incidents of non-compliance concerning marketing communications	148			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	135			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	135			



# GLOSSARY OF FINANCIAL TERMS

## ACCOUNTING POLICIES

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

## ACCRUAL BASIS

Recording revenue and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

## ACTUARIAL GAINS AND LOSSES

Effects of difference between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions.

## AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

## AVAILABLE FOR SALE

Non-derivative financial asset that are designated as available for sale or are not classified as loans and receivable, held-to-maturity investment or financial assets at fair value through profit and loss.

## CAPITAL EMPLOYED

Shareholders' funds plus non-controlling interests and interest-bearing borrowings.

## CAPITAL RESERVES

Reserves identified for specific purposes and considered not of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity available for distribution of that entity available for distribution.

## CASH EQUIVALENTS

Liquid investments with original maturity periods of three months or less.

## CONTINGENCIES

A condition or situation existing at the reporting date where the outcome will be confirmed only by occurrence or non-occurrence of one or more future events.

## CURRENT RATIO

Current assets divided by current liabilities. A measure of liquidity.

## CURRENT SERVICE COST

Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

## DEFERRED TAXATION

The tax effect of timing differences deferred to/ from other periods, which would only qualify for inclusion on a tax return at a future date.

## DIVIDEND COVER

Profit attributable to ordinary shareholders divided by dividend. Measures the number of times dividend is covered by distributable profit.

## DIVIDEND PAYOUT

Dividend per share as a percentage of the earnings per share

## DIVIDEND YIELD

Dividend per share as a percentage of the market price. A measure of return on investment

## EARNINGS PER SHARE

Profits attributable to ordinary Shareholders divided by the number of ordinary shares in issue and ranking for dividend.

## EBIT

Earnings before interest and tax.

## EFFECT ON CHANGES IN HOLDING

Financial effect in the non-controlling interest and reserves due to changes in the holding percentages

## EFFECTIVE TAX RATE

Income tax expense divided by profit before tax.

## EQUITY

The values of an asset after all the liabilities or debts have been paid.

## EQUITY ACCOUNTED INVESTEEES

A method of accounting by which an equity investment is initially recorded at cost and subsequently adjusted to reflect the investor's share of the net assets of the associate (investee).

## FAIR VALUE

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.

## FAIR VALUE THROUGH PROFIT AND LOSS

A financial asset/liability acquired/incurred principally for the purpose of selling or repurchasing it in the near term.

## FINANCIAL ASSET

Any asset that is cash, an equity instrument of another entity or a Contractual right to receive cash or another financial asset from another entity.

## FINANCIAL INSTRUMENT

Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

## FINANCIAL LIABILITY

Any liability that is a contractual obligation to deliver cash or another financial asset to another entity. Proportion of total interest-bearing borrowings to capital employed

## KEY MANAGEMENT PERSONNEL (KMP)

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

**MARKET CAPITALISATION**

Number of shares in issue multiplied by the market value of a share at the reported date.

**NET ASSETS PER SHARE**

Total equity attributable to equity holders divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

**NON-CONTROLLING INTEREST**

Equity in subsidiary not attributable, directly or indirectly, to a parent.

**OTHER COMPREHENSIVE INCOME**

Items of income and expenses that are not recognised in profit or loss as required or permitted by other SLFRSs.

**RELATED PARTIES**

A related party is a person or entity that is related to the entity that is preparing its Financial Statements.

**RETURN ON CAPITAL EMPLOYED**

Profit before tax and net finance cost divided by average capital employed.

**REVENUE RESERVES**

Reserves considered as being available for distributions and investments.

**SEGMENTS**

Constituent business units grouped in terms of similarity of operations and location.

**SHAREHOLDERS' FUNDS**

Total of issued and fully-paid up capital and Reserves.

**VALUE ADDITION**

The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of materials and services bought in.

**WORKING CAPITAL**

Capital required to financing day-to-day operations, computed as the excess of current assets over current liabilities.

## NOTES

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fifteenth (15th) Annual General Meeting of the Company will be held on 30th June 2025 at 3.30 p.m. at 'The Winchester', The Kingsbury Hotel, No.48, Janadhipathi Mawatha, Colombo 01 for the following purposes:

## 1. Ordinary Business

- 1.1 To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.
- 1.2 To re-elect as a Director, Mr. Shiran Harsha Amarasekera who retires by rotation in terms of Articles 87 and 88 of the Articles of Association of the Company.
- 1.3 To re-elect as a Director, Ms. Kulappu Arachchige Donna Brindhiini Perera who retires by rotation in terms of Articles 87 and 88 of the Articles of Association of the Company.
- 1.4 To pass the ordinary resolution set out below to re-appoint Mr. John Anthony Sunil Sumith Adihetty who is 74 years of age as a Director of the Company;  
 "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. John Anthony Sunil Sumith Adihetty who is 74 years of age and that he be and is hereby re-appointed a Director of the Company."
- 1.5 To re-elect as a Director, Mr. Kulappu Arachchige Don Dhammika Perera who was appointed during the year in terms of Article 94 of the Articles of Association of the Company.
- 1.6 To re-elect as a Director, Mr. Hector Manil Anthony Jayasinghe who was appointed during the year in terms of Article 94 of the Articles of Association of the Company.
- 1.7 To re-elect as a Director, Mr. Anura Sudantha Fernando who was appointed during the year in terms of Article 94 of the Articles of Association of the Company.
- 1.8 To re-elect as a Director, Mrs. Kamani Devika Weerasinghe who was appointed during the year in terms of Article 94 of the Articles of Association of the Company.
- 1.9 To re-elect as a Director, Mrs Romany Maryse Aurora Sita Parakrama who was appointed during the year in terms of Article 94 of the Articles of Association of the Company.
- 1.10 To re-elect as a Director, Mr. Antonio Jonathan Alles who was appointed during the year in terms of Article 94 of the Articles of Association of the Company.
- 1.11 To re-appoint Messrs Ernst & Young, Chartered Accountants, as the Auditors of the Company and to authorise the Directors to fix their remuneration.
- 1.12 To authorise the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.

## 2. Special Business

- 2.1 To consider and if thought fit, to pass the following resolution as a Special Resolution:

'IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended:

- (1) by the deletion of Article 58 under the heading "Resolution in lieu of Meeting" in its entirety and the substitution therefore of the following new Article 58 ;

### "METHODS OF HOLDING GENERAL MEETINGS

58. (1) A General Meeting of shareholders may be held-
  - (i) by a number of shareholders who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; (hereinafter sometimes referred to as the Physical General Meeting); or
  - (ii) by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting (hereinafter sometimes referred to as Electronic General Meeting); or
  - (iii) by a meeting held both physically and electronically (called Hybrid General Meeting); or
  - (iv) by means of a resolution in writing signed by not less than Eighty-Five per centum (85%) of the Shareholders who would be entitled to vote on a resolution at a meeting of Shareholders, who together hold not less than Eighty-Five per centum (85%) of the votes entitled to be cast on that resolution.
- (2) The Board shall determine whether a General Meeting is to be held as a Physical General Meeting as referred to in 58(1)(i) or held as an Electronic General Meeting as referred to in 58(1)(ii) or held as a Hybrid General Meeting, both physically and electronically, as referred to in 58(1)(iii) or by a Resolution in writing as referred to in 58(1)(iv).
- (3) The Board shall specify in the notice calling the General Meeting whether the meeting will be physical or electronic or hybrid or by a Resolution in writing. Such notice shall also specify (as applicable) the time, date, and place and/or electronic platform(s) of the General Meeting, as it is determined.
- (4) (i) When conducting an Electronic General Meeting, the Board shall enable persons to simultaneously attend by electronic means, with no shareholder necessarily in physical attendance at the Electronic General Meeting. The shareholders or their proxies present shall be counted in the quorum for, and entitled to vote at, the General Meeting in question.
  - (ii) If it appears to the Chairman of the General Meeting that the electronic platform(s), facilities, or security at the Electronic General Meeting have become inadequate for the purposes referred to herein then the Chairman may, without the consent of the meeting, interrupt to resolve

## NOTICE OF ANNUAL GENERAL MEETING

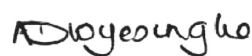
such inadequacy where possible or adjourn the General Meeting. All business conducted at that General Meeting up to the time of that adjournment shall be valid and the provisions of Article 62 shall apply to that adjournment.

- (iii) In relation to an Electronic General Meeting, the right of a shareholder to participate in the business of any General Meeting shall include, without limitation, the right to speak, vote on a poll, be represented by a proxy, and have access (including electronic access) to all documents which are required by the Act or these Articles to be made available for/at the meeting."
- (2) by the deletion of the first sentence of Article 61 and to replace it with "The Chairman or failing him, the Co-Chairman or failing both Chairman and Co-Chairman, the Deputy Chairman shall preside as Chairman at every General Meeting" and to interpolate the words "Co-Chairman or" between the words "or" and "Deputy Chairman" in the second sentence thereof ;
- (3) by the deletion of the word and figure "two (2)" in Article 80 of the Articles of Association and the substitution thereof of "five (5)" ;
- (4) by the substitution of the word "Special" in place of "Ordinary" in line 1 of Article 81 ;
- (5) by the deletion of first sentence of Article 87 and to substitute therefore 'At each Annual General Meeting one-third of the Directors for the time being, or if their number is not a multiple of three the number nearest to (but not greater than) one-third shall retire from office.' and to delete the words "the office of" in the second sentence of Article 87 and to substitute therefore of the words "hold executive office including" ;
- (6) by the inclusion of following paragraph at the end of Article 94 ;  
"Any Director so appointed shall hold office until the next Annual General Meeting and shall then be eligible for re-election by the shareholders but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting."
- (7) by the inclusion of the word "Co-Chairman," between the words "Chairman," and "Deputy Chairman," in line 4 of Article 97 ;
- (8) by the deletion of Article 116 in its entirety and to substitute therefore the following new Article 116 ;  
116.The Directors may appoint and remove a Chairman, Co-Chairman and Deputy Chairman of their meetings and may determine the period for which they are to hold office. If no Chairman or Co-Chairman or Deputy Chairman shall have been appointed, or if at any meeting the Chairman or failing him the Co-Chairman or failing both, the Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the Meeting."
- (9) by the deletion of Articles 120 under the existing heading, 'Alternate Directors' in its entirety and the substitution therefore of the following new Article 120;

### "ALTERNATE DIRECTORS

- 120. (i) Subject to the Statutes and other laws applicable in respect of the composition of the Board, a Director may, due to exceptional circumstances, by notice in writing under his hand delivered to the Secretary, nominate an individual to be appointed as an Alternate Director of the Company for a maximum period of one (1) year from the date of appointment to attend to the duties of the Director in his absence, and the following provisions of these Articles shall apply to any person so appointed.  
  
(ii) If an Alternate Director is appointed for a Non-Executive Director, such Alternate Director shall not be an executive of the Company.  
  
(iii) If an Alternate Director is appointed to represent an Independent Non-Executive Director, such Alternate Director shall meet the criteria for independence specified in the Listing Rules of the Colombo Stock Exchange.  
  
(iv) The appointment of an Alternate Director shall be subject to the approval of the Board."
- (10) by the inclusion of the words and figures 'including the signing of resolutions in writing to be passed by circulation under Article 117 hereof: at the end of Article 122(i);
- (11) by the inclusion of the words "Subject to Article 120, an" at the beginning of the Article 123 in place of the word "An";
- (12) by the inclusion of following paragraph at the end of Article 156 ;  
"The Company may serve notice by electronic mail to an electronic mail account notified by a shareholder in writing or any other acceptable means, to the Company or to the Central Depository Systems (Pvt) Ltd. Where electronic mail is used, the document or notice shall be deemed to have been received by the shareholder upon the dispatch of same by the Company through electronic mail."
- (13) by the inclusion of the following paragraph immediately after the word "newspaper" in Article 160;  
"The Company may if so permitted by Statute, publish any notice required to be given to the shareholders on the official website of the Company and/or on the official website of the Colombo Stock Exchange (so long as the Company is listed on the Colombo Stock Exchange)."

By Order of the Board  
VALLIBEL ONE PLC



P W CORPORATE SECRETARIAL (PVT) LTD  
Secretaries

June 3, 2025  
Colombo

# FORM OF PROXY

I/We\* .....  
 .....(NIC/Passport/Co. Reg. No. ....) of .....  
 ..... being a shareholder / shareholders of **VALLIBEL ONE PLC** hereby appoint .....  
 .....(NIC/Passport No. ....) of .....  
 ..... or failing him/her

Mr Dhammika Perera	or failing him*
Mr S H Amarasekera	or failing him*
Mrs Yogadinusha Bhaskaran	or failing her*
Mr J A S S Adhihetty	or failing him*
Ms A A Kawshi Amarasinghe	or failing her*
Ms K A D Brindhiini Perera	or failing her*
Mr H Manil A Jayasinghe	or failing him*
Mr Anura S. Fernando	or failing him*
Mrs K Devika Weerasinghe	or failing her*
Mrs Romany M A S Parakrama	or failing her*
Mr A Jonathan Alles	

as my/our\* proxy to represent and speak and vote as indicated hereunder for me/us\* and on my/our\* behalf at the Fifteenth (15th) Annual General Meeting of the Company to be held on 30th June 2025 and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

	For	Against
1. To re-elect Mr. S H Amarasekera as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Ms. K A D B Perera as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
3. To pass the ordinary resolution set out under item 1.4 of the Notice of Meeting for the re-appointment of Mr J A S S Adhihetty as a Director	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. K A D D Perera as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr. H M A Jayasinghe as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mr. A S Fernando as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-elect Mrs. K D Weerasinghe as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-elect Mrs R M A S Parakrama as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
9. To re-elect Mr. A J Alles as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
10. To re-appoint Messrs Ernst & Young, Chartered Accountants, as the Auditors of the Company and to authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
11. To authorise the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

## FORM OF PROXY

### 2 Special Business

	For	Against
(I) To pass the Special Resolution as set out in item 2.1 of the Notice of Meeting	<input type="checkbox"/>	<input type="checkbox"/>

In witness my/our\* hands this ..... day of ..... Two Thousand and Twenty Five.

.....  
Signature of Shareholder/s

\*Please delete what is inapplicable.

- Notes:**
1. A proxy need not be a shareholder of the Company
  2. Instructions as to completion appear overleaf.

### VALLIBEL ONE PLC

#### Instructions for completion

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be deposited at the Registered Office of the Company, Level 29, West Tower, World Trade Centre, Colombo 01 not later than 47 hours before the time appointed for the Meeting.
3. The Proxy shall –
  - (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
  - (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.



# INVESTOR FEEDBACK FORM

Your valued views are welcome to improve our reporting process. To request information or direct your concerns about this annual report, please complete the following and post or email your feedback to:

**Assistant General Manager-Finance**

Vallibel One PLC  
29th Floor, West Tower,  
World Trade Center,  
Echelon Square,  
Colombo 1.

Telephone: 0112445577  
Fax: 011244550  
Email Address: info@vallibel.com

Contact Details : .....

Name :

Permanent Address : .....

Contact Number : .....

Email :

Your relationship with Vallibel One PLC- please mark (v)

Shareholder - ☐

Employee - ☐

Regulatory body/Government - ☐

Customer/Business partner - ☐

Other - ☐

Your comments -



# CORPORATE INFORMATION

## NAME OF COMPANY

Vallibel One PLC

## LEGAL FORM

A public Quoted Company with limited liability incorporated under the provisions of the Companies Act No. 07 of 2007

## DATE OF INCORPORATION

9th June 2010

## COMPANY REGISTRATION NUMBER

PB 3831 PQ

## NATURE OF THE BUSINESS

Diversified holding company

## BOARD OF DIRECTORS

Mr. Dhammika Perera- Chairman

Mr. Harsha Amarasekera- Co-Chairman

Ms. Dinusha Bhaskaran- Managing Director

Mr. Sumith Adhihetty

Ms. Kawshi Amarasinghe

Ms. Brindhiini Perera

Mr. Manil Jayasinghe

Mr. Anura Fernando

Ms. Romany Parakrama

Ms. Devika Weerasinghe

Mr. Jonathan Alles

## REGISTERED OFFICE

Level 29, West Tower, World Trade Centre, Echelon Square, Colombo 1.

Telephone: 011 244 5577

Fax: 011 244 5500

Email: [info@vallibel.com](mailto:info@vallibel.com)

Web: [www.vallibelone.com](http://www.vallibelone.com)

## AUDITORS

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

## BANKERS

Hatton National Bank PLC

Pan Asia Banking Corporation PLC

Sampath Bank PLC

Standard Chartered Bank Ltd

MCB Bank Limited

National Development Bank PLC

Commercial Bank of Ceylon PLC

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