Central Finance Company PLC

PUBLICATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 29 (2) OF THE FINANCE BUSINESS ACT, NO. 42 OF 2011

INCOME STATEMENT	GROUP		COMPANY	
For the year ended 31st March	**2024 Rs.'000**	2023 Rs.'000	**2024 Rs.'000**	2023 Rs.'000
Income	**26,868,940**	24,473,972	**21,796,256**	19,571,547
Interest income	**19,500,264**	17,911,950	**19,039,764**	17,511,736
Interest expenses	**(6,372,075)**	(4,828,502)	**(6,452,630)**	(4,876,421)
Net interest income	**13,128,189**	13,083,448	**12,587,134**	12,635,315
Net income from financial instruments at FVTPL	**350,244**	67,093	**242,783**	55,902
Net other revenue	**1,377,648**	1,909,638	**-**	-
Operating lease income	**1,186,002**	1,026,926	**1,197,530**	1,032,832
Other income	**1,065,331**	719,079	**1,316,179**	971,077
Total operating income	**17,107,414**	16,806,184	**15,343,626**	14,695,126
Impairment and other credit losses	**(53,041)**	(843,425)	**(162,647)**	(696,644)
Net Operating Income	**17,054,373**	15,962,759	**15,180,979**	13,998,482
Operating expenses				
Personnel expenses	**(3,305,050)**	(2,851,023)	**(2,887,703)**	(2,477,206)
Premises, equipment, establishment and other expenses	**(3,108,238)**	(3,007,143)	**(2,857,842)**	(2,449,070)
	(6,413,288)	(5,858,166)	**(5,745,545)**	(4,926,276)
Operating profits before share of profit of equity accounted investees	**10,641,085**	10,104,593	**9,435,434**	9,072,206
Share of profit of equity accounted investees, net of tax	**2,664,448**	1,886,915	**-**	-
Operating profit before taxes on financial services	**13,305,533**	11,991,508	**9,435,434**	9,072,206
Taxes on financial services	**(1,879,274)**	(1,679,690)	**(1,879,274)**	(1,679,690)
Profit before tax	**11,426,259**	10,311,818	**7,556,160**	7,392,516
Income tax expense	**(3,239,319)**	(2,752,818)	**(2,765,727)**	(2,427,449)
Profit for the year	**8,186,940**	7,559,000	**4,790,433**	4,965,067
Profit attributable to :				
Equity holders of the parent	**7,842,275**	7,226,880	**4,790,433**	4,965,067
Non-controlling interest	**344,665**	332,120	**-**	-
Profit for the year	**8,186,940**	7,559,000	**4,790,433**	4,965,067
Basic and diluted earnings per share -Rs.	**34.49**	31.79		
Dividend per share -Rs.	**4.50**	4.25		

SELECTED KEY PERFORMANCE INDICATORS	As at 31.03.2024		As at 31.03.2023	
Item	**Actual**	**Required**	Actual	Required
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	**54.52%**	**10.00%**	52.60%	8.50%
Total Capital Adequacy Ratio	**54.88%**	**14.00%**	53.05%	12.50%
Capital funds to deposit liabilities ratio	**104.88%**	**10.00%**	110.61%	10.00%
Quality of loan Portfolio (%)				
Gross stage 3 loans ratio	**6.46%**		10.21%	
Net stage 3 loans ratio	**2.21%**		5.21%	
Net stage 3 loans to core capital ratio	**2.73%**		6.58%	
Stage 3 impairment coverage ratio	**65.70%**		48.96%	
Total impairment coverage ratio	**10.02%**		11.44%	
Profitability (%)				
Net interest margin	**15.84%**		15.71%	
Return on assets	**7.91%**		7.77%	
Return on equity	**9.96%**		10.99%	
Cost to income ratio	**37.45%**		33.52%	
Liquidity (%)				
Available liquid assets to required liquid assets (minimum 100%)	**610.73%**		627.59%	
Liquid assets to external funds	**61.33%**		63.29%	
Memorandum information				
Number of branches	**103**		103	
External credit rating	**A-(lka) by Fitch Ratings Lanka Ltd.**		**A-(lka) Rating Watch Negative by Fitch Ratings Lanka Ltd.**	
Regulatory penalties imposed last 6 months				
Amount (Rs.Mn)	**None**		None	
Regulatory deposit restrictions				
Cap on total deposits (Rs.Mn)	**None**		None	
Downsizing of deposits - per month/quarter/year (Rs.Mn)	**None**		None	
Freezing of deposits	**None**		None	
Regulatory borrowing restrictions				
Cap on total borrowings (Rs.Mn)	**None**		None	
Downsizing of borrowings - per month/quarter/year (Rs.Mn)	**None**		None	
Freezing of borrowings	**None**		None	
Regulatory lending restrictions				
Cap on total lending portfolio (Rs.Mn)	**None**		None	
Downsizing of lending portfolio - per month/quarter/year (Rs.Mn)	**None**		None	
Restrictions on granting new credit facilities and/or extending the terms of existing credit facilities	**None**		None	
Any other regulatory restrictions	**None**		None	

Independent Auditors' Report

KPMG

KPMG
(Chartered Accountants)
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TO THE SHAREHOLDERS OF CENTRAL FINANCE COMPANY PLC

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Central Finance Company 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 31st March 2024, and the income statement, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies as set out on pages 118 to 245 of this Annual Report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka ("Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Allowance for Impairment of Loans and Receivables from Customers and Net Investment in Leases and Hire Purchases

Refer to Note 3 (Accounting judgment, Estimates and Assumptions), Note 17 (Impairments and other credit losses), Note 30 (Financial assets at amortized cost- Loans and receivables from customers) and Note 31 (Financial assets at amortized cost- Net investment in leases and hire purchase) to these financial statements.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	GROUP		COMPANY	
For the year ended 31st March	**2024 Rs.'000**	2023 Rs.'000	**2024 Rs.'000**	2023 Rs.'000
Profit for the year	**8,186,940**	7,559,000	**4,790,433**	4,965,067
Other comprehensive income/(expense) to be reclassified to income statement				
Fair value gain on debt securities at fair value through other comprehensive income				
Share of equity accounted investee, net of tax	**952,982**	498,520	**-**	-
Total other comprehensive income/(expense) to be reclassified to income statement	**952,982**	498,520	**-**	-
Other comprehensive income/(expense) not to be reclassified to income statement				
Actuarial losses on defined benefit plans	**(145,752)**	(45,247)	**(135,342)**	(52,660)
Deferred tax impact on acturial losses	**43,752**	13,573	**40,603**	15,798
	(102,000)	(31,674)	**(94,739)**	(36,862)
Share of equity accounted investee, net of tax	**(24,722)**	(8,111)	**-**	-
Revaluation of land & buildings				
Gain on revaluation of land & buildings	**1,184,820**	-	**941,777**	-
Deferred tax impact on revaluation reserve	**(306,506)**	-	**(282,533)**	-
	878,314	-	**659,244**	-
Share of equity accounted investee, net of tax	**14,661**	66,546	**-**	-
Deferred tax impact on revaluation reserve due to change of income tax rate	**-**	(453,286)	**-**	(278,959)
Deferred tax impact on revaluation reserve due to change of income tax rate-Share of equity accounted investee	**-**	(42,718)	**-**	-
Total other comprehensive income/(expense) not to be reclassified to income statement	**766,253**	(469,243)	**564,505**	(315,821)
Other comprehensive income/(expense) for the year (net of tax)	**1,719,235**	29,277	**564,505**	(315,821)
Total comprehensive income for the year	**9,906,175**	7,588,277	**5,354,938**	4,649,246
Total comprehensive income Attributable to:				
Equity holders of the parent	**9,466,177**	7,314,015	**5,354,938**	4,649,246
Non-controlling interest	**439,998**	274,262	**-**	-
Total comprehensive income for the year	**9,906,175**	7,588,277	**5,354,938**	4,649,246

STATEMENT OF FINANCIAL POSITION	GROUP		COMPANY	
As at	**31.03.2024 Rs.'000**	31.03.2023 Rs.'000	**31.03.2024 Rs.'000**	31.03.2023 Rs.'000
ASSETS				
Cash and cash equivalents	**905,389**	992,061	**755,076**	528,494
Fair value through profit or loss financial assets	**3,908,515**	649,071	**3,029,889**	377,996
Securities bought under repurchase agreements	**6,200,535**	3,409,480	**6,090,306**	3,409,480
Financial assets at amortised cost- Debt and other financial instruments	**28,971,594**	28,039,980	**26,599,900**	26,332,972
Financial assets at amortised cost- Loans and receivables from customers	**5,958,437**	5,263,446	**5,944,936**	5,263,546
Financial assets at amortised cost- Net investment in leases and hire purchase	**44,203,016**	41,064,140	**44,203,016**	41,064,140
Trade receivables	**1,000,140**	1,074,527	**-**	-
Investments in subsidiaries	**-**	-	**407,979**	381,614
Investments in equity accounted investees	**14,532,496**	11,121,423	**1,731,672**	1,654,509
Inventories and other stocks	**1,064,686**	1,386,916	**89,814**	79,202
Investment properties	**66,611**	78,800	**66,611**	78,800
Property, plant and equipment	**13,228,686**	12,246,039	**10,566,848**	9,840,721
Right of use assets	**468,191**	429,616	**502,090**	497,414
Intangible assets	**274,693**	314,727	**270,266**	314,024
Current tax assets	**43**	34	**-**	-
Deferred tax assets	**24,072**	20,269	**-**	-
Other assets	**722,641**	633,201	**483,992**	388,155
Real estates held for sale	**4,368**	5,155	**4,368**	5,155
Total assets	**121,534,113**	106,728,885	**100,746,763**	90,216,222
LIABILITIES				
Bank overdrafts	**464,254**	225,173	**414,157**	170,584
Financial liabilities at amortised cost -Deposits	**43,737,485**	38,228,102	**44,200,604**	38,532,558
Financial liabilities at amortised cost -Interest bearing borrowings	**18,024**	74,226	**-**	38,922
Lease liabilities	**472,351**	416,352	**517,267**	501,736
Employee benefit obligations	**2,533,524**	2,072,381	**2,365,673**	1,922,762
Current tax liabilities	**776,389**	1,517,316	**567,804**	1,284,886
Deferred tax liabilities	**1,626,370**	1,400,623	**1,125,451**	937,912
Other liabilities	**1,559,915**	1,348,992	**1,237,195**	904,182
Total liabilities	**51,188,312**	45,283,165	**50,428,151**	44,293,542
EQUITY				
Stated capital	**2,230,286**	2,230,286	**2,230,286**	2,230,286
Statutory reserve fund	**3,204,000**	2,964,000	**3,204,000**	2,964,000
Revaluation reserve	**5,384,232**	4,597,308	**3,953,451**	3,299,945
Fair value reserve	**1,053,010**	100,028	**-**	-
Loan loss reserve	**920,000**	920,000	**920,000**	920,000
General reserve	**23,402,957**	23,402,957	**23,391,776**	23,391,776
Retained earnings	**31,857,928**	25,330,663	**16,619,099**	13,116,673
Total equity, excluding non-controlling interest	**68,052,413**	59,545,242	**50,318,612**	45,922,680
Non-controlling interest	**2,293,388**	1,900,478	**-**	-
Total equity	**70,345,801**	61,445,720	**50,318,612**	45,922,680
Total liabilities and equity	**121,534,113**	106,728,885	**100,746,763**	90,216,222
Net asset value per share - Rs.	**299.32**	261.90	**221.32**	201.99

These financial statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

W.M.T.W.Weerasinghe
Chief Financial Officer

The Board of directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the board.

E.H. Wijenaike
Managing Director

A. K. Gunaratne
Deputy Managing Director

20th May 2024
Colombo

RISK DESCRIPTION	OUR RESPONSES
As disclosed in Note 30 & 31 to these financial statements, the Company has recorded financial assets measured at amortized cost against loans and receivables from customers and net investment in leases and hire purchase of Rs. 7,048 Mn and Rs. 48,683 Mn respectively as at 31st March 2024. High degree of complexity and judgment are involved in estimating Expected Credit Loss (ECL) of Rs.1,103 Mn and Rs.4,480 Mn against loans and receivables from customers and net investment in leases and hire purchase respectively as at the reporting date. Allowance for expected credit losses (ECL) is a key audit matter due to the significance of the loans and receivables and net investment in leases and hire purchase balances to these financial statements and the inherent complexity of the Company's ECL models used to measure ECL allowances. These models are reliant on data and estimates including multiple economic scenarios and key assumptions such as defining a significant increase in credit risk (SICR). SLFRS 9 Financial Instruments requires the Company to measure ECLs on a forward-looking basis reflecting a range of economic conditions. Post-model adjustments are considered to address known ECL model limitations or emerging trends in the loan portfolios. We exercise significant judgement in challenging the economic scenarios and the judgmental post-model adjustments. Additional subjectivity and judgement are required due to the heightened uncertainty associated with the impact of the economic outlook and its impact on customers, increasing our audit effort thereon. SICR identification is a key judgement within the ECL methodology, as this criterion determines if a forward-looking 12 month or lifetime allowance is recorded. Additionally, allowances for individually assessed loans and leases exceeding specific thresholds are assessed. We exercise significant judgement in challenging the assessment of specific allowances based on the expected future cash repayments and estimated proceeds from the value of the collateral held in respect of the loans and leases.	Our audit procedures to assess the allowances for ECL included the following: Testing key controls of the Company in relation to: ● The ECL model governance and validation processes which involved assessment of model performance; ● The assessment and approval of the forward-looking macroeconomic assumptions and scenario weightings through challenge applied by internal governance processes; ● Reconciliation of the data used in the ECL calculation process to gross balances recorded within the general ledger as well as source systems; and ● IT system controls which record loans days past due, and non-performing loan and lease classification. *Assessing the adequacy of collectively assessed impairment.* We tested key controls of the Company by: ● Obtaining an understanding of the processes to determine ECL allowances of the Company, and evaluating the ECL model methodologies of the Company against established market practices and criteria in the accounting standards; ● Assessing the accuracy of the data used in the ECL models by checking a sample of data fields such as account balances and staging with the relevant source systems; ● By working with our Financial Risk Management (FRM) specialist we carried out the following procedures ○ Challenging the Company's forward-looking macro-economic assumptions and scenarios incorporated in the ECL models by comparing the economic factors used to relevant publicly available macro-economic information, to identify contradictory indicators; and ○ Assessing the accuracy of the ECL model estimates by re-performing, for a sample of loans and leases, the calculation of the ECL allowance using our independently derived calculation and comparing this to the amount recorded by the Company ● Reviewing the deliverables submitted by the component auditors (other KPMG audit teams) as per the Group Audit Instructions to assess the reasonableness of the considerations of the prevailing economic conditions to evaluate any implications that could arise at the Group level stemming from issues at subsidiary/associate level including adequacy of allowances for ECL as at reporting date. *Assessing adequacy of impairment for individually significant customers (ISL)* Selecting a sample of larger customers (based on quantitative threshold set by the Company for ISL customers) where impairment indicators have been identified by management and assessed as higher risk or impaired, and a sample of other loans and leases, focusing on larger exposures assessed by the Company as showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions and in particular considering the potential implications of prevailing economic conditions). Obtaining management's assessment of the recoverability of these exposures (including individual impairment calculations) and assess whether individual impairment provisions, or lack of, were appropriate. This included the following procedures: ● Evaluating management's assessment of recoverability of the forecasted cash flows by comparing them to the historical performance of the customers, their financial position and the expected future performance where applicable; ● Assessing external collateral valuer's credentials and comparing external valuations to values used in management's impairment assessments, forecasted timing of future cash flows in the context of underlying valuations and approved recovery plans and challenging key assumptions in the valuations; ● Exercising our judgment, our procedures included using our understanding of relevant segments and the macroeconomic environment and comparing with the data and assumptions used by the Company in recoverability assessment. Where relevant we assessed the forecast timing of future cash flows in the context of underlying valuations, and recovery plans and evaluating the key assumptions in the valuations; ● Testing the implementation of the Company's SICR methodology by re-performing the staging calculation for a sample of loans and leases; ● For a sample of customer loans and leases which were not identified as displaying indicators of impairment by management, we reassessed the conclusions made by the management by reviewing the historical performance of the customers and form our own view whether any impairment indicators were present; ● Assessing the ongoing effectiveness of the SICR criteria and independently calculating the loans' stage to determine whether a SICR event had occurred; and ● Assessing the completeness of additional allowance overlays by checking the consistency of risks we identified in the loan and lease portfolios against the assessment of the Company Assessing the adequacy of post model adjustments We challenged key assumptions in the components of the Company's post-model adjustments to the ECL allowance balance. This included: ● Assessing post-model adjustments against the ECL model of the Company and data deficiencies identified in the ECL model validation processes, particularly in light of the significant volatility in economic scenarios; and ● Comparing underlying data used in concentration risk and economic cycle allowances to underlying loan and lease portfolio characteristics of recent loss experience, current market conditions and specific risks in the loan and lease portfolios of the Company, ● Evaluating and challenging the key assumptions in the components of the Company's post-model adjustments to the ECL allowance balance. This included assessing the requirement for additional allowances considering the Company's ECL model and data limitations identified by the Company's ECL model validation processes, particularly in light of the extreme volatility in economic scenarios caused by the prevailing economic conditions; and ● Assessing the completeness of post-model adjustments by checking the consistency of risks we identified in the loan portfolios against the Company's assessment, and verifying the accuracy through recomputation. We also assessed the appropriateness of the related disclosures in the financial statements using our understanding obtained from our testing and against the requirements of Sri Lanka Accounting Standards.

IT SYSTEMS AND CONTROLS OVER FINANCIAL REPORTING

RISK DESCRIPTION	OUR RESPONSES
The Company's businesses utilize many complex, interdependent Information Technology (IT) systems to process and record a high volume of transactions. The controls over access, changes to and operation of IT systems are key to the recording of financial information and the preparation of financial statements which provide a true and fair view of the Company's financial position and performance. The IT systems and controls, as they impact the recording and reporting of financial transactions, is a key audit matter as our audit approach could significantly differ depending on the effective operation of the Company's IT controls.	We worked with our internal IT specialists to perform audit procedures to test the technology control environment for key IT applications (systems) used in processing significant transactions and recording balances in the general ledger. We also tested automated controls embedded within these systems which link the technology-enabled business processes. Our further audit procedures included: *General IT controls design, observation and operation* ● Assessing the governance and higher-level controls in place across the IT Environment, including those regarding policy design, policy review and awareness, and IT Risk Management practices; ● Obtaining an understanding and testing operating effectiveness of the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, monitor system integrity, program development and computer operations; and ● Data integrity of critical system reporting used by us in our audit to select samples and analyze data used by management to generate financial statements. *Application controls* Design and operating effectiveness testing of key automated business process controls including those relating to enforcing segregation of duties to avoid conflicts from inappropriate role combinations within IT applications. ● On sample basis, re-performed selected automated computations and compared our results with those from the system and the general Ledger. *User access controls operation* Design and operating effectiveness testing of key controls across the user access management ● Assessing the management's evaluation of access rights granted to applications relevant to financial accounting and reporting systems; ● Evaluate the design and operating effectiveness of IT controls, including those related to user access and change management; and ● Assessing the operating effectiveness of controls over granting, removal and appropriateness of access rights. Where our testing identified design and operating effectiveness matters relating to IT systems or application controls relevant to our audit, we performed alternative audit procedures, including consideration of mitigating controls.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

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

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

● Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

● Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.

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

● Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 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 auditors' 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 auditors' report is FCA 2294.

Chartered Accountants
Colombo, Sri Lanka

20th May 2024

C.P. Jayatilake FCA, Ms. S. Joseph FCA, R.M.D.B. Rapapakse FCA, M.N.M. Shameel FCA, Ms. P.M.K. Sumamasekara FCA, T.J.S. Rajakarier FCA, W.K.D.C. Abeyrathne FCA, Ms. B.K.D.T.N. Rodrigo FCA, Ms. C.T.K.N. Perera ACA, R.W.M.O.W.D.B. Rathnadiwakara FCA, W.W.J.C. Perera FCA, G.A.U. Karunaratne FCA, R.H. Rajan FCA, A.M.R.P. Alahakoon ACA

Principais - S.R.I. Perera FCMA(UK), LLB Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyard FCMA (UK), FCIT K. Somasundaram ACMA (UK)