



# Nurturing Growth, Empowering the Nation



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Growth is not measured by numbers alone—it is reflected in the resilience of our land, the strength of our industries, and the well-being of our communities. At CIC Holdings, what began generations ago as a commitment to nourish and sustain has evolved into a broader mission: to uplift lives, drive innovation, and contribute meaningfully to national development.

This year marks a pivotal chapter in that journey. With strong foundations in place, we are entering a phase of purposeful expansion—investing in smarter solutions, sustainable practices, and future-ready technologies that address today's needs while preparing for tomorrow's challenges.

As we look to the future, we remain committed to deepening our impact across every sector we serve—guided by our responsibility to do what is right for people, communities, and the nation. This is nurturing growth and empowering the nation in its truest form: a legacy built on care, and a future shaped by innovation, purpose, and unwavering dedication to Sri Lanka.

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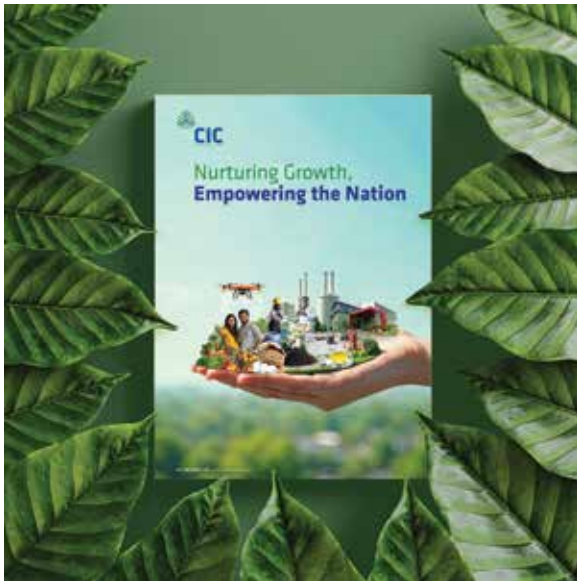
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Comprehensive Income



# ABOUT THE REPORT



## REPORTING FRAMEWORK

The following regulatory requirements, standards and codes have influenced the preparation of this Annual Integrated Report. This report covers the operations of CIC Holdings PLC, its subsidiaries and associates as set out below. Associates who are accounted for under the equity method are excluded from the non-financial reporting boundary for this year.

### FRAMEWORKS

#### Regulatory

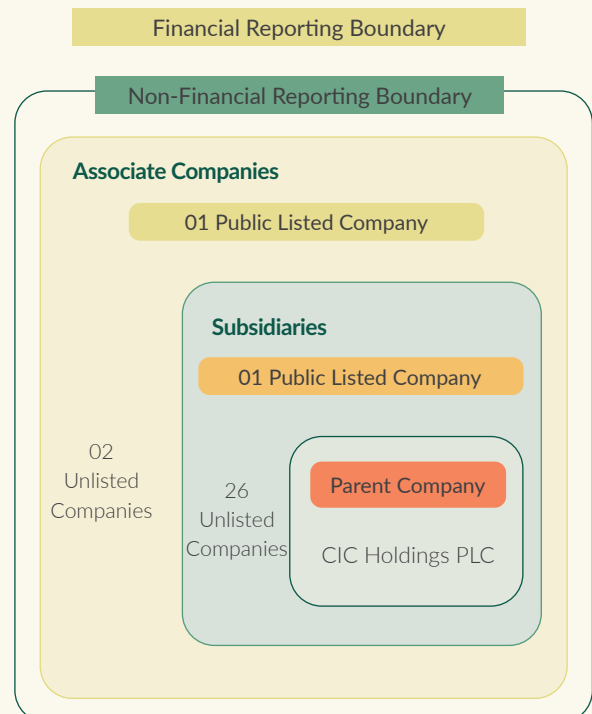
- Companies Act No.7 of 2007
- Sri Lanka Financial Reporting Standards
- CSE Listing Rules

#### Voluntary

- <IR> Framework
- GRI Universal Standards
- Code of Best Practice on Corporate Governance
- SASB Standards for
  - Resource Transformation - Chemicals
  - Resource Transformation - Containers & Packaging
  - Healthcare - Biotechnology & Pharmaceuticals
  - Healthcare - Healthcare Distributors
  - Food & Beverages - Agricultural Products
  - Food & Beverages - Meat, Poultry & Dairy

We are proud to say that this is the 62nd Annual Report and this Integrated Report comprising the Financial Statements and the narrative report which summarise the performance of the Group for the financial year ending 31st March 2025. We seek to provide a balanced account of the performance in a concise and transparent manner, ensuring that readers have sufficient information on important topics. This report improves and builds on the previous Annual Report for the financial year 2023/24 as we aspire to drive significant improvement with each reporting cycle.

### REPORTING ENTITY, BOUNDARY AND SCOPE



# ABOUT THE REPORT

Our plans for complying with SLFRS S1 and S2 are underway, and we are refraining from early adoption given the extensive requirements relating to data gathering, analysis and modelling. As stated elsewhere in this report, we have complied with a number of requirements on the path to full compliance. However, we are taking the approach that systems need to be rigorously tested to ensure integrity of information presented to stakeholders

**ASSURANCE**

KPMG has provided assurance on Financial Statements including the notes to the accounts

**CONNECTIVITY OF INFORMATION**

The connectivity of information has been improved by the use of the following icons throughout the report.

**Reporting Principles**

- Strategic Focus & Future Orientation
  - Sustainability Context
  - Connectivity of information
  - Stakeholder Relationships
  - Accuracy
  - Balance
- Clarity
  - Comparability
  - Completeness
  - Conciseness
  - Timeliness
  - Verifiability



Governance



Risk

**Capital Navigation**



FINANCIAL CAPITAL



MANUFACTURED CAPITAL



INTELLECTUAL CAPITAL



HUMAN CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL



NATURAL CAPITAL

**Stakeholders**



CUSTOMERS



EMPLOYEES



BUSINESS PARTNERS



GOVERNMENT & REGULATORS



COMMUNITIES



INVESTORS

**Strategy**



BUSINESS SUSTAINABILITY



BUSINESS GROWTH



PEOPLE DEVELOPMENT



TECHNOLOGY ENABLING



IMPROVE CUSTOMER EXPERIENCE & PRODUCTIVITY

**FORWARD LOOKING STATEMENTS**

Forward looking statements based on our perceptions, opinions and views of external and internal information available at present are included in this report to enable assessment of the Group's ability to create value in the future. These statements are associated with relatively high levels of uncertainty which can be confirmed only with the benefit of hindsight as they relate to future events, outcomes and impacts which are beyond our control but have a significant impact on our ability to create value. We wish to advise users of the heightened levels of uncertainty in forward looking

statements, the fluidity of markets and key economic indicators which remain extremely volatile. Users are advised to make their own judgements using the latest information available at the time of assessment. All forward looking statements are provided without recourse or any liability whatsoever to the Board or other preparers of the Annual Report due to the reasons enumerated above.

**STATEMENT OF RESPONSIBILITY**

The Board acknowledges its responsibility to ensure that the Annual Integrated Report provides a balanced view of its performance in 2024/25 and is of the

opinion that it addresses all material issues that it believes may have a bearing on the Group's capacity to create value over the short term. The reports were unanimously approved by the Board on 31st May 2025.

Management of the CIC Holdings PLC have prepared and reviewed the Integrated Annual Report and the Corporate Governance, Risk & Capital Management Report and submitted the same to the Audit Committee who recommended the reports to the Board for approval in accordance with the delegation of authority.

# ABOUT US

CIC Holdings PLC is a leading diversified conglomerate listed on the Colombo Stock Exchange with operations across the agriculture, industrial, health care and livestock sectors of the economy. Counting over 60 years in operations, we have a broad presence over multiple value chains across the country, connecting rural communities to economic activity. Our focus on research and development and introducing new technology and solutions into the sectors we operate ensures that our business verticals lead in their respective spheres of activity. A sustainable business model drives our growth as we seek to expand our horizons.

## OUR VISION

To be the most respected and admired corporate for the positive impact we make on society by nurturing the lives of those we touch.

## OUR MISSION

Harnessing science and modern technology, we will provide solutions of superior quality which are efficient and safe. We will build rewarding and lasting relationships with our stakeholders and be a significant entity in every sector we operate.

## OUR VALUES

	<p><b>OWNERSHIP &amp; ACCOUNTABILITY:</b> This is my business, and I take responsibility for my promises and actions</p>
	<p><b>TEAMWORK &amp; TRUST:</b> We rely on each other to unleash the power of working together</p>
	<p><b>INTEGRITY &amp; RESPECT:</b> Honesty &amp; Truth are paramount: we respect the law and each other</p>
	<p><b>ENTREPRENEURIAL &amp; INNOVATIVE:</b> We will constantly challenge boundaries seeking new horizons</p>
	<p><b>CUSTOMER FOCUS &amp; QUALITY:</b> The customer comes first: we will not compromise on the standards of our products and services</p>
	<p><b>BIAS FOR ACTION &amp; WINNING SPIRIT:</b> No stone will be left unturned in the pursuit of the goals</p>



### LIVESTOCK SOLUTIONS

- Feeds
- Poultry
- Vetcare



### HEALTH & PERSONAL CARE

- Pharmaceuticals
- Medical Devices
- Personal Care
- Herbal Health Care



### INDUSTRIAL SOLUTIONS

- Construction Material
- Industrial Raw Material
- Packaging



### CROP SOLUTIONS

- Lawn & Garden
- Plant Nutrition
- Plant Protection
- Seeds

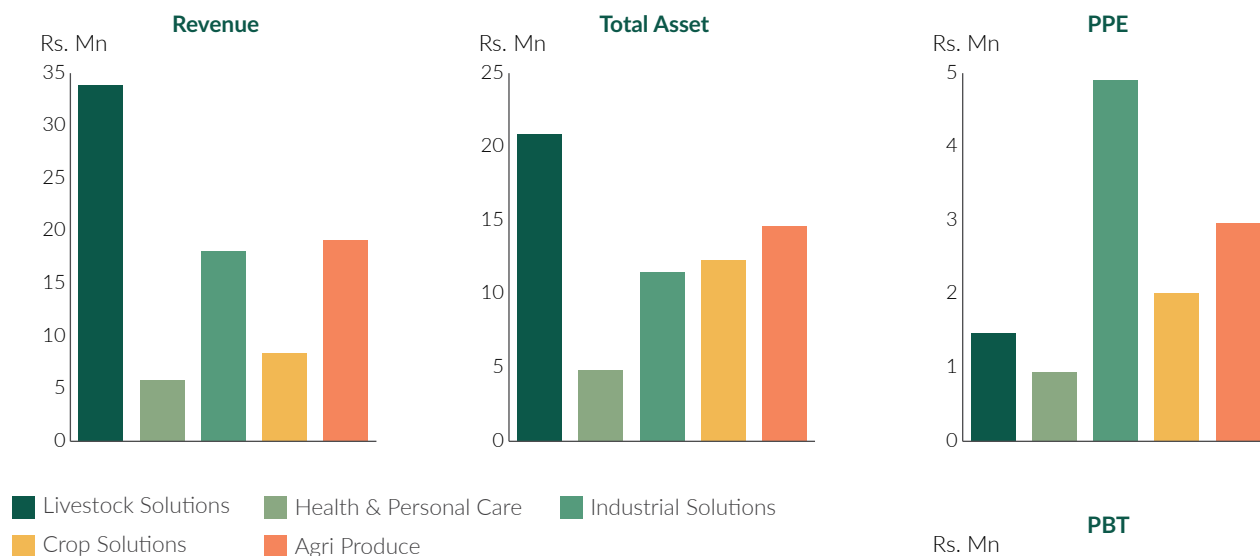


### AGRI PRODUCE

- Agri Produce Retail Chain
- Agri Resort
- Dairy
- Farms
- Fruits & Vegetables
- Grains
- Rice



## ABOUT US

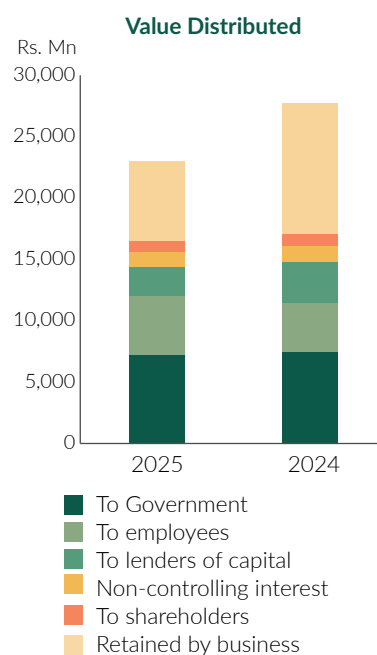
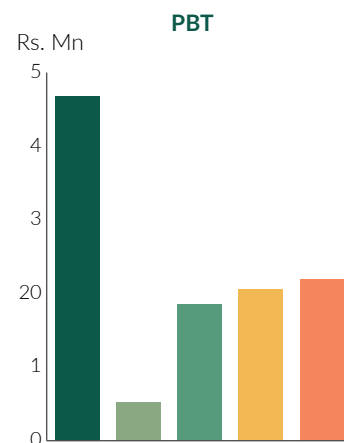


### OUR SOCIOECONOMIC IMPACT

The socioeconomic impact of the CIC Group is significant due to the scale and diversity of our operations.

### VALUE CREATION & DISTRIBUTION

Group	2024/25 Rs. Million	2023/24 Rs. Million
Total revenue	83,292	76,424
Purchase of goods and services	(61,650)	(50,972)
Other operating income		
Finance & Other income	1,139	1,033
Share of profits of equity-accounted investees before tax	898	1,169
Total value added by the Group	23,679	27,747
<b>Distributed as follows</b>		
To Government	7,897	7,480
To employees	4,804	3,941
To lenders of capital	2,379	3,386
Non-controlling interest	1,187	1,278
To shareholders	947	947
Donations & Community Investments	3	3
Retained for reinvestments and future growth		
- As Depreciation & Impairments	1,019	969
-As reserves	5,443	9,743
	23,679	27,747

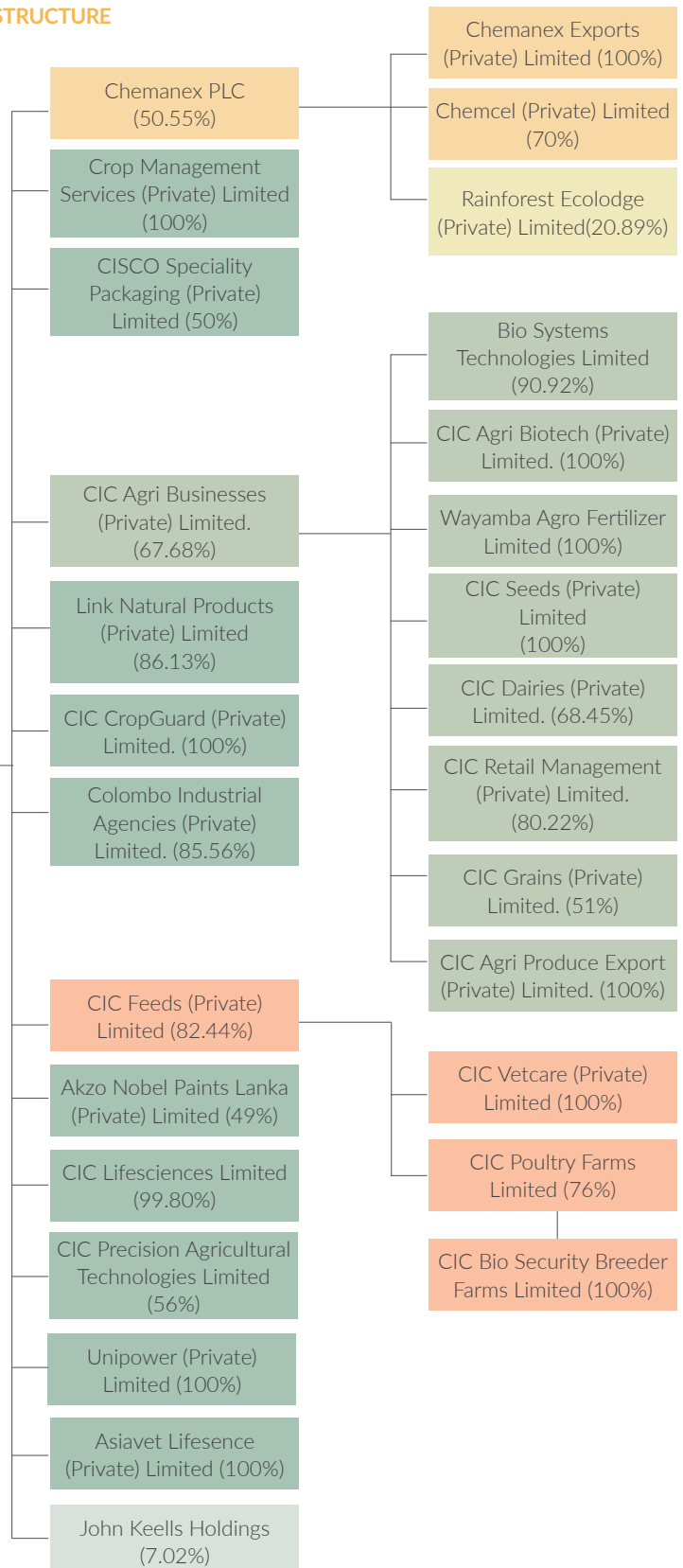


Total value added/distributed declined by 15% due to the bargain on purchase which is not a recurrent item. Value distributed to employees increased by 22% and amounted to 21% of value created. Value distributed to shareholders remained at Rs.947 Mn in both years. Value distributed to other stakeholders declined during the year in line with the value created during the year.

#### DRIVING ECONOMIC GROWTH

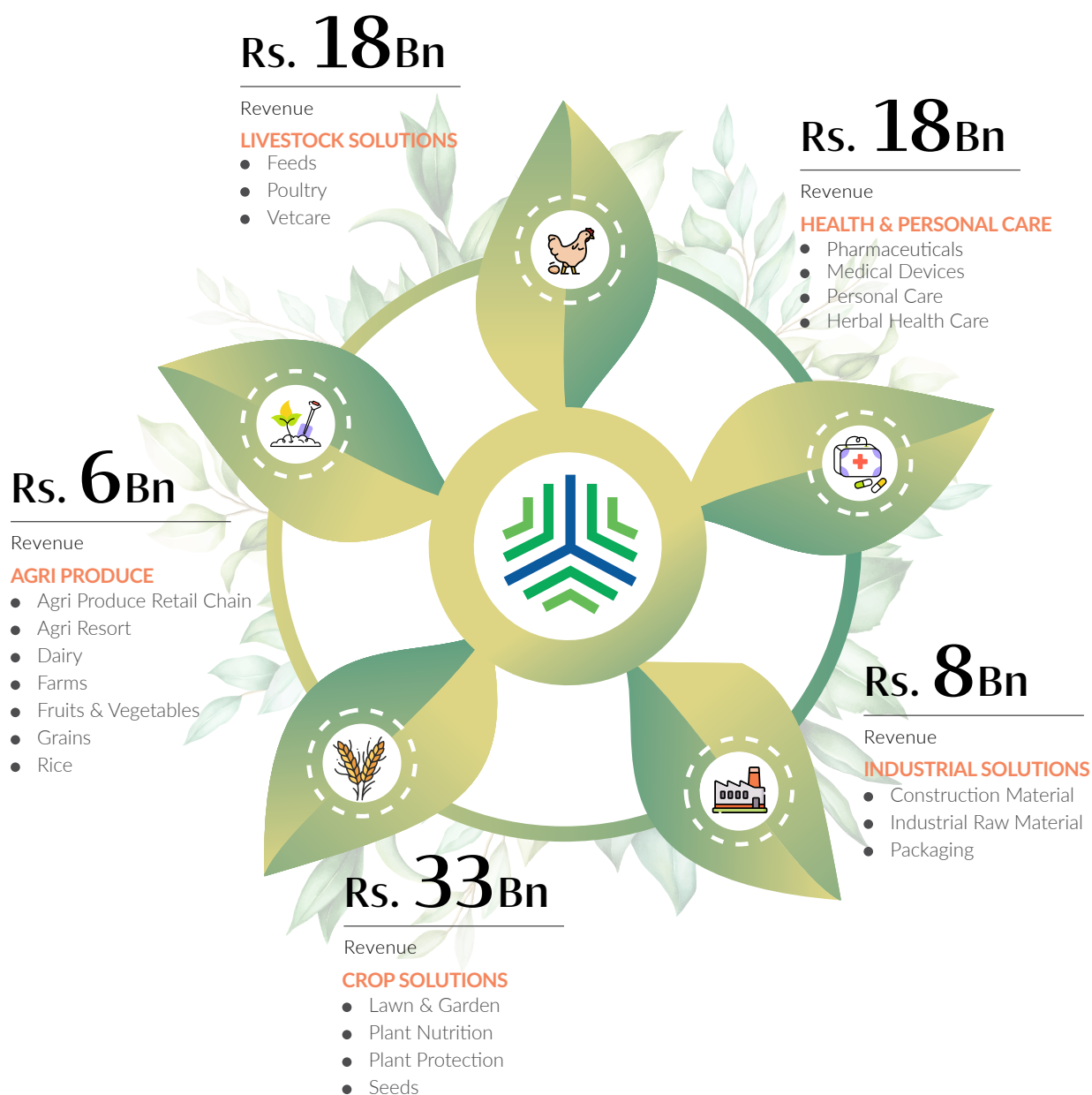
The CIC Group invested Rs. 4.26Bn in growth sectors for 2024/25.

#### THE GROUP STRUCTURE



## PERFORMANCE REPORT

The 'starburst' symbol depicts both the convergence of CIC's various business entities towards one common purpose, which is 'Nurturing Life', and divergent positive impact of these businesses in their respective sectors.





# FINANCIAL & OPERATIONAL HIGHLIGHTS

For the year ended 31st march		Group	
		2025	2024
<b>Earning Highlights and Ratios</b>			
Group revenue	Rs. '000	83,291,872	76,424,242
Group operating profit before interest and tax	Rs. '000	10,436,490	10,673,653
Income tax expense	Rs. '000	(2,877,071)	(2,543,225)
Profit for the year from continuing operations	Rs. '000	6,333,452	10,974,197
Profit/(loss) for the year from discontinued operations	Rs. '000	296,028	47,197
Other comprehensive income	Rs. '000	895,772	3,577,528
Total comprehensive income	Rs. '000	7,525,252	14,598,922
Profit attributable to equity holders of the Company	Rs. '000	5,442,417	9,743,258
Dividend Paid	Rs. '000	947,700	947,700
Basic/Diluted earnings per share (EPS)	Rs.	14.36	25.70
<b>Interest cover</b>	Number of times	6.69	4.55
Return on equity (ROE)	%	14%	28%
Return on assets (ROA)	%	8%	19%
Pre-tax return on capital employed (ROCE)	%	17%	20%
<b>Statement of Financial Position - Highlights and Ratios</b>			
Total Assets	Rs. '000	89,456,283	78,487,258
Total Equity	Rs. '000	46,426,823	39,994,876
Total Debts	Rs. '000	28,235,667	25,425,607
Equity attributable to equity holders of the Company	Rs. '000	40,119,581	34,893,140
Number of shares in issue	Number	379,080,000	379,080,000
Net assets per share	Rs.	105.83	92.05
Debt/Equity	%	60.82	63.57
Debt/Total assets	%	31.56	32.39
<b>Market/Shareholder Information</b>			
Market price per share as at 31st March			
Ordinary	Rs.	117.25	70.50
Non-Voting (Class X )	Rs.	77.90	52.50
Dividend per share			
Interim paid	Rs.	-	-
Final proposed	Rs.	2.50	2.50
Market capitalisation	Rs.Mn	41,005	25,151
Float adjusted market capitalisation	Rs.Mn	22,540	14,028
Price earnings ratio			
Ordinary	Number of times	8.17	2.74
Non-Voting (Class X )	Number of times	5.42	2.04
<b>Other Information</b>			
Total employees	Number	2,313	2,272
Revenue per employee	Rs. '000	36,010	33,637
Total value addition to employees	Rs. '000	4,803,751	3,940,725
Value addition to lenders of the capital	Rs. '000	3,566,179	4,663,731
Total taxes paid to Government	Rs. '000	7,897,163	7,480,200

## CHAIRMAN'S MESSAGE



" It is noteworthy that CIC does well in times of stress in the economy as we are resilient and agile and balancing this with the right diversification options is key to growth in the next few years. "

### Dear Stakeholders,

It is my pleasure to present the Annual Integrated Report of CIC Holdings PLC (CIC) for the financial year ended 31st March 2025. CIC has once again delivered solid growth in earnings from its core businesses and strengthened its financial position with all sectors of the Group contributing positively to the bottom line. It is thus encouraging to note that all sector recorded positive top line growth, maintaining leadership in multiple business segments.

### A SUSTAINABLE BUSINESS MODEL

The theme of our Annual Report, Nurturing Growth: Empowering the Nation reflects CIC's relevance to the socioeconomic progress of our country. Our businesses are a vital part of multiple value chains that connect Sri Lankan communities to resources that support livelihoods, nutrition, health and well-being and an aspirational lifestyle. The Group's products touch every Sri Lankan home and are very much a part of family life as depicted on the cover of this Annual Report.

CIC plays a critical role in the country's food security and is a leading player in the sector. Our presence in the value chain through Crop Solutions covers seeds, fertilizer, weedicides and pesticides that support better harvests while the Livestock sector plays a vital role in good nutrition through the provision of poultry, chicks and support for poultry farmers thereby facilitating the availability of the most cost-effective proteins for a balanced diet. The Group's Agri Produce sector supports health and nutrition with rice varieties, fruit,

fresh produce and value-added fresh produce. The dedicated research and development work undertaken by our team to formulate a more resilient and efficient agriculture sector at its Seed, Soil, Tissue Culture and Food laboratories sets CIC a cut above its competitors and plays an invaluable role in developing weather resistant and pest resistant seeds which includes the conducting trials and documenting results required regulatory approval.

CIC's Healthcare sector encompasses a comprehensive portfolio that caters to the needs of the allopathic medicine system while also offering a range of ayurvedic remedies that can be taken with relative ease. As a Group, CIC has been conscious of the need to introduce new technologies and new treatments thereby playing the role of a catalyst not only in ensuring that Sri Lankans have access to cutting edge medication but also that such medication is available at affordable prices. This quest has seen the Group engaged in local manufacturing as well as adapting its sourcing strategies in order to procure requisite molecules via cost-effective means. As it is a highly regulated sector, the time taken to take molecules through approval to commercialization is approximately 2 years and requires highly specialized skills to navigate the process. CIC maintains pipelines of molecules and devices that are currently moving through various stages of the approval process in order to extend the range of treatments and diagnostics available in the country. Our ayurveda products also go through a rigorous process of research, development, trials, documentation and approval prior to commercialization.

The Industrial Solutions sector plays a key role in manufacturing and importing inputs required by the industrial sector, supporting both manufacture for the local industry as well as the export industry. Providing high quality containers for the food and beverages sector, we facilitate catering facilities required to meet modern lifestyles. Raw materials are also provided for the paint industry in collaboration with our associate company Akzo Nobel as well as through other

entities. The availability of these materials locally strengthen and stabilize supply chains of local manufacturers thereby enabling each manufacturer to focus on excellence in their manufacturing processes.

In keeping with our vision, CIC's products have found their way into the shopping baskets of the average Sri Lankan consumer, ranging from the rice and fresh produce from our farms to our herbal healthcare products, as well as to the chicken and eggs that provide the most cost-effective protein in a balanced daily diet. Most homes are likely to have CIC products protecting their walls while the food grade containers produced are likely put to multiple uses in the home and garden after consumption of the contents. Our health products are changing lives with access to affordable medicines and life changing treatments. For more than 60 years CIC has grown the value propositions to Sri Lankans, relevant in rural and urban homes alike.

#### PATH TO NORMALCY

The year under review is the first year of stability and normalcy after 2018/19 which were marked by shocks that had a profound impact on the country's growth and prosperity. Sri Lanka's economy grew by 5% in 2024 after two years of negative growth, thanks to structural reforms, policy consistency, and political stability. Declining inflation provided much needed relief to household budgets which were buoyed by inward remittances. A year of eased import restrictions and reducing interest rates allowed stressed enterprises to recover and normalize. Tourist arrivals surged, falling just short of the 2018 earnings, reflecting both the setbacks endured and the progress made. The restructuring of international sovereign bonds and IMF support improved the country's sovereign rating from default to selective default. Official reserves rose to 3.9 months of imports due to strong exports, tourism, and remittances, leading to a strengthening of the rupee. Although fiscal policy remained tight, the 2025 budget included relief measures for vulnerable groups and was welcomed by the private sector as a pro-growth budget, boosting investor and consumer confidence.

#### PERFORMANCE

##### Profitable

CIC recorded revenue growth of 9% to Rs.83.29Bn with all sectors recording growth. However, operating margins dipped by 1% on a Group basis with sectors experiencing diverse combinations of pressures on operating profits. Accordingly, Operating profits from CIC's core businesses were in line with the previous year at Rs.10.44 Bn. Finance costs decreased by 38% to Rs.1.62 Bn despite an increase in borrowings reflecting the lower interest rates. The Group recorded Profit Before Tax of Rs.9.21Bn, a decrease from the Rs.13.5Bn recorded in the previous year which included Rs.5.5Bn gain on the bargain purchase of the John Keells Holdings stake, which is a one-off transaction. If excluded, this year's pre-tax profit would be a 5% increase over the previous year leaving a post tax profit from continuing operations at Rs.6.62 Bn.

Crop Solutions continues to be the largest sector, contributing 40% of Group revenue while Live Stock Solutions and Health & Personal Care contributed 21% and 22% respectively reflecting the scale of their operations and their island wide footprint. Collectively these sectors account for 83% of the Group's consolidated revenue. The contribution to operating profit is more evenly spread among the sectors with Industrial Solutions contributing the highest of 19%, Crop Solutions contributing 14% and Health & Personal Care, Livestock, and Agri Produce sectors contributing 12%, 11%, and 10% respectively.

##### Resilient Growth

Total assets increased by 14% to Rs.46.4 Bn driven by increased investments in infrastructure, inventories and receivables. Growth was financed by retained earnings and borrowings as the Group while maintaining debt equity at comfortable levels of 60.82%. Net assets per share increased from Rs.92.05 to Rs.105.83 reflecting the net change in the value of the Group and its improved resilience.



## CHAIRMAN'S MESSAGE

### Sustainability

CIC continues to enhance the sustainability of our business model and this year's focus was mainly on sustainable innovation and affordable healthcare. We were able to introduce seeds that were more weather resistant for vegetables supporting health and wellbeing. We also launched 8 combination medications and are proud to be the only company in the country to do so. Notably, these medicines have been launched at affordable prices thereby reducing the number of medicines a patient needs to take. The Group also engaged consultants in readiness for mandatory sustainability reporting in the next financial year in accordance with SLFRS S1 and S2.

During the year under review, CIC conducted numerous philanthropic activities under the four pillars Agri entrepreneur development, Rural Education and Rural Health upliftment, Environmental sustainability. The investment during the year amounted to Rs. 30Mn with over 20 projects implemented at national, district and community levels in quest to create thriving communities.

### GOVERNANCE

Corporate Governance structures at CIC have matured over 60 years, balancing stakeholder value propositions and managing a diverse portfolio of businesses to drive sustainable growth and earnings. The year under review CIC complied with the requirements of Section 9 of the CSE Listing requirements. Accordingly, we aligned the criteria for independence and redesignated 3 Directors as Non-Independent Directors. We also reconstituted the Board Committees ensuring that composition and responsibilities were fully aligned. The 12 policies were reviewed, approved and published on the Company website. The effectiveness of the governance structure is affirmed by the management of business segments and core functions by experienced professionals. This has allowed the Group Chief Executive Officer to focus on the Group's future,

looking at the medium and long term with a view to transforming the existing business model of the Group.

### OUTLOOK

With political and policy stability restored in the country, the CIC Group is looking to chart our course over the next few years. We remain positive about Sri Lanka's growth prospects despite the high levels of uncertainty which we will take into account in formulating our plans. Our plans which are still under review include options for scaling up business verticals with growth potential as well as strategic acquisitions to drive growth within our focused sectors. The Group Chief Executive Officer is looking at the business from a portfolio perspective to determine the direction of growth while tempering yields with resilience and stability. It is noteworthy that CIC does well in times of stress in the economy as we are resilient and agile and balancing this with the right diversification options is key to growth in the next few years. Exports of rice are under review as we believe there will be demand for the low glycemic index rice in many countries as consumers switch to healthier diets.

Our proven track record in strengthening food security and wellbeing can be leveraged further to find solutions that can drive socioeconomic progress with shared prosperity across a countrywide value chain. As the only listed company in both allopathic and ayurveda medicine, we are uniquely positioned to cater to health and wellbeing trends. A strong research and development focus drive growth in agriculture and healthcare, leveraging highly skilled teams, infrastructure and intellectual capital.

Additionally, we expect improved returns from equity accounted investees as Cinnamon Life expands its operations during the year supported by strong growth in tourist arrivals.

### ACKNOWLEDGEMENTS

I take this opportunity to express my appreciation to my fellow Board members who have diligently helped me steer the company to another successful year.

The members of the Board and I are appreciative of the efforts and dedication of the Corporate Management of the CIC Group ably led by the CEO who have implemented strategy to deliver the results set out in this report. I also thank every employee of the Group who has contributed to the performance delivered. As part of multiple value chains, we are grateful for the collaboration, custom and assistance of many stakeholders who have shared our journey over the years. We look forward to your continued support as we look towards an even more fruitful future.



**S. H. Amarasekera**  
Chairman

31st May 2025

## GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



" Innovation continues to be at the forefront of CIC Group's strategy, driving our pursuit of sustainable growth and competitive advantage. "

### Dear Shareholder,

The gradual uptick in economic activity during the year resulted in improved demand conditions across sectors; however, it has also intensified market competition. Amidst this evolving landscape, CIC Holdings maintained its market position by effectively leveraging its diversified portfolio and strong presence across key sectors to continue to generate sustainable shareholder value.

### OPERATING ENVIRONMENT

Sri Lanka's economy demonstrated steady progress in 2024, supported by the continued implementation of its economic reform agenda. The country recorded a GDP growth of 5% in 2024, underpinned by a recovery in the industrial sector and robust performance in tourism-related services. Headline inflation remained within low single digits, creating room for further monetary policy easing and a continued decline in market interest rates. The successful advancement of the debt restructuring

process, along with a stronger external sector, contributed to the buildup of external reserves and helped reinforce the stability of the Sri Lankan Rupee. These positive developments, while still unfolding, provided a more stable operating environment during the year.

With a presence across essential sectors of the economy from agriculture and healthcare to consumer goods and industrial solutions, CIC continued to play an important role in driving the country's growth momentum.

## GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

### GROUP FINANCIAL PERFORMANCE

Group consolidated revenue for the 12 months period ending March 2025, amounted to Rs. 83.29Bn, a 9% YoY increase compared to the corresponding period last year. Group's gross profit meanwhile increased by 7% to Rs.22.22Bn. Group Operating Profits at Rs. 10.44Bn remained broadly in line with last year's operating profit levels.

Despite a stable operational performance, the Group reported a Profit after tax (PAT) of

Rs. 6.63Bn in FY 2024/25 compared to Rs. 11.02Bn in FY 2023/24. The lower profits reported in FY 2024/25 compared to FY 2023/24 are primarily due to the one-off gain on bargain purchase of Rs. 5.35 Bn recognised in the previous financial year (FY 2023/24). This gain recognised when CIC Holdings PLC and its subsidiaries applied equity accounting for their investment in John Keells Holdings PLC (JKH) from the quarter ending 31st December 2023, following the investment made in October 2023.

### SECTORAL FINANCIAL PERFORMANCE

All five of the Group's segments demonstrated resilient performances amidst persisting challenges in the operating environment.

The Crop Solutions sector, which remains the largest contributor to CIC's topline—accounting for 40% of Group revenue—achieved a robust 6% year-on-year revenue growth, reaching Rs. 33.2Bn. The growth was driven by increased demand for Agri inputs amidst a gradually recovering agriculture sector. Margin pressure however continued to be a challenge due to growing competition from the proliferation of generic products.

The Health and Personal Care sector recorded a strong performance during the year accounting for 22% of Group revenue. The sector recorded a 14% top line growth supported by strong performances in the pharmaceutical and medical devices segments. Performance was supported by focused efforts to widen its portfolio of products with more emphasis on providing a diverse range of price points. A key development in this regard was the introduction of

combination drugs—formulations that integrate multiple medications into a single dose to enhance patient adherence and therapeutic effectiveness. During the year, we successfully launched four new molecules with approval from the National Medicines Regulatory Authority (NMRA), with three more currently in the pipeline for release in the upcoming financial year.

The Livestock solutions sector also performed well during the year. Accounting for 21% Group revenue, the sector recorded a 10% growth in revenue to Rs. 17.7Bn. The strong performance during the year was driven by the gradual improvement in demand conditions as well as targeted efforts by the sector to expand capacity.

Notwithstanding ongoing challenges in the dairy sector, the Agri Produce sector recorded a resolute performance with a 8% growth in revenue during the year. The performance was supported by steady performance in both the rice segment as well as the fresh produce segments. Targeted efforts to expand market reach, enhance brand visibility, and strengthen distribution channels, ensuring wider availability and deeper consumer engagement amidst the gradual revival of the tourism industry and retail demand helped drive performance.

The Industrial Solutions sector also performed commendably, with a 7% growth in revenue. A strong performance in the packaging segment supported by strong demand for core products—driven primarily by the resurgence in tourism and retail activity supported this growth. Additionally, our continued efforts to strengthen the industrial chemicals portfolio contributed to a resilient performance in the Industrial chemical segment as well.

Across segments, optimising operational efficiencies and addressing cost pressures remained key priorities amidst persisting margin pressure. Working capital management—especially in terms of inventory control—has also been a key area of focus to maintain healthy liquidity levels, particularly in segments where cash flows are dependent on government

payments. It must however be noted that regularisation of government payments as well as better credit terms from global principles as a result of the stabilisation of the economy during the year, helped improve liquidity conditions considerably.

### STRATEGIC REFOCUS

About a year and a half ago, we embarked on a comprehensive strategic planning exercise to chart a clear path for scaling and positioning CIC for sustainable, long-term growth. Given the complexity of operating across five diverse business verticals and managing 19 companies, from agriculture and healthcare to industrial chemicals, we recognised the need to refocus; identifying the need to prioritise areas where we have strong ownership, deep domain expertise, and clear avenues for long-term value creation. Guided by insights from the Board, our leadership team, and an external consultant, we conducted a series of in-depth brainstorming sessions to identify our core strengths, potential for scalability, and areas with optimal return on capital employed.

### UNLOCKING NEW GROWTH BY EXPLORING BRAND EXTENSIONS

A key aspect of our brand-led growth strategy is unlocking new avenues for growth by reimagining how our strongest brands can evolve to meet emerging consumer needs. In the Ayurveda and wellness space for example we are actively looking to unlock new growth through brand extensions such as products targeting broader wellness needs. At the same time, we are streamlining the Link Natural portfolio to strengthen the impact of powerful brands like Samahan and Paspanguwa. By refining our portfolio and sharpening brand architecture, we aim to enhance focus, drive stronger brand equity, and accelerate growth in the Ayurvedic wellness space, both in the domestic market and across key international geographies. Currently, 65% of our revenue is generated from our own brands, including Link, CIC Fertilizer, and Besto . While revenue from these brands grew by only 8% during the year, (compared to the 11% YoY growth in Agency Revenue), we see significant untapped potential to accelerate this



growth by strengthening brand equity, expanding market reach, and driving innovation across our product portfolio.

#### **PURSUING OPPORTUNITIES FOR VALUE ADDITION**

CIC is undertaking a strategic shift in its Grower Solutions segment by moving beyond its traditional role as an agri-inputs provider to pursue greater vertical integration particularly in processing, value addition, and the manufacture of branded consumer offerings. While we currently support a vast network of farmers through best-in-class inputs, greenhouse infrastructure, and agronomic expertise, we have yet to fully capitalise on downstream opportunities such as establishing collection centres, or entering export markets. Much of the greenhouse produce is still sold through independent order books, limiting our presence as a brand owner in the value chain. Recognising this untapped potential, we are now exploring export opportunities especially for branded agricultural produce such as dehydrated fruits and vegetables and are looking to develop other niche export opportunities as well. We have also initiated a promising partnership in India to export high-performing local hybrid seeds. However, challenges such as land and labour shortages in Sri Lanka along with stringent registration processes in overseas territories continue to constrain progress. Despite these barriers, CIC remains committed to leveraging its strong farmer relationships, technical agronomy leadership, and global partnerships to build a more integrated, value-driven agricultural ecosystem that aligns with our long-term vision of “doing more with less.” Currently, traded revenue accounts for 60% of Group revenue, while manufacturing revenue contributes only 40%. We will therefore strive to achieve a more balanced revenue mix by expanding our manufacturing capabilities, investing in value-added production, and enhancing product innovation.

#### **INNOVATION DRIVEN GROWTH**

Innovation continues to be at the forefront of CIC Group's strategy, driving our pursuit of sustainable growth and competitive advantage. In the Crop Solutions sector, our in-house scientists focus on developing proprietary

formulations at our blending plant, enabling us to offer cost-effective, high-performance agri-inputs suited to local conditions. In the rice segment, notable progress has been achieved in developing rice varieties with a lower glycemic index. In the Seeds segment meanwhile, our experienced team of scientists comprising of retired experts from government institutions works closely with the Department of Agriculture to develop locally bred hybrid vegetable seeds for key crops such as brinjal, capsicum, chili, corn and okra. This initiative is currently being commercialised through our greenhouse facilities in Hingurakgoda and Pelwehera. Together, these advancements in seed innovation underscore our long-term commitment to bolstering national food security by enhancing agricultural productivity and reducing reliance on imports.

#### **BUILDING ECOSYSTEMS FOR SHARED GROWTH**

We recognise the importance of building a robust innovation-driven ecosystems to enhance productivity, sustainability, and resilience in the sectors we operate in. To this end, we continue to explore opportunities to integrate digital tools and foster strategic partnerships with startups, universities, and research institutions. CIC's Agri Tech cell which operates within the agriculture cluster is a key initiative in this regard. This unit partners with universities, young entrepreneurs, and innovators developing agri technologies, providing them with a platform to test and refine their ideas in real-world conditions across CIC's extensive farmer network. Although still in its early stages, this initiative is helping to bridge the gap between technology and on-the-ground agricultural practices. Another notable project launched as part of CIC's efforts to create a vibrant agri eco system is the CIC Agri Hub, a mobile application that empowers farmers by offering real-time digital consultations. Users can upload photos of their crops and receive expert advice from “Agri Doctors” who diagnose issues and recommend actionable solutions.

#### **INVESTING IN OUR PEOPLE**

We remain deeply committed to investing in our people, recognising that their development is fundamental to

our long-term success. Over the past year, we significantly strengthened our focus on talent development through comprehensive training programs and strategic initiatives aimed at enhancing skills, fostering innovation, and driving performance. We conducted leadership development programs in partnership with the Postgraduate Institute of Management (PIM), tailored for various levels across our subsidiaries, completing two such programs during the year. In addition, we collaborated with the Indian School of Business to deliver training focused on strategy and business skills. Beyond leadership development, we placed strong emphasis on soft skills training through communication workshops and Toastmasters programs. Knowledge-sharing sessions and exchange programs with our principals further enriched our teams, enabling them to learn from global best practices. We also collaborate with Kasetsart University in Thailand, a renowned institution in agricultural sciences, to provide specialised technical training for our staff in the agri sector. Reflecting this strong commitment to people development, we invested nearly Rs. 25 Mn during the year in training and development —underscoring our dedication to empowering our workforce and equipping them with the tools and knowledge needed to drive both individual and organisational growth.

#### **CSR LED INITIATIVES TO MAKE LIFE AND LIVING BETTER**

Our corporate social responsibility efforts are organised under four broad pillars; Agri-Entrepreneur Development, Enhancing Rural Education, Improving Healthcare and Infrastructure in Rural Hospitals, and Environmental Protection. In FY 2024/25, we achieved steady progress across each of these areas, carrying out a range of projects and initiatives through our CIC Charitable Trust as well as through company-led efforts. In total Rs.24.11Mn was allocated for CSR projects during the year. Under Agri-Entrepreneur Development, the Group has supported the development of 4,000 farmers, equipping them with the knowledge and tools to improve productivity and livelihoods. In the area of rural education, CIC is actively uplifting underprivileged schools through

## GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

its “Viduhai” concept, which focuses on building infrastructure and providing English education. Additionally, the company offers career guidance and on-the-job training for undergraduates and school leavers to better prepare them for the workforce. To improve healthcare and infrastructure in rural hospitals, CIC has initiated several impactful projects. These include enhancing clinical knowledge across key specialties such as Trauma, Plastic and Reconstructive Surgery, and General Surgery, with a particular focus on the management of chronic diabetic wounds. Each year, we organise outreach lecture tours in collaboration with partner medical colleges. These events facilitate the sharing of expertise and best practices, featuring key opinion leaders in the field. In its commitment to environmental protection, the Group adopts responsible disposal of effluents through wastewater treatment plants and promotes the use of renewable energy by investing in solar power solutions. Several tree planting projects were also carried out during the year by Link Natural reiterating our strong commitment to environmental protection.

### OUTLOOK

Looking ahead, we are focused on scaling our operation in alignment with our “Envisioning” strategy which is designed to catapult CIC to its next phase of transformative growth. As part of this strategic vision, we aim to expand our presence particularly along the agri value chain by actively exploring opportunities for value addition in growth areas such as agri processing. Leveraging our strong partnerships with principals, we will continue to explore opportunities in adjacent businesses that complement our core strengths. We will also focus on broad-basing our export capabilities, particularly in Samahan and rice processing, in order to capitalise on growing global demand for authentic, wellness-oriented and sustainably sourced products.

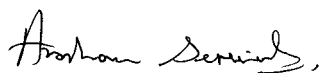
Innovation will be a key catalyst in this journey, and we are committed to further strengthening our research and development capabilities. By fostering a culture that encourages creativity, experimentation, and bold thinking, we aim to empower our teams to push

boundaries and explore transformative ideas that can drive long-term value and competitive advantage.

Our long-standing relationships with customers, principals, and other business partners will continue to be a key driver of our success. We will therefore continue to nurture these relationships to create greater value and impact across our operations.

### APPRECIATIONS

I wish to conclude by expressing my gratitude to the Chairman and the Board of Directors for their unwavering support and valuable counsel. I also extend my sincere appreciation to the leadership team, whose dedication and strategic vision continue to drive our progress. To our valued employees, thank you for your relentless commitment and hard work—our achievements are a direct reflection of your efforts. Finally, I would like to thank our shareholders, customers, global principals, financial partners, and all other stakeholders for their continued trust and steadfast support, which remain integral to our sustained success.



**P. A. Seresinhe**  
Group Chief Executive Officer

31st May 2025



## BOARD OF DIRECTORS



**S. H. AMARASEKERA**

Non-Independent, Non-Executive Director/  
Chairman



**R. S. CAPTAIN**

Non-Independent, Non-Executive  
Director



**D. T. S. H. MUDALIGE**

Independent, Non-Executive Director



**P. R. SALDIN**

Non-Independent, Non-Executive  
Director

## BOARD OF DIRECTORS



**S. M. ENDERBY**

Non-Independent, Non-Executive Director



**M. P. JAYAWARDENA**

Non-Independent, Non-Executive Director



**J. R. GUNARATNE**

Independent, Non-Executive Director



**K. D. SENEWIRATNE**

Independent, Non-Executive Director



### S.H. AMARASEKERA

Non-Independent, Non-Executive Director/Chairman

Mr. Harsha Amarasekera, President's Counsel was appointed to the Board of CIC on the 28th of October 2005. He was appointed as Acting Chairman on the 1st of January 2014 and as Chairman on 23rd May 2014.

Mr. Amarasekera is a leading luminary in the legal profession in Sri Lanka having a wide practice in the Original Courts as well as in the Appellate Courts. His fields of expertise include Commercial Law, Business Law, Securities Law, Banking Law and Intellectual Property Law.

He also serves as the Chairman of several listed companies on the Colombo Stock Exchange including Sampath Bank PLC, Swisstek (Ceylon) PLC, Vallibel Power Erathna PLC, and Swisstek Aluminium Ltd.

He is also the Co-Chairman of Vallibel One PLC and Royal Ceramics Lanka PLC.

He is also the Chairman of CIC Agri Businesses (Private) Ltd.

He is an Independent Non-Executive Director of Expolanka Holdings (Pvt.) Ltd, Ceylon Hotel Holdings (Pvt) Ltd, EFL Global Logistics (PTE) Ltd, Galle Face Management Company (Pvt) Ltd, Link Natural Products (Private) Limited, Millenium Airlines (Pvt) Ltd, Millenium Investments Lanka (Pvt) Ltd & Silver Aisle (Pvt) Ltd.

### R. S. CAPTAIN

Non-Independent, Non-Executive Director

Appointed to the Board on March 10, 2008. Mr. R. S. Captain is an entrepreneur and investor in Sri Lankan corporate sector, bringing with him a wealth of knowledge and over 15 years of business experience in a range of manufacturing sectors. His current business interests range from paints, garments, industrial gloves, cutting and

polishing diamonds, plastics and other packing material. He is the Co-Founder of Asia Stockbrokers, Asia Capital, Dutch Lanka Trailers, Asia Siyaka and Asian Alliance. He has served as Non-Executive Director of Hatton National Bank PLC, John Keells Holdings PLC and many other unlisted Companies. Mr. Captain was educated at the University of Miami, Florida, USA.

### S. M. ENDERBY

Non-Independent, Non-Executive Director

Joined CIC Board on 11th April 2013. Prior to that he has had a successful track record in private equity with Actis, a leading global emerging markets fund. Mr Enderby has led many of the most successful private equity transactions in Sri Lanka.

Post Actis, Mr. Enderby joined Hemas Holdings PLC in 2013 where he was Group Chief Executive Officer playing a pivotal role in transforming the Group into one of Sri Lanka's largest healthcare and consumer focused businesses.

Following his retirement in 2020 Mr Enderby continues to invest in Sri Lanka with a particular focus on the consumer and education sectors through his role as Chairman of Ironwood Capital Partners and as a director and advisor to a number of high growth businesses.

During his more than 35 years of corporate and investing experience he has served on the Boards of many leading companies in Sri Lanka and India. He is a Fellow Member of the Chartered Institute of Management Accountants, holds a Degree in Economics and Accounting from Queen's University Belfast and a Master's Degree in Development Studies from the University of Melbourne. He is also a trustee of Ayati Trust, which has established and operates Sri Lanka's first centre for children with disabilities.

### M. P. JAYAWARDENA

Non-independent Non-Executive Director

Appointed as Alternate Director to the ICI Nominee Director on 21st May 2002, and subsequently as a Director on 25th October 2008. He is a Past Deputy Chairman of Commercial Bank of Ceylon PLC and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CASL), where he also served as a Council Member.

He currently serves as the Chairman of Commercial Insurance Brokers (Private) Limited and holds directorships in several other private companies. He has over 13 years of international experience at Zambia Consolidated Copper Mines in Africa, where he held various senior positions, including Head of Treasury, managing a loan portfolio exceeding US\$ 3 billion. He is a Past President of The Sri Lanka Institute of Directors, a former Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka, and a former Chairman of the Ceylon National Chamber of Industries.

### D. T. S. H. MUDALIGE

Independent, Non-Executive Director

Appointed to the Board on 16th October 2020, Mr. Sujeewa Mudalige counts over 30 years of experience as a Chartered Accountant. He is also a fellow member of CIMA (UK), ACCA (UK) and CPA (Australia). He has vast experience as the Audit Committee Chair in both public and private sector organisations. Mr. Mudalige recently retired as the Managing Partner of PricewaterhouseCoopers, Sri Lanka and currently serves as an Independent Non-Executive Director at Feeds Group and Link Natural Products Private Limited. He is the Non-Executive Chair of Mercantile Services Provident Society (MSPS). He is also an Independent Non-Executive Director at several other public and private companies.

## BOARD OF DIRECTORS

He is a past President of CASL and has been a member of the Council of CA Sri Lanka and of the governing board of CIMA UK- Sri Lanka Division, a Commission member of the Securities and Exchange Commission of Sri Lanka and held several such other positions locally and globally during the span of his career.

The University of Plymouth UK awarded him an Honorary Doctor of Business in December 2024. This honor is in recognition of outstanding contributions made in the field of accounting and finance.

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### **P. R. SALDIN**

Non-Independent, Non-Executive Director

First appointed to the Board of Directors in 1995 and served as Commercial Director and Group Finance Director till 2005. During this period, he also served on the Board of Directors in many of the Subsidiaries and Associate Companies within the Group. On leaving the CIC Group he functioned as Country Controller and Group Finance Director for Shell Sri Lanka and subsequently as Group Chief Operating Officer of Browns Group of Companies and Managing Director of Browns Investment PLC.

He is currently employed as Director of Paints & General Industries Limited and Director/Chief Executive Officer of Polypak Secco Limited. He was re-appointed to the Board of CIC Holdings PLC on 1st July 2016. He also functions as Chairman of Chemanex PLC and serves on the Board of Directors of Akzo Nobel Paints Lanka (Private) Limited, Link Natural Products (Private) Limited, CIC Agri Businesses (Private) Limited. He is the Chairman of CISCO Specialty Packaging (Private) Limited. He also is a Director of Hatton National Bank PLC, HNB Assurance PLC and Chairman of Sithma Development (Private) Limited and serves as a Trustee of the HNB Sustainability Foundation.

Rimoe Saldin is a Fellow of the Institute of Chartered Accountants of Sri Lanka. An associate of Institute of Chartered Accountants of England and Wales. He is also a Fellow of the Chartered Institute of Management Accountants in UK and a Certified Management Accountant, Australia. He is an alumni of the Asian Institute of Management Manila. He has over 26 years of top management level experience in the areas of Finance, Human Resource Development, General Management and Operations.

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### **J. R. GUNARATNE**

Independent, Non-Executive Director

Appointed to the Board on 6th January 2021. Mr. J. R. Gunaratne has held directorships in several listed and private companies within the John Keells Group throughout his career in the group.

He was a member of the Food Advisory Council of the Ministry of Health and the Council for Hotel & Tourism of the Employers' Federation of Ceylon. He also was the Founder Chairman of the Beverage Association of Sri Lanka.

Mr. Gunaratne currently serves as Chairman of Delmage Ltd, Fortress Resorts PLC and Deputy Chairman of CISCO Speciality Packaging (Private) Limited. He is also a member of the Board of Directors of CIC Feeds (Pvt) Ltd, Royal Ceramics PLC, Lanka Tiles PLC, Link Natural Products (Private) Limited.

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### **K. D. SENEWIRATNE**

Independent, Non-Executive Director

Appointed to the Board on 01st January 2023. Mrs. Kshenuka Senewiratne is the first female Permanent Representative to the United Nations (UN) in New York and High Commissioner to the United Kingdom (UK) and also the Secretary of the Ministry of Foreign Affairs of Sri Lanka.

Ms. Senewiratne a seasoned diplomat, who retired from the Public Service in 2020, counts a 35-year track record with the Sri Lanka foreign service, having held prestigious postings as Sri Lanka's Head of Mission to the UN both in Geneva and New York, UK and Thailand. She has extensive expertise in the North American, European, and Asian regions in a multitude of strategies to enhance bilateral and multilateral relations, especially through political and economic cooperation in the global context, and also ensuring the overall administrative effectiveness of the Sri Lanka Missions overseas and the Ministry of Foreign Affairs where she served. She also worked in an advisory capacity on international media, and held the position of Sri Lanka's High Commissioner to India.

# MANAGEMENT TEAM



**AROSHAN SERESINHE**  
Group Chief Executive Officer



**DEVAPRIYA NUGAWELA**  
Emeritus Chairman - Link Natural  
Products (Private) Limited



**WARUNA MADAWANARACHCHI**  
Managing Director - Agri Cluster



**JAYANTHA RAJAPAKSE**  
Emeritus Chairman/Managing Director  
Unipower (Private) Limited



**ERANDI WICKRAMAARACHCHI**  
Group Chief Financial Officer



**ARUNA JAYASEKERA**  
Group Head of Human Resources



**VIRAJ MANATUNGA**  
Group Chief Strategy Officer /Divisional  
Director - Pharmaceutical Agencies and  
Manufacturing



**PRASADI SAMARAKOON**  
Head of Group Treasury/Divisional  
Director - Group Finance



**RAMANI SAMARASUNDERA**  
Group Chief Marketing Officer

## MANAGEMENT TEAM



**AJITH WEERASINGHE**

Chief Executive Officer - CIC Feeds Group



**ASHAN RANSILIGE**

Chief Executive Officer - Link Natural Products (Private) Limited



**PRASAD WEGIRIYA**

Director/Chief Executive Officer - CISCO Speciality Packaging (Private) Limited



**ANJANA LEELARATHNE**

Deputy Managing Director - Agri Cluster



**RANJITH BANDARA**

Chief Executive Officer - Unipower (Private) Limited



**THUSHARA YATIGAMMANA**

Chief Operating Officer Chemanex PLC/  
Divisional Director -Industrial Solutions



**VIDURA GAMAGE**

Director/Chief Operating Officer - CIC CropGuard (Private) Limited



**GAMINI KUMARASINGHE**

Chief Operating Officer - CIC Feeds Group



**CHAMARI WICKRAMATHILAKE**

Chief Operating Officer - Link Natural Products (Private) Limited





**HASITHA AHANGAMA**

Divisional Director - Healthcare - Medical Devices and Diagnostics



**MAHESH WANNINAYAKE**

Divisional Director - Crop Solutions



**NADEERA WIJENAYAKE**

Divisional Director - Group IT



**THILINI WEGODAPOLA**

General Manager - Legal



**POOVENDRAN SIVATHAVENDRAN**

General Manager - RPC & PVA Plant



**DAMODARA WICKRAMANAYAKE**

Chief Financial Officer - CIC Capital/Chemanex PLC



**SHAMINDRAN THOMAS**

General Manager - Healthcare Fulfilment Centre



**KRISHANTHA HATHARASINGHE**

General Manager - Supply Chain & Procurement



**SAMPATH RANATHUNGA**

General Manager- Head of Human Resources - CIC Agri Businesses (Private) Limited

# VALUE CREATION MODEL

## OUR CAPITALS (INPUTS)



**HUMAN CAPITAL**

A team of **2,313** employees drive our performance

Refer page 65



**FINANCIAL CAPITAL**

Our financial capital includes cash and bank balances, working capital, interest-bearing borrowings, equity, and bank-provided facilities.

Refer page 55



**SOCIAL & RELATIONSHIP CAPITAL**

Partnerships across our supply chain, industry associations, and the communities we operate in are the key components of the Group's Social & Relationship Capital.

Refer page 71



**NATURAL CAPITAL**

Materials, energy, water, and natural resources, biological assets comprise the Natural Capital of the Group. These are managed in accordance with sustainability principles.

Refer page 80



**MANUFACTURED CAPITAL**

Our Manufactured Capital provides a significant competitive edge, often determining our revenue generating capacity in key investment sectors.

Refer page 58



**INTELLECTUAL CAPITAL**

Our performance is supported by established systems and processes, over 60 years of operational knowledge, and a varied portfolio of products and services.

Refer page 61

## HOW WE CREATE VALUE

As a holding company, CIC manages its investments and drives growth in its core sectors, leveraging its considerable expertise, networks and infrastructure.



- Risk Management
- Talent Management
- Supply Chain Management
- Financial Management
- Investment Analysis
- Relationship Management
- Community Engagement

## OUR CAPITALS (INPUTS)



### CROP SOLUTIONS

Rs. **4.65Bn**

PBT

**118,436 MT** Fertilizer supplied for agriculture

**6,362 MT** Seeds supplied



### LIVESTOCK SOLUTIONS:

Rs. **1.85Bn**

PBT

**67,725 MT** Feeds supplied

**9,990,884 Kg** poultry supplied

**368,170** Eggs supplied



### HEALTH & PERSONAL CARE

Rs. **2.20Bn**

PBT

**260** Pharmaceutical Products Offered

**20** Herbal Products offered



### INDUSTRIAL SOLUTIONS

Rs. **2.06Bn**

PBT

**8,918 MT** Industrial raw materials

**4,594 MT** Packaging materials produced



### AGRI PRODUCE

Rs. **0.50Bn**

PBT

**132 MT** Fruit & Vegetables

**07** Dairy products

**7,764 MT** Rice

Employees: Total  
Value Created  
**Rs.4.83Bn**

Remuneration  
**Rs.4.80Bn**

Training  
**13,488 Hours**

Recruitments  
**247**

Business Partners

Facilities Managed:  
**Rs.57Bn**

Payments to  
Suppliers  
**Rs.49Bn**

Government

Subsidies Received  
**-Nil**

Direct Taxes Paid  
**Rs.3.4Bn**

Indirect Taxes  
**Rs.4.50Bn**

Communities

Investment in  
Social Welfare  
**Rs.24Mn**

## OUR CAPITALS (INPUTS)

### POSITIVE IMPACTS

#### Strengthening the country's food security, health & nutrition

- Training for farmers on application of fertilizer and agrochemicals
- Research to find resilient seeds
- 12 Product trials conducted
- Support for poultry farmers
- Access to quality fresh produce and dairy products

#### Facilitating access to healthcare

- Providing support for diagnostics
- Access to affordable medicines
- Access to herbal remedies

#### Facilitating Industry sector growth

- Providing packaging materials
- Providing intermediate raw materials

#### Supporting livelihoods

- **5,297** farmers supported
- **14,618** supply chain partners in Sri Lanka

### NEGATIVE IMPACTS

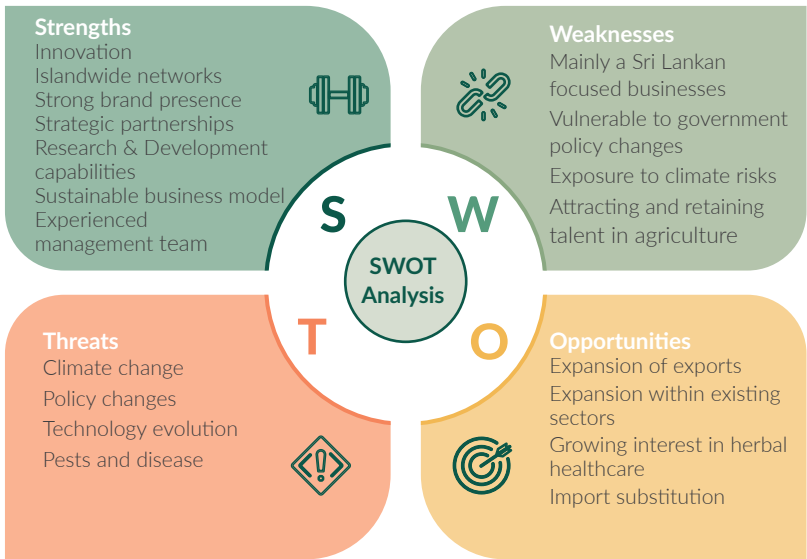
#### Environmental

- Waste to Landfill **69 MT**
- Water footprint **2,041,740 ML**
- Effluents discharged **18,033 ML**

Emissions have not been computed although it is a material item.















# SUSTAINABLE STRATEGY

CIC has grown over the years by seizing opportunities to expand through both organic and inorganic growth. We continue to seek new opportunities but are more selective about alignment with existing businesses and diversification effect on our stable business model.



## Our objectives



Objective	Strategies	KPIs & Progress	
Sustainable growth in profitability and market share	<ul style="list-style-type: none"> <li>Diversify in to new businesses</li> <li>Grow core businesses</li> <li>Growth in adjacent businesses</li> </ul>	<ul style="list-style-type: none"> <li>Revenue growth</li> <li>PBT Growth</li> <li>Market leadership</li> <li>Volume growth in verticals</li> </ul>	 
Investment in Innovation, Research & Development to maintain a healthy line of new products	<ul style="list-style-type: none"> <li>Ensure CIC retains innovation expertise</li> <li>Ensure we have a healthy line of new products at development, approval, commercialization stages</li> <li>Develop commercialization plans to raise awareness</li> <li>Monitor new product revenues to boost success and amend plans as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>76 of products at each stage</li> <li>56 of specialists in R&amp;D</li> <li>Investment in new product development</li> <li>New Product revenue growth</li> <li>Return on new products after 5 years</li> </ul>	  
Trusted partnerships that drive growth	<ul style="list-style-type: none"> <li>Retention of principals</li> <li>Develop partnership with new principals/ partners</li> <li>Retention of distributors</li> <li>Developing new distributors</li> <li>Regular engagement with customer and influencer networks</li> <li>Capacity building for partners where deemed appropriate</li> </ul>	<ul style="list-style-type: none"> <li>86 of principals</li> <li>2 of new principles</li> <li>Distributor retention rate and performance</li> <li>Customer ratings</li> <li>Capacity building programmes</li> </ul>	  
Competent, professional results oriented teams to drive our businesses	<ul style="list-style-type: none"> <li>Attract and retain high quality talent</li> <li>Performance management system and appraisal for all employees</li> <li>A comprehensive training and development plan for all categories of employees</li> <li>Competitive remuneration and incentive schemes at all levels</li> <li>Career progression opportunities for top talent</li> </ul>	<ul style="list-style-type: none"> <li>91% Employee retention rate</li> <li>100% of employees receiving an appraisal annually</li> <li>13,448 of total training hours</li> <li>195 of internal promotions</li> </ul>	  
A sustainable business model that seeks to minimize negative impacts	<ul style="list-style-type: none"> <li>Minimise carbon footprint</li> <li>Minimise water footprint</li> <li>Optimise resource consumption</li> <li>Reduce waste</li> <li>Action food waste from farm to store</li> </ul>	<ul style="list-style-type: none"> <li>Rs. 18.69Mn savings in energy consumption</li> <li>9,437MT of waste</li> <li>15MT of food waste</li> </ul>	  



# PERFORMANCE HIGHLIGHTS

## NATURAL CAPITAL

	2024/25	2023/24	%
<b>Energy Consumption within the Organisation</b>			
- Electricity Purchased (kWh)	27,205,955	25,522,707	7%
- Diesel (ltrs)	520,141	465,815	12%
- Furnace Oil (ltrs)	265,350	217,733	22%
- LPG (kgs)	20,183	20,567	-2%
- Petrol (ltrs)	212,448	205,590	3%
- Kerosene (ltrs)	488,822	431,844	13%
Total Non-Renewable Energy Consumed	157,098	144,454	9%
Renewable Energy Consumed			
- Hydro	245,790	265,085	-7%
- Other	414,750	459,809	-10%
Energy Produced from renewable sources - Solar	3,715,430	4,371,644	-15%
Volume of Water withdrawn (Mn litres)	2,048	1,887	9%
Water treated for reuse or safe disposal	117	121	-3%
Hazardous Waste	27,608	27,882	1%
Non-Hazardous Waste	9,437,773	8,661,811	9%
Waste to Landfill (kg)	238,502	137,932	-12%

<b>Consolidated Statement of Changes in Equity (Rs. Mn)</b>			
As at 31st March	2025	2024	%
Balance at beginning of year	39,994	27,829	44%
Profit for the year	6,629	11,021	-40%
Other Comprehensive Income	918	3,265	-72%
Total Comprehensive Income for the year	7,548	14,287	-47%
Total Contributions and Distributions recognised directly in equity	-1,116	-2,121	-47%
Balance at end of year	46,426	39,994	16%

<b>Consolidated Financial Position Statement (Rs. Mn)</b>			
As at 31st March	2024/25	2023/24	%
Property, Plant & Equipment	13,596	12,127	12%
Right of Use Assets	457	481	-5%
Other Non Current Assets	30,886	26,684	16%
Cash & Cash Equivalents	5,045	5,416	-7%
Other Current Assets	39,472	33,779	17%
<b>Total Assets</b>	<b>89,456</b>	<b>78,487</b>	<b>14%</b>
<b>Liabilities &amp; Equity</b>			
Current Liabilities	37,857	34,940	8%
Non-Current Liabilities	5,172	3,552	46%
Share Capital	1,008	1,008	0%
Reserves	3,822	3,099	23%
Retained Earnings	35,290	30,786	15%
Non-controlling Interests	6,307	5,102	24%
<b>Total Liabilities &amp; Equity</b>	<b>89,456</b>	<b>78,487</b>	<b>14%</b>

<b>Consolidated Income Statement (Rs.Mn)</b>			
As at 31st March	2024/25	2023/24	%
Revenue	83,292	76,424	9%
Operating Expenses	12,175	10,340	18%
Other Income	390	296	32%
Profit from operations	10,436	10,674	-2%
Finance Costs	(1,618)	(2,600)	-38%
Share of Profit of Equity Accounted Investees	898	1,169	-23%
Gain on bargain purchase	440	5,355	-92%
Loss on dilution of investment in associate	(946)	(1,081)	-12%
Profit Before Tax	9,210	13,517	-32%
Tax	(2,877)	(2,543)	13%
Profit After Tax	6,333	10,974	-42%

Total Assets increased by **14%**

Finance Cost reduced by **38%**

Revenue improved by **9%**

Equity improved by **16%**

## FINANCIAL CAPITAL

Cashflow Statement (Rs.Mn)			
As at 31st March	2024/25	2023/24	%
PBT	9,499	13,517	-30%
Adjustments	(1,028)	(4,351)	-76%
Net Cash flows from Operating Activities	8,471	9,166	-8%
Net Cash Used in Investing Activities	(5,512)	(8,413)	-34%
Net cash generated from finance activities	834	(1,129)	-174%
Net Decrease in cash and cash equivalents	(1,329)	(6,623)	-80%
Cash & cash equivalents at beginning of year	(19,498)	(12,876)	51%
Cash & Cash Equivalents at end of year	(20,827)	(19,498)	7%

## MANUFACTURED CAPITAL

As at 31st March	2024/25	2023/24	%
(Rs.Mn)			
Property Plant & Equipment	14,052	12,608	11%
Biological Assets	421	504	-16%
Depreciation	913	892	2%
Investments during the year			
- Property Plant & Equipment	1,194	636	88%
- Biological Assets	534	433	23%

Remuneration increased by **22%**Payments to local suppliers reduced by **39%**

## HUMAN CAPITAL

As at 31st March	2024/25	2023/24	%
Total Employees	2,313	2,272	2%
"Female Representation (%)"	20%	21%	-5%
Employee Remuneration (Rs.Mn)	4,803	3,940	22%
<b>Training &amp; Development</b>			
Total Hours	13,488	11,000	23%
Investment (Rs.Mn)	30.47	34.40	-11%
<b>Employee Health &amp; Safety</b>			
No of Injuries at work	1	Nil	
Lost Working Days	Nil	Nil	
Retention rate	91%	94%	-3%

## SOCIAL &amp; RELATIONSHIP CAPITAL

As at 31st March	2024/25	2023/24
No of Joint Venture Partnerships	Nil	Nil
No of Principals Represented	101	95
Investments in communities	24	9
No of Community projects (Rs. Mn)	21	14
Payments to Local Suppliers (Rs. Mn)	29,400	31,160

## INTELLECTUAL CAPITAL

As at 31st March	2024/25	2023/24
Brand Stewardship	89	89
Certified Management Systems for environment impact control	7	7
Average Tenure of Service	9	11

Training Hours increased by **22%**Debt Equity improved by **4.3%**

# ESG APPROACH OF CIC HOLDINGS

In today's interconnected and rapidly evolving world, Environmental, Social, and Governance (ESG) factors have emerged as pivotal components of corporate strategy. Prioritizing ESG practices allows companies to foster trust and loyalty among stakeholders, including customers, investors, and regulators, by addressing pressing global challenges such as climate change, social inequality, and corporate transparency. By integrating ESG considerations into their operational framework, businesses not only enhance their reputation but also uncover opportunities for innovation and sustainable growth.

CIC Holdings, a diversified conglomerate with interests in agriculture, healthcare, consumer, livestock, and industrial solutions, exemplifies its commitment to ESG advancement. During the year under review, the Group took notable initiatives such as conducting a comprehensive materiality assessment to pinpoint critical ESG issues, integrating identified risks into its risk management framework, and investing in capacity building and training to enhance its ESG capabilities. These proactive measures, alongside fostering a culture of innovation and continuous improvement, reflect CIC Holdings' dedication to embedding ESG principles across its operations and strategic plans, reinforcing its role as a responsible and forward-thinking enterprise. Our business model itself is sustainability focused with positive impacts on food security, nutrition, health and wellbeing, and supporting communities to thrive.

CIC Holdings views ESG practices as essential for managing long-term risks, adapting to regulations, and staying resilient in fluctuating markets. Incorporating ESG into decision-making aligns the company's values with ethically conscious consumers. For CIC Holdings, ESG is a strategy for differentiation and gaining a competitive edge.

## COMMITMENT FROM LEADERSHIP

The Leadership of CIC Holdings has demonstrated a strong and unwavering commitment to ESG principles, recognizing their critical role in shaping the company's long-term success and resilience. Senior management and the board of directors have actively

endorsed the ESG vision and strategy, ensuring it is not merely an auxiliary concern but a core component of the organizational framework. The leadership has been instrumental in allocating the necessary resources—financial, human, and technological—to enable effective implementation of ESG initiatives across all aspects of the business.

Moreover, the leadership team has established clear lines of responsibility and accountability, empowering teams and individuals to take ownership of ESG-related tasks and goals. This encouragement has fostered an environment where sustainability and ethical practices are not only expected but celebrated as integral parts of the company's ethos.

The senior management has been instrumental in fostering a culture of sustainability and responsibility within the organization. They have effectively instilled a shared sense of purpose among employees, enabling them to seamlessly incorporate ESG considerations into their daily operations and decision-making processes.

Furthermore, the leadership has embraced transparency in ESG practices, setting an example for accountability and openness. Plans are in place to implement regular ESG reporting and progress reviews next year, with the goal of establishing a system that aligns with global standards and ensures accountability. This step reflects CIC Holdings' ongoing commitment to advancing its ESG initiatives while adapting to evolving expectations and challenges.

By championing ESG values at the highest level, CIC Holdings' leadership has positioned the organization as a forward-thinking enterprise capable of adapting to evolving global challenges while maintaining a competitive edge in the market.

## STAKEHOLDER ENGAGEMENT AND PRIORITIZATION

CIC Holdings has implemented a dynamic and inclusive approach to stakeholder engagement, ensuring that the concerns and expectations

of all relevant parties are thoroughly understood and addressed. During the year, the organization achieved significant milestones in stakeholder identification and prioritization:

- **Stakeholder Prioritization Workshop:** CIC Holdings organized a dedicated workshop, bringing together members of the sustainability and engagement teams alongside key management representatives from various business divisions. This collaborative effort allowed the company to streamline its approach towards stakeholder engagement.
- **Assessment of Stakeholder Groups:** The sustainability team conducted an in-depth analysis of stakeholder groups, evaluating their levels of influence and dependence on CIC Holdings. This systematic assessment ensured that the most impactful and dependent stakeholders were identified effectively.
- **Targeted Engagement Plan:** Following the assessment, CIC Holdings successfully identified and prioritized specific stakeholder groups for tailored engagement initiatives, fostering stronger relationships and more impactful dialogues.

This stakeholder-centric strategy reflects the organization's dedication to promoting transparency and collaboration while aligning ESG efforts with the needs and expectations of its diverse network of stakeholders.

## MATERIALITY ASSESSMENT WORKSHOP

CIC Holdings successfully conducted a comprehensive Materiality Assessment Workshop last year, which served as a pivotal step in refining the organization's sustainability focus. This workshop brought together key management representatives across various divisions to assess and prioritize sustainability matters critical to ESG progress.

- **Facilitation and Collaboration:** The workshop was facilitated with the active participation of management representatives, ensuring diverse perspectives played a role in evaluating sustainability priorities.

- **Criteria-Based Evaluation:** Participants applied rigorous criteria during the assessment process, focusing on both the magnitude of impact and the likelihood of occurrence of identified ESG matters.
- **Updated Material ESG Matters:** The workshop culminated in the finalization of a refreshed and prioritized list of material ESG issues, aligning with stakeholder expectations and the organization's strategic goals.

This initiative enabled CIC Holdings to align business sustainability practices with stakeholder perspectives, ensuring the company remains attuned to both external expectations and internal business relevance. The outcomes of the workshop have significantly informed the organization's ESG strategy, fostering a forward-thinking approach to sustainability challenges and opportunities.

#### **BUILDING A COMPREHENSIVE FRAMEWORK FOR INTEGRATED ESG REPORTING**

CIC Holdings is actively working on establishing a comprehensive foundation of systems and processes that supports a robust integrated reporting system aligned with globally recognized frameworks such as the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB). The organization is dedicating a cross-functional team to oversee the integrated reporting process, supported by a clear policy framework and alignment with enterprise risk management. CIC Holdings is investing in reliable data management and IT infrastructure capable of capturing, validating, and analyzing both financial and non-financial data across environmental, social, and governance domains. The company is enhancing performance measurement systems to track ESG-related data aligned with GRI or SASB standards to ensure consistency and comparability. Regular and meaningful stakeholder engagement processes are being embedded to identify material issues and ensure the report reflects stakeholder concerns. In addition, CIC Holdings is integrating ESG reporting into existing reporting cycles, supported by digital

platforms for accessible and transparent communication. Finally, the organization is emphasizing capacity building and changing management to foster a culture of transparency, with its staff across departments undergoing training in sustainability reporting standards and integrated thinking. Through these ongoing efforts, CIC Holdings is positioning itself to produce high-quality, credible integrated reports that reflect its long-term value creation strategy.

#### **CONTINUOUS MONITORING AND MEASUREMENT**

CIC Holdings will establish key performance indicators (KPIs) and metrics to systematically track progress on their ESG goals and initiatives. These KPIs will be aligned with globally recognized standards, ensuring that the organization maintains transparency and comparability in its reporting processes. By leveraging advanced data analytics and reporting tools, CIC Holdings aims to gain deeper insights into ESG performance across various domains, including environmental sustainability, social responsibility, and governance practices.

Regular monitoring will involve periodic reviews and assessments that are integrated into the organization's operational and strategic frameworks. This approach will facilitate the identification of trends, potential risks, and areas requiring immediate improvement. CIC Holdings is committed to fostering a culture of accountability, where ESG progress is not only measured but also celebrated as a collective achievement of employees and stakeholders involved.

Furthermore, CIC Holdings plans to utilize the insights gained from these performance metrics to drive continuous improvement in their ESG strategies. This involves adapting to emerging global standards, addressing stakeholder expectations, and innovating solutions to address pressing sustainability challenges. By implementing robust tracking mechanisms and enhancing transparency, CIC Holdings can position itself as a leader in ESG practices, creating long-term value for both the organization and the communities it serves.

#### **AREAS FOR IMPROVEMENT**

CIC Holdings shows strong commitment to ESG principles, but there are still areas for improvement to boost sustainability performance and meet global standards.

- **Strengthening ESG Strategy and Governance:**

CIC Holdings will further strengthen its ESG strategy to embed ESG priorities into the organizational framework effectively. This includes aligning ESG initiatives with the company's vision, mission, and values, while addressing stakeholder expectations. Enhancing governance structures to incorporate ESG issues at the board and executive levels will ensure clear accountability and consistent oversight, enabling ESG priorities to become an integral part of strategic decision-making processes.

- **Expanding ESG Reporting and Disclosure**

CIC Holdings will be enhancing their ESG reporting frameworks to align with internationally recognized standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). Transparent and comprehensive disclosure of ESG performance will build trust with stakeholders and ensure comparability with peers in the industry.

- **Enhance ESG Value Creation and Innovation**

CIC Holdings aims to utilize their core competencies and competitive advantages to generate social and environmental benefits, in addition to financial returns. This includes investigating new markets and opportunities for ESG-related products and services. By encouraging creativity and innovation within teams, the Group can respond to sustainability challenges and identify growth opportunities.

- **Enhancing Stakeholder Engagement Processes**

CIC Holdings will be refining its stakeholder engagement strategies by fostering deeper connections with key groups, including communities,

## ESG APPROACH OF CIC HOLDINGS

investors, suppliers, and customers. This will involve hosting dedicated ESG forums, conducting regular surveys to gauge stakeholder expectations. By prioritizing transparency and inclusiveness in these engagements, CIC Holdings will ensure its sustainability initiatives are both well-informed and widely supported.

- **Optimizing Resource Efficiency**

While significant efforts have been made in areas such as energy use and waste management CIC Holdings will explore more advanced techniques for optimizing resource efficiency. This could include adopting new technologies such as AI-driven energy management systems, implementing circular economy practices across operations, and reducing water usage through innovative conservation methods. Improved resource efficiency not only minimizes environmental impact but also drives cost savings and operational resilience.

- **Strengthening Diversity and Inclusion Initiatives**

CIC Holdings is dedicated to improving diversity and inclusion within the organization as part of its social responsibility. Establishing mentorship programs, setting measurable diversity goals, and implementing unbiased recruitment practices will foster a workplace culture that celebrates different perspectives and backgrounds. These initiatives would not only benefit employees but also enhance the company's reputation as an equitable employer.

- **Improving Supply Chain Sustainability**

CIC Holdings will place greater emphasis on supply chain sustainability by collaborating closely with suppliers to ensure ethical practices and environmental stewardship. Adopting sustainable procurement policies, and incentivizing suppliers to align with the company's ESG goals can help create a transparent and accountable supply chain. This approach not only enhances brand trust but also minimizes risks associated with non-compliance or poor environmental practices.

Through these expanded areas of improvement, CIC Holdings aims to build upon its existing ESG framework to achieve even greater impact and long-term sustainability.

### ESG GOALS OF THE GROUP

#### Environmental Goals

- **Reducing Greenhouse Gas Emissions**

The Group is in the Process of measuring its greenhouse gas emissions across all operations. The Group aims to establish robust and science-based emission reduction targets. Progress will be carefully monitored and transparently reported to stakeholders through annual sustainability reports.

- **Increasing Renewable Energy Use**

In its transition towards a greener future, the Group is dedicated to sourcing electricity from renewable energy sources such as solar Power. To achieve this, the Group is investing in the installation of renewable energy systems at its facilities. The Groups renewable energy committee, composed of specialists in energy and sustainability, will oversee these initiatives, tracking milestones and ensuring alignment with broader strategic sustainability goals.

- **Minimizing Waste and Water Consumption**

Recognizing the importance of resource conservation, the Group is implementing robust measures to minimize its waste generation and water usage. These include embracing circular economy principles that emphasize reducing, reusing, and recycling materials across its operations. On the water conservation front, the Group is deploying technologies such as water-efficient systems, rainwater harvesting, and wastewater treatment facilities to optimize water usage. Operational managers are tasked with ensuring full compliance with environmental policies and standards, while also introducing workshops and educational initiatives to foster awareness and participation among employees.

Through these carefully curated environmental goals, the Group reinforces its commitment to

protecting the planet while driving sustainable growth and operational resilience.

#### Social Goals

- **Enhancing employee well-being:**

The Group places a strong emphasis on the value of its workforce and strives to cultivate a safe, healthy, and inclusive environment for all employees. By offering competitive compensation packages and comprehensive benefits, the Group ensures financial security and support for its team members. Additionally, the organization invests in professional growth through robust training programs, continuous learning opportunities, and leadership development initiatives to empower employees in their career progression. The Group's human resources department actively engages with employees to foster a culture of collaboration, feedback, and mutual respect, ensuring high levels of satisfaction and productivity.

- **Supporting local communities:**

The Group is deeply committed to making a positive impact on the communities in which it operates. Through targeted initiatives that address pressing social issues such as education, healthcare, and social justice, the Group contributes to the overall well-being and development of these regions. Financial donations are thoughtfully allocated to support schools, hospitals, and nonprofit organizations, while employees are encouraged to volunteer their time and skills to assist community programs. Furthermore, the Group establishes strategic partnerships with local charities, advocacy groups, and governmental bodies to create sustainable solutions to societal challenges. The corporate social responsibility team monitors and evaluates these efforts, ensuring that each initiative delivers measurable benefits and aligns with the Group's broader mission of social equity.

- **Ensuring customer satisfaction:**

The Group is unwavering in its commitment to delivering premium-quality products and services that meet or exceed customer expectations. By adhering to rigorous standards of safety, quality, and reliability, the organization builds trust



and loyalty among its client bases. The Group regularly seeks feedback from customers to understand their evolving needs and preferences, allowing it to innovate and tailor its offerings to provide exceptional value. Customer service teams undergo extensive training to deliver efficient and empathetic support, ensuring that all inquiries and concerns are addressed promptly and effectively. This dedication to excellence not only reinforces the Group's reputation as a reliable provider but also drives long-term relationships and sustainable growth in its market presence.

#### GOVERNANCE GOALS

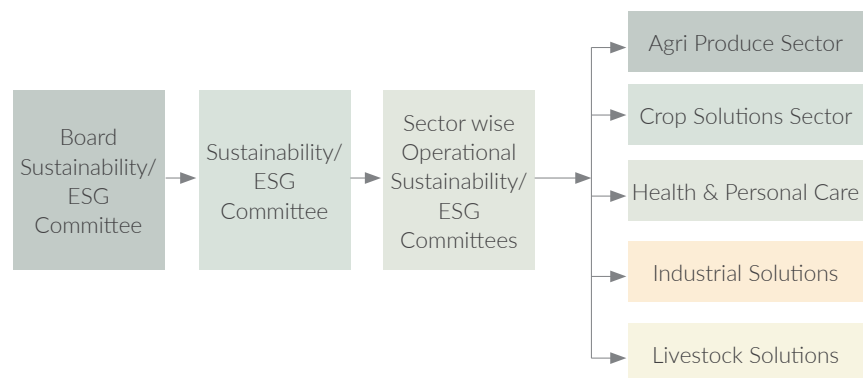
- **Ethical business practices:** The Group champions integrity, transparency, and accountability across all facets of its operations, ensuring that business dealings are conducted in an ethical and responsible manner. This commitment extends to financial reporting, where the Group employs rigorous standards to guarantee accuracy and reliability. To safeguard against unethical practices, the Group implements a comprehensive code of conduct and adheres strictly to anti-corruption policies. Stakeholders are regularly informed through detailed disclosures about the organization's performance, risks, and mitigation strategies. Oversight is provided by the Group's audit committee, which works diligently to uphold compliance and ensure the integrity of its practices.
- **Board diversity:** Recognizing the value of diverse perspectives, the Group prioritizes the inclusion of varied expertise, backgrounds, and viewpoints within its board of directors. This approach not only enhances decision-making but also aligns with industry the best practices for governance. The Group actively pursues a balanced representation in terms of gender, age, ethnicity, and professional experience, guided by its board diversity policy and nomination and remuneration framework. Specialized expertise in sustainability and other relevant areas is sought to address evolving challenges and opportunities. Regular reviews of board composition and effectiveness

are conducted by the nomination and remuneration committee to ensure continual alignment with the Group's strategic objectives.

- **Compliance and risk management:** The Group is unwavering in its adherence to legal and regulatory standards related to environmental protection, social responsibility, and corporate governance. These measures include a robust compliance program designed to identify and address any potential vulnerabilities. A proactive risk management framework assesses material risks that could impact on the company's reputation, operational performance, or long-term sustainability. Through this framework, the Group takes preemptive steps to mitigate risks and uphold its commitment to responsible governance. Monitoring and oversight of these initiatives are entrusted to the audit committee, which ensures a comprehensive approach to compliance and risk mitigation strategies.

#### ESG POLICIES AND PRACTICES AT CIC Data Collection and Monitoring

CIC has established a systematic process for collecting and analyzing relevant



#### Awareness and Training Programs

CIC is dedicated to fostering a culture of sustainability and ESG awareness among its employees and partners. The company conducts training programs, workshops, and awareness campaigns to educate its employees about ESG principles, goals, and their roles in achieving sustainability objectives. The company also provides guidance and support to its employees to implement ESG best practices in their daily work and decision-making.

In conclusion, CIC's approach to ESG involves integrating policies, fostering awareness, and addressing challenges across environmental, social, and governance areas. This strategy aims to build a foundation for responsible growth, enhance operational resilience, and position CIC as a participant in sustainable practices and corporate accountability.

data and indicators related to its ESG performance. The company uses various sources and methods to gather data. The data covers the environmental, social, and governance aspects of the company's operations, such as energy consumption, greenhouse gas emissions, waste management, employee engagement, diversity and inclusion, health and safety, ethics and compliance, and stakeholder feedback.

#### Reporting and Communication

CIC has established an organized mechanism to address and report ESG matters effectively. Through dedicated committees and task forces, the company ensures that all environmental, social, and governance issues are identified, managed, and communicated in a structured manner. These specialized groups are tasked with developing strategies, implementing initiatives, and monitoring progress toward ESG goals. Their efforts are directly reported to the board of directors and senior management, fostering accountability and reinforcing the alignment of ESG priorities with CIC's overarching vision for sustainability and long-term value creation.

# DETERMINING MATERIALITY

CIC Engaged consultants to assist in determining the material matters for the Group. The process involved mapping the Group's business priorities and the topics from the SASB and GRI standards to create a long list. This was prioritized by considering the impact of external matters on the Group and the Group's impact on society and the environment.



## MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

During the reporting period, the Company undertook a structured and collaborative approach to refresh its material sustainability matters and engage with key stakeholders. The following key activities were carried out:

### 1. Review and Update of Sustainability Matters

- Reviewed CIC's existing list of sustainability matters in line with business operations and evolving ESG considerations.
- Incorporated input from internal risk registers, global trends, peer disclosures, and established reporting frameworks (e.g., GRI Standards, SASB).
- Developed a proposed list of material topics for further internal validation and alignment.

### 2. Stakeholder Identification and Prioritisation

- Conducted a stakeholder prioritisation workshop involving CIC's sustainability and engagement teams, as well as key management representatives from across business functions.
- Assessed stakeholder groups based on their level of influence on and dependence on CIC.
- Identified and prioritised stakeholder groups for targeted engagement.

### 3. Development of Stakeholder Engagement Plan

- Defined suitable engagement approaches (direct and indirect) tailored to each stakeholder group.
- Designed engagement activities leveraging existing communication channels, including online surveys and consultations.

Rank	Main Themes
1	Economic Performance
2	Climate Change & GHG Emissions
3	Customer Experience & Marketing
4	Business Ethics & Regulatory Compliance
5	Innovative Products & Service Offerings
6	Digitalisation & Transformation
7	Employee Relations
8	Industry Partnership and Collaboration
9	Community Development & Engagement
10	Protection of Natural Ecosystems
11	Responsible Sourcing & Resource Management

### 4. Materiality Assessment Workshop

- Facilitated a workshop with key management representatives to assess and prioritise identified sustainability matters.
- Applied criteria considering both the magnitude of impact and the likelihood of occurrence.
- Finalised a refreshed list of material ESG matters that reflects stakeholder expectations and business relevance.

This workshop enabled CIC to finalise the prioritised list of ESG sustainability matters, reflecting both business and stakeholder perspectives.

Rank	Main Themes	Sub-matters	GRI Reference	Links for IFRS
1	Economic Performance	Exchange rate fluctuations		
		Manufacturing capabilities		
		Operational efficiency		
		Economic performance	GRI: 201	
		Economic inclusion	GRI: 3-3	
		Indirect economic impacts	GRI: 203	

Rank	Main Themes	Sub-matters	GRI Reference	Links for IFRS
2	Climate Change & GHG Emissions	Energy	GRI: 302	SASB: RT-CH-130a.1, FB-AG-130a.1, FB-FR-110a.1, FB-FR-130a.1, FB-MP-130a.1
		Climate adaptation and resilience	GRI: 201	
		Emissions	GRI: 305	SASB: RT-CH-110a.1, RT-CH-110a.2, FB-AG-110a.1, FB-AG-110a.2, FB-AG-110a.3, FB-FR-110b.1, FB-FR-110b.2, FB-FR-110b.3
		Air quality		SASB: RT-CH-120a.1
		Counterfeit Drugs		SASB: HC-BP-260a.1, HC-BP-260a.2, HC-BP-260a.3
3	Customer Experience & Marketing cont..	Food safety	GRI: 3-3, 416	SASB: FB-AG-250a.1, FB-AG-250a.2, FB-AG-250a.3 SASB: FB-MP-250a.1, FB-MP-250a.2
		Safety of Clinical Trial Participants		SASB: HC-BP-210a.1, HC-BP-210a.2, HC-BP-210a.3
		Product health and nutrition		SASB: FB-FR-260a.1, FB-FR-260a.2
		Customer privacy	GRI: 418	SASB: FB-FR-230a.1, FB-FR-230a.2
		Affordability & pricing		SASB: HC-BP-240b.2, HC-BP-240b.3, HC-MS-240a.1, HC-MS-240a.2
		On time delivery (OTD)		
		Product safety		SASB: HC-DI-250a.1, HC-DI-250a.2
		Ethical Marketing		SASB: HC-BP-270a.1, HC-BP-270a.2, HC
4	Business Ethics & Regulatory Compliance	Socio economic compliance	GRI 2-27	
		Environmental Compliance		
		Government & Public policy		
		Anti-corruption	GRI: 205	
		Management of legal and regulatory environment		SASB: RT-CH-530a.1
		Tax	GRI: 207	
		Anti-competitive behaviour	GRI: 206	
		Business Ethics		SASB: HC-BP-510a.1, HC-BP-510a.2, HC-MS-510a.1, HC-MS-510a.2, HC-DI-510a.1, HC-DI-510a.2
5	Innovative Products & Service Offerings	Innovation		
		Product design and use phase efficiency		SASB: RT-CH-410a.1
		Product lifecycle management		SASB: HC-DI-410a.1, HC-DI-410a.2, HC-MS-410a.1, HC-MS-410a.2, RT-CP-410a.1, RT-CP-410a.2, RT-CP-410a.3
6	Digitalisation & Transformation	State of the art technology		
		IP protection		
7		Occupational health and safety	GRI: 403	SASB: RT-CH-320a.1, RT-CH-320a.2, FB-MP-320a.1, FB-AG-320a.1
		Operational safety, emergency preparedness and response		SASB: RT-CH-540a.1, RT-CH-540a.2

## DETERMINING MATERIALITY

Rank	Main Themes	Sub-matters	GRI Reference	Links for IFRS
7		Training and education	GRI: 404	
		Employment practices	GRI: 3-3	
		Diversity and equal opportunity	GRI: 405	
		Forced or compulsory labour	GRI: 409	
		Non-discrimination	GRI: 406	
		Employment	GRI: 401	SASB: HC-BP-330a.1, HC-BP-330a.2
		Freedom of association and collective bargaining	GRI: 3-3, 407	
		Living income and living wage	GRI: 3-3	
		Labour/Management relations	GRI: 402	
		Child labour	GRI: 408	
8	Industry Partnership and Collaboration	Principal relationships		
9	Community Development & Engagement	Rights of indigenous people	GRI: 411	
		Local communities	GRI: 413	
		Livelihood Development		
10	Protection of Natural Ecosystems	Natural ecosystem conversion	GRI 13: Topic 13.4	
		Soil health	GRI 13: Topic 13.5	
		Pesticides use	GRI 13: Topic 13.6	
		Land Use and Ecological Impact		SASB: FB-MP-160a.1, FB-MP-160a.2, FB-MP-160a.3
11	Responsible Sourcing & Resource Management	Waste Management	GRI: 306	SASB: RT-CH-150a.1, RT-CH-150a.1, FB-FR-130a.1
		Best practices along supply chain		
		Supply chain traceability	GRI: 3-3	SASB: FB-FR-430a.1, FB-FR-430a.4
		Supplier Environmental Assessment	GRI: 3-3, 308	
		Biodiversity	GRI: 304	
		Inventory management		
		Water & Effluents	GRI: 303	SASB: RT-CH-140a.1, RT-CH-140a.2, RT-CH-140a.1, SASB: FB-AG-140a.1, FB-AG-140a.2, FB-AG-140a.3
		Materials & Chemicals	GRI: 301	SASB: CG-HP-250a.1, CG-HP-250a.2, CG-HP-250a.4
		Supplier social assessment	GRI: 414	
		Land and resource rights	GRI: 3-3	
		Safety and environmental stewardship of chemicals		SASB: RT-CH-410b.1, RT-CH-410b.2

# REVAMPING GROWTH

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As our goal to empower Sri Lanka is realised, we centre our efforts on furthering our cause. As we turn to a new chapter of our legacy, we aim to continue impacting lives, revolutionising industries and driving positive change for the betterment of the nation.

## MANAGEMENT DISCUSSION & ANALYSIS





# OPERATING ENVIRONMENT

Operating conditions improved during the year, supported by a recovering domestic economy and encouraging trends in the global economic landscape.

## KEY DEVELOPMENTS IN THE GLOBAL ECONOMY

### Global Growth

The global economy showed relative stability in 2024, reflecting a cautious return to normalcy after several years of economic shocks. The World Bank estimates global real GDP to have grown by 2.7%, broadly in line with the growth rate witnessed in 2023. While this marks a period of relative stability, growth remains notably lower than pre-pandemic levels. The slower-than-expected global recovery was primarily driven by ongoing geopolitical tensions, including the war in Ukraine, the crisis in the Red Sea region, and escalating friction between China and the United States, all of which disrupted global markets and supply chains, contributing to heightened economic uncertainty.

### Global Inflation

Global headline inflation continued to ease in 2024, driven by declining energy and commodity prices, improved supply chain conditions, and the delayed impact of sustained monetary tightening across major economies.

### Global Trade

Global trade in goods and services rebounded in 2024, driven primarily by a strong recovery in the services sector. Goods trade also picked up pace in the second half of the year, following a sluggish start. This resurgence was partly supported by precautionary inventory build-ups in response to anticipated trade disruptions, such as dockworker strikes on the U.S. East Coast and Gulf of Mexico, as well as the prospect of new and proposed tariff increases in the United States.

### Commodity Prices

Commodity prices softened in 2024 as improving supply conditions offset the impact of heightened geopolitical tensions. Brent crude oil prices were volatile throughout the year, initially elevated due to geopolitical risks but gradually eased as global economic growth slowed and oil production rose, particularly from non-OPEC+ countries. Grain prices also saw a significant decline, supported by strong global harvests and improved supply chain stability.

### Freight and Shipping Rates

Maritime transit and freight rates rose in the second half of 2024, driven by disruptions in shipping routes and increased cargo volumes. Despite this uptick, rates remained significantly lower than the highs experienced during the pandemic and, so far, have had a limited impact on global goods availability or delivery timelines.

## IMPACT ON CIC GROUP

**With almost 68% of Group revenue coming from trading operations that are primarily import dependent, developments in the global economy have a significant impact on our performance.**

### Key Impacts

- Heightened geopolitical tensions—including the ongoing war in Ukraine, Red Sea disruptions, and escalating U.S.–China friction—led to increased supply chain volatility and cost pressures
- Elevated freight costs towards the latter part of the year added further strain on margins across our trading operations
- Easing global inflation and improved commodity supply conditions
- Recovery in global trade—especially in the second half of the year—created selective opportunities in export-focused areas

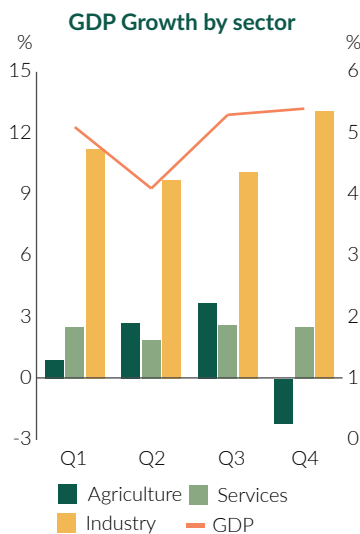
## GLOBAL OUTLOOK

Heightened policy uncertainty and adverse trade policy shifts driven by new U.S. tariffs and counter measures from its trading partners pose significant downside risks to global growth, with forecasts indicating a further slowdown in 2025. While the reciprocal tariff scheme by the US is now on a 90 day pause, amidst ongoing trade negotiations, these recent developments continue to fuel uncertainty and represent a substantial threat to global trade dynamics and overall market stability. Meanwhile Other risks such as escalating conflicts, geopolitical tensions and the increasing impact of climate change could also negatively impact global trade and supply chains in the coming year.

## KEY DEVELOPMENTS IN SRI LANKAN ECONOMY

### Stabilisation of Sri Lankan Economy

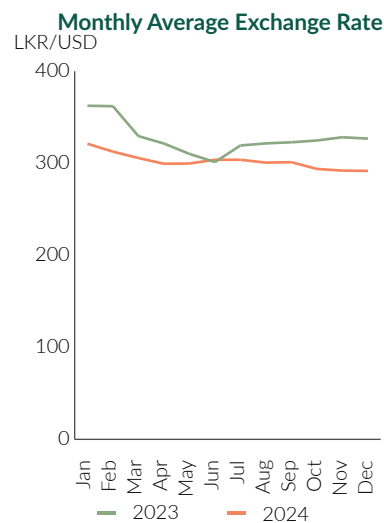
The Sri Lankan economy continued to recover steadily in 2024 as post-crisis reforms continued to deliver positive outcomes. After two years of annual contraction, the Sri Lankan economy rebounded strongly in 2024 with a growth of 5% compared to the 2.3% contraction in 2023. Growth was mainly attributable to Industry activities, driven by the revival of manufacturing and construction activities. Services activities also contributed significantly, supported by the sustained growth in tourism and transport services. Meanwhile, Agriculture activities also contributed positively to the growth despite witnessing a decrease during the 4th Quarter of 2024.



### Overall Appreciation of the Rupee amidst Some Volatility

Notwithstanding some exchange rate volatility, the Sri Lankan Rupee appreciated for the second consecutive year in 2024, reflecting improved stability in the external sector. Key contributors to this appreciation included the completion of external debt restructuring and the continued progress under the IMF-EFF program, which bolstered investor confidence and external sector resilience. Although the trade deficit widened due to a rebound in merchandise imports, strong growth in tourism earnings and workers' remittances supported a current account surplus for the second

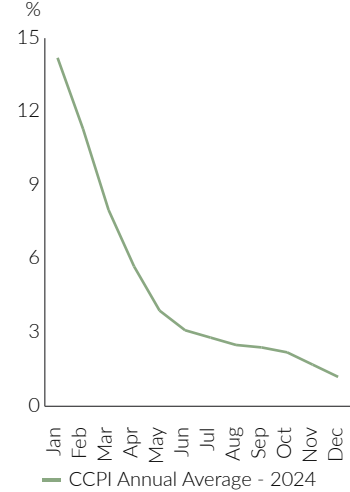
year in a row. Robust foreign exchange inflows significantly improved liquidity in the domestic forex market, enabling the Central Bank to purchase a record-high amount of foreign currency. This accumulation contributed to a notable increase in gross official reserves and reinforced the upward pressure on the Sri Lankan rupee throughout 2024. Overall, the Sri Lanka rupee ended the year at Rs. 296.35 per USD, recording an annual appreciation.



### Downward Trend in Inflation

Inflation in 2024 continued on a downward trend following the record highs in 2022 supported by corrective monetary policy measures, tighter fiscal policy, and conducive global price developments. After an initial uptick during the early part of 2024, inflation followed an overall decreasing trend during 2024 and reached deflationary levels from September onwards. The increase in Value Added Tax (VAT), removal of VAT exemptions from several expenditure items in the consumer basket and notable food inflation led to an uptick in inflation in early 2024. However the reduction in administratively determined prices including electricity tariffs in March 2024 resulted in a downward trend in inflation with the country entering a period of deflation from September 2024. The moderation of global commodity prices and the strengthening of the Sri Lanka rupee also contributed to the declining inflation trend.

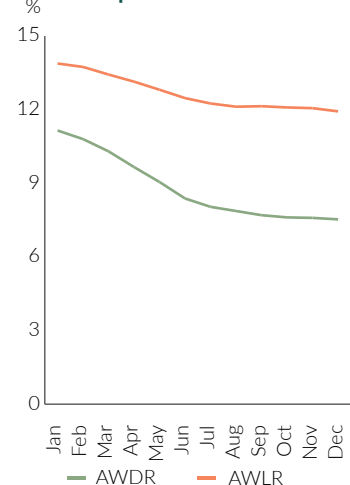
### Headline Inflation



### Downward momentum in Market Interest Rates

Market interest rates continued their downward momentum in 2024, driven by accommodative monetary policy measures that had been implemented since June 2023. In addition to the easing of monetary policy, several factors contributed to the overall decline in market interest rates, including subdued inflation, moderate inflation expectations, and reduced risk premia following the near finalization of the debt restructuring process. In total, policy rates were reduced by 125 basis points in 2024, leading to a further moderation in both market deposit and lending interest rates, particularly towards the latter part of the year.

### Movement in Bank Lending and Deposit Rates 2024



# OPERATING ENVIRONMENT

## Phasing out of Remaining Import Restrictions

The Sri Lankan government has been gradually lifting import restrictions imposed in 2022 due to a foreign exchange crisis. Import restrictions on imports and capital flows have been lifted in stages, the latest being the phased out relaxation on restrictions places on the importation of motor vehicles.

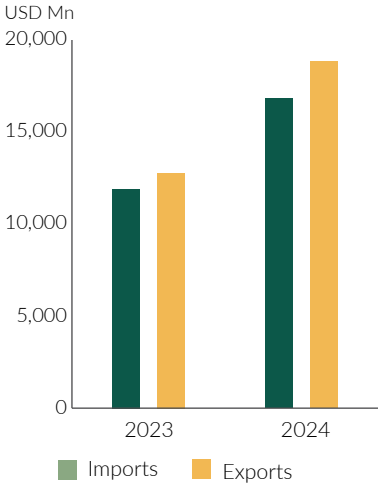
## Improved Trade Activity

The merchandise export sector recorded notable growth in 2024, reflecting the country's ongoing economic recovery. Import volumes also increased due to improving demand conditions in the country as well as the gradual relaxation of import restrictions since June 2023, especially for consumer and investment goods.

## OUTLOOK

The Sri Lankan economy is expected to remain on its recovery trajectory, supported by the gradual restoration of macroeconomic stability. Growth in the near to medium term is likely to be supported by low and stable inflation, a declining interest rate environment, improved market confidence, and sustained political and economic stability. However, downside risks persist, including escalating geopolitical tensions, the impact of U.S. policy adjustments and retaliatory measures by major economies, as well as climate-related disruptions, all of which could challenge the country's growth momentum in the short to medium term.

Merchandise Trade Performance



# MANAGEMENT DISCUSSION & ANALYSIS

## SECTOR REVIEW

### Crop Solutions



CIC’s Crop Solutions segment delivered a strong performance during the year, with all three verticals showing robust growth and a notable increase in demand across all core product lines.

#### PLANT NUTRITION



CIC Agribusiness holds a leading position in the fertilizer market, with approximately 25% share in conventional fertilizers and over 35% in new generation compound fertilizers. Beyond supplying high-quality fertilizers, the Company also offers comprehensive advisory services to farmers across multiple crop segments, reinforcing its commitment to holistic agricultural solutions.

#### PLANT PROTECTION



The Plant Protection sector leverages strong partnerships with leading global innovators to bring advanced crop protection solutions tailored to the unique needs of the Sri Lankan agricultural landscape. By integrating international expertise with local knowledge, the sector delivers high-performance products that support healthier crop growth and more resilient farming practices.

#### SEEDS



CIC Seeds (Private) Limited is the biggest supplier of quality seed in the country having nearly 40% market share in seed paddy supply. The company leverages its in-depth knowledge, in-house farms and extensive out-grower farmer network to produce high-yielding paddy seeds for Sri Lanka’s agriculture sector. High-quality Maize and vegetable seeds are also supplied to farmers both through local production and imports.

### CONTRIBUTION TO GROUP

Rs. 33.2Bn

Revenue

Rs. 3.2Bn

Profit

Rs. 20.9Bn

Assets

### STRATEGY AND PERFORMANCE



Hybrid seed cultivation inside a controlled greenhouse environment Hingurakgoda

#### Plant Nutrition

The Plant Nutrition segment recorded an improved performance during the year amidst a gradual increase in demand for fertilizer products. The industry recorded a 25% volume growth, from both public and private sector, surpassing the 500,000 MT mark for the first time in three years. CIC managed to get 26% volume in FY 2024/25 from the private sector. Increasing levels of competition and resultant margin pressure however continued to be a challenge.

The increasing demand for more targeted solutions in agriculture presents a significant opportunity for the sector.

## MANAGEMENT DISCUSSION & ANALYSIS

CIC Agribusiness has already made several initiatives to capitalise on this opportunity by actively promoting compound fertilizers and other specialty fertilizers such as value-added coated urea. Central to these efforts is our continued investment in research and development to create more customer-centric and sustainable products. Despite intensifying price competition, CIC maintains a strong differentiation through superior product quality, technical expertise, and unmatched service. By offering complete production packages, supported by our sister companies providing quality seeds and agrochemicals, we deliver integrated solutions that stand out in a highly price sensitive market. Furthermore, we see strong potential in deepening relationships with farmers through our technical capabilities and customer focused approach. This strategy is supported by national level development projects in collaboration with state agencies, aimed at improving productivity in key crops such as paddy, sugarcane, tea, maize and coconut.



Providing insurance for "GroMore" farmers

### Plant Protection

The plant protection segment recorded a steady performance during the year with a revenue growth of 4%. While demand for plant protection products remains favourable amidst the recovery of the agriculture sector, margins continue to be impacted by growing competition from the proliferation of generic products. As part of our efforts to address this challenge, we continue to explore local formulation of some products to reduce import cost. Meanwhile we aggressively negotiate with suppliers to obtain price reductions and better credit terms to improve our margins.

We also continue to expand our portfolio, providing new safer high efficacy products and new product combinations. Efforts to Integrate Foliar Fertilizers with crop protection products too are tried out at present. During the year we also established a new strategic partnership with a reputed agrochemical solutions provider based in Belgium. This collaboration will enable us to expand our crop protection portfolio with high quality, innovative products that meet international standards.



Production of premium-quality seeds

The growth in demand for environmentally friendly crop protection solutions is a significant industry shift, reflecting both global sustainability trends and evolving farmer preferences. In response, we continue to enhance our product portfolio by incorporating more green chemistry, focusing on Class III and IV products that offer effective protection while minimising environmental impacts.

Throughout the year, we actively engaged with our customers including farmers and dealer network to create awareness on the safe and effective use of crop protection products. The "Ran Sarupala" campaign launched in 2023 continued during the year in collaboration with the Department of Agriculture targeting productivity enhancement in the paddy sector. The program also aims to create awareness on CIC's integrated solutions among paddy growers. During the year we also ventured into the public health space, introducing a couple of new products for pest management in urban areas. This strategic move not only broadens our impact beyond agriculture but also supports healthier living conditions through the control of disease, carrying pests in cities and communities.

### Seeds

CIC Seeds continued to perform well during the year, recording volume, revenue and profit growth. The volume growth was driven by increased demand for seed paddy as well as vegetable seeds.

Responding to the national need to provide seed for Sri Lankan farmers at competitive prices, CIC ramped up its current local high value local seed production. To this end CIC Seeds has built 15 closed growth chambers in its farms to produce hybrid vegetable seeds. The company now plans to expand local hybrid seed production



using the experience it gained over the years. To further strengthen local seed production, the company is looking for a suitable land with irrigation facilities since water is a limiting factor to expand seed production in existing company farms. We also initiated adaptability testing trials with locally produced seed in Tamil Nadu, India with a view to commence seed export. The company also started local production of hybrid corn seed in collaboration with a Thai company. Production rights of Maize hybrid was obtained from this company to produce hybrid maize seed locally.

We also continued to strengthen our research and development capabilities to develop high yielding, locally adaptable hybrid seed varieties to substitute costly imported seeds. To this end the company has signed MOUs with two international seed companies with a view to share knowledge and other resources. A new senior scientist too will be recruited in the next financial year to strengthen the human resource pool in company R&D. After years of dedicated research and development, the company has successfully developed several hybrid seed varieties. In 2024, we commenced the commercial seed production of two hybrid chili varieties and one hybrid brinjal variety after obtaining government approval. A hybrid coconut seedling production program was also commissioned in 2024 with the technical collaboration of Coconut Research Institute (CRI), at Pelwehera farm. Around 500 hybrid coconut seedlings are produced monthly at present, and the company intends to expand this production since the demand for this early bearing coconut hybrids is increasing.

We are also focused on strengthening our vegetable seed business and are actively exploring the acquisition of a suitable local vegetable seed company. This strategic move aims to bolster our capabilities in meeting growing market demand with high quality CIC seed. The company has also contacted several international research institutes including World Vegetable Research Centre, Taiwan to seek the possibility of getting new germplasm.

#### RISKS

- Delays in recovering an outstanding Government subsidy receivable
- Reduced margins due to growing industry competition and pricing pressure
- Policy inconsistency
- Delay in new product registration and Product range restrictions
- Potential demand reduction due to government supplying subsidised fertilizers
- Increased levels of labour migration
- Possibility of introducing price control of agri inputs in the future
- Impacts of climate change particularly

#### OPPORTUNITIES

- The market dynamics are evolving rapidly, with customers becoming more informed and demanding specific, high-tech agri solutions.
- Increasing shift towards Biological/Organic products
- The lower productivity of most agricultural crops and the government focus on improving yields and quality of crops presents giving several opportunities within the sector.

#### **"DALLAKIN WENASAK" PROGRAM BOOSTING AGRICULTURAL PRODUCTIVITY**

The "Dallakin Wenasak" program was launched in January 2024 as part of CIC's unwavering commitment to empowering farming families and revitalizing rural communities. Designed to boost Sri

Lanka's tea industry, the initiative focuses on increasing crop productivity, elevating green leaf quality, and securing better prices for growers to drive long-term prosperity across the sector.

Carried out as a partnership between CIC Agri businesses and TSHDA, TRI, SLTB and TSHS, this program was conducted as a pilot program for 200 farmer clusters (each cluster consisting of 15-20 farmers) in Galle, Matara and Ratnapura districts.

Through the project, CIC invested Rs. 54 Mn to enhance farmer knowledge and awareness by conducting regular training sessions, field visits, and weekly media programs, facilitating WhatsApp group communication, distributing printed advisory materials, promoting farm record-keeping, and providing agri inputs, soil testing, crop clinics, and support for implementing good agricultural practices.

The project continued to deliver promising results as evidenced by a measurable increase in yields across participating farmer clusters.

Crop yield increase 10% achieved by the top 30 leading clusters (450 farmers)

District	Mean yield increase	Mean yield increase range
Galle	31%	17 - 59%
Matara	26%	9 - 41 %
Ratnapura	26%	12 - 49%

#### WAY FORWARD

While the sector presents significant opportunities in innovations and offering improved products, the company must navigate persistent challenges, particularly around pricing pressures and intensifying market competition. Maintaining strategic market leadership while expanding our footprint will require continued agility and innovation. In the plant nutrition segment, we will continue to focus on expanding our product range with a particular focus on compound fertilizers and other specialty fertilizers. In the crop protection segment, our focus is on transitioning from high-toxicity products to low-volume, higher-margin green alternatives, supported by factory enhancements, the adoption of drone technology. In the seed segment, we will prioritise the expansion of local seed production, strengthen our R&D efforts to drive new product development, and invest in the mechanisation of farm operations to address ongoing labour shortages. Ultimately, we will focus on providing integrated solutions to growers in order to enhance overall productivity and profitability of the sector.

MANAGEMENT DISCUSSION & ANALYSIS

SECTOR REVIEW

Agri Produce



The Agri produce sector delivered a commendable performance supported by the gradual improvement in economic conditions in the country, including the revival of the tourism sector and rising disposable income levels.

RICE



CIC's Rice segment offers a diverse portfolio that includes nutritionally enriched Healthy Rice, authentic Sri Lankan Traditional Rice varieties, and flavourful Specialty Rice. These products are carefully curated to meet the evolving tastes and health-conscious preferences of both local and international consumers.

DAIRY



CIC Dairy offers a diverse range of cultured dairy products and UHT fresh milk under its flagship brand, CIC Creamoo & Farm Fresh. Designed to meet the evolving preferences of Sri Lankan consumers, the brand has established itself as a trusted choice for high-quality, great-tasting dairy products available across the island.

FRESH PRODUCE



The Fresh Produce segment, the segments consumer interface is strategically positioned as a premium supplier of fresh vegetables, fruits, fruit juices, specialty condiments, and essential food items, catering to the needs of discerning high-end consumers seeking quality, freshness, and exclusivity.

CONTRIBUTION TO GROUP

Rs. 5.8Bn

Revenue

Rs. 0.7Bn

Profit

Rs. 4.6Bn

Assets

STRATEGY AND PERFORMANCE



Golden Crop offers a diverse range of rice varieties

Rice

The Rice segment delivered a strong performance in FY 2024/25, driven by targeted efforts to expand market reach, enhance brand visibility, and strengthen distribution channels, ensuring wider availability and deeper consumer engagement.

The revival of the tourism industry led to strong demand from the HORECA channel, while sustained customer engagement and awareness-building initiatives drove notable growth in the modern trade channel. Additionally, import restrictions on rice, coupled with rising health consciousness,

growing interest in healthy lifestyles, and increased awareness around the prevention of non-communicable diseases (NCDs), further supported demand for the segment's nutritionally enhanced and traditional rice offerings.

During the year, the segment focused on strengthening its market position through several strategic initiatives.

We expanded our out-grower network to ensure a consistent and quality of crops and intensified our retail media communication efforts to boost brand visibility. We have also adopted a more structured personal selling approach in the food service sector to drive deeper engagement and increase penetration in the HORECA channel. We also strengthened our R & D capabilities to innovate new varieties & value added convenient product range. Meanwhile in response to the significant increase in demand we are also looking at enhancing our production capacity in the near future.

As part of its continued growth strategy, the Rice segment undertook a significant capital expenditure project focused on expanding its milling factory capacity. The facility is being upgraded with advanced automation technologies. The new factory is scheduled to be commissioned within the financial year. In parallel, the segment also achieved a major milestone in food safety and quality management by obtaining the globally recognised FSSC 22000 certification during FY 2024/25, further reinforcing its commitment to delivering high-quality, safe products to both local and international markets.



*A variety of premium-grade dairy offerings*

### Dairy

The Dairy Sector faced ongoing challenges, primarily due to its reliance on a single product category-yoghurt. Additionally, weak consumer demand driven by lower disposable income, combined with price hikes from VAT increases and inflationary pressures, negatively impacted demand conditions. Despite the challenges, the segment effectively reduced annual losses through aggressive cost management strategies, including the implementation of a KPI-driven culture, with a strong focus on yield management, milk sourcing, and quality improvement.

To address the key weakness of relying on a single product category, the company introduced tactical SKUs to enhance consumer affordability. In parallel, the Dairy segment is actively exploring potential partnerships to leverage growing market segments and diversify its product offerings, driving broader consumer appeal and business growth.

During the year, we continued to consolidate and strengthen the joint logistics project initiated during the last financial year in partnership with Flora Food Group, leading to notable cost savings in transportation. Additionally, the project achieved a significant 50% reduction in carbon emissions, aligning with the segment's sustainability goals while enhancing operational efficiency.



*Fresh produce at Hingurakgoda Farm*

### Fresh Produce

The fresh produce segment recorded a steady performance, maintaining its position as a trusted retailer of fresh produce for the high-end, niche consumer market.

## MANAGEMENT DISCUSSION & ANALYSIS

In line with our strategy of increasing brand visibility and product availability, Fresheez outlets were introduced at high-traffic office complexes, with the first such outlet opened at the Sampath Bank head office cafeteria. This brings the total number of outlets to seven, increasing brand visibility while catering to the urban, health-conscious consumer. Meanwhile, as part of our efforts to expand our retail footprint, a new retail outlet in Wattala is scheduled to open in FY 2025/26.

As part of its strategy to penetrate the growing healthy food market, the Fresh Produce segment also introduced a range of nutritious, ready-to-eat offerings tailored to busy, health-conscious consumers. Notable additions include the “Power Lunch” range, and a selection of hearty “Evening Soups” that cater to the demand for convenient yet healthy dinner options. These product innovations reflect the segment’s commitment to aligning with emerging dietary trends and expanding its footprint in the functional food space.

### RISKS

- The Dairy sector continues to face a portfolio limitation due to its heavy dependency on a single product
- The VAT exemption on yoghurt poses a threat, as VAT on inputs raises production costs, squeezing profit margins.
- Impact of climate change on rice and fresh produce crops

### OPPORTUNITIES

- Growing health consciousness of consumers
- Growth in tourism sector expected to drive demand from HORECA channel
- Gradual increase in disposable income levels

### WAY FORWARD

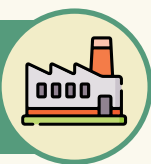
We are confident of the prospects for the sector given the revival of the tourism sector and gradual increase in disposable income levels and continue to explore ways to capitalise on growth opportunities. In the Rice segment, product innovation driven by research and development will remain a key focus, aimed at expanding market share both domestically and in international markets. Capacity enhancements and expansion of our out-grower network will further support growth in the segment. In the Dairy segment we remain focused on improving supply chain efficiencies while exploring partnerships to venture into new growth categories. A planned investment in the cheese sector with a joint business partner will be one of the key initiatives during the coming financial year. Concurrently, the company is committed to expanding its retail footprint through the strategic growth of its Fresheez outlets, with a continued focus on enhancing visibility and reach within Colombo. This expansion plays a critical role in strengthening the Fresh Produce segment, which acts as the consumer-facing interface of CIC’s “Nurturing Life” brand promise and serves as a key driver of brand engagement and market penetration.





## SECTOR REVIEW

### Industrial Solutions



CIC's Industrial Solutions sector retained its market leadership position by strategically expanding its product portfolio in growth segments.

#### INDUSTRIAL CHEMICALS



The Industrial Chemicals segment offers a diverse portfolio of chemical solutions to a broad range of industries including paint, textile, rubber manufacturing, packaging, food and personal care.

#### SPECIALITY PACKAGING



The Specialty Packaging division provides high quality food grade packaging solutions specifically tailored to meet the needs of large scale food and beverage manufacturers in Sri Lanka.

#### CONTRIBUTION TO GROUP

**Rs. 8.1Bn**

Revenue

**Rs. 1.6Bn**

Profit

**Rs. 12.3Bn**

Assets

#### STRATEGY AND PERFORMANCE



Binder manufacturing plant at Panagoda

#### Industrial Chemicals

Despite a slower than expected recovery in the construction sector, the Industrial Chemical segment, posted a commendable 10.2% increase in revenue through targeted efforts to drive volumes in growth segments.

During the year, several new products were introduced to strengthen our portfolio and meet evolving market needs. A new binding product was launched to support the packaging industry, while antimicrobial peptides were introduced for the feed manufacturing industry.



## MANAGEMENT DISCUSSION & ANALYSIS

Additionally, a shape retention additive was introduced for the biscuit industry to help minimise breakage and enhance product integrity during handling and distribution.

We also expanded our partner network by acquiring two new partners, Tate & Lyle and Enhalor. The addition of these principals further strengthens our capabilities and broadens our offering across key industry segments.

Meanwhile, as part of our ongoing efforts to enhance operational efficiency, we implemented new systems aimed at reducing production cycle times for our textile customers.



Premium packaging solutions

### SPECIALTY PACKAGING

The packaging sector recorded a strong performance during the year supported by increased demand for food and beverage packaging. Strong demand for core products, driven primarily by the resurgence in tourism and retail activity, contributed to volume growth during the year.

During the year, we took significant steps to enhance the sustainability and efficiency of our operations by adopting more energy-efficient processes in the manufacturing of preforms. Meanwhile, we continued our efforts to innovate and align our offerings with evolving customer expectations by exploring solutions that reduce the plastic content in our packaging.



Rainforest Eco Lodge

### RISKS

- The proposed US reciprocal tax if implemented could negatively impact exports, including key products such as apparel, rubber gloves, and solid tires, which are significant customers of the Industrial Chemicals segment.
- Recent restrictions on PET containers for agrochemical packaging have adversely affected demand, as this was a key customer segment for the packaging sector.

### OPPORTUNITIES

- Gradually recovery of the construction industry expected to improve demand conditions for the Industrial chemicals segment
- Emerging opportunities for the Industrial packaging industry such as water-based wood coatings, fabric dyes and chemicals.
- Increased demand from the food and beverage industry for both segments ( eg. additives and food grade containers)

### WAY FORWARD

Looking ahead, our focus in the Industrial solutions sector will be on expanding our portfolio to cater to evolving market demands. This includes exploring growth segments in the industrial chemical segment such as water-resistant coating applications, additives for the food and beverage industry and excipients for the pharmaceutical sector among others. Meanwhile considering the environmental impact of PET used in our specialty packaging segment, we will continue to invest in sustainable manufacturing and recycling methods to minimise the impact on the environment.

## SECTOR REVIEW

### Health and Personal Care



CIC Holdings' Health and Personal Care cluster reflects the Group's unwavering commitment to improving well-being across multiple dimensions of life. Encompassing three core verticals—pharmaceuticals, medical devices, and personal care—the cluster takes an integrated approach to promoting healthier communities through innovative and impactful solutions.

#### PHARMACEUTICALS



CIC Pharmaceuticals is involved in marketing and distribution of pharmaceutical formulations in Sri Lanka, representing world-renowned manufacturers.

#### MEDICAL DEVICES



CIC's Medical Devices unit maintains a strong market position by providing innovative solutions across orthopaedic, maxillofacial and wound care specialties, as well as offering advanced diagnostic solutions.

#### PERSONAL CARE



The segment provides high-quality, research-based Ayurvedic and herbal solutions that promote wellness and self-care. Link Naturals enjoys a market leadership position in several categories with a growing international presence.

#### CONTRIBUTION TO GROUP

Rs. 18.5Bn

Revenue

Rs. 1.4Bn

Profit

Rs. 14.5Bn

Assets

#### STRATEGY AND PERFORMANCE



Earth essence at Link Naturals

##### PHARMACEUTICALS

The Pharmaceutical Division delivered a strong performance with 22% revenue growth during the year, despite the pharmaceutical industry growth being 5%. This revenue growth was supported by the division focused efforts to widen its portfolio of products with more emphasis on providing a diverse range of price points. At the same time, the division focused on cost optimisation

and operational efficiency, with initiatives such as monitoring key cost drivers and the implementation of a Sales Force Automation System to reduce procurement and distribution costs. This contributed to a stronger bottom-line performance during the year.

A key strategic milestone was achieved with CIC Pharma becoming the first entrant in the country to launch

innovative molecules, mainly combination products to the market. During the FY 2024/25, 4 combination molecules were introduced (MAXFLOW-D, FORHEF, DAPAMET and AVSAR) as the first and second entry to the market and approved by the National Medicines Regulatory Authority (NMRA). These products help reduce pill burden on patients by combining multiple medications into a single dose, thereby improving patient adherence, treatment effectiveness and affordability. Our efforts in this area reflect our ongoing commitment to improving our offering to patients as we continue to introduce new molecules and combination therapies to the market in the coming financial year.

The pharmaceutical manufacturing operation also recorded a revenue growth of 9%. Operating at full capacity throughout, the manufacturing segment successfully achieved all KPI's enabling the unit to meet all agreed

## MANAGEMENT DISCUSSION & ANALYSIS



*A initiative with the Nutrition Society of Sri Lanka to provide nutrition among children.*

contractual obligations. New molecules developed by the local manufacturing arm captured a significant share of both private and state sector markets, a testament to the strength of technical collaborations developed over time. However, the uncertainty over the renewal of the Guaranteed Buy Back Agreement is expected to have a negative impact on the viability of local manufacturing, compelling the existing local manufacturers to look for growth in the private market, enhancing their share beyond the present level of 5% and in export markets.

The collaboration with CIC Pharmaceuticals and Link Natural products expanded further by recoding a growth of 46% in the pharmacy channel. Main contributions were from Samahan, MuscleGuard, Amurtha, Paspanguwa and Tripala.

CIC Pharma actively engaged in a range of community awareness-building initiatives during the year, reinforcing its commitment to public health and wellness. In collaboration with the Sri Lanka Nutrition society and Wayamba University of Sri Lanka, CIC developed nutrition guidelines for children aged 5 to 10, aiming to promote healthier lifestyles from an early age, which is now at the dissemination stage. The company also served as the official wellness partner for Hatton National Bank (HNB), conducting educational sessions on nutrition, women's health, menopause, and psychological well-being. Similar wellness partnerships were established with Sampath Bank and the Sri Lanka Police, where CIC conducted targeted sessions on nutrition and menopause to support overall employee wellness.

During the year we also installed solar panels to our CIC Healthcare Fulfilment Centre at Ekala with a capacity of 300 kWp, as part of the Group's broader sustainability goals of reducing carbon footprint and promoting renewable energy solutions.

### MEDICAL DEVICES

The Medical Devices division delivered strong performance during the year, achieving commendable revenue growth across most business units. This success was driven by a sharp focus on identifying high-potential market segments and aligning with the right product lines to meet evolving customer needs. This was supported with targeted knowledge sharing programs for key stakeholders which further strengthened the unit's reputation and credibility within the healthcare sector.

As a part of its growth strategy, the division continues to focus on identifying and targeting niche market segments. During the year strategic partnerships were established with public & private scientific authorities to jointly develop and manufacture specialised products for the orthopaedic sector. Meanwhile we continue to leverage our strong partnerships with global principals to strategically expand our current product range. Niche products introduced during the year include haemostatic solutions for neuro and excessive bleedings surgical procedures and point of care testing in diagnostics segment.



*OCD machine at a private hospital*

During the year, we continued to strengthen our presence in the private healthcare sector, while maintaining our strong engagement with the state sector. This approach supports our broader strategy of balanced growth and market diversification, particularly in response to reduced demand from the state medical sector due to budgetary constraints.



*Pharmevio combination launch*



*CCL combination launch*



## HERBAL & PERSONAL CARE

The Link Natural portfolio continued to gain strong traction both locally and internationally, recording an overall growth of 14% in FY 2024/25 amidst growing global interest in herbal Ayurvedic remedies. This momentum was fuelled by robust international market growth of 21%, predominantly from Europe, USA & Middle East. Meanwhile, local market growth of 12% was largely driven by key brands such as Samahan, SP Balm, Sudantha Toothbrush, Earth Essence & B2B business. The strong performances in these segments are reflected in the significant market share gains within the domestic market. As per available retail data SP Balm and Sudantha Toothpaste almost doubled their market shares, while Sudantha Toothbrush market share grew from a mere 4% to 19% in the modern trade channel.

Guided by Link Natural's strong philosophical commitment to the triple bottom line growth, the company continues to prioritise the preservation of Ayurveda tradition, close community engagement, and environmental protection alongside financial growth. The Sara Osu project exemplifies this commitment, focusing on sustainable medicinal plant cultivation, ethical wild harvesting, waste recycling, and reforestation. Through its out-grower programs, rural farmers benefit from financial, technical, and market support, ensuring fair incomes and improved livelihoods. The company also champions climate-smart agriculture by promoting soil improvement, water conservation, and biodiversity protection practices. Additionally, herbal waste is converted into compost, supporting a circular economy and further reducing environmental impact. These efforts reflect Link Natural's broader sustainability vision—ensuring consistent high-quality raw material supply while minimising ecological footprint.

As a research and development-led organisation, Link Natural's state-of-the-art R&D facility continues to fuel its strategy of delivering safe, efficacious, and high-quality products that have earned consumer trust for generations.



*Natural herbs at the core of our herbal product manufacturing process*

## RISKS

- Price controls on essential medicines further to the new Pharmaceutical Pricing Mechanism
- Over-reliance on imports make the Pharma and Medical Devices sectors vulnerable to global supply chain disruptions
- The presence of counterfeit drugs and low cost products from China and India in the market
- Decline in demand for premium-quality products due to budgetary constraints in the state health sector and lower disposable income levels
- Slow and tedious registration process and stringent regulatory requirements impacts all three segments
- Challenges in sourcing quality raw material for herbal products

## OPPORTUNITIES

- Increasing Government support for the local manufacturing of pharmaceuticals as well as the promotion of the Ayurveda industry
- Growth in the prevalence of non-communicable diseases (NCDs) and aging population
- Expansion of healthcare services and insurance coverage also boosts medicine consumption.
- Limited local pharmaceutical manufacturing capacity creates significant opportunities for importers to fill the gap
- The growing private hospital network increases the demand for specialised and high-end pharmaceutical products, including branded drugs and advanced medical therapies.
- The rise of e-pharmacies and digital healthcare platforms presents opportunities for pharmaceutical importers to expand their reach through online sales and delivery services.
- Growing demand locally and globally for Herbal and Natural Supplements

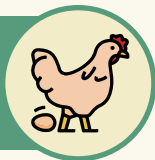
## WAY FORWARD

Strengthening our research and development capabilities will remain a core focus across segments within the health and personal care sector, as this not only drives product innovation and differentiation but also ensures clinical efficacy, regulatory compliance, and long-term consumer trust in a highly competitive and quality-driven market. We will also continue to pursue blue ocean opportunities and capture untapped market segments by identifying emerging consumer needs, leveraging innovation, and expanding into underserved niches with differentiated, high-impact offerings. Simultaneously, we are focused on deepening channel penetration by strategically leveraging Group synergies to enhance distribution efficiency, broaden market reach, and strengthen our presence across key touchpoints.

MANAGEMENT DISCUSSION & ANALYSIS

SECTOR REVIEW

Livestock Solutions



CIC’s Livestock Solutions sector continued to play a vital role in strengthening Sri Lanka’s food value chain. By offering an integrated suite of services—from feed milling and day-old-chicks (DOC) to poultry production and veterinary care—the sector ensures consistent quality and support across the entire livestock supply network.

FEED MILLING



CIC Group’s poultry feed milling operation continues to play a vital role in supporting Sri Lanka’s poultry industry by supplying high-quality feed to farmers nationwide.

DAY-OLD-CHICKS (DOC) OPERATION



CIC’s Day-Old Chick (DOC) operation continues to be recognised as a leading and reliable supplier, trusted by poultry farmers across the country for its consistent quality and performance.

POULTRY



CIC delivers premium-quality poultry products that cater to the evolving demands of Sri Lankan consumers through its “CIC Besto Chicken” brand, offering both frozen and chilled chicken products across the local market.

VETERINARY CARE



CIC Vetcare (Private) Limited and Asiavet Lifesence (Private) Limited serves both the livestock industry and the domestic pet market, offering a comprehensive portfolio of veterinary pharmaceuticals, vaccines, feed additives and pet care products sourced from some of the world’s leading manufacturers.

CONTRIBUTION TO GROUP

**Rs. 17.7Bn**

Revenue

**Rs. 1.3Bn**

Profit

**Rs. 11.5Bn**

Assets

STRATEGY AND PERFORMANCE



Raw material storing silos at Ekala Feed Mill

FEED MILLING

The poultry feed segment faced mounting pressure due to the trend of backward integration, with more producers establishing in-house feed mills to reduce reliance on third-party suppliers. Despite these headwinds, CIC maintained a competitive edge through agile sourcing strategies and effective cost management, enabling us to offer competitive prices and outperform industry peers.



We continued to invest in feed quality enhancements by upgrading our production lines with advanced technology and process improvements, ensuring superior nutritional value, consistency, and efficiency.



Nutrition pack Eggs

#### POULTRY

Retaining market share in Sri Lanka's highly fragmented and competitive poultry industry remains a formidable challenge. However, CIC Poultry has successfully upheld its market position through the strength of its brand, an unwavering commitment to quality, and the professional management of its operations. These factors have consistently reinforced customer trust and loyalty, enabling the company to navigate competitive pressures effectively.

Sluggish demand conditions and an oversupplied market continued to challenge performance during the year. In response, the company implemented a multi-pronged strategy, focusing on diversification, exploring export opportunities, and introducing innovative, value-added products. A key development during the year was the launch of Besto Omega 3 Eggs, further strengthening CIC Poultry's portfolio and reinforcing its commitment to quality and innovation.



Fresh high quality and safest chicken

#### DAY-OLD- CHICKS (DOC) OPERATION

Our Day-Old-Chick (DOC) operation experienced substantial growth during the year, further solidifying our role as a key player in Sri Lanka's poultry industry. As with our feed segment, the DOC business remains closely tied to the broader poultry market, which is shaped by fluctuations in feed prices, consumer demand for poultry meat, and seasonal consumption trends. Despite these external influences, our ability to swiftly adjust production volumes, uphold consistent quality, and foster strong customer relationships has allowed us to maintain our leadership position and achieve resilient performance.

#### VETERINARY CARE

Throughout the year, CIC Vetcare significantly bolstered its product portfolio by introducing several innovative offerings, reinforcing its market presence and value proposition. A standout addition was a cutting-edge product from Boehringer Ingelheim, further enriching its veterinary solutions. Additionally, Formycin Gold, an advanced animal feed additive from EW Nutrition, was launched to promote livestock health and productivity. Asiavet also expanded its range with new products from Kemin Industries (Pvt) Ltd., underscoring the company's dedication to delivering high-quality, forward-thinking veterinary solutions that address the evolving needs of the industry.

## MANAGEMENT DISCUSSION & ANALYSIS



*Nex Gard at Vetcare*

### RISKS

- Escalating production costs due to rising input prices and heavy taxation
- Increasing global feed raw material prices, driven by climatic changes, crop failures, and trade policies
- Challenges in local feed ingredient sourcing, particularly for domestically grown corn
- Impact of indirect taxes on consumer demand for poultry products

### OPPORTUNITIES

- Resurgence of the tourism sector and gradual improvement in disposable income levels are expected to drive higher demand for poultry products.
- Growing consumer interest in value-added products such as Omega-3 enriched eggs and low-fat, high-protein chicken options.
- Shift toward healthier, chemical-free meat, reflecting changing consumer preferences and awareness of food quality.
- Strong export potential, supported by industry advancements and adherence to international quality standards.

### WAY FORWARD

Poultry consumption in Sri Lanka, which declined due to reduced consumer spending during the economic crisis, is now recovering as disposable incomes rise. The sector also demonstrates strong export potential, driven by modern technology, rigorous quality standards, and Sri Lanka's HPAI-free status (Highly Pathogenic Avian Influenza). In this context, we remain committed to refining our operations to enhance efficiency and product quality to strengthen our competitive edge.

# FINANCIAL CAPITAL



Our strong financial position allows us to pursue our growth objectives whilst maintaining resilience in the face of external challenges. We continued to strengthen our financial performance and position during the year, by maintaining a sharp focus on cost optimization, streamlining operations, and driving disciplined capital allocation to support sustainable growth and long-term stakeholder value.

## OUR FOCUS AREAS

- Revenue enhancement through strategic portfolio management
- Continued focus on cost optimization and Group wide cost synergies
- Prudent management of financial investments
- Optimizing working capital across the group
- Maintaining adequate liquidity through effective cash management



## KEY HIGHLIGHTS OF THE YEAR

- **9%** growth in consolidated Group Revenue to **Rs. 83.3Bn**
- **7%** increase in Group Gross Profits and stable Gross Margins
- Reduction in Net Finance Cost by **Rs. 1.6Bn**
- **0.38** Gearing ratio maintained despite increase in long term borrowings
- Improved operating cash flow

## VALUE CREATED DURING THE YEAR

**Rs. 14.36**

EPS

**16%**

increase in Group Equity

**15%**

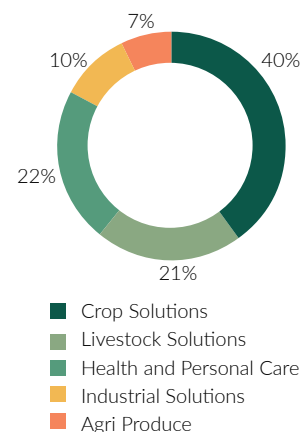
growth in Net Asset Value (NAV) per share

## FINANCIAL PERFORMANCE

### Revenue

Group consolidated revenue in FY 2024/25 amounted to Rs. 83.3Bn, a 9% increase compared to FY 2023/24. Revenue growth during the year was supported by resilient performances across all sectors.

### Revenue by Segment



## FINANCIAL CAPITAL

In FY 2024/25 the Crop Solutions sector was the highest contributor to Group revenue accounting for 40% of total revenue. The Health and Personal Care sector and Livestock Solutions sectors followed with contributions of 22% and 21% respectively. The Industrial Solutions and Agri Produce sectors meanwhile accounted for 10%, 7% of group revenue respectively.

In terms of growth the Health and Personal care sector recorded the highest YoY growth of 14% while the Livestock Solutions sector also recorded a robust YoY growth of 10% during the year. The Agri Produce, Industrial Solutions and Crop solutions sectors meanwhile recorded growth rates of 8%, 7% and 6% respectively. Further details of segmental performance are available in the Portfolio

Review section on pages 190 to 191 of this Report.

### GROSS PROFITS

Consolidated Gross Profits increased by 7% to Rs. 22.2Bn during the year. Faced with Increasing levels of competition in the market and continued inflationary pressure, the Group proactively adopted a more balanced and diversified product mix across sectors to protect profitability to maintain margins. Consequently, the gross profit margins were maintained at 27%, in line with the previous year.

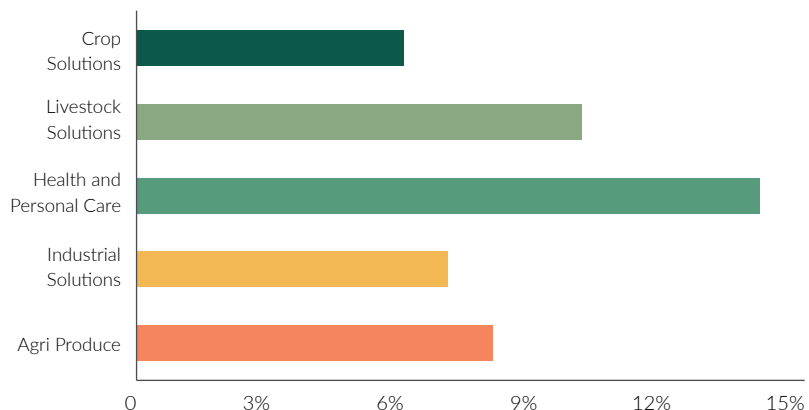
### OPERATING EXPENSES

Administrative expenses increased by 5% during the year. Distribution meanwhile increased by 23 % in FY 24/25 compared to FY 23/24. Distribution expenses increased notably during the year as a result of increasing marketing and publicity activities.

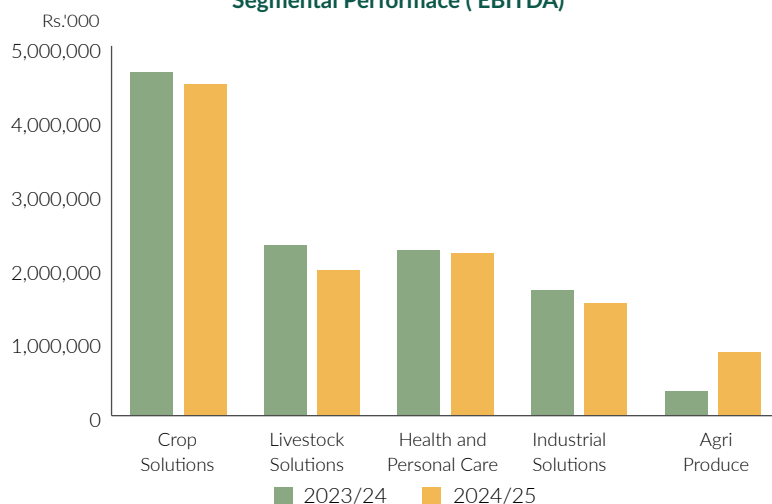
### OPERATING PROFITS

Despite ongoing cost pressures, the Group maintained Operating Profit (EBITDA) at Rs. 12.91Bn.

### YoY Growth by Sector



### Segmental Performance ( EBITDA)



### FINANCE EXPENSE

Group's net finance cost declined to Rs. 1.6Bn in FY 2024/25 from Rs. 2.6Bn, reported during the same period last year. Lower interest rates in the market during the year as well as the Group's focus on improved financial management resulted in the sharp decline in net interest expenses.

### PROFIT BEFORE TAX (PBT)

Despite stable operational performance, the Group recorded a Profit before Tax (PBT) of Rs. 9.21Bn in FY 2024/25, compared to Rs. 13.5Bn in FY 2023/24. The year-on-year decline is primarily attributable to a one-off gain of Rs. 5.3Bn recognized in the previous financial year. This gain arose from a bargain purchase, recorded when CIC Holdings PLC and its subsidiaries began applying equity

accounting for their investment in John Keells Holdings PLC (JKH) from the quarter ended 31st December 2023, following the acquisition made in October 2023. PBT growth excluding this one-off gain in FY 2023/24 is 5%.

### TAXATION

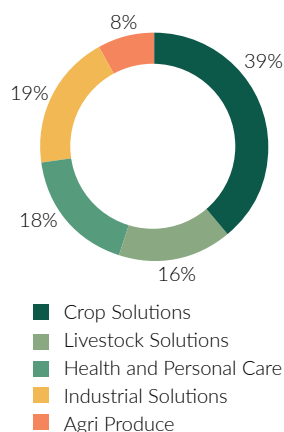
Income tax for the Group amounted to Rs. 2.9Bn in FY 2024/25 compared to the income tax of Rs. 2.5Bn during the previous financial year.

### PROFIT AFTER TAX ( PAT)

The Group recorded a PAT of Rs. 6.6Bn for the FY 2024/25, compared to the PAT of Rs. 11.0Bn in FY 2023/24 due to the reasons explained above. The highest contribution to Group Net profits was from the Crop solutions sector (39%) followed by the Industrial solutions sector

(19%). The health and personal Care sector and livestock solutions sector contributed 18% and 16% while the Agri produce sector accounted for 8% of Group PAT during the year.

#### Sector Contribution to Group Net Profit



#### FINANCIAL POSITION

##### Non Current Assets

Total non-current assets as at 31.03.2025 increased by Rs. 5.6Bn to Rs. 44.9Bn. During the year property plant and equipment which accounts for 31% of total non-current assets increased by Rs. 1.4Bn. Meanwhile equity accounted investees which account for 65% of total non-current assets also increased by Rs. 4.1Bn resulting in the increase in non-current assets during the year. The increase in equity accounted investees was on account of the investment in John Keells Holdings PLC.

##### Current Assets

Current assets as at 31.03.2025 amounted to Rs. 44.5Bn compared to Rs. 39.2Bn as at 31.03.2024. Higher levels of inventory and trade receivables resulting from the higher level of operations during the year contributed to the increase in the current asset position.

##### Non current Liabilities

Non-current liabilities of the Group increased substantially from Rs.3.6Bn at 31.03.2024 to Rs. 5.1Bn as at 31.03.2025. This was mainly on account of bank loans of Rs. 2.0Bn obtained during the year by CIC Holdings PLC to convert its part of short term loans to a long term loans.

##### Current Liabilities

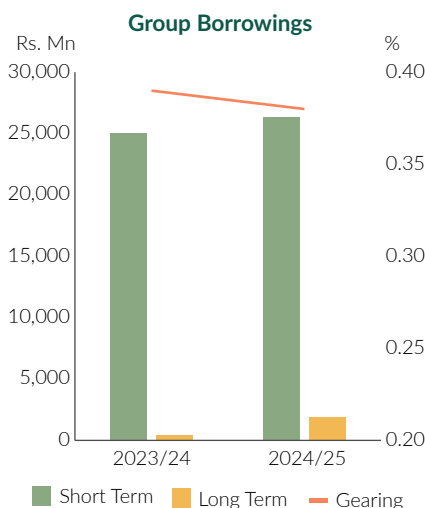
Current Liabilities as at 31.03.2025 amounted to Rs.37.9Bn compared to Rs. 34.9Bn as at 31.03.24. Almost 69% of current liabilities comprise of current portion of loans and liabilities obtained by Group companies.

##### Equity

Total equity increased by 16% to Rs. 46.4Bn as at the end of the current financial year, primarily driven by higher retained earnings (Rs. 35.2Bn) resulting from improved performance during the year. Additionally, a revaluation surplus of Rs. 843Mn and an increase in non-controlling interests resulting from strong performances of sectors which has higher non-controlling interest.

##### Gearing

Despite total borrowings increasing by 11%, during the year the Group's gearing ratio at 0.38 remained broadly in line with last years levels due to the improved equity position during the year.



##### Cash Flow and Liquidity

Group Net cash flow from operating activities increased to Rs. 3.3Bn compared to Rs. 2.9Bn during the previous financial year. Net cash outflow from investing activities meanwhile was Rs. 5.5Bn compared to Rs. 8.4Bn in FY 2023/24. The outflow was mainly on account of further investments in associate company John Keells PLC Rs. 4.3Bn). During the year the Group recorded a net cash inflow from financing

CIC Holdings has been recognised with an AA+(lka) credit rating by Fitch Ratings, a distinction that highlights its exceptional creditworthiness and reliability within Sri Lanka's financial landscape. This prestigious rating signifies the company's ability to fulfil its financial commitments with minimal risk, underscoring its credibility and stability in the local market.

activities amounting to Rs. 833Mn. This was mainly as a result of the Rs. 2 Bn long term loan obtained during the year. Consequently, the Net decrease in cash & cash equivalents during the Period amounted to Rs. 1.3 Bn compared to a net decrease of Rs. 6.6 Bn in the corresponding period last year.

#### SHAREHOLDER INFORMATION

##### CIC share performance

The CIC share price reached its peak in January 2025 and February 2025 respectively (ordinary: Rs. 132 non-voting: Rs. 92) and ended the year with a share price of Rs. 117.25 (Ordinary) and Rs.77.90 (non-voting). Average daily trading volume was Rs. 33.2 Mn (ordinary) and Rs. 24.8 Mn (non-voting). Foreign ownership of ordinary and non-voting shares stood at 1.8% and 2.67%, respectively, at the end of the year.

##### Shareholder Returns

Earnings per share (EPS) for the year stood at a more moderate Rs. 14.36, compared to Rs. 25.70 in FY 2023/24. The decline was due to reduced profitability during the year. Net Asset Value (NAV) per share however increased to Rs. 105.83 as at end-March 2025 from Rs. 92.05 the previous year, indicating a stronger balance sheet and improved shareholder value.

#### Way forward

Continued focus on Cost Optimization

Ongoing efforts on portfolio rationalisation to drive margins

Continued focus on working capital management to maintain adequate liquidity levels



MANUFACTURED CAPITAL

Investments in our manufactured capital are central to strengthening our competitive edge and unlocking revenue opportunities across the diverse industries we operate in. We remain committed to strategically enhancing this critical asset through focused investments that drive productivity, support revenue growth and reduce our environmental footprint.

OUR FOCUS AREAS

- Asset Modernization & Optimization
- Strategic Capacity Enhancement
- Ensuring Resilience, Safety, and Compliance
- Driving Greater Sustainability

VALUE CREATED DURING THE YEAR

0.93 times

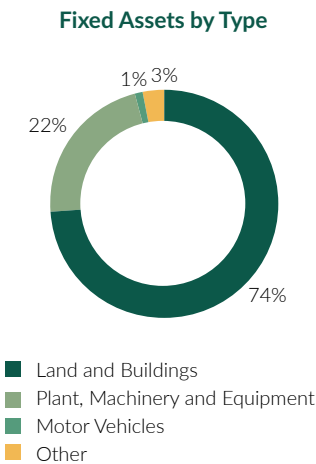
Asset Turnover Ratio



KEY HIGHLIGHTS OF THE YEAR

- **Rs. 590Mn** invested in production capacity enhancement in the Crop Solutions, Health & Personal Care, Industrial Solutions and Agri Produce sectors
- **Rs. 42Mn** invested in increasing warehousing and storage capacity for Crop Solutions sector
- **Rs. 102Mn** invested in solarization and energy efficiency efforts
- **Rs. 4Mn** invested in improving effluent and waste management

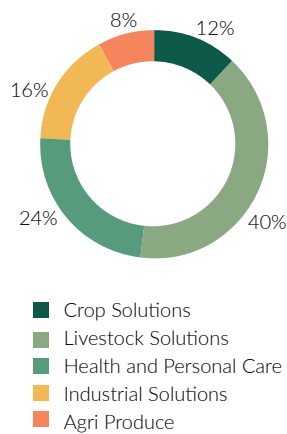
DISTRIBUTION OF GROUP MANUFACTURED CAPITAL



Total Fixed assets of the Group amounted to Rs. 14.1zBn as at 31 March 2025. 74% of our manufactured capital comprise of land and buildings including our fields and farmlands, warehousing space, manufacturing facilities and other buildings. Plant, Machinery and Equipment account for 22% total fixed assets.

The livestock solutions sector accounts for the highest proportion of Group manufactured capital with almost 40% of Property Plant and Equipment. The Health & Personal Care sector meanwhile accounts for 24% of PPE reflecting the capital intensive nature of the operation. Industrial Solutions sector accounts for 16% of PPE while the Crop Solutions and Agri Produce sector account for 12% and 8% of PPE respectively.

Property, Plant and Equipment by Sector



OUR APPROACH TO MANAGING OUR MANUFACTURED CAPITAL

Capex investments of the Group are strategically planned to ensure long-term value creation, enhance operational efficiency, and support sustainable growth. We have in place a structured and disciplined capital allocation process to ensure that investments are optimized for resource efficiency and are aligned with the Group's broader strategic priorities. Business Heads are responsible for submitting their Capex requirements for the upcoming financial year, alongside

annual budgets and detailed justifications. These submissions are reviewed by Group Finance and consolidated into sector-wise Capex proposals, which are initially approved by the Managing Director or CEO. Following this, the consolidated Capex plan is presented to the Board of Directors for final approval together with the relevant sector budgets.

Clearly defined Asset Acquisition Guidelines, established through Standard Operating Procedures (SOPs), ensure transparency and consistency in the asset procurement process. As part of these guidelines, respective Business Heads are required to submit asset acquisition requests to the Finance Department using a duly completed Capex Approval Form. These requests must be in line with approved budgetary allocations and supported by prior Board approval to ensure alignment with the Group's strategic and financial priorities.

All asset acquisitions require a minimum of three quotations to ensure competitive pricing and value for money. Additionally, the process mandates collective approval from key stakeholders, including the

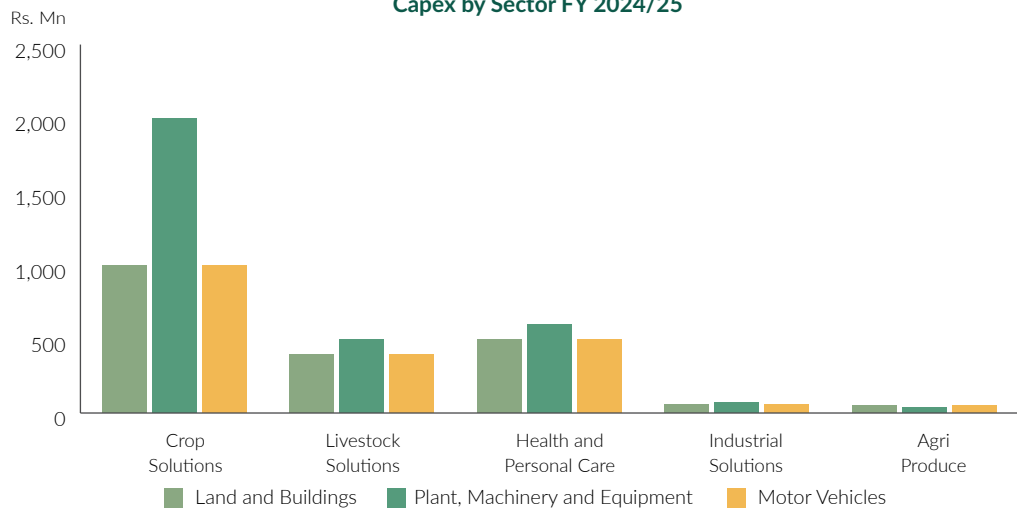
Business Head, Finance Head, and the Group CFO, which introduces an added layer of oversight and accountability. This collaborative approach ensures that each acquisition is rigorously evaluated from both financial and operational perspectives, reinforcing transparency and prudent decision-making in capital expenditure.

Machinery purchases meanwhile are overseen by a dedicated "Tech Committee" comprising three engineers from the Agribusiness Group. The committee evaluates key technical aspects such as warranty, after-sales service, reliability, and quality certifications to ensure informed and standards-compliant procurement decisions.

VALUE CREATION DURING THE YEAR

We continued to enhance our manufactured capital during the year investing a total of Rs. 1.19Bn in property plant and equipment across our sectors. CAPEX investments during the year were strategically directed towards expanding production capacity, improving operational efficiency, and streamlining processes.

Capex by Sector FY 2024/25



## MANUFACTURED CAPITAL

Sector	Key Capex Investments during the Year
<b>Crop Solutions</b>	Construction of Logistics building for Agri Businesses (Private) Limited Expansion of Seed Stores facility Investment in new office Premises Investments in new machinery including Automatic Liquid filling Machine New Stores building for RPC Factory Developments to R&D unit
<b>Health and Personal Care</b>	Infrastructure for fire installation Project Construction of a sensory analysis lab Key machinery investments including tablet punch machine Installation of solar panels and inverters for Ekala Factory Factory upgrades and building modification Construction of waste disposal yard and unloading building at Dambukanda Improvements to Dambukanda estate including supportive structure for medicinal plants
<b>Industrial Solutions</b>	Investments in machinery including Injection moulding Machines and bottles Blowing Machines
<b>Agri Produce</b>	Installation of Solar Project Investments in machinery and equipment including electric forklift, paddy husker air compressor Construction of shed in paddy husk collection area LPG Gas tank Installation

### MAINTAINING THE QUALITY OF OUR MANUFACTURED CAPITAL

Maintaining the quality and integrity of our manufactured capital is of critical importance. We uphold the highest operational standards across all our sites, strictly adhering to a comprehensive range of international certifications and benchmarks. For a full list of the standards and certifications we comply with, please refer to page 63 (Intellectual Capital) of this Report.

Regular maintenance and facility upgrades meanwhile are carried out systematically to ensure optimal performance, extend asset lifespan, minimize downtime, and uphold health, safety, and environmental standards across all operational sites.



A solar power plant at Ekala Health Care facility centre

### PROTECTING OUR MANUFACTURED CAPITAL

Protecting our physical assets against risks such as natural disasters and other unforeseen disruptions is essential to ensuring uninterrupted operations and business continuity. We therefore have in place comprehensive risk management plans that include periodic risk assessments, targeted mitigation strategies, and scenario-based contingency plans to minimize potential damage, ensure rapid response, and maintain operational resilience in the face of unexpected challenges.

### ECO-CONSCIOUS INFRASTRUCTURE

We remain committed to building and maintaining environmentally responsible physical infrastructure. To this end, we continue to invest in energy-efficient technologies, expand the use of renewable energy sources at our premises, and strengthen our waste management capabilities through facilities such as wastewater treatment plants.

#### Way forward

Targeted investment in capacity enhancement in growth segments

Continued investments in automation and modernisation

Increased emphasis on investing in environmentally friendly infrastructure

# INTELLECTUAL CAPITAL



Our intellectual capital—comprising our advanced research and development capabilities, deep tacit knowledge, and proprietary IT systems—plays a pivotal role in driving our brand value. Together, these distinctive strengths enable us to differentiate ourselves through superior quality, innovation, and operational excellence, forming a strong foundation for the Group’s sustainable growth and long-term success.



## KEY HIGHLIGHTS OF THE YEAR

- **Rs. 587.61Mn** spent on Brand Awareness campaigns
- **Rs. 508.13Mn** on Research and Development in the herbal health care sector, rice and hybrid seed production segments
- Ongoing focus on cross sectoral knowledge sharing
- **Rs. 126.79Mn** spent on IT systems and infrastructure

## OUR FOCUS AREAS

- Preserve the Groups’ status as a top tier conglomerate in the country by enhancing brand value
- Drive operational efficiencies through ongoing IT investments
- Create a culture of innovation
- Maintain the highest standards of product and process quality.

## VALUE CREATED DURING THE YEAR

**38**

new product innovations

**Rs. 52.7Mn**

cost savings due to process improvements

**Over 9**

industry awards and accolades

## BRAND VALUE

Built around the brand promise of “Nurturing Life.” CIC brand continues to be a key element of our value proposition. “Nurturing Life” brand proposition serves as the unifying ideology across all CIC subsidiaries, aligning their collective efforts towards the socio-economic development of the country and its people. This integrated approach has reinforced CIC’s reputation as a symbol of strength, reliability, and purpose.

We continue to strengthen our brand value, with extensive communication efforts including grassroots level customer education about the quality and integrity of products associated with the CIC brand. Meanwhile, our ongoing efforts to ensure consistent quality, uphold product responsibility, and foster innovation continue to drive brand loyalty and strengthen customer trust.

# INTELLECTUAL CAPITAL

Customer centricity is a hallmark of our brand value, and we continued to drive innovation, process efficiencies, and service excellence to better meet the evolving needs of our customers. By staying closely attuned to consumer expectations and market dynamics, CIC reinforces its position as a trusted partner and continued to enhance its brand value.

### A CULTURE OF INTEGRITY

A strong organisational culture, characterised by integrity and ethical behaviour is the foundation on which we continue to grow. The CIC Group Board

sets the tone at the top by upholding the highest standards of ethics and integrity across all Group activities. To support this commitment, a comprehensive, Board-approved Code of Conduct framework provides the formal structure for embedding ethics and integrity at every level of the organisation.

### SYSTEMS AND PROCESSES

The Group's systems and processes have been refined over the years to streamline internal workflows, optimise resource allocation, and reduce time-to-market for new products and services. We continue

to invest in our digital infrastructure to continue to drive operational efficiencies and greater value to our customers. We are also increasingly leveraging data analytics and emerging technologies to generate actionable insights that support informed decision-making and proactive risk management. This integrated, intelligence-led approach enhances operational efficiency, strengthens strategic agility, and positions the Group to respond swiftly and effectively to evolving market demands.

Cutting Edge IT solutions

As part of its ongoing digital transformation, the Group has invested in several advanced systems to enhance operational efficiency and data-driven decision-making. The implementation of a Sales Force Automation (SFA) system has streamlined sales processes, improved customer relationship management and enhanced productivity. A comprehensive Human Resource Information System (HRIS) supports efficient people management across the organisation, from recruitment to performance tracking. Additionally, the integration of Power BI has enabled real-time business intelligence and analytics, empowering teams with actionable insights to drive strategic decisions and improve overall performance. During the year we continued to enhance our IT infrastructure by investing Rs. 126.79 Mn on IT infrastructure of the Group

Business Continuity

A Group-wide Business Continuity Planning (BCP) framework is in place to effectively manage disruptions and ensure uninterrupted operations. Recently updated to align with global best practices, the framework includes a robust infrastructure featuring a Primary Data Centre and a Disaster Recovery (DR) Data Centre strategically located at separate sites. This setup enhances the Group's resilience, ensures data integrity, and enables swift recovery in the face of unforeseen events.

Data Security and Integrity

The Group has implemented robust IT security systems to safeguard its digital infrastructure and data assets. Adopting a multi-layered approach, these systems incorporate advanced cybersecurity measures—including firewalls, intrusion detection, and encryption protocols—to protect against cyber threats. Regular security audits, risk assessments, and ongoing employee training reinforce compliance and promote a culture of vigilance and accountability across the organisation.

### RESEARCH AND DEVELOPMENT CAPABILITIES

The Group's research and development capabilities are a core strength, empowering it to drive continuous innovation and maintain a leading edge across the diverse industries in which it operates. This strong R&D foundation enables the Group to anticipate market trends, develop cutting-edge solutions, and deliver long-term value to stakeholders.

Most Strategic Business Units (SBUs) within the Group have their own

dedicated research and development functions, empowering individual clusters to tailor their innovation initiatives to align with specific market dynamics, customer needs, and strategic priorities. This decentralised approach fosters agility, encourages specialised expertise, and ensures that each SBU remains responsive and competitive within its respective industry.

Our R&D capabilities are further strengthened through robust partnerships with leading academic institutions, research organisations, technology

providers, and principals who contribute cutting-edge knowledge, technical expertise, and global best practices. These collaborations foster continuous innovation, accelerate product development, and enhance the Group's ability to deliver high-impact, market-relevant solutions.

An emphasis is placed on R&D particularly in the herbal healthcare sector, rice and hybrid seed production segments.





Link Natural R & D centre

#### TACIT KNOWLEDGE

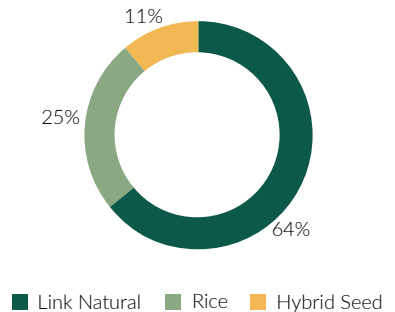
The tacit knowledge and collective experience of our team form a vital part of our intellectual capital. The Group's current management team comprises seasoned professionals with diverse expertise and extensive industry experience who bring in the required strategic foresight and leadership to drive the Group's sustained growth and long-term success. Meanwhile, our team of over 600 employees across a wide range of industries brings a wealth of practical insight, technical know-how, and a shared commitment to excellence—which enables us to differentiate ourselves in a competitive landscape. We continue to harness this wealth of knowledge and experience through formalised training programs, by providing opportunities for talent mobility within the organisation and by promoting a culture of mentoring.

#### STANDARDS AND CERTIFICATIONS

The Group adheres to a wide range of internationally recognised standards and certifications, reflecting its strong commitment to delivering high-quality products and services, ensuring regulatory compliance, and driving continuous process improvement across all operations. Standards and certifications obtained by each of our sector are listed below;

CROP SOLUTIONS	ISO 9001:2015
AGRI PRODUCE	FSSC 22000, ISO 22000:2018 ,HALAL CERTIFICATION ,FDA EXPORT CERTIFICATE
INDUSTRIAL SOLUTIONS	ISO 9001: 2015, ISO 22000, FSSC 22000, SMETA, ISO 900, ISO 14001, ISO45000, EPL, SCHEDULED WASTE, TRADE LICENSE, FIRE CERTIFICATE, ROP LICENSE FOR BIOCIDES
HEALTH AND PERSONAL CARE	ISO 9001:2015,ISO 14001:2015,ISO 45001:2018,ISO 50001:2018,ISO 22000 :2018,FSSC 22000:2018,HACCP,GMP Healthcare, ISO 22716:2007, GMP for Cosmetics,SLS 275:2014,SLS 276: 2013,HALAL,HALAL for GCC countries,KOSHER
LIVESTOCK SOLUTIONS	FSSC 22000 V 6.0 B 23247 (R 0) ISO 9001,ISO 14001,ISO 45001

#### Research and Development Spent



**Rs. 508.13Mn**

Total R & D Spent in FY 2024/25

#### Innovation in Action

As part of our ongoing focus on driving innovation to improve customer value, CIC Agri Businesses launched the CIC Digital Agri Hub mobile application—a pioneering platform designed to empower Sri Lanka's farmers during the year. The app provides easy access to up-to-date agricultural information, expert guidance, agro-climatic data, crop calendars, product recommendations, and details of CIC sales outlets. It also supports the adoption of modern farming practices, helping boost productivity and drive the growth of the island's agricultural economy.



Launching CIC Digital Agri Hub

# INTELLECTUAL CAPITAL

## AWARDS AND ACCOLADES

The Group and its subsidiaries were the proud recipients of a range of prestigious awards, a clear reflection of its ongoing commitment to excellence and continuous improvement in all aspects of its operations. Key awards received during the year are listed below.

Company	Awards
Link Natural Products (Private) Limited	<p><b>NCE Export Awards</b> Gold Award for the Pharmaceutical Products including Medicinal related Ayurvedic and Herbal products Sector – Large Category</p> <p><b>Presidential Export Awards</b></p> <ul style="list-style-type: none"><li>Emerging Exporter of the Year 2023/24</li><li>Best Exporter 2023/24 under Herbal and Ayurveda Products Category</li><li>Best Sustainability Project Awards for “Saara Osu” Sustainable Approach in Medicinal Plant cultivation</li></ul> <p><b>SLIM National Sales Awards 2024</b></p> <ul style="list-style-type: none"><li>Two silver Award winners and one bronze Award winner</li></ul> <p><b>Effie Awards 2024</b></p> <ul style="list-style-type: none"><li>Silver and two bronze accolades for pioneering the use of interactive gaming)</li></ul>
Unipower (Private) Limited	<b>Best Enterprise Award</b> – (Large category) Agriculture/Livestock/ Fisheries sector
CIC Holdings PLC	<b>Commendation Award</b> Healthcare Fulfilment Centre (Ekala Warehouse) received for Best Supply Chain Practicing Organisation of the Year 2024 in the Large-Scale Manufacturing & Service category at the National Supply Chain Excellence Awards Ceremony, organised by the Institute of Supply and Materials Management in collaboration with the Ministry of Industries and the Industrial Development Board.

Way forward

Continue to strengthen brand visibility across segments

Continued Investments in strengthening digital infrastructure





Continue to adopt global best practices to drive operational and product excellence

# HUMAN CAPITAL



The CIC Group Human Capital is represented by employees around the country whose knowledge, expertise and commitment are instrumental in ensuring the Group's continued success.



OUR HUMAN CAPITAL		
By Gender	By Contract	By Age
 <b>1,824</b> Male	 <b>2,010</b> Permanent	<b>715</b> Age Below 30
 <b>489</b> Female	 <b>303</b> Contract	<b>1,433</b> Age 30 to 50
		<b>165</b> Age Over 50

## KEY HIGHLIGHTS OF THE YEAR

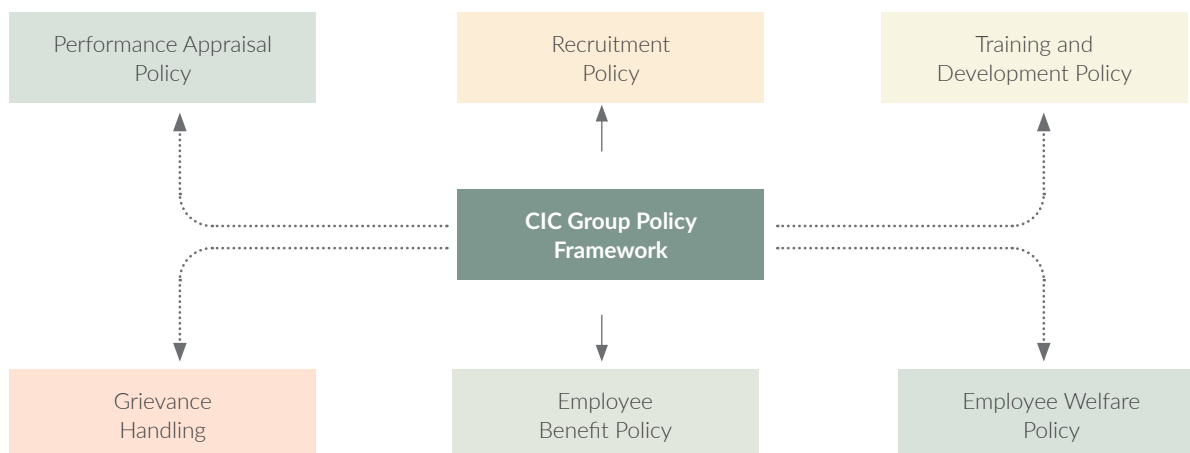
- ISO 45001 Occupational Health and Safety Management System
- Training Programmes Voluntary commitment to the UNGC Principles for labour and human rights
- 100% compliance with regulatory requirements

## HR GOVERNANCE

HR Governance is managed centrally by CIC Group HR. This centralised model aims to unify and enhance HR practices throughout the Group, promoting uniformity in HR policies, procedures, and regulatory compliance, in line with the Group's strategic goals. Group HR is led by the Group HR Head, who is responsible for developing and executing HR policies and ensuring adherence to all relevant labour laws. The Group HR Head provides operational HR updates to the GCEO and reports on policy and compliance issues to both the Board Human Capital and Compensation Committee and the Board of Directors.

VALUE CREATED DURING THE YEAR		
<b>247</b> New Recruits	<b>91%</b> Retention Rate	<b>13,448</b> Training Hours

## HUMAN CAPITAL



### Regulatory Compliance

- Shop and Office Employees (Regulation of Employment and Remuneration) Act, No. 19 of 1954 and its amendments
- Factories Ordinance No. 45 of 1942 and its amendments
- EPF Act
- Payment of Gratuity Act of Sri Lanka
- Maternity Benefits Ordinance of 1939

Track  
Record

Zero - incidents of non-compliance of labour regulations

### Governance Responsibilities

- UNGC Principle 3: freedom of association and the effective recognition of the right to collective bargaining.
- UNGC Principle 4: elimination of all forms of forced and compulsory labour.
- UNGC Principle 5: effective abolition of child labour; and
- UNGC Principle 6: elimination of discrimination in respect of employment and occupation.

Track  
Record

Zero - incidents of reported regarding violation of the right to freedom of association  
Zero - incidents of reported in child labour / forced compulsory labour

### LEARNING AND DEVELOPMENT

Training and development are essential in shaping a skilled and flexible workforce that can support the growth of a large, diversified conglomerate like the CIC Group. Accordingly, the Group's Training and Development policy focuses on developing a workforce that is well-informed, proficient, and adaptable, enabling it to support the Group's sustained success and market competitiveness. The policy is designed to equip employees with vital resources and create avenues for career progression and professional development, fostering empowerment and long-term engagement.

A structured method for identifying training needs supports the Group's commitment to aligning development

efforts with both employee and organisational objectives. This begins through ongoing performance reviews and feedback discussions, where managers and staff jointly identify skill gaps, career goals, and improvement areas. In addition, each cluster periodically performs skills evaluations and conducts surveys to capture new training demands. The Group also tracks industry developments and technological progress to forecast future skill requirements essential for sustaining a competitive advantage.

By implementing focused training programs, ongoing learning efforts, and access to professional growth tools, the Group aims to strengthen employee capabilities, boost performance, encourage innovation, and ensure adaptability to shifting industry standards and regulatory changes. This strong emphasis on development highlights the CIC Group's commitment to employee engagement, retention, and organisational success.

### Training Provided

By Gender	Total Training Hours	Average Training Hours
Male	12,178	36.45
Female	1,270	11.47
Total	13,448	47.92
By Employee Category		
Executive	6,173	217.05
Middle Management	4,797	188.06
Non-Executive	474	26.12
Senior Management	2,004	80.86

# 25Mn

Total Training Investment

## DIVERSITY & INCLUSION

As an established and multi-faceted conglomerate, the CIC Group is committed to setting the standard in promoting diversity and inclusion throughout its operations. Understanding that diversity is both a strength and a driver of innovation and success, the Group fosters a culture that respects differences and values each individual's unique viewpoint and contributions. This dedication is embedded in the Group's HR framework and reflected in its hiring practices, talent development programs, and policies that emphasise fairness and equal opportunity. By embracing a wide range of diversity-including gender, ethnicity, culture, experiences, and ideas-the CIC Group seeks to build a workplace where everyone feels valued, included, and empowered to excel.



Executive Leadership Development Program at CIPM

**Diversity is both a strength and a driver of innovation and success**

## MANPOWER PLANNING

The manpower planning process serves as a strategic and structured approach to ensure that all business units within the Group are equipped with the necessary human resources to meet both present and future demands. By projecting future staffing needs and evaluating current workforce capabilities, the process helps pinpoint skill gaps and guides actions such as focused hiring, succession planning, and staff development. Designed to be adaptable and ongoing, manpower planning enables the CIC Group to respond to changing business dynamics while aligning workforce capabilities with corporate

goals. This forward-thinking method improves efficiency and underpins the Group's long-term growth and market competitiveness. Conducted annually, the process requires cluster heads to define their manpower needs for the upcoming financial year, which are then submitted for approval to the Head of Group HR.

## RECRUITMENT AND SELECTION

Recruitment within the CIC Group is guided by its Recruitment Policy, which is structured to attract, hire, and retain high-caliber talent aligned with the Group's strategic goals and core values. Reflecting international best practices, the policy prioritises merit-based selection, fostering a recruitment process that is both equitable and inclusive. It also outlines specific provisions for local hiring, aiming to ensure a significant portion of executive and managerial roles at the Group's production facilities are filled by individuals from nearby communities, while casual workers for the farms are sourced locally on an as-needed basis.

The Group's Recruitment Policy also promotes internal career progression by encouraging existing staff to apply for available roles, supporting employee development and retention. In accordance with international standards, the Group follows a thorough selection process, incorporating job analysis, competency-based interviews, and psychometric testing to identify candidates with suitable skills, experience, and cultural alignment. All new hires undergo a six-month probation period, after which, based on the post-probation review, they are either confirmed in the permanent cadre or assigned a mentor to support further performance improvement.

The CIC Group enters into and maintains official agreements with multiple labour contractors to meet the staffing requirements across its various production units. These contractual arrangements are reviewed and renewed annually, contingent upon comprehensive evaluations of each contractor's compliance with applicable labour laws, including the proper handling of all statutory payments and obligations.

Attracting and retaining talent remains a key priority amidst increasing levels of overseas labour migration. During the year, we onboarded a total of 247 employees to support the increased levels of operations.

### New Recruitment by Age wise FY 2024/25

Below 20	10	4.04%
20-29	94	38.06%
30-39	91	36.85%
40-49	44	17.82%
50-59	07	2.83%
>60	1	0.40%
Total	247	100%

	New Recruits	Exits
Male	174	158
Female	73	48
18-30	104	86
30-55	141	112
Over 55	02	8

### Cadre Details FY 2024/25

Total Staff as at 1st April 2024  
**2,272**

Recruits April 24 to March 25  
**247**

Resignation April 24 to March 25  
**206**

Total Staff as at 31st March 2025  
**2,313**



CME programme



HUMAN CAPITAL

PERFORMANCE MANAGEMENT

The Group's performance management system is structured to promote excellence and foster a culture of continuous improvement across all organisational levels. Central to this process are setting up of SMART objectives, ongoing constructive feedback, and thorough performance evaluations. Goal setting is approached as a structured, collaborative effort that ensures individual objectives are directly aligned with the Group's overarching strategic goals. At the outset of each review cycle, employees and their managers jointly define specific, measurable, and achievable targets. These goals are documented, regularly reviewed, and updated as needed to reflect progress and evolving priorities. This continuous interaction not only enhances clarity around expectations but also cultivates a strong sense of accountability and ownership among team members.

Performance evaluations are carried out once a year, combining both qualitative and quantitative assessments to offer a well-rounded analysis of each employee's contributions and to identify areas for improvement. In April 2024, a thorough performance review process was held for all permanent employees of the CIC Group to assess their overall performance and pinpoint any skill gaps.

REMUNERATION AND BENEFITS

The Group's dedication to offering competitive remuneration and benefits stems from its commitment to attracting and retaining high-calibre talent, while also promoting employee satisfaction and overall well-being. Although salary frameworks may differ across clusters, the Group regularly undertakes market research and benchmarking exercises to ensure its compensation offerings remain aligned with industry standards. Furthermore, to ensure that employees are not only fairly compensated but also supported in their personal and professional growth, the Board Human Capital and Compensation Committee conducts periodic reviews of salary structures and recommends revisions for Board approval before implementation. During the reporting year, the Group carried out a comprehensive review and

update of its salary structures, helping reduce staff turnover, an issue faced by many organisations in Sri Lanka recently.

All CIC Group employee across are entitled to the following benefits, in addition to their basic salary;

- Surgical and Hospitalisation cover
- Life Insurance
- Outpatient Claims
- Further studies and professional membership claims
- Funeral Grant Scheme
- Vehicle Loans
- Travel allowance/reimbursement
- Foreign Trainings
- Wellness (Annual Health Checkups)
- Employee discounts

Workers who are not employees

Meanwhile Remuneration for casual (daily) workers is based on the statutory minimum wage stipulated by the National Minimum Wage of Workers (Amendment) Act, No. 16 of 2021. As a policy the Group ensures that the wages paid are significantly above the current stipulated minimum wage for the respective trade.

EMPLOYEE HEALTH AND SAFETY

The CIC Group upholds the zero-injury principle in its daily operations. Accordingly, the Group fully complies with safety requirements stipulated under the Factory Ordinance No. 45 of 1942.

Furthermore, the Group has established a robust Occupational Health and Safety (OHS) system that aligns with the ISO 45001 Occupational Health and Safety Management standard. This system is carefully crafted to maintain the highest safety and wellbeing standards for all employees across the Group's various business sectors. It includes thorough risk assessment procedures, proactive identification of potential hazards, and efficient incident management protocols. Continuous improvement is a key focus, supported by regular audits, ongoing employee training programs, and active

involvement with stakeholders to ensure the system remains effective and up to date.

The implementation of the safety system at each plant is overseen by the plant safety team comprising a cross functional team representing various functional areas and also includes a dedicated safety officer.

Additionally, all employees at production sites are fully insured under the workmen's compensation cover. All Group locations are equipped with mandatory fire safety systems. Annual fire drills and regular safety training sessions are conducted to foster a culture of safety awareness among employees.

Work-related Injuries

	No.	Rate
Fatalities due to work-related injuries	0	0
High-consequence work-related injuries	0	0%
Recordable work-related injuries	1	0.04%

Lost time due to injuries - Zero



An employee is awarded for his new invention



Employees winning

This safety training encompasses all employees, including contracted labour and casual workers. Elements of Safety Training for all staff categories



Plant	Key Risks	Control Procedures	Injury Record
Agri Input Repacking and Formulation Centre	Chemical exposure Chemical accidents	Procedure for a hazardous materials identification Procedure for hazard identification and risk assessment. Procedure for operational control	1
Fertilizer Blending Plant	Injuries due to Vehicle and Forklift movement	Awareness, Safety Instructions, operational controls	Nil
	Fertilizer dust generation due to production and material handling	Dust extraction system, PPE and safety Instructions	Nil
	Falling from fertilizer stacks	Personal Protective Equipment (PPE), safety instructions, operational controls	Nil
	Injuries due to machine operations	Personal Protective Equipment (PPE), safety instructions, safety guards and other operational controls	Nil
Link Natural Plant	Chemical Handling	Ensuring proper storage conditions, equipment and tools Plant Standard personal protective equipment (respiratory masks,goggles, chemical resistant gloves, safety shoes, overcoats) Standard Operating Procedures (SOPs) are followed First aid equipment, eye washers, emergency showers Spill control kits and trained the staff to manage chemical spillage safely	Nil
	Machinery Handling	Preventive maintenance schedule for all machinery Standard Operating Procedures (SOPs) are followed Machine guards, earthing are property place Personal Protective Equipment (PPE) are available	Nil

## HUMAN CAPITAL

Plant	Key Risks	Control Procedures	Injury Record
Link Natural Plant	Hot Surfaces / Liquids	Insulation maintain Personal Protective Equipment (PPE) are available Standard Operating Procedures (SOPs) are followed	Nil
	Electrocution	Regular electrical panel board servicing Availability of electrical insulated rubber carpets Industrial type extension cord usage Standard Operating Procedures (SOPs) are followed	Nil
	Working at Height	Permit to work system Personal Protective Equipment (PPE) Availability of ladders and scaffoldings Staff Training	Nil
	Slippery Surfaces due to oil spillage	Frequent cleaning Personal Protective Equipment (PPE) Availability of spill control kits	Nil
PVA Plant	Storage of Monomer	Temperature control by water sprinkler system Roof Cooling No sparks around the factory, having strict controls	Nil

### Safety Training Areas in FY 2024/25

- First Aid Training
- Fire Drill
- Diploma in Occupational Health & Safety (for factory officers)
- Safety Week

### EMPLOYEE RELATIONS

The CIC Group embraces an open-door philosophy aimed at fostering strong, positive relationships with employees through mutual respect, trust, and active collaboration. To support this, consistent communication channels have been established to promote open and transparent dialogue between management and staff, enabling timely and effective resolution of any concerns. Each business cluster, tailored to its operational model, implements its own employee engagement strategies, such as sales meetings, departmental briefings, and team discussions to strengthen internal relationships. In parallel, structured interactions with labour contractors are also planned, including but not limited to the bi-annual reviews conducted during contract renewal evaluations.

### GRIEVANCE HANDLING

Recognising that timely and effective grievance resolution is essential for maintaining a positive and productive work environment, the Group encourages employees to initially address concerns with their immediate supervisors. In addition, a formal grievance procedure is in place to ensure that employees have a clear channel to report issues and receive appropriate resolutions. This process is governed by the Board-approved Grievance Policy, which aims to identify, assess, and respond to employee concerns in a manner that promotes motivation, engagement, and stronger workplace relationships.

During the current financial year, there were some grievances reported through the formal grievance handling system and precious answers were given all the time to ensure stable and harmonious working environment.

### Way forward

- Build a reliable talent pipeline by investing in the development of emerging leaders.
- Investing in the digital capabilities of the team
- Enhancing employee branding

# SOCIAL AND RELATIONSHIP CAPITAL



The CIC Group's approach to Social and Relationship Capital is rooted in its core values—Accountability, Teamwork, Integrity, Innovation, Customer Focus, and a Winning Spirit. Guided by these principles, the Group delivers tailored value to earn the trust of customers, partners, and communities, aiming to build lasting relationships that drive mutual growth and long-term collaboration.

## OUR SOCIAL AND RELATIONSHIP CAPITAL

# 89

Number of brands offered to Customers

# 18,223

Suppliers and Business Partners

# 91%

Employee Retention Rate



## HOW WE CREATED VALUE

- In collaboration with Abbott Nutrition and Abbott Product Operations, we build strategic public-private partnerships to drive long-term societal impact—ranging from pioneering national nutrition guidelines with scientific expertise to advancing menopause awareness through multisector initiatives.
- Through collaborations with Abbott Product Operations and Square Pharmaceuticals, we empower healthcare professionals by supporting CME programs, international conferences, and knowledge-sharing platforms to enhance expertise in IVF and psychiatric treatments.
- By building strong relationships with customers, business partners, and distributors, we have fostered a supportive ecosystem that drives long-term, sustainable returns for the Group.
- We created value by collaborating with business networks on innovation projects that enhanced employee skills, while leveraging regular feedback from customers and distributors to drive continuous operational improvements.

## AMOUNT PAID TO FARMERS/ OUTGROWERS THEM



# Rs. 450.8Mn

Dairy



# Rs. 2,610Mn

Rice



# Rs. 501Mn

Seeds

# SOCIAL AND RELATIONSHIP CAPITAL

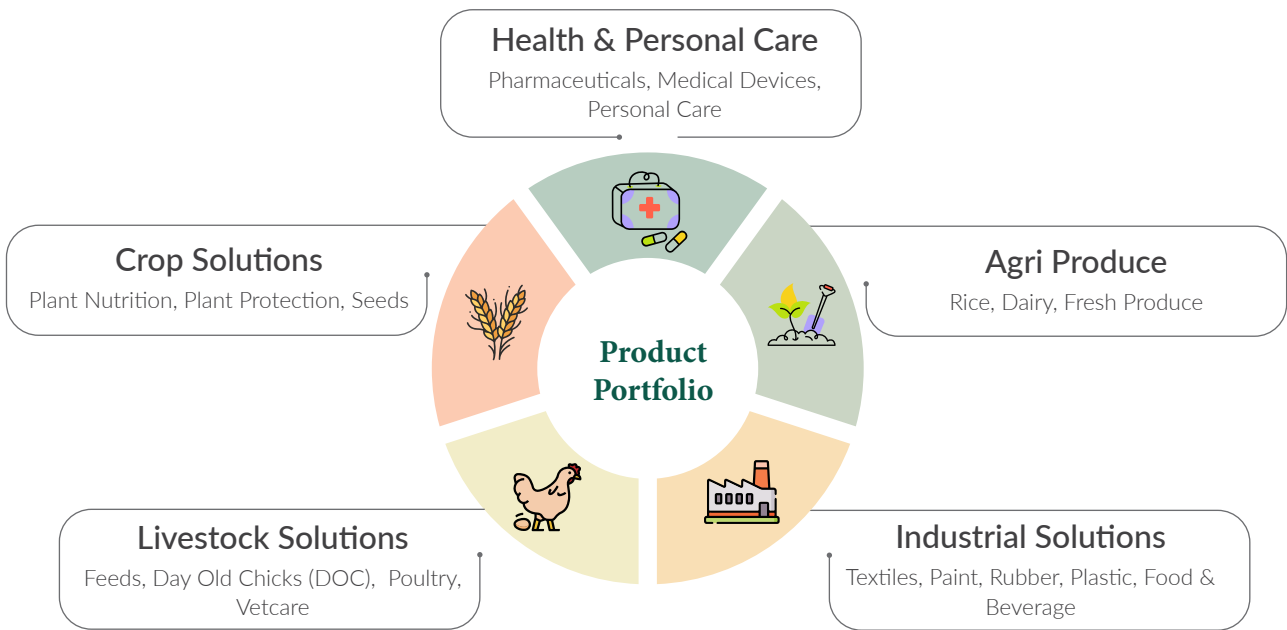
### CUSTOMERS

The CIC Holdings Group caters to a wide range of customers across a diverse range of economic sectors ranging from agriculture and livestock to industry and healthcare. Our customer value proposition is centred on providing high-quality, innovative, and sustainable solutions across various sectors. In fertilizers, we offer cost-effective products backed by over Rs. 200 million in investment, enhancing crop productivity with expert guidance. For packaging, we deliver high-quality products with on-time delivery, while our plant protection solutions focus on safety and efficacy. Link Natural Products combines Ayurvedic wisdom

with modern science for effective herbal health solutions. We provide affordable, high-quality medical devices, premium veterinary care, hygienic poultry, and competitive feed and dairy products. Our industrial raw materials ensure consistent quality and technical support, and we promote health through our rice offerings. In pharmaceuticals, we offer efficient, adaptable assistance to meet diverse customer needs.

### CUSTOMER CAPITAL

- Retail customers across Sri Lanka who procure our rice, dairy, fresh produce, poultry, personal care and vet care products
- Farmers and cultivators across Sri Lanka
- Plantation Companies and other B2B customers
- Poultry integrators and other B2B customers
- Paint manufacturers and other B2B customers
- Government institutions and private sector B2B customers
- Retail customers around the world who purchase our speciality rice and herbal healthcare products



### VALUE CREATED FOR CUSTOMERS

Grounded in our brand promise of "Nurturing Life," CIC Group is committed to delivering exceptional customer experiences. By leveraging global partnerships and its own trusted brands, CIC provides top-tier products and solutions—from advanced agricultural technologies and medical devices to high-quality industrial chemicals—ensuring excellence at every touchpoint.

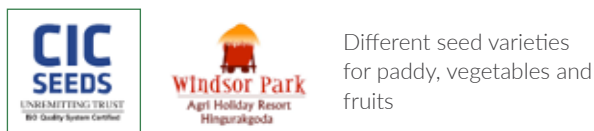


## OUR BRANDS

### PLANT NUTRITION



### SEEDS



### DAIRY



A range of high quality cultured dairy products and fresh milk for the mainstream consumer market marketed under the iconic "CIC Creamoo label"

### RICE



### VETCARE



### PLANT PROTECTION

Solutions for the protection of agricultural crops against insect and pest attacks



### COVER SOLUTIONS



Cover Solutions are specifically tailored to meet the needs of premium agriculture, providing growers with effective tools to protect crops, enhance soil health, and maximise yields.

### FRESH PRODUCE



The Country's premier provider of fresh vegetables and fruits as well as specialty condiments and other essentials delivered to the market through CIC's network of Fresheez outlets

## SOCIAL AND RELATIONSHIP CAPITAL

### PERSONAL CARE

Manufacture and supply of herbal healthcare and personal care products to the local market and selected overseas markets



### PHARMACEUTICAL

Import and manufacture of pharmaceuticals to meet the needs of the Country's healthcare system



### MEDICAL DEVICES

Import and supply of surgical implants and other medical devices to support the Country's state sector and private sector healthcare systems



### FEEDS



CIC Feeds is engaged in the manufacturing and distribution of high-quality animal feed solutions and day-old chicks (DOC), primarily serving the poultry and livestock sectors.

### POULTRY



CIC Poultry specialises in integrated poultry production, including broiler farming and chicken meat processing. It operates modern facilities to ensure biosecurity, food safety, and the consistent delivery of high-quality fresh poultry.

### INDUSTRIAL SOLUTIONS



Industrial Solutions for a range of industries, including paint manufacture, apparel, beverage and packaging

### CUSTOMER SATISFACTION AND PRODUCT AVAILABILITY

Reliable product access is a vital component of the CIC Group's customer experience, ensuring that customers receive the products they need, when they need them. By maintaining a robust supply chain and efficient distribution network, CIC Group guarantees timely availability of high-quality products across all sectors it serves. We conduct surveys at three key stages of each program: a baseline survey before launch to assess initial conditions, a mid-term survey to evaluate whether objectives are clearly communicated and followed by farmers, and a final survey to measure the program's overall success in terms of productivity improvements, adoption of best practices, and farmer engagement. Earth Essence was launched in the Central Province as part of a geo-expansion initiative, and the B2B channel was further expanded. A fully operational Smart Agriculture App was launched, and WhatsApp groups were established to enhance communication and support among farmer groups.



Sri Lanka Police awareness & agreement signing

#### Improving Product Access - Key Initiatives for FY 2024/25

Earth Essence was launched in the Central Province as part of a geo-expansion initiative, and the B2B channel was further expanded

A fully operational Smart Agriculture App was launched

WhatsApp groups were established to enhance communication and support among farmer groups

### PRODUCT QUALITY AND SAFETY ASSURANCE

Product quality and safety lie at the core of CIC Group's value proposition. The Group ensures integrity through strict procurement practices, sourcing only licensed brands from globally reputed manufacturers. Local manufacturing facilities follow global best practices, including ISO 9001 and ISO 22000:2018 standards, with HACCP and GMP protocols. Many plants also hold Halal certification and US FDA approval, while in-house labs operate to national and international standards. For certification details, refer to the Intellectual Capital Report on page 61.

### INNOVATION

Continuous product innovation is central to CIC Group's commitment to delivering exceptional value and staying ahead in dynamic markets. By prioritising innovation across all product categories, CIC responds to the evolving needs of its diverse customer base. The Group's global partnerships provide early access to cutting-edge technologies, emerging trends, and market insights, enabling it to anticipate shifts and seize new opportunities. Joint R&D initiatives with global principals foster co-created solutions, while the Group's in-house R&D ecosystem supports idea development and product testing. Through this proactive approach, CIC ensures its offerings remain at the forefront of innovation, consistently exceeding customer expectations.

### CUSTOMER COMMUNICATION AND EDUCATION

CIC Group's customer communication strategy is rooted in education and informed decision-making. It emphasises clear, accurate, and timely information through training, expert advice, and informative content. Embracing technology, the Group continuously enhances its communication channels. Open, responsive dialogue is maintained to ensure customers receive prompt support. By treating customers as partners and actively seeking their input, CIC fosters strong relationships and co-creates value, ensuring its offerings consistently meet and exceed expectations.



Best farmer awards at 'Dallakin Wenasak' program

#### New Initiatives implemented

We have launched several key initiatives to enhance productivity and customer value. In fertilizers, we introduced the "Dallakin Wenasak" program for 4,000 tea growers, with plans for the "Wadipura Gedyak" coconut cultivation program and productivity drives with sugar and tea companies. Our Organo-mineral fertilizer solutions innovated by Biosystems Technologies Limited, are the result of extensive research and development, driven by the urgent need to rehabilitate declining soil health across the nation. CIC has remained steadfast in its mission to support agricultural resilience by providing environmentally friendly fertilizer solutions that promote long-term soil vitality and crop productivity. For packaging, we boosted production capacity to meet growing demand. In herbal health care, we invested in R&D, embraced sustainable sourcing and eco-friendly packaging, and introduced digital transformation efforts like AI-driven support and e-commerce integration. In medical devices, we are expanding supplier engagement and advancing R&D for superior clinical outcomes. We focus on high-quality processed chicken in poultry and have positioned our dairy brand as "Rich & Creamy Wholesome Habit." In industrial raw materials, we are reducing production cycle times to cut costs for textile customers, while in rice, we are innovating new varieties and convenient products. Finally, we improved our pharmaceuticals offering by extending Sales Force Automation (SFA) to distributors for easier invoicing.

## SOCIAL AND RELATIONSHIP CAPITAL

### Customer Communication and Education - Key Initiatives for FY 2024/25

- Launched the “Wadipura Gedyak, Thawa Gedi Billionayak” program to enhance productivity in the coconut sector.
- Introduced an insurance scheme for paddy and corn growers under the Ran Sarupala campaign, launched the fully operational Smart Agriculture App, enhanced product labelling with QR codes for real-time access to technical information, and established WhatsApp groups to facilitate farmer knowledge sharing and crop support.
- Conducted Antimicrobial Resistance awareness programs for livestock farmers across multiple provinces in collaboration with the Department of Animal Production and Health, the Faculty of Veterinary Medicine, and Zenex Animal Health, while also promoting the benefits of value-added eggs through public awareness at the Medi Care Exhibition, housewives' monthly meetings in Colombo and Negombo, and PR articles in newspapers.



Coconut sector productivity enhancement program



MOU signing with HNB for wellness and nutrition partner

### MANAGING COMPLAINTS

CIC Group views customer complaints as vital opportunities for learning and continuous improvement. Customers can submit complaints via phone, email, or online platforms, all of which are documented and escalated to the appropriate teams. Each complaint is acknowledged within 24 hours, with a target resolution time of five working days. Regular analysis of complaint data helps identify recurring issues and drive systemic improvements across the organisation.

### CUSTOMER FEEDBACK

We actively engage with customers through regular surveys and feedback systems to ensure our programmes meet expectations and achieve desired outcomes. In the fertilizer segment, we conduct surveys at pre-launch, mid-program, and post-program stages to evaluate performance and alignment with goals. In herbal healthcare, product development is driven by insights from focus groups, external research, and consumer or trade visits. Recent feedback emphasizes the need for more convenient formats and better product differentiation. Product satisfaction surveys help refine formulations. In medical devices, customers rely on our quality and regulatory compliance. For industrial raw materials, we maintain strong partnerships with key customers to ensure product satisfaction. Complaints are handled according to industry standards: pharmacovigilance in pharmaceuticals, sales-led responses in veterinary and poultry, CAPA-based feedback in plastics, and personalised, sample-based handling in dairies. Consistent follow-ups and clear communication support customer satisfaction across all divisions.

### VALUE CREATED FOR SUPPLIERS AND BUSINESS PARTNERS

Our key business partners play a vital role in enhancing product quality and customer satisfaction.

We actively create value for our business partners through collaboration, support services, and integration into our value chains. In fertilizers, we engage with

financial institutions to explore low-cost financing for farmers and offer priority procurement opportunities to our supply chain partners, such as seed and rice out-growers. Our advisory services further support their growth. In plant protection, we support Growmore farmers through productivity programs and banking partnerships. The herbal healthcare sector strengthens supplier relationships through factory visits, audits, and collaborative planning initiatives like CPFR, improving efficiency and aligning production with demand. We also promote sustainability among suppliers through eco-friendly practices. In medical devices, we maintain compliance with principal agreements to uphold quality and trust. Other sectors, including packaging, seeds, vet care, poultry, feeds, dairy, industrial raw materials, rice, and pharmaceuticals, did not report specific partner value creation initiatives.

Through initiatives like the “Labadiyawa” farmer empowerment programme and the Farmer Livelihood Upliftment Fund, we support the development of modern, professional farmers by enhancing technical skills, improving rural infrastructure, and offering advisory services. In parallel, CIC Feeds and CIC Poultry collaborate with leading machinery suppliers to ensure technological upgrades and optimal plant maintenance, enabling the consistent delivery of high-quality products—starting with superior raw milk and extending across our entire value chain.

In fertilizers, Yara Agency provides crucial technical support, while Syngenta India enhances plant protection through favourable credit terms and expert advice. Elife supports medical device market development with training and customer service, and Boehringer Ingelheim strengthens veterinary care through seminars and workshops. In industrial raw materials, we collaborate with technical teams to trial new projects in the textile sector. In healthcare, our alliances with Abbott Nutrition, APO, and Square Pharmaceuticals advance public health through nutrition guidelines, menopause awareness, IVF-focused



CME programs, and psychiatric education. In seeds, our dedicated team works closely with farmers, offering variety selection, crop protection, and nutrition support, complemented by field demonstrations to promote best practices and maximise yields.

### STRATEGIC PARTNERSHIPS

Several of the Group's verticals—including Crop Solutions, Pharmaceuticals, Medical Devices, Industrial Solutions, and Vet Care—rely on strategic partnerships with globally recognised leaders. These alliances provide access to advanced technologies, innovative products, and industry expertise, enabling CIC to offer best-in-class solutions. They also support the adoption of global best practices, strengthening CIC's position in the international market.

	Crop solutions (no of principals)	Health and Personal Care (no of principals)	Industrial Solutions (no of Principals)	Livestock Solutions (no of Principals)	Total Number of Principals
>5 Years	13	6	6	2	27
5-10 Years	12	0	6	4	22
10-20 Years	18	9	3	5	35
>20 Years	4	3	7	3	17

### MEMBERSHIPS AND AFFILIATIONS

Memberships with the Ceylon Chamber of Commerce further contribute towards augmenting our knowledge capacities.

- Patron Membership at Ceylon Chamber of Commerce
- The Ceylon National Chamber of Industries
- Sri Lanka – Singapore Business Council
- The Import Section of the Ceylon Chamber of Commerce
- Exporters' Association of Sri Lanka
- Industrial Association of Sri Lanka
- The National Chamber of Commerce of Sri Lanka

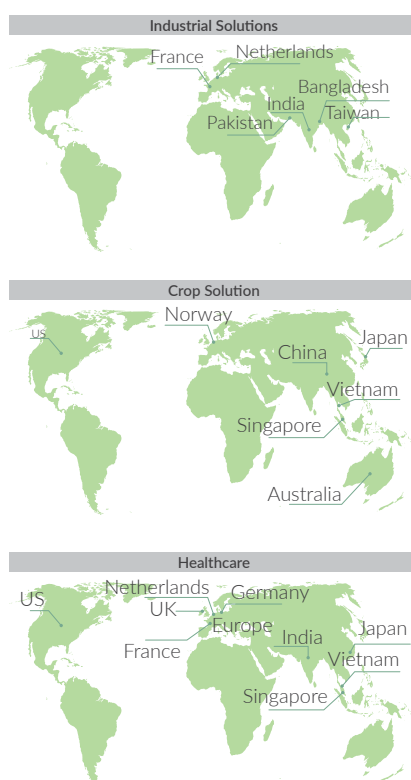
### RESPONSIBLE PROCUREMENT

CIC Group practices responsible procurement by building long-term partnerships with leading global suppliers of key raw materials across its clusters. These strong, reliable networks ensure operational continuity and resilience, even in challenging conditions.

While procurement processes differ by sector, all follow structured and transparent practices. Fertilizer procurement involves supplier evaluations, tenders, and an approval matrix. Packaging relies on demand planning, while plant protection focuses on agrochemical imports. Herbal healthcare emphasises quality, sustainability, and strict compliance.

Medical devices follow a monthly order and payment cycle. In vetcare, poultry, and feeds, procurement committees assess multiple quotes based on key criteria. Dairy sourcing is supported by a loyal farmer network and chilling centres. Industrial raw materials procurement uses historical and forecasted sales data, while pharmaceuticals follow a detailed, multi-level monthly approval process.

### PROCUREMENT NETWORKS



We have a network of suppliers for each key raw material (fertilizer) and hold procurement meetings to determine the optimal timing for orders based on market trends, demand forecasts, and current inventory levels. Once the procurement committee finalises the required quantities, RFPs are issued. After the submission deadline, the committee reviews the tenders and awards the contract to one or more suppliers based on factors like price, quality, lead time, reliability, and supplier capacity. For local purchases, we adhere to an authority matrix for approvals within the system, requiring higher authority approval for purchases above a specific threshold.

### VALUE CREATED FOR DISTRIBUTERS

Distributor networks are central to CIC Group's product and service delivery, making strong distributor relationships key to mutual growth. New distributors are carefully selected through a rigorous process aligned with the Group's commitment to excellence. A robust distributor management system monitors performance and guides improvement. Regular engagement, prompt support, and targeted training help strengthen distributor capabilities and resilience, reinforcing their vital role in the Group's ecosystem.

This year, we have onboarded several new partners across various sectors. In fertilizers, we added a few new suppliers. For plant protection, we partnered with Amosa International from Belgium. In



## SOCIAL AND RELATIONSHIP CAPITAL

medical devices, we acquired new partnerships with Sunmed, Varimed, and Woundclot. In industrial raw materials, we established relationships with Tate & Lyle and Enhalor. Additionally, trials were initiated with locally produced seeds in Tamil Nadu, India. Other sectors, including packaging, herbal healthcare, vet care, poultry, feeds, dairy, rice, and pharmaceuticals, did not acquire new partners during the year.

### DISTRIBUTION CAPABILITY

Product Type	Distribution Channel	Network
Fresh fruits and vegetables	Fresheez outlets	7
Rice	Modern trade partners	10
	Hotels/institutions	273
	Export partners	15
CropGuard products	Dealers	190
	Distributors	30
Seed varieties	Dealers/ ASC Centres (Government Institutes)	395
Link Natural products	Herbal Distributors	86
	Herbal Pharmaceuticals Distributors	11
	Modern trade	12
	Export countries	28
Feed products	Dealers	75
	Direct Customers	10
Veterinary products	Dealers	36
	Direct Customers	95
Processed chicken	Modern trade	8 Partners (approx. 1,220 outlets)
	Hotels & restaurants	110 approx.
	General Trade	400 approx.
Pharma products	General trade	25
	Modern trade	8
	Private Hospitals and Institutions	36
	Government Hospitals and Institutions	14
	Cash Customers	4
Surgical products	General trade	16
	Modern trade	3
	Private Hospitals and Institutions	37
	Government Hospitals and Institutions	31
	Cash Customers	7
Agri Businesses products	Dealers and customer network	1,300
Crop Solution products	Distributors	26
	Dealers	182
	Modern Trade	05
Unipower products	Distributors	10
	Dealers	260
	Institutions	20
Dairy products	Distributors	50
	Direct operation operate by Company	8
	Hotels Restaurants and Catering	1
	Modern trade	5
	Army/Institutions	6

### Strength of Relationships with Overseas Principals

Crop Solutions **70%** of overseas principal relationships are more than 10 years

Pharmaceuticals. Segments **86 %** of overseas principal relationships are more than 10 years

Medical Devices Segment **100%** of overseas principal relationships are more than 10 years

Industrial Solutions **50%** of overseas principal relationships are more than 10 years

### DISTRIBUTOR NETWORKS

Across sectors, we utilise diverse and efficient distribution networks to reach customers and support business growth. In fertilizers, we use direct sales, dealer networks, sales offices, agrarian service centres, and third-party logistics. Packaging relies on direct distribution or customer collection. Plant protection is distributed via island-wide distributors and dealers, while herbal healthcare products are delivered through a wide-ranging general and modern trade network, institutional clients, and the exclusive CIC pharmacy channel. Medical devices, veterinary care, poultry, and feeds follow a mix of direct delivery and distributor-based models. The Dairy sector uses geographically focused distributors and downstream distribution centres, while industrial raw materials are delivered directly to customers. Rice is distributed through modern trade and HoReCa, and pharmaceuticals reach markets via general and modern trade, hospitals, and SPC.

Business Unit	Value Provided to Distributors
Fertilizer	Rs. 38Mn distributor value, minimal transport support as distribution is usually customer-arranged.
Seeds	We paid Rs.70Mn in incentives, including foreign tours, to seed dealers based on their sales performance and collections. Additionally, we supplied high-quality seed varieties with proven high yield potential and strong disease resistance, validated through local field testing.
Plant Protection	Healthy profit margins; year-end incentive schemes
Herbal Healthcare	7% margins; exclusive rights; operational, IT & secondary sales support; marketing and business guidance
Medical Devices	Value delivered through good trade practices
Vetcare	Value delivered through good trade practices
Poultry	Value delivered through good trade practices
Feeds	Value delivered through good trade practices
Dairy	Extended Trade Marketing budget to counter attack competitor offers & sustain the market share
Rice	MT - Retail media investment of Rs. 35 Mn to grow the category
	HoReCa - Invest on Culinary Art events to support the industry
	Export - Special credit facilities to support buffer stock build ups to avoid market out of stock due to challenges prevailed in global shipping & freight forwarding.
Dairy products	Special packaging developments to be competitive with international brands/IP right to claim credibility



A cycle raise organised in collaboration with Orthopedic Surgeons in Sri Lanka to raise funds for Bone Cancer Fund.

### VALUE CREATED FOR OUR COMMUNITIES

As a leading conglomerate in Sri Lanka, we continue to contribute to the socio-economic upliftment of communities in Sri Lanka through targeted CSR initiatives.

### LIVELIHOOD DEVELOPMENT

Several of the Group's business verticals, including Rice, Dairy, and Seeds, play a pivotal role in fostering livelihood development for micro-entrepreneurs across the country by working closely with farmer-outgrower networks, thereby supporting livelihood development of



Donation to Apeksha hospital

these micro entrepreneurs. Additionally, by engaging directly with small-scale farmers, the Group aims to foster a collaborative ecosystem to enable knowledge transfer and capacity building to educate farmers regarding advanced agricultural techniques, and provide ongoing support, ensuring they can produce high-quality crops and dairy products.

### COMMUNITY PROJECTS

The CIC Group undertakes a range of community projects each year, strategically aligned with its annual CSR budget allocation for the purpose of minimising social economic inequalities. All projects are carried out through the CIC Holdings Charitable Trust Fund, which is managed by an independent Board of Trustees. As per the trust mandate CSR projects typically focus on vital areas such as education and poverty alleviation.

### Way forward

Investment in continues research and development to meet customers evolving needs

Deepening existing relationships and building new alliances to gain access to innovative technologies.

The Group will continue to support community upliftment by aligning business operations with sustainable development goals

# NATURAL CAPITAL

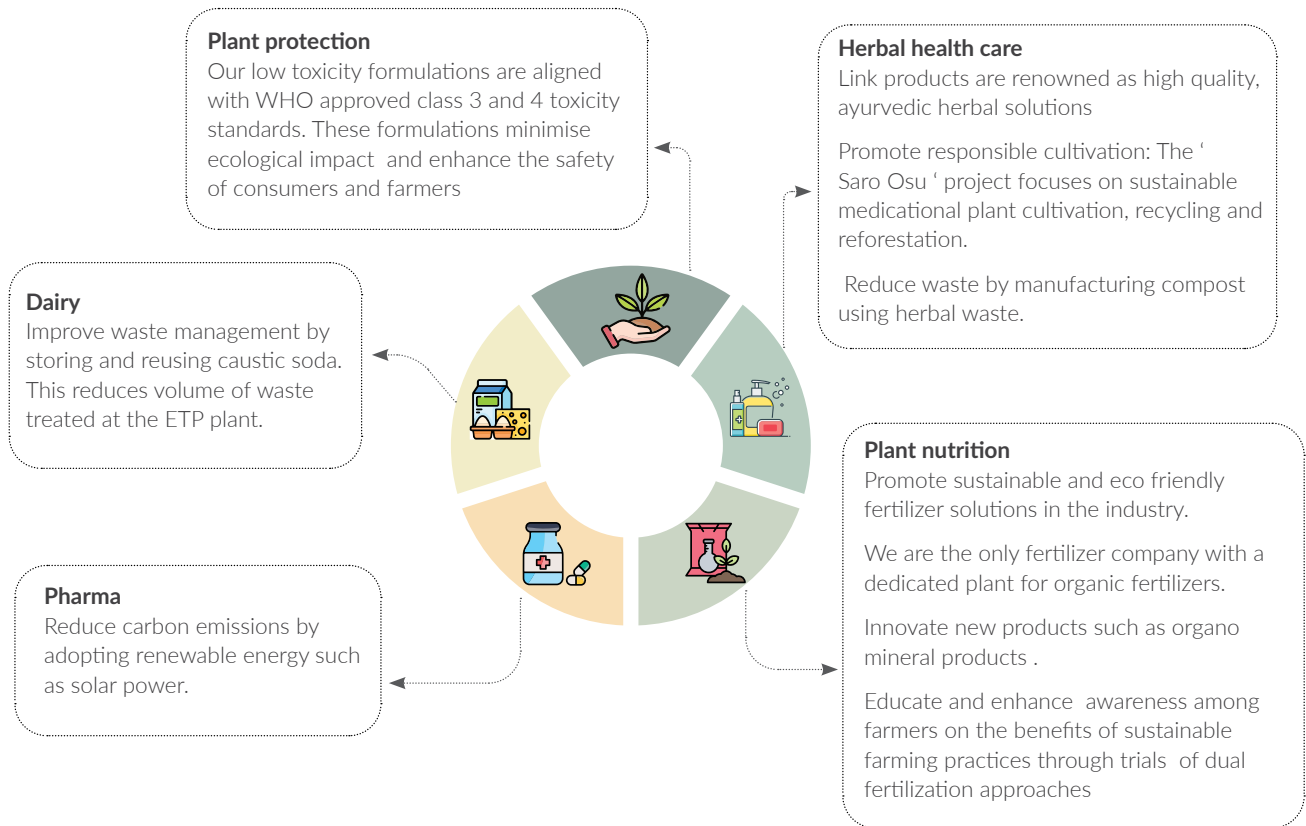


The CIC Group strives to set a benchmark in environmental stewardship with all sectors collaborating to accomplish the ESG goals of the Group. Steered by our passion to grow sustainably, we continued to create environmentally friendly products and solutions and promote sustainable farming practices.



OUR FOCUS AREAS
<ul style="list-style-type: none"><li>• Environmentally friendly products and solutions</li><li>• Compliance with environmental regulations and standards</li><li>• Minimise waste and ensure safe disposal of hazardous waste</li><li>• Transition to renewable energy</li><li>• Reduce carbon footprint</li><li>• Efficient use of energy and other resources such as water</li></ul>
KEY HIGHLIGHTS OF THE YEAR
<ul style="list-style-type: none"><li>• Investment in renewable energy</li><li>• Products such as low toxicity formulations</li><li>• Promote responsible cultivation using organic fertilizers</li><li>• Reduce and reuse waste</li></ul>

VALUE CREATED DURING THE YEAR		
Products	Environmental Compliance	Reduce Waste
<ul style="list-style-type: none"><li>• Environmentally friendly products and solutions</li><li>• Compliance with environmental regulations and standards</li><li>• Minimise waste and ensure safe disposal of hazardous waste</li><li>• Transition to renewable energy</li><li>• Reduce carbon footprint</li><li>• Efficient use of energy and other resources such as water</li></ul>	<ul style="list-style-type: none"><li>• Complied with relevant environmental regulations and standards.</li></ul>	<ul style="list-style-type: none"><li>• Manufacture compost from herbal waste.</li><li>• Reuse caustic soda</li><li>• Recycle discarded PET bottles for use in packaging.</li></ul>



### REGULATORY COMPLIANCE

We consider environmental compliance key to protect our long-term value and reputation. The CIC group has ensured compliance with environmental regulations applicable to various sectors. The Environmental Protection License under the National Environmental Act No 47 of 1980 and the Scheduled Waste Management License for hazardous waste management include rigorous environmental protocols to ensure strict regulatory standards are adhered by the Group.

### ADOPTING BEST PRACTICES

Several sectors of the Group have adopted international best practice based on ISO 140001:2015 Environmental Management system and ISO 50001:2018 Energy Management System Standard. These standards ensure robust environmental management systems and processes are in place.



Green Belt at Panagoda factory

### REDUCE ENVIRONMENTAL IMPACTS

The Group dedication towards a cleaner environment is shown through various initiatives including

- Energy efficient technologies used across production facilities and energy audits are conducted to identify areas of improvement.
- Transition to renewable energy through investments in solar power plants and panels.
- Minimise water consumption through recycling and water conservation measures.
- Waste Management.



NATURAL CAPITAL



Compost preparation yard at Dambukanda Estate

Waste management is a key part of our sustainability initiatives. We adopt a holistic approach by integrating advance waste processing technologies, policy frameworks and legislative measures while engaging with communities through awareness sessions on responsible waste management.

Some of our initiatives include:

- Waste processing technologies for composting and anaerobic digestion improved efficiency in waste management.
- Legislative measures such as compliance to strict environmental regulations and incentivizing recycling measures, fostered an environmentally friendly culture within our organisation. Moreover, we engaged with communities and public to promote sustainable practices and responsible waste management initiatives.



Water treatment plant at Panagoda

WAY FORWARD

Going forward, The CIC Group plans to implement measures to monitor and report sustainability through ESG frame works such as Global Reporting initiatives (GRI). We strive to be set as a benchmark in environmental stewardship. Our Environmental goals include focus on environmentally conscious products and solutions such as the low toxicity formulations in crop protection portfolio and compliance to environmental regulations.

Furthermore, we will continue our ongoing sustainability initiatives to improve waste management, resource efficiency and adopting sustainable farming practices.

Way forward
Compliance with environmental regulations and standards
Measuring and reporting sustainability progress using standardised frameworks like GRI



# FRAMING GROWTH

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As we endeavour to make certain that our people, our industries and our communities grow, we also look within and engage in streamlining our organisation so that all activity is carried out with the highest ethical, professional and disciplinary standards upheld.

## GOVERNANCE REPORTS



# CORPORATE GOVERNANCE

The Group/Company ensures to comply with the established best practices in corporate governance and ensure the highest ethical standards in the conduct of its business. The Board adopts core values and standards which set out the conduct of staff in their dealings with shareholders, customers, colleagues, suppliers and other stakeholders. Once the core values are set and communicated to all levels of the Organisation, the Group/ Company is of the belief that the highest standards of integrity will be maintained in business.

## GOVERNANCE POLICY AND FRAMEWORK

Framework covers both corporate governance and the business governance. Corporate governance and business governance are interrelated processes and one process is always linked to and dependent on the other process. Business governance enables us to focus on areas of value creation to the business. The Corporate governance process is to safeguard and ensure that the Group/Company achieves business performance maintaining a balance between accountability and assurance of the business process. Thus, we believe our business governance and corporate governance are interlinked to each other.

In line with the above governance framework, the Group/ Company believes that successfully run business enterprises are founded on a set of fundamental qualities – those that embed transparency, accountability, and responsibility within the core of its business operations. Translated into action, the Group's/Company's strong core qualities and guiding corporate governance functions ensure that we remain "law abiding", strictly adhering to the laws and regulations of the country.

Business integrity and accountability to stakeholders are top of the mind factors that we inculcate right across – from the Board of Directors to the field level.

## STATEMENT OF COMPLIANCE

CIC Group is fully-compliant with the Code of Best Practice of Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka as well as the Rules on Corporate Governance published by the Colombo Stock Exchange, except which are specifically mentioned in the Corporate Governance Report.

## MINIMUM PUBLIC HOLDING

The Company shares have been traded in the Main Board since 1964 and comply with minimum public holding requirement in terms of Rule 7.13.1(i)(a) of the CSE Listing Rules. The public holding of the Company as at 31st March 2025 was 46.69% which is above the minimum requirement of 20% as specified by the Listing Rules [Rule 7.13.1(i)(a)] of the Colombo Stock Exchange (CSE).

## BUSINESS GOVERNANCE

Business governance (performance governance) is linked from Company's Vision Statement to Final Objective at grass root level. Business governance process is started at the point of preparing the annual plan and the annual plan is focused on future strategic direction, long-term objectives, medium-term objectives and short-term set targets. Annual plan is initially approved

by the Company and subsequently reviewed and approved by the Board. Group CEO and Executive Committee review the strategic plan and budgets against the actual performance monthly and at more frequent intervals, as needed and the Chairman and the Board of Directors review actual performance at each Board meeting.

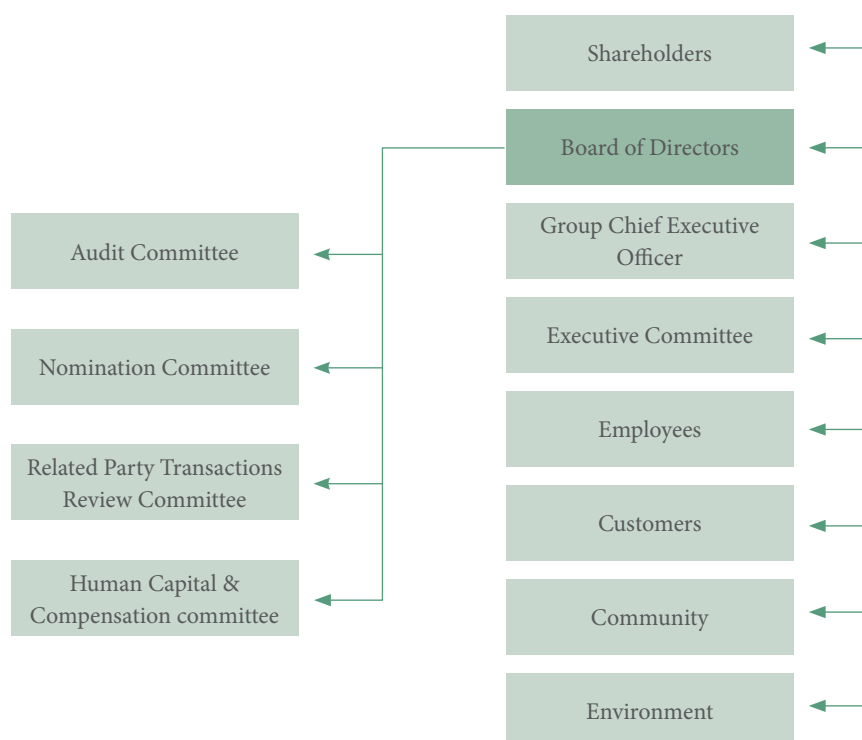
## IT GOVERNANCE

IT Governance process of the Company ensures that IT objectives are aligned with the business objectives that will meet its strategic and operational objectives. IT governance is an integral part of the corporate governance process and deals primarily on optimising the linkage between Strategic Directions and Information Management of the Company. Competent and dedicated resources are deployed to support this need. Company investment in IT resources covers resources operated and managed centrally and resources deployed in various places. IT resources include ERP system, other related business systems, internet, emails and other Company-wide data communication systems. Impact of the IT governance to diverse functional areas of the Company is driven by certain core objectives which are set below.

Compliance	Investing in licensed software deployed in compliance with Intellectual Property Law with a view to educate and mandate compliance to such laws throughout the Company/Group.
Operational efficiencies	Streamlining of inventory management, logistic management and credit management process so that integrity is maintained across the value chain through near real-time processing.
Prudent capital expenditure	All major IT investments are carefully evaluated by the IT team and built into the business plan and carefully scrutinised at the planning level and approval is granted by the board
Customer convenience	Ensuring process efficiencies to increase the contribution to customer convenience.
Green IT	Protecting the environment by reducing print through migration to emails, SMS, social media and soft copies.

## GOVERNANCE STRUCTURE

External Regulations	Internal Regulations
Companies Act No. 07 of 2007.	Articles of Association of the Company
Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995	Standard Operating Procedure Manual
Listing Rules of the Colombo Stock Exchange	
Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka	Code of Ethics, Human Resources Policies and Procedures
Directives/Regulations of the Securities and Exchange Commission of Sri Lanka.	Information Technology related Internal Manuals
Anti Corruption Act No 9 of 2023 and any additional regulatory requirements	Standing Instructions, Policy on Anti-Bribery & Corruption, Code of Conduct for Employees



As diagrammatically presented above, Group governance structure is set up to create a distinction between the functions of the Board and Management team but ensuring effective co-operations and communication between two groups. Group Chief Executive Officer exercises triangular linking role between the Board, Executive Management Committee and other Stakeholders, i.e. shareholders, employees, customers, community and environment. Group's Chief Executive Officer is the main communication link with the Board and Executive Management Committee. He also acts as

a de facto officer to maintain a fair role on behalf of shareholders, employees, customers, community and environment.

### BUSINESS ETHICS

The Group enshrines the highest ethical standards in the conduct of its business affairs and its Board of Directors are tasked with ensuring that the resultant regime of exemplary governance across all aspects of business are in the best interests of the stakeholders. Ethically correct conduct comprising integrity, honesty, fair play and loyalty pervade all Group actions. Transparency is fostered in all public disclosures, as well as in the way

business and communication take place with all stakeholders. CIC Whistleblower Policy introduced internally in 2018 has increased the level of transparency towards a wider dimension. All employees are bound by the Company's written Code of Ethics that includes the following aspects:

- Exercise honesty, objectivity and diligence when performing one's duties.
- Avoid situations where personal interest might conflict with the interest of the Company; and if so, disclose such interest in advance.

## CORPORATE GOVERNANCE

- Maintain confidentiality of commercial and price-sensitive information.
- Work within applicable laws and regulations.
- Safeguard the Company's assets.
- Avoid conduct that will reflect badly on the person concerned or the Company's image.
- Strictly avoid giving or accepting any kind of bribe, either directly or indirectly.
- Strictly avoid making contributions for political funds, either directly or indirectly.
- Strictly avoid any kind of sexual harassment.

The Company re-introduced a formal Policy on Whistleblowing as required by CSE Rules and encourages employees who suspect wrongdoing at work, whether by the managements, peers or any other employee, to raise their concerns to the Ombudsman.

### OTHER POLICIES

In addition, the Company implements policies covering:

- Policy on the matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Remuneration
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Policy on Risk management and Internal controls
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social and Governance Sustainability
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy Whistleblowing
- Policy on Anti-Bribery and Corruption
- Recruitment and selection

- Financial integrity
- Use of Company property including computers
- Non-harassment in the workplace environment, safety and health
- Security of IT system

### RESPONSIBILITY TO CUSTOMERS

As committed through company values "The customer comes first; we will not compromise on the standards of our products and services". The Company maintains an island-wide network of distributors and provides a wide choice of related products to customers, complemented by technical support wherever necessary. What is salient about the widespread nature of our distribution is that in most instances, a consumer living in any part of the country need not travel more to obtain products of the Company.

Products sold by the Company are of the highest quality and are rigorously tested prior to introduction and obtained required regulatory approval wherever necessary. The Company is bound by return policies specially in selling of pharmaceutical products. Customer grievances, if any, are handled promptly and solutions provided with exchange of products in the unlikely event of a manufacturing defect or expiry. Towards serving our differently abled customers, personalised service is provided by specialised trained team with an utmost care of the life of customers. As the market leader in the crop protection industry, CIC Crop Solutions plays a vital role in supporting the country's agriculture sector by providing superior quality crop care products for management of weeds, insect pests and other diseases in crop cultivation. Moreover, aiming of securing the main income stream of farmers is achieved through improving yields qualitatively and quantitatively. A wide range of products accompanied with field level agriculture extension services along with technical expertise. CIC Crop Solutions products provide environment friendly crop protection solutions with low toxicity and low post harvest intervals and green agriculture practices.

Offering technical solutions to customers to develop the final products, technical support is extended from the point of formulation, monitoring inventory with them and minimise financial losses throughout the value chain. Quality related issues are addressed on urgent basis and focus on locally developed products for unique customer requirements.

### ENVIRONMENT

Social responsibility is regarded as a fundamental aspect of the Company's strategy, and it is one of the core values of the business. As always "we are committed to make every effort to ensure that the environment is protected and conserved for future generations" and in line with this core value, the Company is committed to minimise any adverse impact the activities of the business may have on the environment. Further to that, this core value encourages and ensures our products, processes and business do not unnecessarily damage the environment.

### CODE OF BEST PRACTICES ON CORPORATE GOVERNANCE

We set out below the corporate governance practices adopted and practiced by the Company, the extent of adoption of the Code of Best Practices on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka and Section 9 of the Colombo Stock Exchange Listing Rules on Corporate Governance.

### SECTION A

This section covers Company's extent of adherence to the requirements of the Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka covering following eight fundamental aspects:

- Directors
- Directors' Remuneration
- Relationship with Shareholders
- Accountability and Audit
- Institutional Investors
- Other Investors
- Internet of things and cyber-security
- Environment, society and governance

Above are discussed in the following sections;

## A. THE DIRECTOR

### A.1- THE BOARD

#### Main principle

Every public company should be headed by an effective Board, which should direct, lead and control the Company.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Board Meetings	A.1.1	The Board should meet regularly, at least once in every quarter.	<p>The Board meets at least four times a year and additional meetings are held as necessary. The Board sub-committees also meet on a regular basis. Circular Resolutions are passed as per the requirements. The Board met five times during the period ended 31st March 2025. Details of the meetings and attendance of the members are set out on page 138.</p> <p>The meetings convened by the Board sub Committees during 2024/25 are also provided on page 138.</p>	Complied
		The regularity of Board meetings and the structure and process of submitting information should be agreed to and documented by the Board.	A board pack containing all relevant information is submitted to the Board of Directors.	Complied
Responsibility of the Board	A.1.2	Board should be responsible for matters including ensuring the formulation and implementation of a sound business strategy.	The Board is responsible for the strategic planning process of the Company. This includes the responsibility for the formulation of the strategic vision and mission of the Company, setting the overall corporate policy and strategy, monitoring performance and reviewing risks and major investments. The Board also takes on the added responsibility of directing Company performance towards achieving the best results possible and increasing shareholder value. The Board sets the broad parameters of the Company's business. The Company's business units are then tasked with their application, in achieving specific targets and objectives.	Complied
		Appointing the Chair and the Senior Independent Director if relevant	Not applicable since Group CEO is the apex executive in charge of day-to-day management of operations and business of the Company.	Complied



## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		Ensuring that the CEO and Management Team possess the skill, experience and knowledge to implement strategy.	<p>While the Board of Directors is ultimately responsible for the operations and financial soundness of the Company, the day-to-day management of the Company is entrusted to the Group CEO. There is extensive staff participation in decision-making at all levels, with strategic recommendations on material matters flowing to the Board for final decision.</p> <p>The Group CEO chairs the Executive Committee. The Executive Management Committee, comprising all key senior managers who are divisional heads/subsidiary CEOs and Group CEO meets frequently for performance review and decision making.</p> <p>The Company's Annual Plan addresses the requirements of all business units and divisions. This ensures that the entire Company follows the set plans and objectives as articulated in the Annual Plan. These in turn become the primary objectives of the Management Committee which is represented by all Heads of Divisions, and are shared with Divisional Heads and Heads of all SBUs. The Management Committee together with the Heads of Divisions and SBUs have the autonomy and freedom to translate these objectives to specific goals that are achievable.</p> <p>Key programs are identified by the Group CEO for each year in line with the Annual Plan after they are discussed at Executive Committee meetings. A review of progress on plan implementation is a key item on the agenda of the monthly Management Review meetings.</p>	Complied
		Ensuring the adoption of an effective CEO and Senior Management succession strategy	<p>Succession planning is given due recognition in the corporate culture. Effective succession planning is a criterion in the performance appraisals of the Senior Management and Key Management.</p> <p>Developing a Group wide succession plan considering 3x3x3 is in progress.</p>	Complied
		Approving budgets and major capital expenditure.	Budgets and major capital expenditure are reviewed and approved by the Board	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		Determining the matters expressly reserved to the Board and those delegated to the Management including limits of authority and financial delegation.	<p>The Board has agreed and reserved power to determine matters including approving of major capital expenditure, appointing the Secretary to the Board and seeking professional advice as and when needed</p> <p>Limits of authority and financial delegation are agreed by the Board to manage affairs efficiently.</p>	Complied
		Ensure effective systems to secure integrity of information, internal control and risk management.	<p>The Board has delegated this responsibility to the Audit Committee.</p> <p>The Audit Committee is empowered to review and monitor the financial reporting process of CIC Group to provide additional assurance on the reliability of Financial Statements through a process of independent and objective review.</p> <p>As such, the Audit Committee acts as an effective forum in assisting the Board of Directors in discharging their responsibilities on ensuring the quality of financial reporting and related communication to the shareholders and the public.</p> <p>Audit Committee framework, composition, responsibilities and duties are given in the Audit Committee Report on page 139.</p> <p>Risk Management framework is given in the Risk Management Report appearing from pages 139.</p>	Complied
		Ensuring compliance with laws, regulation and ethical standards	<p>The Board follows a policy of strict compliance with laws and regulatory requirements and ensures that stakeholder interests are considered in key corporate direction.</p> <p>A compliance checklist is provided to Audit Committee and Board members in every quarter by the Compliance Officer indicating compliance with applicable laws, regulations etc.</p> <p>The Company has also issued a Code of Ethics and Human Resources Policies and Procedures applicable to all employees.</p>	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		All stakeholders' interests are considered in corporate decisions.	<p>The Board adopted core values and standards which set out the conduct of staff in their dealings with shareholders, customers, community, environment, suppliers and other stakeholders. Once the core values are set and communicated to all levels of the Organisation, there is a belief that the highest standards of integrity are maintained in business.</p> <p>The Board relies on the integrity and due diligence of Key Managers, Senior Managers, Auditors and Advisors to oversee the Group's overall performance objectives, financial plans and annual budgets, investments, financial performance reviews, risk management and corporate governance practices.</p>	Complied
		Recognising sustainable business development in corporate strategy, decisions and activities and consider the need for adopting "integrated reporting".	Development of sustainable value is embedded in the corporate strategies.	Complied
		The Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.	The Group enshrines the highest ethical standards in the conduct of its business affairs and its Board of Directors are tasked with ensuring that the resultant regime of exemplary governance across all aspects of business are in the best interests of stakeholders. Ethically correct conduct comprising integrity, honesty, fair play and loyalty pervade all Group actions.	Complied
			Accounting policies are reviewed annually in light of changing business requirements, evolving international and local accounting standards and industry best practice. As mentioned above, significant emphasis is placed on compliance with applicable regulations. Group continues to adopt same accounting policies adopted in year 2024/25 and which are given as part of the Financial Reports on pages 166 to 255 and the related changes to significant accounting policies are described in Notes 1 to 4.	Complied
		Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks.	Performance and progress of strategy implementation, budgets, plans and risks are monitored through a formal reporting process.	Complied
		Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the Company	The Board ensures compliance to annual and quarterly corporate reporting requirements.	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		Fulfilling such other Board functions as relevant to the Organisation.	<p>The Board makes every endeavour to ensure a balanced and objective assessment of the Company's position, performance and prospects.</p> <p>Members from professional accounting bodies are on the Board ensuring financial and economic acumen, knowledge and other Board members from the professional marketing bodies ensure stimulation of marketing knowledge of the Board members</p>	Complied
Compliance with laws and seeking independent professional advice	A.1.3	The Board collectively, and Directors individually, must act in accordance with the laws of the country and there should be a procedure agreed by the Board of Directors to obtain independent professional advice where necessary, at the Company's expense.	<p>As mentioned above, there is a significant emphasis across the organisation to ensure compliance with applicable laws and regulations.</p> <p>The Board members are permitted to obtain independent professional advice from a third party including the Company's External Auditors and other professional consultants whenever deemed necessary at the expense of the Company</p>	Complied
Company Secretary	A.1.4	All Directors should have access to the advice and service of the Company Secretary, who is responsible to the Board in ensuring, that the Board procedures are followed and that the applicable rules and regulations are complied with. Any question of the removal of the Company Secretary should be a matter for the Board as a whole.	The Company Secretary ensures that all Board Terms of Reference are followed, and applicable rules and regulations are adhered to. The Company Secretary advice the Board and ensures that the Company complies with its Articles of Association, Companies Act and such regulatory publication, Board procedures and other applicable rules and regulations are followed. All Directors have access to the Company Secretary. The Secretary possesses the required qualifications as set out in the Companies Act.	Complied
		The Company should obtain appropriate insurance cover as recommended by the Nomination Committee for the Board, Directors and Key Management Personnel.	Insurance cover has been obtained.	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Independent judgement of Directors	A.1.5	All Directors should bring independent judgement to bear on issues of strategy, performance, resource allocation, risk management, compliance and standards of business conduct.	<p>The Chairman conducts Board meetings in a manner which ensures that there is effective participation from all Directors, their individual contribution and concerns are objectively assessed prior to making key decisions and that the balance of power is maintained</p> <p>In advance of every Board meeting, each Director receives a comprehensive set of Board papers and any additional information requested by the Directors. It is the Group CEO's duty to ensure that all members are properly briefed.</p> <p>None of the Independent Directors have held executive responsibilities in the Company, and have submitted a declaration confirming their independence in accordance with Section 9 of the CSE Listing Rules on Corporate Governance as at 31st March 2025</p>	Complied
Dedication of adequate time and effort by the Directors	A.1.6	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owned to the Company are satisfactorily discharged	<p>The Board met on five (05) occasions during the year.</p> <p>The Board is satisfied that the Chairman and the Non-Executive Directors committed sufficient time during 2024/25 to fulfil their duties.</p>	Complied
	A.1.7	One-third of Directors can call for a resolution to be presented to the Board where they feel it is in the best interest to the Company to do so.	As per Articles of Association, resolutions could be passed with majority voting	Complied
Training for new and existing Directors	A.1.8	<p>Every Director should receive appropriate training when first appointed to the Board of a company, and subsequently as necessary. The training curricular should encompass both general aspects of directorship and matters specific to the particular industry/company concerned.</p> <p>A Director must recognise that there is a need for continuous training and expansion of the knowledge and skill required to effectively perform his duties as a Director. The Board should regularly review and agree on the training and development needs of the Directors</p>	<p>The Directors are given the opportunities to familiarise and obtain an in-depth understanding of the Company's business, its strategies, risks and processes at their discretion.</p> <p>Training is provided to Executive Directors to equip themselves to discharge their responsibilities effectively. This includes training provided by principles, external and in-house training. Training and development needs are reviewed on a regular basis.</p> <p>Directors are briefed on changes in laws and regulations, tax laws and accounting standards from time to time either during the Board meetings or at specially convened sessions.</p>	Complied



## A.2 CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER (GROUP CEO)

### Main principle

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Separation of the roles of Chairman and Group CEO	A.2.1	The positions of Chairman and Group CEO are separated to ensure a balance of power and authority and to prevent any one individual from possessing unfettered decision-making authority	<p>The Chairman acts as Non -Executive – Non -Independent Chairman, the Chairman's and Group CEO's functions are separated to ensure a balance of power of authority and this dual panel structure has been continued throughout the year 2024/25</p> <p>The Chairman of the Board of Directors functions in non -executive capacity. The Group Chief Executive Officer functions as an Ex-Officio Director of the Board and is the apex executive in charge of the day-to-day management of operations and business of the Company, while providing the link between the Board of the Parent Company and Divisional Heads (Key Management).</p>	Complied

## A.3 CHAIRMAN'S ROLE

### Main principle

The Chairman's role in preserving good corporate governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Role of Chairman	A.3.1	The Chairman should conduct Board proceedings in a proper manner and ensure, inter alia, that –		
		- The agenda for Board meetings is developed in consultation with the CEO, Directors and the Company Secretary taking into consideration matters relating to strategy, performance, resource allocation, risk management and compliance	-Agenda for Board meetings is developed in consultation with the Group CEO, Directors, Group CFO and the Company Secretary.	Complied
		-Sufficiently detailed information of matters included in the agenda should be provided to Directors in a timely manner.	-Required information are provided to Directors in a timely manner.	Complied
		All Directors are made aware of their duties and responsibilities and the Board and Committee structures through which it will operate in discharging its responsibilities	-All Directors are aware of their duties and responsibilities and Chairman and Group CEO provide a comprehensive overview of the Company and its operations once a new Director is appointed to the Board.	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		The effective participation of both Executive and Non-Executive Directors is secured.	-The Chairman is responsible for leading the Board and for its effectiveness. In practice, this means taking responsibility for the Board's composition, ensuring that the Board focuses on its key tasks and supports the Group CEO in managing the day-to-day running of the Company. The Chairman is also the ultimate point of contact for shareholders, particularly on corporate governance issues.	Complied
		-All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company.	-The Chairman satisfies himself that the information available to the Board is sufficient to make an informed assessment of the Company's affairs as well as to discharge their duties to all stakeholders.	Complied
		-All Directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusion of matters of corporate concern on the agenda.	-Necessary information and presentations are done if necessary to the agenda items. All Directors are free to communicate with Divisional Heads and Head of Risk Management to call additional information necessary	Complied
		-A balance of power between Executive and Non-Executive Directors is maintained.	-The Chairman conducts Board meetings in a manner which ensures that there is effective participation from all Directors, their individual contribution and concerns are objectively assessed prior to making key decisions and that the balance of power is maintained.	Complied
		-The views of Directors on issues under consideration are ascertained; and	-Chairman ensures that regular meetings are conducted at least once a quarter and the minutes of the meetings are accurately recorded.	Complied
		- The Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders.	- Chairman approves the agenda prepared by the Company Secretary.	Complied

#### A.4 FINANCIAL ACUMEN

##### Main principle

The Board should ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Financial acumen and knowledge.	A.4.1	Availability of sufficient financial acumen and knowledge.	The Board includes a member who is a Fellow Member of the Association of Certified Chartered Accountants, UK, a member who is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a member of the Institute of Certified Management Accountants of Australia, a member who is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA) and Fellow Member of the Chartered Institute of Management Accountants, UK, (FCMA). Other members of the Board have the ability to offer guidance on matters of finance to the Board.	Complied

#### A.5 BOARD BALANCE

##### Main principle

It is preferable for the Board to have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Presence of strong team of Non-Executive Directors	A.5.1	<p>The Board should include Non-Executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions.</p> <p>The Board should include at least three Non-Executive Directors or such number of Non-Executive Directors equivalent to one-third of total number of Directors, whichever is higher. In the event, the Chairman and Group CEO is the same person, Non-Executive Directors should comprise a majority of the Board.</p>	All eight (08) Board Directors are Non-Executive Directors which is well above the minimum prescribed by the Code. This ensures views of Non-Executive Directors carry a significant weight in the decisions made by the Board.	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Independent Non-Executive Directors	A.5.2	Where the constitution of the Board of Directors includes only Non-Executive Directors, at least three Non-Executive Directors should be "independent". In all other instances three or two-third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be "independent".	Three out of eight Non-Executive Directors on the Board are independent based on the criteria set by this Code and the Listing Rules of the Colombo Stock Exchange.	Complied
Independence of Non- Executive Directors	A.5.3	For a Director to be deemed "independent" such Director should be independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.	The Company maintains the "Interest Register" required by the Companies Act No. 07 of 2007, which also shows details of Directors' Interest in Contracts/Company or Group.  A disclosure on related party transactions is available on pages 145.	Complied
Annual Declaration	A.5.4	Each Non-Executive Director should submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria set out in the Specimen in Schedule K of the Code.	Every Non-Executive Independent Director of the Company has made written submissions as to their independence against the specified criteria set out by the Company, which is in line with the requirements of Schedule K of this Code.	Complied
Determination of Independence of Director	A.5.6	The Board should make a determination annually as to the independent or non-independent of each Non-Executive Director based on such a declaration made of decided criteria and other information available to the Board, and should set out in the Annual Report the names of Directors determined to be "independent"  The Board should specify the criteria not met and the basis for its determination in the Annual Report, if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which indicate the contrary.	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence, as a fair representation and will continue to evaluate their independence on this basis annually.  No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code.  Independent Non-Executive Directors are:  1. Mr. J. R. Gunaratne 2. Mr. D. T. S. H. Mudalige 3. Ms. K. D Senewiratne	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Requirement to appoint "Senior Non-Executive Director"	A.5.7	In the event the Chairman and Group CEO is the same person, or the Chairman is not an Independent Director or the Chairman is immediately preceding Group CEO, the Board should appoint one of the Independent Non-Executive Directors to be the "Senior Independent Director" (SID) and disclose this appointment in the Annual Report.	Not applicable since Group CEO is the apex Executive in charge of the day-to-day management of operations and business of the Company.	N/A
Confidential discussion with Senior Independent Director	A.5.8	The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns which they believe have not been properly considered by the Board as a whole and which pertain to significant issues that are detrimental to the Company	Not Applicable.	N/A
Chairman's meetings with Non-Executive Directors	A.5.9	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	All the Directors are Non-Executive Directors	Complied
Recording of concerns in Board Minutes	A.5.10	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board minutes.	Concerns raised by the Directors during the period, if any, are recorded in the minutes of Board meetings with adequate details by the Company Secretary	Complied



## CORPORATE GOVERNANCE

### A.6 SUPPLY OF INFORMATION

#### Main principle

The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Management obligation to provide appropriate and timely information to the Board	A.6.1	Management has an obligation to provide the Board with appropriate and timely information, but information volunteered by Management may not be enough in all circumstances and Directors should make further inquiries where necessary. The Chairman should ensure all Directors are properly briefed on issues arising at Board meetings	<p>The Company ensures that the Directors receive adequate information in a timely manner. On urgent matters, every effort is made to provide the information, as early as possible</p> <p>The Board receives a standard set of documents, which are timely, accurate, relevant and comprehensive. These papers include a detailed analysis of financial and non-financial information. The Board may call for additional information or clarify issues with any member of the Executive Committee.</p> <p>If necessary, all Directors are adequately briefed by the Group CEO on matters arising at Board meetings. The Secretary and the Compliance Officer ensure that Board papers are circulated in advance prior to Board meeting.</p> <p>If necessary, members of the Executive Committee, External Auditors and outside Consultancies makes presentations on issues of importance.</p> <p>The Chairman ensures that all Directors are briefed adequately on issues arising at Board meetings.</p>	Complied
Adequate time for effective conduct of Board meetings	A.6.2	The minutes, agenda and papers required for a Board meeting should ordinarily be provided to Directors at least seven (7) days before the meeting, and the minutes of the meeting should ordinarily be provided to Directors at least two weeks after the meeting date.	The minutes, agenda and papers required for Board meeting are provided in advance to facilitate its effective conduct.	Complied

## A.7 APPOINTMENTS TO THE BOARD

### Main principle

There should be a formal and transparent procedure for the appointment of new Directors to the Board.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Nomination Committee	A.7.1	<p>A Nomination Committee should be established to make recommendations to the Board on all new Board appointments. Terms of Reference for Nomination Committees are set out in Schedule A.</p> <p>The Chairman and members of the Nomination Committee should be identified in the Annual Report.</p>	<p>The Committee consists of three Independent Non-Executive Directors and two Non-Executive Directors. Chairman is an Independent non -Executive Director.</p> <p>Please refer page 143 for new appointments in year 24/25</p>	Complied
		A separate section of the Annual Report should describe the work of the Nomination Committee including the process it has used in relation to Board appointments.	Details of work of the Nominations and Governance Committee are given on page 143.	Complied
Assessment of Board composition by the Nomination Committee		The Nomination Committee should annually assess Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessment should be taken into account when new Board appointments are considered and when incumbent Directors come up for re-election.	Board as a whole annually assesses the composition of the Board to ensure that the combined knowledge and experience of the Board matches the strategic demand facing the Company. The findings of such assessments are taken into account when new Board appointments are considered.	Complied
Disclose of required details of new Directors to shareholders	A.7.3	<p>Upon the appointment of a new Director to the Board, the Company should forthwith disclose to shareholders:</p> <p>a brief résumé of the Director;</p> <p>the nature of his expertise in relevant functional areas;</p> <ul style="list-style-type: none"> <li>- the names of companies in which the Director holds directorships or memberships in Board committees; and</li> <li>- whether such a Director can be considered "independent".</li> </ul>	<p>All new appointments are communicated to the shareholders via the Colombo Stock Exchange.</p> <p>The details of the current Board of Directors and new appointments are provided on pages 17 to 20 in this Annual Report.</p>	Complied

## CORPORATE GOVERNANCE

### A.8 RE-ELECTION

#### Main principle

All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Re-election of Non-Executive Directors, Chairman, and CEO	A.8.1	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their reappointment should not be automatic.	<p>In terms of the Articles of Association, one-third of the Directors, except for Managing Director, retire by rotation and may offer themselves for re-election at the AGM. By virtue of being the Managing Director is not required to make themselves available for re-election as per the Articles of Association.</p> <p>The Company's Articles of Association provides that any Director appointed by the Board during the period to hold office until the next Annual General Meeting and seek re-appointment by the shareholders at the said AGM.</p>	Complied
	A.8.2	All Directors including the Chairman of the Board, should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years. The names of Directors submitted for election or re-election should be accompanied by a résumé minimally as set out in paragraph A.7.3 above, to enable shareholders to make an informed decision on their election.	<p>Based on the Articles of Association and the current composition of the Board, a Director has to come forward for re-election, every three years</p> <p>A résumé of the Directors coming up for re-election at the AGM, 2024/25 is available on pages 160.</p>	Complied
Resignation	A.8.3	In the event of a resignation of a Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation.	Written communications are provided to the Board by Directors who resign prior to completion of his appointed term.	Complied

## A.9 APPRAISAL OF BOARD PERFORMANCE

### Main principle

Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Annual performance evaluation of the Board and its Committees	A.9.1	The Board should have in place a formal and rigorous process for annually reviewing the performance of the Board and its committees and should address any matters that may arise from such review, in the discharge of its key responsibilities as set out in A.1.2.	The performance of the Board and the sub-committees is reviewed and evaluated by the Board and Chairman based on a self-appraisal basis.	Complied
	A.9.2	The Board should also undertake an annual self-evaluation of its own performance and that of its committees. Board undertakes an annual self-evaluation of its own performance and that of its committees.	Board undertakes an annual self-evaluation of its own performance and that of its committees.	Complied
		The evaluation should be carried out by each Director individually. The collective outcome should be compiled and made available to Nomination Committee, which should make recommendations to the Board on initiatives and actions required to improve the balance of skills, experience, independence, industry and company knowledge, training of Directors, governance processes, strategy review and other factors relevant to its effectiveness.		
	A.9.3	The Board should have a process to review the participation, contribution and engagement of each Director at the time of re-election.	Not in place	Not Complied
	A.9.4	The Board should state how such performance evaluations have been conducted, in the Annual Report.	Not in place and not disclosed .	Not complied

## CORPORATE GOVERNANCE

### A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS

#### Main principle

Shareholders should be kept advised of relevant details in respect of Directors.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Details in respect of Directors	A.10.1	The Annual Report of the Company should set out the following information in relation to each Director:	The performance of the Board and the sub-committees is reviewed and evaluated by the Board and Chairman based on a self-appraisal basis.	Complied
		i. Name, qualifications and brief profile;	Available on pages 19 to 20	Complied
		ii. The nature of his/her expertise in relevant functional areas;	Available on pages 19 to 20	Complied
		iii. Immediate family and/or material business relationships with other Directors of the Company;	Not Applicable.	N/A
		iv. Whether Executive, Non-Executive and/or Independent Director	Available on pages 19 to 20	Complied
		v. Names of listed companies in Sri Lanka in which the Director concerned serves as a Director;	Available on page 19 to 20	Complied
		vi. Names of other companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a Group of which the Company is a part, their names need not be disclosed; it is sufficient to state that he/ she holds other directorships in such companies;	Disclosed through annual declaration of directors	Complied
		vii. Number/percentage of Board meetings of the Company attended during the year;	Available on page 138	Complied
		viii. The total number of Board seats held by each Director indicating listed and unlisted companies and whether in an executive or non-executive capacity;	Not disclosed in the Annual Report. However these information are available with the Company Secretary.	Complied
		ix. Committees in which the Director serves as Chairman or a member;	Available on page 138	Complied
		x. Number/percentage of Committee meetings attended during the year.	Available on page 138	Complied



### A.11 APPRAISAL OF GROUP CHIEF EXECUTIVE OFFICER

#### Main principle

The Board should be required, at least annually, to assess the performance of the Group CEO

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Setting annual targets and the appraisal of performance of the CEO	A.11.1	At the commencement of every fiscal year, the Board in consultation with the CEO, should set, in line with the short, medium and long-term objectives of the Company, reasonable financial and non-financial targets that should be met by the Group CEO during the year.	The Annual Business Plan is prepared setting up short-term, medium-term and long-term financial and non-financial goals. The Annual Business Plan is initially approved by the Board.	Complied
	A.11.2	The performance of the Group CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.	Assessment of performance of the Group CEO/Group Head-Human Resources (GHHR)/ Group CFO and Business Heads are carried out by the Board at the end of each year to ensure that pre-agreed targets and objectives have been achieved or if not whether there are acceptable reasons for not achieving them.	Complied

### B. DIRECTORS' REMUNERATION

#### B.1 REMUNERATION PROCEDURE

#### Main principle

Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Establishment of the Remuneration Committee	B.1.1	To avoid potential conflicts of interest, the Board of Directors should set up a Remuneration Committee to make recommendations to the Board, within agreed terms of reference, on the Company's framework of remunerating Executive Directors. (These also include Post-Employment Benefits as well as Terminal Benefits.) Terms of Reference for Remuneration Committees are set out in Schedule C.	The scope of the Committee is to consider and recommend to the Board remuneration and perquisites of Independent Directors, Executive Directors of the Board of the Company including Key Managers and approve recommendations made by the Group CEO.  Remuneration and perquisites of Group CEO is considered.	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Composition of the Remuneration Committee	B.1.2	Remuneration Committees should consist exclusively of Non-Executive Directors with a minimum of three Non- Executive Directors of whom the majority should be Independent. The Chairman should be an independent Non- Executive Director and should be appointed by the Board.	The Committee consists of two non-executive directors and three Independent Non- Executive Directors. The Committee is chaired by an independent Non -Executive Director. Company Secretary serves as the Secretary to the Committee. Group CEO, Group Head HR and Group CFO assist the Committee by providing the relevant information and participating in its analysis and deliberations.	Complied
Chairman and Members of the Remuneration Committee	B.1.3	The Chairman and members of the Remuneration Committee should be listed in the Annual Report each year.	Please refer page 141 for the Human Capital & Compensation Committee Report for details of the Chairman and members of the Human Capital & Compensation Committee.	Complied
Determination of remuneration of Non- Executive Director	B.1.4	The Board as a whole, or where required by the Articles of Association the shareholders, should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee, within the limits set in the Articles of Association. Where permitted by the Articles, the Board may delegate this responsibility to a subcommittee of the Board, which might include the CEO	The Committee as a whole decides the remuneration of Non-Executive Directors. The Non-Executive Directors receive a fee for being a Director of the Board and separate fee for either chairing or being a member of a Board sub-committee. They do not receive any performance/incentive payments.	Complied
Consultation of the Chairman and access to professional advice	B.1.5	The Remuneration Committee should consult the Chairman and/or CEO about its proposals relating to the remuneration of other Executive Directors and have access to professional advice from within and outside the Company, in discharging their responsibilities.	The Committee has the authority to seek internal and external independent professional advice on matters falling within its purview, at the Company's expense. Views of the Chairman and Group CEO are obtained as they too assist and participate in its analysis and deliberations to the said Board sub- committee.	Complied

## B.2 LEVEL AND MAKE-UP OF REMUNERATION

### Main principle

Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Executive Directors' remuneration package	B.2.1	The Remuneration Committee should provide the packages needed to attract, retain, and motivate Executive Directors of the quality required but should avoid paying more than is necessary for this purpose.	The Human Capital & Compensation Committee and the Board ensure that Executive Directors – who are on the Board and Key Management are provided with an attractive remuneration package.	Complied
	B.2.2	Executive Directors' remuneration should be designed to promote the long-term success of the Company.	Executive Directors' and Key Management's remuneration is designed to promote the long-term success of the Company/Group	Complied
Comparison of remuneration with other companies/ Other companies in the Group	B.2.3	The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with no corresponding improvement in performance.	A primary objective of compensation packages is to attract and retain a highly qualified and experienced workforce and reward performances. These compensation packages should provide compensation appropriate for each business within the Group and commensurate with each employee's level of experience and contribution, bearing in mind the business performance and long-term shareholder returns.	Complied
	B.2.4	The Remuneration Committee should be sensitive to remuneration and employment conditions elsewhere in the Company or Group of which it is a part, especially when determining annual salary increases.	Remuneration and annual salary increments are decided considering industry practices, performance of the Company/Group, each employee's level of experience and contribution bearing in mind the business performance and the long-term shareholder returns.	Complied
Performance-based remuneration of Executive Directors	B.2.5	The performance-related elements of remuneration of Executive Directors should be designed and tailored to align their interests with those of the Company and main stakeholders and to give these Directors appropriate incentives to perform at the highest levels. The performance-related elements should be transparent, stretching and rigorously applied.	Objectives for Group CEO, Executive Directors and Key Management are set at the beginning of the year and the remuneration including the performance bonus is decided based upon the degree of achievement of such pre-set targets subject to the remuneration policy.	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Executive share options	B.2.6	Executive share options should not be offered at a discount (i.e. less than market price prevailing at the time the exercise price is determined), save as permitted by the Listing Rules of the Colombo Stock Exchange. Shares granted under share options schemes should not be exercisable in less than three years and the Remuneration Committee should consider requiring Directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise.	Employee Share Option Scheme (ESOS) proposed by the Board of Directors was approved by the shareholders at the Extraordinary General Meeting held on 30th June 2016. The shares under the scheme granted to the eligible employees starting from the financial year 2017/18, based on the results achieved in financial year 2016/17. During the year no options were granted / exercised under ESOS.	Complied
Designing the remuneration of Executive Directors	B.2.7	In designing schemes of performance-related remuneration, Remuneration Committees should follow the provisions set out in Schedule E. The schemes should include provisions that would enable the Company to recover sums paid or withhold a portion of such performance-related remuneration and specify the circumstances in which a company may not be entitled to do so.	Please refer Human Capital & Compensation Committee Report on page 141	Complied
Early termination of Executive Director	B.2.8	Remuneration Committee should consider what compensation commitments (including pension contributions) their Directors' contracts of service, if any, entail in the event of early termination. Remuneration Committee should in particular, consider the advantages of providing explicitly for such compensation commitments to apply other than in the case of removal for misconduct, in initial contracts.	Not applicable to the Board except for Group CEO and other Executive Directors who are employees of the Company, and their terms of employment are governed by the contract of service/employment.	Complied
	B.2.9	Where the initial contract does not explicitly provide for compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. The broad aim should be, to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.	Not applicable.	N/A

### B.3 DISCLOSURE OF REMUNERATION

#### Main principle

The Company's Annual Report should contain a Statement of Remuneration Policy and details of remuneration of the Board as a whole.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of remuneration	B.3.1	The Annual Report should set out the names of Directors (or persons in the Parent Company's Committee in the case of a Group Company) comprising the Remuneration Committee, contain a statement of remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors	Please refer Human Capital & Compensation Committee Report on page 141 for disclosure on the names of Human Capital & Compensation Committee members and Remuneration Policy of the Company.  Please refer Note 11 to the Financial Statements on page 195 for aggregate remuneration paid to Executive and Non-Executive Directors.	Complied

### C. RELATIONS WITH SHAREHOLDERS

#### C.1 CONSTRUCTIVE USE OF ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS

#### Main principle

Boards should use the AGM to communicate with shareholders and should encourage their participation.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Adequate Notice of the AGM	C.1.1	Companies should arrange for the Notice of AGM and related papers to be sent to shareholders at least as determined by statute, before the meeting.	A copy of the Annual Report including Financial Statements is posted on corporate website as well as CSE website. The Notice of Meeting, Circular to Shareholders and the Form of the Proxy are sent to shareholders 15 working days prior to the date of the AGM, as required by statute, in order to provide the opportunity to all the shareholders to attend the AGM.	Complied
Separate resolution for all separate issues at the AGM	C.1.2	Companies should propose a separate resolution at the AGM on each substantially separate issue and should in particular propose a resolution at the AGM relating to the adoption of the report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote. The Proxy Form and any announcements of the results of a vote should make it clear that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution	Company proposes a separate resolution at the AGM on each substantially separate issue. Further, adoption of the Annual Report of the Board of Directors on the affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.	Complied



## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	C.1.3	<p>The Company should ensure that all valid proxy appointments received for General Meetings are properly recorded and counted. For each resolution where a vote has been taken on a show of hands, the Company should ensure that the following information is given at the Meeting and made available as soon as reasonably practicable on a website which is maintained by or on behalf of the Company:</p> <ul style="list-style-type: none"> <li>- The number of shares in respect of which proxy appointments have been validly made;</li> <li>- The number of votes for the resolution;</li> <li>- The number of votes against the resolution; and</li> <li>- The number of shares in respect of which the vote was directed to be withheld;</li> </ul> <p>When, in the opinion of the Board a significant proportion of votes have been cast against a resolution at any General Meeting, the Board should take steps to understand the reasons behind the vote results and determine if any actions are required.</p>	The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted	Complied
Availability of all Subcommittee Chairmen	C.1.4	The Chairman of the Board should arrange for the Chairmen of the Audit, Remuneration, Nomination and Related Parties Transactions Review Committees and the Senior Independent Director where such appointment has been made, to be available to answer questions at the AGM if so requested by the Chairman.	The Chairman of the Company ensures that Chairmen of all Board sub-committees namely, Audit Committee, Human Capital & Compensation Committee, Nominations and Governance Committee and Related Party Transactions Review Committee are present at the AGM to answer the questions under their purview.	Complied
Procedures of Voting at AGM	C.1.5	Companies should circulate with every Notice of General Meeting, a summary of the procedures governing voting at General Meetings.	A summary of the procedures governing voting at General Meeting is circulated to shareholders with every Notice of General Meeting	Complied

## C.2 COMMUNICATION WITH SHAREHOLDERS

### Main principle

The Board should implement effective communication with shareholders.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Channel to reach all shareholders of the Company	C.2.1	There should be a channel to reach all shareholders of the Company in order to disseminate timely information.	<p>The primary mode of communication between Company and the shareholders are the CSE announcements, Interim Financial Statements, Shareholders Circulars/Notices, Annual Report and AGM. Information are provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the business of Company, either verbally or in writing prior to the AGM.</p> <p>The Company used the following channels to disseminate timely information;</p> <ul style="list-style-type: none"> <li>- Shareholders meetings</li> <li>- Financial and other notices as and when required through the Colombo Stock Exchange</li> <li>- Corporate website</li> <li>- Corporate Facebook and LinkedIn pages</li> <li>- Press notices</li> <li>- Investor webinar</li> </ul>	Complied
Policy and methodology for communication with shareholders	C.2.2	The Company should disclose the policy and methodology for communication with shareholders.	<p>The Company will focus on open communication and fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided.</p> <p>The Company will ensure information are communicated accurately at all times.</p>	Complied
Implementation of the Policy and methodology for communication with shareholders	C.2.3	The Company should disclose how they implement the above policy and methodology.	<p>Printed copies of Annual Report are provided to all shareholders on request without charge and soft copies are available on corporate website.</p> <p>All other announcements are posted on the CSE website.</p>	Complied
Contact person for the communication	C.2.4	The Company should disclose the contact person for such communication.	<p>Details of Company Secretary are disclosed in Corporate Information Section. Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of the Company. In addition, Head of Investor Relations is assigned to handle communications related to investor relations. Such questions, requests and comments should be addressed to the Head of Investor Relations and in the absence of him the Group Chief Executive Officer.</p>	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Process to make Directors aware of major issues and concerns of shareholders	C.2.5	The Company should have a process to make all Directors aware of major issues and concerns of shareholders and this process should be disclosed by the Company.	The Company Secretary shall maintain a record of all correspondence received and will deliver as soon as practicable such correspondence to the Board or individual Director/s as applicable. The Board or individual Director/s, as applicable, will generate an appropriate response to all validly received shareholder correspondence and will direct the Company Secretary to send the response to the particular shareholder.	Complied
	C.2.6	The Company should decide the person to contact in relation to shareholders' matters.	Company Secretary or Head of Investor Relations can be contacted in relation to shareholders' matters.	Complied
	C.2.7	The process for responding to shareholders matters should be formulated by the Board and disclosed.	Company Secretary is assigned to respond to shareholders by the Board and update the Board on such matters.	Complied

### C.3 MAJOR TRANSACTIONS

#### Main principle

Further to compliance with the requirements under the Companies Act No. 7 of 2007, Directors should disclose to shareholders all proposed corporate transactions, which if entered into, would materially alter/vary the Company's net assets base or in the case of a company with subsidiaries, the consolidated Group net asset base.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure on "Major Transaction"	C.3.1	Prior to a company engaging in or committing to a "Major Related Party Transaction", with a related party, involving the acquisition, sale or disposition of greater than one third value of the Company's assets or that of a subsidiary which has a material bearing on the Company and for consolidated net assets of the Company, or a transaction which has or is likely to have the effect of the Company acquiring obligations and liabilities, of greater than one third of the value of the Company's assets, the Directors should disclose to shareholders the purpose and all material facts of such transaction and obtain shareholders' approval by ordinary resolution at an EGM. It also applies to transactions or series of related transactions which have the purpose or effect of substantially altering nature of the business carried on by the Company.	During the year, there were no major transactions as defined by Section 185 of the Company's Act No. 07 of 2007 which materially affect the Net Assets Base of the Company or Consolidated Group Net Asset Base. Transactions which materially affect the net assets base of the Company will be disclosed in the Quarterly/Annual Financial Statements, if any.	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	C.3.2	Public listed companies should in addition comply with the disclosure requirements and shareholder approval by special resolution as required by the Rules and Regulations of the Securities and Exchange Commission and by the Colombo Stock Exchange.	Not applicable since no such transactions were carried out during the period.	Complied

#### D. ACCOUNTABILITY AND AUDIT

##### D.1 Financial reporting Main principle

The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Board's responsibility for Statutory and Regulatory Reporting	D.1.1	The Board should present an annual report including Financial Statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained.	An annual report is presented including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations.	Complied
	D.1.2	The Board's responsibility to present a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators, as well as to information required to be presented by statutory requirements.	<p>The Board is well aware of its responsibility to present interim and other price-sensitive public reports and reports to regulators, as well as to information required to be presented by statutory requirements in a balanced and understandable manner and a statement to this effect is given in the Statement of Directors' Responsibility on page confirming this position.</p> <p>The Company had strictly complied with the requirements of the Companies Act No. 07 of 2007 in the preparation of Quarterly and Annual Financial Statements which are prepared and presented in conformity with Sri Lanka Accounting Standards. Further, Company has complied with the reporting requirements prescribed by the regulatory authority such as the Colombo Stock Exchange.</p>	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	D.1.3	The Board should, before it approves the Company's Financial Statements for a financial period, obtain from its Group Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the system of risk management and internal control was operating effectively.	<p>It is assigned to Group Chief Financial Officer, Compliance Officers of the respective subsidiary companies.</p> <p>Group Chief Financial Officer, and Compliance Officers (financial accountants) review quarterly and year end Financial Statements before submitting to the Audit Committee and Board and ensure that, the financial records of the entity and the Group have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view</p>	Complied
Directors' Report in the Annual Report	D.1.4	<p>The Directors' Report, which forms part of the Annual Report, should contain declarations by the Directors to the effect that:</p> <ul style="list-style-type: none"> <li>- the Company has not engaged in any activity which contravenes laws and regulations;</li> <li>- the Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested;</li> <li>- the Company has made all endeavours to ensure the equitable treatment of shareholders;</li> <li>- the Directors have complied with best practices of corporate governance</li> <li>- Property, plant and equipment is reflected at fair value, where it is different from fair value adequate disclosures are made</li> <li>- the business is a going concern, with supporting assumptions or qualifications as necessary; and</li> </ul>	<p>The Annual Report of the Board of Directors on the Affairs of the Company given on page 154 covers all of these requirements.</p> <p>In addition to that Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. The Accountants of respective companies within the Group act as Compliance Officers and are responsible for ensuring proper compliance with applicable laws and regulations</p> <p>A compliance statement is tabled at each Board meeting by the Compliance Officer</p> <p>The Company's compliance with Section 9 of the Colombo Stock Exchange Listing Rules on Corporate Governance and details of such compliance are discussed on page 84 of this Report.</p>	Complied



Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> <li>- they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if it is unable to make any of these declarations, to explain why it is unable to do so.</li> </ul>		
Statements of Directors' and Auditors' Responsibility for the Financial Statements	D.1.5	The Annual Report should contain a statement setting out the responsibilities of the Board for the preparation and presentation of Financial Statements, together with a statement by the Auditors about their reporting responsibilities. Further the Annual Report should contain a report/ statement on internal control.	<p>The "Statement of Directors' Responsibility on Financial Reporting" is given on page 161.</p> <p>The "Independent Auditors' Report" on page 163 Statement of the Auditor's responsibility</p> <p>The Statement on Internal Control is given on page 146 in the Statement of Director's Responsibilities.</p>	Complied
Management Discussion and Analysis	D.1.6	<p>The Annual Report should contain a "Management Discussion and Analysis", discussing, among other issues:</p> <ul style="list-style-type: none"> <li>- business model;</li> <li>- industry structure and developments;</li> <li>- opportunities and threats;</li> <li>- risk management;</li> <li>- internal control systems and their adequacy;</li> <li>- governance;</li> <li>- stakeholder relationships;</li> <li>- social and environmental protection activities carried out by the Company;</li> <li>- financial performance;</li> <li>- investment in physical and intellectual capital;</li> <li>- human resource/industrial relations activities carried out by the company; and</li> <li>- prospects for the future.</li> </ul> <p>The Management Discussion and Analysis may be structured based on the integrated reporting framework issued by International Integrated Reporting Council and "a preparer's guide to integrated Corporate Reporting" issued by CA Sri Lanka.</p>	<p>Please refer Chairman's Statement on page 10 Group Chief Executive Officer's Review on page 13 and Management Discussion and Analysis on page 38 of this Annual Report.</p> <p>Management Discussion and Analysis is structured based on the Integrated Reporting Framework in this Annual Report.</p>	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Summon on EGM to notify serious loss of capital	D.1.7	In the event the net assets of the Company falling below 50% of the value of the Company's shareholders' funds, the Directors shall forthwith summon an Extraordinary General Meeting of the Company to notify shareholders of the position and of remedial action being taken. The Directors should report periodically to the shareholders progress on these remedial actions	Likelihood of such occurrence is remote. However, should the situation arises, an EGM will be called for and shareholders will be notified.	Complied
Disclosure of related party transaction	D.1.8	<p>The Board should adequately and accurately disclose the Related Party Transactions in its Annual Report:</p> <ul style="list-style-type: none"> <li>- There should be a process to capture related parties and related party transactions. This process needs to be operationalised and related party transactions should be properly documented;</li> <li>- A record/register either in hard or soft form on related party and related party</li> <li>- The Company Secretary keeps a record on related party transactions and make necessary disclosures accordingly;</li> </ul> <p>Transaction should be maintained by the Company;</p> <ul style="list-style-type: none"> <li>- This record should ensure that the company captures information to comply with the respective related party disclosure requirements imposed by SEC/Accounting Standards/Auditing Standards</li> </ul>	<p>Each Company within the Group to submit signed and dated quarterly declarations mentioning whether they have related party transactions with the Company as defined in this Code;</p> <p>Standards and similar regulations.</p> <p>Related party transactions review committee reviewed related party transactions of the CIC Group which is described in this Annual Report in page 145.</p> <p>Related parties and related party transactions are captured and documented by the Company.</p>	Complied

## D.2 RISK MANAGEMENT AND INTERNAL CONTROL

### Main principle

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets. Broadly, risk management and internal control is a process, effected by a company's Board of Directors and Management, designed to provide reasonable assurance regarding the achievement of Company's objectives.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Annual Review of the effectiveness of Group's system of internal control	D.2.1	The Board should monitor the Company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the Annual Report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.	<p>The Company's Directors are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. This framework is designed to provide reasonable but not absolute assurance that all aspects are safeguarded.</p> <p>The Company has outsourced internal audit processes which are implemented to ensure that effective controls are in place. These processes extend across all Group Company operations.</p> <p>The Company does have a partially functioning separate internal audit function. Coordination will be handled internally and handled by respective finance heads and reporting to Group CFO.</p>	Complied
			<p>In relation to the subsidiary companies , the internal audit function includes an individual risk assessment for every business unit directly operated by the company , based on five criteria:</p> <ol style="list-style-type: none"> <li>1. Receivables management</li> <li>2. Inventory management</li> <li>3. Cash management</li> <li>4. Internal checks and balances</li> <li>5. Effectiveness of internal controls Each subsidiary is graded by the Internal</li> </ol> <p>Auditor based on its adherence to controls and its administrative performance on the management of the five criteria mentioned above</p>	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Review the need for internal audit function	D.2.2	The Directors should confirm in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Directors should describe those risks and explain how they are being managed or mitigated.	Please refer page 147 for the Risk Management report.	Complied
	D.2.3	Companies should have an internal audit function	Finance Heads and Internal Auditors are responsible for internal audit functions.	Complied
Review of the process and effectiveness of risk management and internal controls	D.2.4	The Board should require the Audit Committee to carry out reviews of the process and effectiveness of risk management and internal controls, and to document to the Board and Board takes the responsibility or the disclosures on risk management and internal controls.	<p>The Internal Auditors who are appointed by the Audit Committee of the Company carries out regular reviews on the risk management function and internal control system including internal control over financial reporting.</p> <p>The Audit Committee monitors, reviews and evaluates the effectiveness of internal control system including the internal controls over financial reporting. In the reporting period ended 31st March 2025, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company.</p> <p>Refer the Directors' Statement on Internal Control on page 146 for details.</p>	Complied

### D.3 AUDIT COMMITTEE

#### Main principle

The Board should establish formal and transparent arrangements for considering how they should select and apply accounting policies, financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management principles and for maintaining an appropriate relationship with the Company's Auditors.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Composition of the Audit Committee	D.3.1	The Board should establish an Audit Committee exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom at least two should be independent. If there are more Non-Executive Directors. The majority should be independent. The Committee should be Chaired by an Independent Non-Executive Director. The Board should satisfy itself that at least one member of the Audit Committee has recent and relevant experience in financial reporting and control.	All members of the Audit Committee are Non-Executive Directors. Out of total five members, three members are Independent Non- Executive Directors. Chairman of the Audit Committee is an independent Non- Executive Director.  Details of the members, invitees and Secretary of the Committee are in the Audit Committee Report under the heading "Composition of the Committee" in page 139.	Complied
Terms of Reference of the Audit Committee	D.3.2	The Audit Committee should have a written Terms of Reference, dealing clearly with its authority and duties. The Audit Committee's written Terms of Reference must address:  The Committee's purpose – which, at minimum, must be to –  Assist Board oversight of the: <ul style="list-style-type: none"> <li>- Preparation, presentation and adequacy of disclosures in the Financial Statements, in accordance with the Sri Lanka's Accounting Standards;</li> <li>- Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements;</li> <li>- Process to ensure that the Company's internal controls and risk management procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards;</li> <li>- Assessing the Company's ability to continue as a going concern in the foreseeable future;</li> <li>- Performance of the Company's internal audit function;</li> <li>- Process to the identification, monitoring and management of significant business/financial risk; and</li> </ul>	Audit Committee of the Company has a written Terms of Reference. Details are disclosed in Audit committee report on page 139 of this Annual Report.	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> <li>- Independence and performance of the Company's external audit.</li> <li>- The duties and responsibilities of the Audit Committee should at a minimum include those set out below:</li> <li>- Making recommendations to the Board, pertaining to appointment, reappointment and removal of External Auditors and to approve the External Auditors;</li> <li>- To develop and implement policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;</li> <li>- To review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Sri Lankan professional and regulatory requirements;</li> <li>- Discussion of the audit plan, key audit issues, their resolution and management responses;</li> <li>- Review the Company's annual Audited Financial Statements and Quarterly Financial Statements with management and the Auditor to ensure compliance with the Sri Lanka Accounting Standards and other relevant laws and regulations;</li> <li>- To review significant financial reporting judgements;</li> <li>- Review the Company's earnings press releases and financial information and earnings guidance provided to analysts and rating agencies;</li> </ul>		



Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> <li>- Discussion of policies and practices with respect to risk assessment and risk management;</li> <li>- Ensuring that a process of sound system of internal control is in place;</li> <li>- Ensuring that at least once in every three years an review of the Board's risk management, internal controls, business continuity, planning and information security systems are carried out and appropriate remedial action recommended to the Board;</li> <li>- Ensuring that an effective internal audit function is in place and monitor and review the internal audit activities;</li> <li>- Meeting separately, periodically, with Management, Auditors and Internal Auditors;</li> <li>- Ensuring that there is a mechanism for the confidential receipt, retention and treatment of complaints alleging fraud, received from internal/ external sources and pertaining to accounting, internal control or other such matters;</li> <li>- Assuring confidentiality to whistle-blowing employees;</li> <li>- Setting clear hiring policies for employees or former employees of the Auditors; and</li> <li>- Reporting regularly to the Board of Directors</li> </ul>		
Disclosure of names of the members of the Audit Committee	D.3.3	<p>A separate section of the Annual Report should describe the work of the Committee in discharging its responsibilities. The report should include –</p> <ul style="list-style-type: none"> <li>- The names of the Directors (persons in the Parent Company's Committee in the case of a Group Company) comprising the Audit Committee should be disclosed in the Annual Report.</li> <li>- The number of meetings held and attendance of each Director;</li> <li>- The scope of work and how its roles and responsibilities were discharged;</li> <li>- An explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external audit, and information on the length;</li> </ul>	Names of the members of the Audit Committee are given on page 139 under "Composition of the Committee" and disclosure on the independence of the Auditors is found on page 153 under the Auditors' in the Annual Report of the Board of Directors on the Affairs of the Company.	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		If the External Auditor provides non-audit services, an explanation of how audit objectivity and independence are safeguarded; and the Committee should also make a determination of the independence of the Auditors and should disclose the basis of such determination in the Annual Report.	Report of the Audit Committee is given on page 139.	Complied
		The Annual Report should contain a Report by the Audit Committee, setting out the manner of compliance by the Company, in relation to the above, during the period to which the Annual Report relates	Report of the Audit Committee is given on page 139.	Complied

### D.4 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

#### Main principle

The Board should establish a procedure to ensure that the Company does not engage in transactions with “related parties” in a manner that would grant such parties “more favourable treatment” than that accorded to third parties in the normal course of business.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of Related Party Transactions Review Committee	D.4.1	A related party and related party transactions will be as defined in LKAS 24	Related party and related party transactions are defined as per LKAS 24.	Complied
	D.4.2	The Board should establish a Related Party Transactions (RPT) Review Committee consisting exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom the majority should be independent. Executive Directors may attend by invitation. The Chairman should be an Independent Non- Executive Director appointed by the Board	In compliance with Section 9 of the Listing Rules of the CSE, the Committee comprises four Non-Executive Directors and three are Independent Non-Executive Directors  The Committee is chaired by an Independent Non-Executive Director.	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	D.4.3	<p>RPT Review Committee should have written terms of reference dealing clearly with its authority and duties which should be approved by the Board of Directors. The RPT Review Committee's written terms of reference must address –</p> <ul style="list-style-type: none"> <li>- A procedure for documenting related parties in accordance with the definitions in LKAS 24 and the CSE Listing Rules.</li> <li>- A procedure to obtain a statement of related party interest from each such related party at least once in each quarter, when there's a change in the status and in any event prior to entering into any transaction between such related parties and the Company, its parent or any of subsidiaries, sub-subsidiaries, fellow subsidiaries, associates, joint ventures and any other entities which are considered related parties as defined in LKAS 24 unless they are exempted related party transactions as defined in CSE Listing Rules.</li> <li>- Key Management Personnel of the Company responsible for contracting, procurement, payments, and any other channel through which an inflow or outflow of resources can result, should have a list of all related parties and have a process in place to capture and report any related party transaction within their area of responsibility.</li> <li>- A procedure to inform all related parties of what constitutes exempted related party transactions.</li> <li>- A procedure and guideline to delegate to Key Management Personnel to deal with recurrent related party transactions as defined in the CSE Listing Rules.</li> <li>- A procedure for the RPT Review Committee to review and recommend to the Board matters relating to such transactions.</li> <li>- Any interested Directors should not participate at the meeting at which the transaction relating to him/her is discussed unless invited to seek clarification/information.</li> </ul>	The Related Party Transactions Review Committee Report sets out the functions of the Committee which is given on page 145.	Complied

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Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> <li>- A procedure and definition of disclosure required to be made by the Company on an annual basis, those requiring immediate disclosure and those requiring shareholder approval.</li> <li>- A procedure to identify related party transactions which require immediate disclosure as per the CSE Listing Rules and to ensure that required disclosures are made by the Company to the Colombo Stock Exchange in accordance with the CSE Listing Rules.</li> <li>- A procedure to identify related party transactions which require shareholder approval by special resolution at an Extraordinary General Meeting.</li> <li>- The Company Secretary should maintain a permanent record in manual or electronic form of such statements, submissions, approvals, and minutes.</li> <li>- Review and recommend to the Board the related party disclosures to be made in the Annual Report of the Company</li> </ul>		

### D.5 CODE OF BUSINESS CONDUCT AND ETHICS

Companies must adopt a Code of Business Conduct and Ethics for Directors, Key Management Personnel and all other employees including but not limited to; dealing with shares of the Company; compliance with listing rules; bribery and corruption; confidentiality; encouraging that any illegal, fraudulent and unethical behaviour be promptly reported to those charged with governance. The Company must disclose waivers of the code for Directors, if any –

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of Code of Business Conduct and Ethics	D.5.1	All companies must disclose whether they have a Code of Business Conduct and Ethics for Directors and Key Management Personnel and if they have such a code, make an affirmative declaration in the Annual Report that all Directors and Key Management Personnel have declared compliance with such code, and if unable to make that declaration, state why they are unable to do so.	<p>Company has an internally-developed Code of Conduct. All employees including Directors, Key Managers, Senior Managers and employees are bound by the Company's written Code of Ethics that includes the following aspects:</p> <ul style="list-style-type: none"> <li>- Exercise honesty, objectivity and diligence when performing one's duties.</li> <li>- Avoid situations where personal interest might conflict with the interest of the Company; and if so, disclose such interest in advance.</li> <li>- Maintain confidentiality of commercial and price sensitive information.</li> </ul>	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<p>Each company may determine its own policies in the formulation of such a code, but all companies should address the following important topics in their respective codes:</p> <ul style="list-style-type: none"> <li>- Conflict of interest;</li> <li>- Bribery and corruption;</li> <li>- Entertainment and gift;</li> <li>- Accurate accounting and record- keeping;</li> <li>- Fair and transparent procurement practices;</li> <li>- Corporate opportunities;</li> <li>- Confidentiality;</li> <li>- Protection and proper use of company assets including information assets;</li> <li>- Compliance with laws, rules and regulations (including insider trading laws); and</li> <li>- Encouraging the reporting of any illegal, fraudulent or unethical behaviour.</li> </ul>	<ul style="list-style-type: none"> <li>- Work within applicable laws and regulations.</li> <li>- Safeguard the Company's assets.</li> <li>- Avoid conduct that will reflect badly on the person concerned or the Company's image.</li> <li>- Strictly avoid giving or accepting any kind of bribe, either directly or indirectly.</li> <li>- Strictly avoid making contributions for political funds, either directly or indirectly.</li> <li>- Strictly avoid any kind of sexual harassment.</li> </ul> <p>The Company has implemented a formal whistle-blowing procedure and encourages any employee who suspects wrongdoing at work, whether by Management, peers or any other employee, to raise their concerns</p> <p><b>Other Policies</b></p> <p>In addition, the Company implements policies covering:</p> <ul style="list-style-type: none"> <li>- Recruitment and selection</li> <li>- Financial integrity/Financial Manual</li> <li>- Use of Company property including computers</li> <li>- Non-harassment in the workplace</li> <li>- Environment, safety and health</li> <li>- Security of IT system</li> </ul>	
	D.5.2	The Company should have a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations	Company has established policy and process to ensure that material and price sensitive information are immediately disclosed to the shareholders via Colombo Stock Exchange immediately after relevant decisions are made by the Board of Directors. This task is assigned to the Company Secretary and it is a prime responsibility of the Company Secretary	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	D.5.3	The Company should establish a policy, process for monitoring and disclosure of shares purchased by any Director, Key Management Personnel or any other employee involved in financial reporting	The policy is in place and any share transaction done by Board Director need to be immediately disclosed to the Company Secretary and Company Secretary inform such transactions to the shareholders through Colombo Stock Exchange. Any share transaction done by Key Management Personnel other than Board Directors should inform such transactions to the Compliance Officer of the Company.	Complied
Affirmative Statement by the Chairman	D.5.4	The Chairman must affirm in the Company's Annual Report that a code of conduct and ethics has been introduced company-wide and the procedure for disseminating monitoring and compliance with that code. He must also disclose that he is not aware of any violation of any of the provisions of the code of business conduct and ethic	Please refer Chairman's statement on page 10 in this Report.	Complied

### D.6 CORPORATE GOVERNANCE DISCLOSURES

Directors should be required to disclose the extent to which the Company adheres to established principles and practices of good corporate governance.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Disclosure of Corporate Governance	D.6.1	The Directors should include in the Company's Annual Report, a Corporate Governance Report setting out the manner and extent to which the Company has complied with the principles and provisions of this Code.	This Report from pages 84 to 137 sets out the manner and extent to which the Company has complied with the principles and provisions of the Code.	Complied



## SHAREHOLDERS

### E. INSTITUTIONAL INVESTORS

#### E.1 Shareholder voting Main principle

Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Communication with Shareholders	E.1.1	A listed Company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives. Arising from such dialogue, the Chairman should ensure the views of shareholders are communicated to the Board as a whole.	<p>In order to avoid conflict of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at General Meetings. In this regards, the Annual General Meeting (AGM) and Extraordinary General Meetings (EGM) of the Company plays a critical role. Voting of the shareholders is crucial in carrying a resolution at the AGM/EGM. The Chairman who plays the role of the agent and communicates the views and queries of the shareholders to the Board and the Key and Senior Management in order to ensure that the views are properly communicated to the Board and the Management.</p> <p>Head of Investor Relations is a dedicated position to communicate with shareholders if necessary. Investors and shareholders can directly communicate and share their views and it will be communicated to the Board for necessary actions. Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the Company considers as its principle communication with them and other stakeholders. These reports are also available on the Company's website – <a href="http://www.cic.lk">www.cic.lk</a> and are provided to the Colombo Stock Exchange.</p> <p>Any information that the Board considers as price sensitive is disseminated to the shareholders as necessary.</p>	Complied

#### E.2 Evaluation of Governance Disclosures

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Due weight by Institutional Investors	E.2.1	When evaluating Companies' governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.	The Institutional Investors are at liberty to give due weight to matters relating to the Board structure and composition, when they consider resolutions relating to Board structure and composition.	Complied

## CORPORATE GOVERNANCE

### F. OTHER INVESTORS

#### F.1 Investing/Divesting decision

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Individual Shareholders	F.1	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Individual investors are encouraged to carry out adequate analysis or seek independent advice when reaching investing or divesting decisions.	Complied
Individual Shareholder Voting	F.2	Individual shareholders should be encouraged to participate in General Meetings of companies and exercise their voting rights.	Individual shareholders are encouraged to participate in General Meetings of the Company and exercise their voting rights.	Complied

### G. INTERNET OF THINGS AND CYBER-SECURITY

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	G.1	<p>The Board should have a process to identify how in the organisation's business model, IT devices within and outside the organisation can connect to the organisation's network to send and receive information and the consequent cyber-security risks that may affect the business.</p> <p>Internal and external parties could have computing devices embedded in everyday objects which may enable them to interconnect with the Company's network to send and receive data. Such access could be authorised or unauthorised.</p>	<p>The Board assigned this responsibility to the Information Technology Division and Divisional Director- IT is mainly assigned to complete this task.</p> <p>IT policy and Cyber-security policies have been developed required approvals have been obtained</p>	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	G.2	<p>The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise, authority and budgetary allocation to introduce and implement a cybersecurity risk management policy which should be approved by the Board.</p> <p>The policy should include a robust cyber security risk management process, incident response system, vendor management system, disaster recovery plan and a governance structure to monitor effective implementation, reporting and the need for cyber security insurance.</p>	<p>Head of Group IT- Divisional Director functions as the Chief Information Security Officer.</p> <p>IT Policy and Cyber Security Policy have been developed and approved by the Board</p>	Complied
	G.3	<p>The Board should allocate regular and adequate time on the Board meeting agenda for discussions about cyber risk management:</p> <ul style="list-style-type: none"> <li>- The matters taken up for the discussion on the Board meeting agenda may include; Potential cyber security risks in the Company's business model.</li> <li>- CISO's security strategy and status of the current projects.</li> <li>- Compliance with the cyber security risk management process and incident report.</li> <li>- Findings and recommendations from independent reviewers.</li> </ul>	IT Policy and Cyber Security Policy are presented to the Board and obtained approval	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	G.4	<p>The Board should ensure the effectiveness of the cyber security risk management through independent periodic review and assurance.</p> <p>The scope and the frequency of the independent periodic reviews could be determined based on the industry vulnerability, Company's business model and incident findings.</p>	Independent Security assessments have been carried out by an independent auditor and corrective actions are taken, and reports are circulated periodically	Complied
	G.5	The Board should disclose in the Annual Report, the process to identify and manage cyber-security risks.	The Board of Directors shall be updated regarding the controls in place to mitigate cyber risks, and on possible cyber risks that the company is exposed to.	Complied

### H. ENVIRONMENT SOCIETY AND GOVERNANCE (ESG)

#### H.1 ESG REPORTING

##### Main principle

The Company's Annual Report should contain sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognised, managed, measured and reported.

Environmental, social and governance considerations can affect a company's ability to execute its business strategy and create value. While many ESG factors are "non-financial", their management and likely impact have financial consequences. Hence, they are important factors to be built into a company's business model, strategy, governance and risk management framework. ESG factors relevant to the Company could impact the followings:

- Access to financial capital
- Cost savings and productivity
- Brand value and reputation
- Employee recruitment
- Employee retention
- Access to markets
- License to operate
- Market capitalisation

Integrating ESG policies and practices into a company's strategy, business model, governance and risk management and reporting its likely impact and implications are increasingly seen by investors as material to their investment decisions. Further, investors want to understand how well companies are managing the risk associated with ESG issues, as this is seen as a key test of the long-term sustainability of the Company. They are also increasingly interested in the opportunities presented by the low carbon economy and are allocating capital to companies that are well equipped to benefit from this.

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.1	<p>Companies should provide information in relation to –</p> <ul style="list-style-type: none"> <li>- The relevance of environmental, social and governance factors to their business models and strategy.</li> <li>- How ESG issues may affect their business.</li> <li>- How risks and opportunities pertaining to ESG are recognised managed, measured and reported.</li> </ul>	Sustainability principles related to ESG factors are embedded in the operations of the Company and initiatives implemented to ensure the adherence of the Company.	Complied

#### H.1.2 Environmental factors

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.2	<p>Environmental governance of an organisation should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications of their decisions and activities, including:</p> <ul style="list-style-type: none"> <li>- pollution prevention.</li> <li>- sustainable resource use (e.g. water, energy).</li> <li>- climate change.</li> <li>- protection of environment.</li> <li>- biodiversity.</li> <li>- restoration of natural resources.</li> </ul>	Sustainability principles related to environmental factors are embedded in the operations of the Company and initiatives implemented to ensure adherence to environmental governance by the Company are discussed in the Management Discussion and Analysis and Compliance section of this report.	Complied

## CORPORATE GOVERNANCE

### H.1.3 Social factors

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.3.1	<p>Social governance of an organisation should include its relationship with the community, customers, employees, suppliers, outsourced providers, and any other party that can influence or be influenced by the organisation's business model.</p> <ul style="list-style-type: none"> <li>- The organisation should adopt an integrated approach to building a relationship with the community and striving for sustainable development including responsible community engagement, fair competition, thereby demonstrating corporate social responsibility</li> <li>- The organisation should adopt an integrated approach to building a relationship with customers. This includes establishing a process for customer engagement, product responsibility and product recall and other matters relevant to the organisation's business model.</li> <li>- The labour practice related governance of an organisation should encompass all policies and practices in relation to work performed by or on behalf of the organisation in accordance with its business model, and should also include policies and practices such as equal opportunity, career development and training, reward and recognition, conditions of work, work-life balance and industrial relations.</li> <li>- The organisation should have policies and procedures to ensure that suppliers and outsourced providers comply with social governance norms of the Company</li> </ul>	<p>Sustainability principles related to social factors are embedded in the operations of the Company and initiatives implemented to ensure adherence to social governance by the Company are discussed in the Management Discussion and Analysis and Compliance section of this report</p>	Complied



#### H.1.4 Governance

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.4.1	<ul style="list-style-type: none"> <li>- Companies should establish a governance structure to support its ability to create value and manage risks in the short, medium and long-term, recognizing managing and reporting on all pertinent aspects of ESG.</li> <li>- The Company should recognize the key resources/ capitals deployed in its business and establish financial and non-financial measures for resource/ capital management and related outputs and outcomes.</li> <li>- The Company should have a process to ascertain, assess and manage risks which have an impact on the sustainability of the Company</li> <li>- The Company should have a process to recognize material matters relating to significant stakeholders and a method of engagement relevant to their level of interest and influence.</li> <li>- The disclosures should deal with how the Company has complied with the mandatory and voluntary codes of corporate governance and how its leadership structure, organizational culture, code of conduct and business model supports sustainability of the Company in the short, medium and long term.</li> </ul>	Process of managing risks in line with ESG aspects is discussed in the Risk Management Report and ESG report	Complied

#### H.1.5 Board's role on ESG factors

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	H.1.5.1	<p>ESG reporting is a Board's responsibility, and it is designed to add value by providing a credible account of the Company's economic, social and environmental impact. ESG reporting and disclosure should be formalized as part of the Company's reporting process and take place on a regular basis. ESG reporting should link sustainable issues more closely with strategy.</p> <p>ESG reporting may be built on a number of different guidelines, such as –</p> <ul style="list-style-type: none"> <li>- Integrated Reporting Framework</li> <li>- The Global Reporting Initiative Guidelines</li> </ul>	The Company initiated implementing ESG reporting in line with Global Reporting Initiatives (GRI) guidelines.	Complied

## CORPORATE GOVERNANCE

### SECTION B

This section covers the Company's extent of adherence to the requirements under Section 9 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange. This reflects the Company's level of conformity to CSE's Listing Rules which comprise the following fundamental principles:

- Policies
- Board Committees
- Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with Shareholders
- Policy on matters relating to the Board of Directors
- Chairperson & CEO
- Fitness of Directors and CEOs
- Board Composition
- Alternate Directors
- Disclosures Relating to Directors
- Nominations & Governance Committee
- Remuneration Committee
- Audit Committee
- Related Party Transactions Review Committee

The following table presents the details of the Company's compliance with Section 9 of the CSE Listing Rules on Corporate Governance as at 31st March 2025:

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
<b>Board of Directors</b>				
Policies	9.2	Establish & maintain the Policies listed under Section 9.2.1 of SEC Rules	The Company has adopted the list of Policies under Section 9.2.1 of the Listing Rules and published in Company website <a href="http://www.cic.lk">www.cic.lk</a> w.e.f 1st October 2024.	Complied
Board Committees	9.3	Establish & maintain; <ul style="list-style-type: none"> <li>• Nominations &amp; Governance Committee</li> <li>• Remuneration Committee</li> <li>• Audit Committee</li> <li>• Related Party Transactions Review Committee</li> </ul>	The Company has established the Board Committees mentioned under Section 9.3 and the said committees are functioning effectively.	Complied
Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with Shareholders	9.4	Maintaining records of all resolutions and the information relating to adoption of resolutions at General meetings of the Company	The Company is maintaining all records pertaining to its resolutions and resolutions adopted at General Meetings of the Company	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
Policy on matters relating to the Board of Directors	9.5	Establish & maintain a formal Policy on matters relating to the Board of Directors	The Company adopted a formal Policy on matters relating to the Board of Directors w.e.f. 01/10/2024 and published the same on Company website. The Company is in compliance with requirements of the Policy referred to in Rule 9.5.1 of CSE.	Complied
Chairperson & CEO	9.6	Chairperson to be Non-Executive Director and Chairperson & CEO shall not be the same person	Chairperson is a Non-Executive Director & the positions of Chairperson & CEO is not held by the same person	Complied
Fitness of Directors and CEO's	9.7	Assessment of Directors and CEO are fit proper at all times & adoption of Fit & Proper Assessment Criteria to evaluate fitness and propriety of Directors & CEO	Directors and CEO of the Company have satisfied the Fit and Proper criteria stipulated in the Listing Rules of the CSE	Complied
Board Composition	9.8.1	The Board shall consist of minimum 5 directors	The Board of Directors comprises eight (08) directors	Complied
	9.8.2	The Board shall include minimum 2 independent Directors or 1/3 of the total number of Directors, whichever is higher	The Board is comprised of three (03) independent directors	Complied
	9.8.3	Each Independent Director should submit a declaration of independence/ non-independence.	All Directors have submitted declarations against the criteria specified under Rule 9.8.3 and in the format in Appendix 9A of Listing Rules.	Complied
	9.8.5(c)	Names of Independent Directors should be disclosed in the Annual Report.	Please refer page 138.	Complied
	9.8.5(b)	The Board shall make a determination annually as to the independence or non- independence of each Non-Executive Director.	The Board has made an annual determination as to the independence or non-independence of each independent director, based on the declarations submitted by them.	Complied
	9.9	Alternate Directors	Relevant changes to be made to the provisions relating to Alternate Directors in the Articles of Association with the approval of the shareholders of the Company at the Annual General Meeting to be held on 30th June 2025	
	9.10.1	Policy on the maximum number of directorships permitted to be held by the Board members	Company Policy on matters relating to the Board of Directors states that the maximum number of directorships can be held by a Director in listed entities is ten (10).	Complied
	9.10.4	A brief résumé of each Director should be included in the Annual Report including the area of experience.	Please refer Pages 17 to 20.	Complied

## CORPORATE GOVERNANCE

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
	9.10.2	Provide a brief résumé and capacity of any new Director appointed to the Board.	Immediate market announcement is made through the CSE upon appointment of a new director to the board with a brief resume and the capacity of the directorship	Complied
Market Announcements	9.10.3	Immediate market announcement on any changes to the composition of the Board and Board Committees	Company has made timely announcements to CSE regarding changes to the Board and Board Committees	Complied
Process & Procedure for the Nominations & Governance Committee	9.11	Establish & maintain a Nominations and Governance Committee and adopt a formal procedure for appointment and re-election of Directors	Nominations and Governance Committee is in place and has a written terms of reference and follows a formal procedure for appointment/re-appointment of directors	Complied
Composition	9.11.4	Nominations and Governance Committee shall comprise of minimum three directors of which minimum two (02) shall be independent including the Chairman. The Committee should not comprise of Executive Directors	The Committee is comprised of five (05) directors of which three (03) are independent. Chairman is and independent director.	Complied
Functions	9.11.5	Functions of the Nominations and Governance Committee includes evaluation of appointments to the Board, consider and recommend re-appointment/re-election etc.	Functions stipulated under Rule 9.11.5 are effectively discharged by the Nominations and Governance Committee	Complied
<b>Human Capital and Compensation Committee</b>				
Composition	9.12	Number of Directors in the Committee to be –		
		• a minimum of three (03) Directors	The Committee comprises Five (5) Non-Executive Directors.	Complied
		• two (02) out of three (03) directors shall be independent.	Three (3) out of five (05) Director are independent Directors	Complied
		Separate committee to be formed for the Company	A separate Human Capital and Compensation Committee was formed for the Company.	Complied
		Chairman of the Committee to be an independent Non- Executive Director.	The Committee is chaired by an independent Non- Executive Director.	Complied
Functions	9.12.7	Functions of the Committee	The Human Capital and Compensation Committee Report sets out the functions of the Committee. Please refer page 141.	Complied
Disclosure in the Annual Report	7.12.8	The Annual Report should set out –		
		• Names of Directors comprising the Remuneration Committee	Please refer page 141	Complied
		• Statement of Remuneration policy	Please refer Human Capital and Compensation Committee Report on page 141.	Complied

Corporate Governance Principle	CA Sri Lanka Code reference	Requirement of the code	Compliant with the code	Compliance
		<ul style="list-style-type: none"> <li>Aggregate remuneration paid to Executive and Non-Executive Directors</li> </ul>	Please refer page 195.	Complied
<b>Audit Committee</b>				
Composition	9.13	Number of Independent Non-Executive Directors in the Committee to be –		
		<ul style="list-style-type: none"> <li>a minimum of three (03) directors of which minimum of two shall be independent</li> </ul>	The Committee comprises five(05) Non-Executive Directors. Three (03) of them are independent non executive directors	Complied
		Separate committee to be formed for the Company or the Listed Parent's Committee to be used.	A separate Audit Committee was formed.	Complied
		Chairman of the Committee to be an independent Non- Executive Director.	The Committee is chaired by an independent Non- Executive Director.	Complied
		Chairman of the Committee to be a member of a recognized professional accounting body.	The Chairman of the Committee is a member of a recognized professional accounting body	Complied
		CEO and CFO to attend Committee meetings, unless otherwise determined by the Audit Committee.	Group CEO/Group CFO attend Committee meetings by invitation.	Complied
Functions	9.13.4	Function of the Committee.	The Audit Committee Report sets out the functions of the Committee.	Complied
Disclosure in the Annual Report	9.13.5	Names of Directors comprising the Audit Committee	Please refer page 139.	Complied
		The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination	Please refer Audit Committee Report on page 139.	Complied
		The Annual report shall contain a Report of the Audit Committee in the prescribed manner.	Please refer Audit Committee Report on page 139	Complied
<b>Related Party Transactions Review Committee</b>				
Composition	9.14	The Committee shall comprise of a minimum of three (03) Directors of which two (02) shall be independent.	The Committee comprises of four (04) Non-Executive Directors, three (03) are independent non -executive directors	Complied
	9.14.1	Separate committee to be formed for the Company or the Listed Parent's Committee to be used.	A separate Related Party Transactions Review Committee was formed for the Company	Complied
	9.14.3	Function of the Committee.	The Related party transactions review committee Report sets out the functions of the Committee.	Complied
Disclosure in the Annual Report	9.14.8(3)	The Annual Report shall contain a Related Party Transactions Review Committee Report in the prescribed manner.	Please refer Related Party Transactions Review Committee Report on page 145.	Complied

The following table presents the details of the Company's compliance with Section 7.6 of the CSE Listing Rules on Annual Report Disclosure as at 31st March 2025;

## CORPORATE GOVERNANCE

Rule No	Applicable Requirement	Details Of Compliance	Compliance
7.6 (i)	Names of persons who were Directors of the Entity.	Share Information on page 156.	Complied
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Management Discussion and Analysis on page and Notes to the Financial Statements on pages 38 to 82.	Complied
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held.	Share Information on pages 257 to 258.	Complied
7.6 (iv)	The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	Share Information on page 259.	Complied
7.6 (v)	A statement of each Director's holding and Group Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year.	Annual Report of the Board of Directors on the Affairs of the Company on page 156.	Complied
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity	Risk Management on page 147.	Complied
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	Management Discussion and Analysis on page 38.	Complied
7.6 (viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	Information on the Freehold Land and Buildings of the Group/ Company on page 204.	Complied
7.6 (ix)	Number of shares representing the Entity's stated capital.	Share Information on page 256.	Complied
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Share Information on page 256.	Complied
7.6 (xi)	Financial ratios and market price information	Financial Highlights on page 9 and Share Information on page 256.	Complied
7.6 (xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year.	Notes to the Financial Statements on pages 173 to 255.	Complied
7.6 (xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year.	Not Applicable for the year under review	N/A
7.6 (xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes.	Not Applicable for the year under review	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rule 9 of the Listing Rules.	Corporate Governance on pages 84 to 138.	Complied
7.6 (xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Entity as per audited financial statements, whichever is lower.	Notes to the Financial Statements on pages 173 to 255.	Complied



## SECTION C

This section covers the adherence to the requirements of the Companies Act No. 07 of 2007 on Annual Report disclosure.

The following table presents the details of the Company's compliance pertaining to Companies Act No. 7 of 2007 on Annual Report Disclosure as at 31st March 2025:

Rule No	Applicable Requirement	Details Of Compliance	Compliance
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period.	Notes to the Financial Statements on pages 173 to 255.	Complied
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed.	Financial Statements on pages 173 to 255.	Complied
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company.	Independent Auditors' Report on page 163.	Complied
168 (1) (d)	Accounting Policies and any changes therein	Notes to the Financial Statements on pages 173 to 255.	Complied
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Annual Report of the Board of Directors on the Affairs of the Company on pages 153.	Complied
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	Notes to the Financial Statements on pages 173 to 255.	Complied
168 (1) (g)	Corporate donations made by the Company during the accounting period.	Notes to the Financial Statements on pages 173 to 255	Complied
168 (1) (h)	Information on the Directorate of the Company and its Subsidiaries during and at the end of the accounting period.	Annual Report of the Board of Directors on the State of Affairs of the Company on pages 156.	Complied
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period.	Notes to the Financial Statements on pages 173 to 255	Complied
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries.	Annual Report of the Board of Directors on the Affairs of the Company on pages 159	Complied
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board.	Annual Report of the Board of Directors on the State of Affairs of the Company on page 153.	Complied

### Board, Audit Committee, Human Capital & Compensation Committee, Nomination & Governance Committee & Related Party Transactions Review Committee Attendance

The number of meetings of the Board, Audit Committee, Remuneration Committee and Related Party Transactions Review Committee and individual attendance by members are as follows:

NUMBER OF MEETINGS	
Board Meetings	5
Audit Committee	5
Human Capital & Compensation Committee	4
Nominations & Governance Committee	–
Related Party Transactions Review Committee	4

## CORPORATE GOVERNANCE

Board Meetings	Audit Committee Meetings	Related Party Transaction Review Committee Meetings	Nomination & Governance Committee Meetings	Remuneration Committee Meetings
22nd May 2024	22nd May 2024	22nd May 2024		24th July 2024
05th August 2024	02nd August 2024	02nd August 2024		23rd October 2024
08th November 2024	08th November 2024	08th November 2024		11th March 2025
12th November 2024	10th February 2025	10th February 2025		24th March 2025
06th February 2025	26th March 2025			
5 Meetings	5 Meetings	4 Meetings		4 Meetings

### INDIVIDUAL ATTENDANCE

Name of Director	Directorship status	Board Meetings	Audit Committee Meetings	Related party transaction review Committee Meetings	Nomination & Governance Committee Meetings	Remuneration Committee Meetings
Mr. S. H. Amarasekera	Chairman, Non Independent, Non-Executive Director	5/5*			0/0**	4/4
Mr. R. S. Captain	Non Independent, Non - Executive Director	5/5			0/0	2/4
Mr. S. M. Enderby	Non Independent, Non-Executive Director	5/5	3/3	4/4		2/2
Mr. J. R. Gunaratne	Independent, Non-Executive Director	5/5	2/2	4/4*	0/0	2/2*
Mr. M. P. Jayawardena	Non Independent, Non-Executive Director	5/5	5/5	3/3**		2/2
Mr. D. T. S. H. Mudalige	Independent, Non-Executive Director	5/5	5/5*	1/1	0/0*	2/2
Mr. P. R. Saldin	Non Independent, Non - Executive Director	5/5	5/5**		0/0	2/2**
Mr. K. D. Senewiratne	Independent, Non-Executive Director	4/5	1/2	1/1	0/0	2/2

\*Chairman of the Board/Committee

\*\* Served as the Chairman of the respective committee prior to the reconstitution.

# AUDIT COMMITTEE REPORT

## PREAMBLE

The Audit Committee is empowered to review and monitor the financial reporting process of CIC Holdings PLC and its group to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective review. As such, the Audit Committee acts as an effective forum in assisting the Board of Directors in discharging its responsibilities on ensuring the quality of financial reporting and related communications to the shareholders and the public.

## COMPOSITION OF THE COMMITTEE

The Audit Committee consists of three Independent Non-Executive Directors and two Non-Independent, Non-Executive Directors as of the end of the reporting period, 31st March 2025. The Committee was reconstituted with effect from 1st January 2025 in accordance with the Listing Rules of the Colombo Stock Exchange and is chaired by an Independent Non-Executive Director.

The following Directors serve on the Committee:

**D. T. S. H. Mudalige** - Chairperson  
Independent, Non-Executive Director  
(Appointed as Chairperson w e f 30th September 2024)

**P. R. Saldin** - Member  
Non-Independent, Non-Executive Director  
(Resigned as the Chairman of the committee w e f 30th September 2024)

**M. P. Jayawardena** - Member  
Non-Independent, Non-Executive Director

**J. R. Gunaratne** - Member  
Independent, Non-Executive Director  
(Appointed w e f 1st January 2025)

**K. D. Senewiratne** - Member  
Independent, Non-Executive Director  
(Appointed w e f 1st January 2025)

**S. M. Enderby** - Resigned  
Non-Independent, Non-Executive Director  
(Resigned w e f 1st January 2025)

Brief profile of the Directors are given on pages 19 to 20 of this Annual Report.  
Ms. Thilini Wegodapola, General

Manager-Legal of the Company, functions as the Secretary to the Committee. The Group Chief Financial Officer/Compliance Officer, Audit Staff, Representatives of External Auditors and when necessary, the Chairman, the Group Chief Executive Officer and relevant Operational Directors and Managers attend the meetings by invitation.

## RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The Audit Committee's authority, responsibilities and specific duties have been formalised through an Audit Committee Charter. By this, the Audit Committee is empowered among other things, to examine any matters relating to the financial affairs of CIC Group and to review the adequacy of internal control procedures, coverage of internal and external audit programs, disclosure of accounting policies and compliance with statutory and corporate governance requirements.

## ACTIVITIES IN 2024/25

### Financial Reporting

The Committee along with the Board, Internal Auditors and External Auditors reviewed the Interim Financial Statements and the Annual Financial Statements to ensure compliance with mandatory, statutory and other regulatory requirements laid down by the authorities, prior to publication.

The Audit Committee is satisfied that for the period under review, the Company is in compliance with financial reporting requirements, information requirements under the Rules of the Colombo Stock Exchange, the Companies Act No.7 of 2007 and the Securities & Exchange Commission Act and other relevant financial reporting related regulations and requirements.

### Internal Audit, Risk and Control

The Committee also provides a forum for the impartial review of the reports of internal and external audits and to take into consideration findings and recommendations stated therein relating to significant business risks and control issues. The Committee reviewed the Group Audit Plan for the year and agreed

its budget and resource requirements. It reviewed interim and year-end summary reports and management's responses. The Committee carried out an evaluation of the performance of the internal audit function and was satisfied with the effectiveness of the function. The Committee reviewed the Compliance Officer's Report on the CIC Group's compliance with the applicable laws and regulations, including internal policy codes of conduct of its employees.

The scope of the Audit Committee has been extended to function as a Risk Committee of the Board, tasked with the critical responsibility of periodically reviewing the risk grid of the group, assessing the impact, and advising the Board on critical risk elements that require urgent attention and resolution.

## Meetings of the Committee

During the reporting period, five (5) Audit Committee meetings were held to discuss the Reports of the Internal and External Auditors and Interim Financial Statements. The Financial Statements for the 12 months period ended 31st March 2025 were also discussed at the meeting held on the 30th May 2025. The minutes of the meetings were tabled at the meetings of the Board of Directors for information and necessary action. The attendance of the Audit Committee meetings held during the reporting period ended 31st March 2025 under review is given on page 138 of this Annual Report.

## External Audit

The external audit approach and scope was reviewed and discussed by the Committee with the External Auditors and Management prior to the commencement of the audit. The External Auditors informed the Committee on an ongoing basis regarding matters of significance that were pending resolution. Before the conclusion of the audit, the Committee met with the External Auditors without Management being present. External Auditors discussed the audit issues with the Audit Committee and the Management to agree on audit issues. The Audit Committee has reviewed the other services provided

## AUDIT COMMITTEE REPORT

by the External Auditors to the Group to ensure that their independence as Auditors has not been compromised.

The Audit Committee has made a determination that the external auditors of the Company, Messrs. KPMG, Chartered Accountants, has acted independently relating to their audit of the Financial Statements of the Company as of 31st March 2025. This determination is based on the Declaration of Independence issued by Messrs. KPMG under Section 163(3) (a) & (B) of the Companies Act No.7 of 2007 and the confirmations given by M/s. KPMG in their Audit Results of CIC Holdings PLC for the FY ended 31st March 2025 presented to the Audit Committee. The Committee further confirms that Messrs. KPMG are independent chartered accounts in terms of the Sri Lanka Auditing Standards and the code of ethics issued by the Institute of Chartered Accountants of Sri Lanka.

KPMG adopts a seven year partner rotation policy to ensure independence. The Audit Partner is engaged with the Company since 2023. Audit committee has evaluated all services provided by KPMG to ensure such services are not conflicting with their independence.

The Audit Committee recommended to the Board of Directors that Messrs KPMG, Chartered Accountants be re-appointed as the External Auditors for the financial year 2025/26, subject to the approval of the shareholders at the Annual General Meeting and the required resolution will be put to the shareholders at the AGM.

### Sri Lanka Accounting Standards

The Committee reviewed the revised policy decisions relating to the adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Group companies and made recommendations to the Board of Directors.

The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board of Directors informed at regular intervals.

The Committee has pursued the support of KPMG to assess and review the existing SLFRS policies and procedures adopted by the Group.

The Audit Committee is satisfied that the Committee has discharged its duties effectively during the Financial Year ended 31st March 2025.

I wish to thank all members who served on the Committee during the period and for their contribution to the deliberations of the Committee including participation in meetings with Management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.



**D T S H Mudalige**  
Chairman  
Audit Committee

31st May 2025

# REPORT OF THE HUMAN CAPITAL & COMPENSATION COMMITTEE

## COMPOSITION

The Human Capital & Compensation Committee consists of three Independent Non-Executive Directors and two Non-Executive Directors as of the end of the reporting period, 31st March 2025. The Committee was reconstituted with effect from 1st January 2025 in accordance with the latest listing rules of the Colombo Stock Exchange, and is now chaired by an Independent Non-Executive Director.

The following Directors serve on the Committee:

**J. R. Gunaratne** - Chairperson  
Independent Non-Executive Director  
(Appointed w e f 30th September 2024)

**D. T.S.H. Mudalige** - Member  
Independent Non-Executive Director  
(Appointed w e f 01st January 2025)

**K. D. Senewiratne** - Member  
Independent Non-Executive Director  
(Appointed w e f 01st January 2025)

**R. S. Captain** - Member  
Non Independent Non-Executive Director

**S. H. Amarasekera** - Member  
Non Independent Non-Executive Director

The following Directors served during the year:

**P. R. S. Saldin** - Resigned  
Non Independent Non-Executive Director  
(Resigned as Chairman of the Committee w e f 30th September 2024, and resigned from the Committee w e f 01st January 2025)

**S. M. Enderby** - Resigned  
Non Independent Non-Executive Director  
(resigned from the Committee w e f 01st January 2025)

**M. P. Jayawardena** - Resigned  
Non Independent Non-Executive Director  
(resigned from the Committee w e f 01st January 2025)

The Group Chief Executive Officer and Group Head of HR attend the meetings by invitation.

## FUNCTIONS

The Human Capital & Compensation Committee is responsible for developing the Group's remuneration policy and

determining the remuneration packages of executive employees of the Group. The Committee recommends to the Board and its subsidiaries the remuneration to be paid to Key Management Personnel. The Committee reviews HR policies and the policies pertaining to remuneration and perquisites of the executives of the company annually. The Committee also reviews the Human Resource Strategies of the Company.

## MEETINGS

The Committee meets on a need basis and convened four (4) meetings during the year ended 31st March 2025.

The Chairman of the Committee can convene a special meeting in the event a requirement arises, provided all members are given sufficient notice of such special meeting. The quorum for a meeting is two members. The GCEO/ GCFD/ GHHR are invited to participate in the Committee meetings as and when required by the Chairman considering the topics for deliberation at such meetings. The proceedings of the Committee meetings are regularly reported to the Board of Directors.

## REMUNERATION

The Committee believes that the Company's remuneration strategy is paramount to differentiate us from the competitors and to retain our top performers. Therefore, our remuneration philosophy is anchored on a total rewards approach. The remuneration strategy has been designed to enable the company to develop, motivate and retain our internal talent pipeline; and when necessary to attract key talent externally to sustain the performance of the Group.

The Committee also dedicated adequate time to ensure that the Remuneration Policy of the Group remains fair, transparent, and competitive, and that remuneration is linked to business strategy and drives sustainable performance and entrepreneurship.

The Committee also reviewed the compensation benefit packages and salary structures of Key Management Personnel and recommended appropriate changes to kept abreast of the dynamic challenges and changes required during the year.

## PERFORMANCE CULTURE

The performance appraisals of the GCEO and Key Management Personnel were completed after reviewing the targets in compliance with the strategic plan of the company.

The Committee also undertook to review and revise the HR Strategic Plan in line with the Group's strategic ambitions for the next 3-5-year time frame. To further support this, the Committee reviewed and made amendments to the new performance-based bonus scheme implemented to reward exceptional performers who have achieved their stretched targets. Further, the Committee deliberated on the process and guidelines on performance goal setting applied ensuring that SMART objectives are set up in line with the growth plans across the Group in driving performance.

During the year the committee further reviewed the Performance Management System (PMS) introduced in 2022 and suggested further improvements to strengthen the performance culture by aligning the key performance indicators of the senior leadership with the strategic plan to support ambitious growth plans of the Company.

The Key Performance Indicators of the GCEO and Key Management Personnel were agreed upon at the beginning of the financial year in line with the strategic plan and their performance was assessed at the end of the year. Based on this, remuneration and salary structures were reviewed and finalised.

## CAPABILITY DEVELOPMENT

CIC Group HR Objective is to create a conducive environment to ensure availability of future ready leadership pipeline to achieve strategic objectives and enhance the employer brand of CIC.

The committee approached capability development as an ongoing investment to create a robust work environment and a learning culture that will equally challenge and motivate employees to align their personal career pathway in line with the company's growth strategies.

## REPORT OF THE HUMAN CAPITAL & COMPENSATION COMMITTEE

To enhance the CIC Group's team capabilities, the second Strategic Leadership Development Programme was continued for the senior management in collaboration with the Post Graduate Institute of Management (PIM). Selected projects of the first program were implemented successfully that created more value by contributing to the bottom line of the company. Third Executive Leadership program was continued with the Chartered Institute of Personnel Management (CIPM) to develop the second tier of leaders in the middle management cadre. The 2nd speech craft program was conducted by Toastmaster international to enhance the communication skills of the CIC team.

With the purpose of upgrading management and leadership capabilities, international training exposure was given to enhance the leadership for strategic excellence through "Advanced Leadership Program" facilitated by Indian School of Business – Hyderabad. Also to elevate selling management skills, a training program on "Managing Sales Team and Distribution Channels" was carried out with the Indian School of Business – Hyderabad. Global Business Skill development program was introduced for the middle managers and above team with the Hardskills Pte Ltd- Singapore.

To ensure a continuous leadership pipeline the Board approved Management Trainees (MT's) to be recruited for the CIC Group. Accordingly, Management Trainees were recruited to IT department.

### SUCCESSION PLANNING

The HC & CC continued to review the Succession Planning process aiming at seamless leadership transition of the second and third tier of leadership. After identifying the training needs Individual Development Programs (IDP's) were developed for the KMP's and steps have been taken to implement the IDP's for these KMP's.

Individual Development Plans were completed for senior management team to further enhance the leadership skills. This process will continue in 2025/2026.

Succession planning continued to be a key area of focus in the deliberations of the Committee during the year under review. The Committee conducted in depth talent reviews covering critical roles of the Group, the incumbents in such roles and the potential successors.

Succession planning within our Group is an ongoing process for responding to change, so that our Group operations would continue with as little disruption as possible. The Committee review the succession planning process in place to ensure that our best talent is in line for future leadership and critical roles, to mitigate the risk of future talent shortages and to retain and develop critical knowledge capital.

The aggregate remuneration paid to Non-Executive Directors is given in Note 11 to the Financial Statements in page 195.

Finally, I would like to thank my colleagues in the Committee for their valuable contribution towards the progress of the Committee.



**J R Gunaratne**  
Chairman  
Human Capital & Compensation  
Committee

31st May 2025



# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

## COMPOSITION OF THE COMMITTEE

Nominations and Governance Committee shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee (NGC).

## COMPOSITION OF THE COMMITTEE

The NGC of the Company 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:

1st April 2024 to 29th September 2024:

**Mr. S H Amarasekera** - Independent Non-Executive Director [appointed on 05.02.2008]

**Mr. P R Saldin** - Non-Executive Director [appointed on 12.11.2018]

**Mr. R S Captain** - Non-Executive Director [appointed on 06.02.015]

30th September 2024 to 31st December 2024:

**Mr. D T S H Mudalige** Chairperson - Independent Non-Executive Director [appointed on 30.9.2024]

**Mr. S H Amarasekera** - Independent Non-Executive Director [appointed on 05.02.2008]

**Mr. P R Saldin** - Non-Independent, Non-Executive Director appointed on 12.11.2018)\*

**Mr. R S Captain** - Non-Executive Director [appointed on 06.02.2015]

**Mrs. K D Senewiratne** - Independent Non-Executive Director [appointed on 30.9.2024]

From 1st January 2025 :

**Mr. D T S H Mudalige** Chairperson - Independent Non-Executive Director [appointed on 30.9.2024]

**Mr. S H Amarasekera** - Non-Independent Non-Executive Director [appointed on 05.02.2008]

**Mr. J R Gunaratne** - Independent Non-Executive Director [appointed on 01.01.2025]

**Mr. R S Captain** - Non-Executive Director [appointed on 06.02.2015]

**Mrs. K D Senewiratne** - Independent Non-Executive Director [appointed on 30.9.2024]

\*Resigned on 31st December 2024.

[Brief profiles of the Members of the NGC who held office as of 31st March 2025 appear on pages 19 to 20.

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd function as the Secretaries to the Committee.

## MEETINGS OF THE COMMITTEE

There are no new Board appointments during the period and no meetings were convened.

## 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.

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. The Directors who retire by rotation are those who have been longest in office since their last re-election / appointment.

## RE-ELECTION OF DIRECTORS AT THE ANNUAL GENERAL MEETING

In accordance with Article 25(6) of the Articles of Association of the Company, the Committee recommended that Mr. P R Saldin and Mr. S M Enderby, who retire in terms of the said Article 25(6), be re-elected to the Board at the Annual General Meeting to be held on 30th June 2025.

The Committee further recommended to re-appoint Mr. M P Jayawardena a Director, who attained the age of 70 years on 2nd August 2022, in terms of the Resolution passed by the Directors pursuant to Section 211 of the Companies Act No.7 of 2007 that the age limit referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to Mr. M P Jayawardena.

## NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Name	Membership of Board Sub Committees	Date of Appointment to the Board	Date of last Re-appointment
Mr. P R Saldin	Audit Committee	01.07.2016	30.06.2022
Mr. S M Enderby	Related Party Transaction Review Committee	11.04.2013	30.06.2022
Mr. M P Jayawardena	Audit Committee	25.10.2008	28.06.2024

### 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 organization'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.



**D T S H Mudalige**

Chairman – Nominations and Governance Committee

31st May 2025

# REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

## PREAMBLE

The Board established the Related Party Transactions Review Committee (RPTRC) in terms of the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (the "Code") and Section 9 of the Listing Rules of the Colombo Stock Exchange (the "Rules").

## COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee consists of three Independent, Non-Executive Directors and one Non-Executive Director as of the end of the reporting period, 31st March 2025. Committee was reconstituted with effect from 1st January 2025 in accordance with the latest Listing Rules of the Colombo Stock Exchange and is chaired by an Independent Non-Executive Director.

The following Directors serve on the Committee:

**J. R. Gunaratne** - Chairperson  
Independent Non-Executive Director  
(Appointment as Chairperson w e f 1st January 2025)

**K. D. Senewiratne** - Member  
Independent Non-Executive Director

**D. T. S. H. Mudalige** - Member  
Independent Non-Executive Director

**S. M. Enderby** - Member  
Non-Independent, Non-Executive Director

**M. P. Jayawardena** - Resigned  
Non-Independent, Non-Executive Director (Resigned w e f 1st January 2025)

Brief profile of the members is given on pages 19 to 20 of this Annual Report.

The above composition is in compliance with the provisions of the Code regarding the composition of the Related Party Transactions Review Committee.

P W Corporate Secretarial (Private) Limited functions as the Secretary to the Related Party Transactions Review Committee.

## MEETINGS OF THE COMMITTEE

During the year ended 31st March 2025, the Committee met four (04) times. Attendance by the Committee Members at these meetings is given in the table on page 138 of the Annual Report.

## ROLE AND RESPONSIBILITIES

The mandate of the Committee is derived from the provision of the Code and the Rules and is outlined as follows:

- To review in advance all proposed related party transactions of the Group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Seek any information the Committee requires from Management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.
- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/non-recurrent related party transactions.
- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining "competent independent advice" from independent professional experts with regard to the value of the substantial assets of the related party transaction.

## POLICIES AND PROCEDURES ADOPTED BY THE RPTRC FOR REVIEWING RELATED PARTY TRANSACTIONS (RPTS)

1. Relevant information to capture RPTs is fed into the Company Data Collection System.
2. All officers concerned are informed of the applicable regulatory requirements relating to the reporting of RPTs.

3. Key Management Personnel (KMPs) and their Close Family Members (CFMs) are identified half-yearly together with their National Identity Card numbers and business registration numbers. This information is in the system.
4. The system is updated with KMP and their CFM details on a half-yearly basis or as and when the need arises in the event of a material change.
5. Data is extracted from the system, verified and validated.
6. All Managers are advised to report RPTs to the Group Chief Financial Officer who has been identified as the focal point for this purpose.
7. Data is shared with the Group Chief Financial Officer and the Company Secretaries to meet the regulatory requirements if required.

## TASK OF THE COMMITTEE

The Committee reviews related party transactions and their compliance and communicated to the Board.

The Committee, in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management and confirmed compliance with Section 9 of the CSE Listing Rules.

Related Party Transactions reported during the reporting period ended 31st March 2025 are disclosed in the Note 43 to the Financial Statements.

## REPORTING TO THE BOARD

The minutes of the RPTRC meetings are tabled at the Board meetings enabling all Board members to have access to same.

I wish to take this opportunity to thank all members who served in the Committee and for their contribution to the deliberations of the Committee during the period.



**J. R. Gunaratne**  
Chairman  
Related Party Transactions Review Committee

31st May 2025

# BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

## REQUIREMENT

The Code of Best Practice on Corporate Governance 2017 issued jointly by the Securities and Exchange Commission and the Institute of Chartered Accountants, Sri Lanka, recommends Board to present a statement on internal controls.

## RESPONSIBILITY

The Board of Directors is responsible for the adequacy and effectiveness of the Group's system of internal controls. However, such a system is designed to manage the Group's key exposure areas within an acceptable risk profile rather than eliminating the risk of failure to achieve the Group's objectives. Accordingly, the system of internal controls can only provide a reasonable assurance but not absolute against the material misstatement of management and financial information and records or against financial losses or fraud. The Board has established an ongoing process for identifying, evaluating and managing the significant exposures faced by the Company and this process includes enhancing the system of internal controls as and when there are changes for the business environment or regulatory framework.

The Board has assessed the internal control system taking into account principles for the assessment of internal control systems as given in that guidance. The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The management assists the Board in implementation of the Board policies and procedures.

## KEY INTERNAL CONTROL PROCESSES

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls with respect to financial reporting includes the following:

The Board sub-committees are established to assist the Board in ensuring the effectiveness of the Group's operations and that they are in accordance with corporate objectives, strategy, annual budget, policies and business environment.

The Group's internal audit functions provide comfort on the efficiency and effectiveness of the internal control system. It monitors compliance on policies and procedures and highlights significant findings in respect of non-compliance. Audits are carried out on all subsidiaries and frequency of which is determined by the level of risk assessed. The annual audit plan is reviewed and approved by the Audit Committee.

The Audit Committee reviews internal control issues identified by the Group's internal auditors/external auditors, regulatory authorities and the management and evaluates the adequacy of internal controls.

In assessing the internal control systems, the management of the Company continued to review and update all procedures and controls that are connected with significant accounts and disclosures of the Financial Statements of the Company/ Group.

## CONFIRMATION STATEMENT

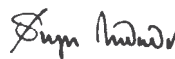
The Board of Directors of CIC Holdings PLC (Group) confirm that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting

system and the preparation of Financial Statements for external purposes has been done in accordance with Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, requirements of Security and Exchange Commission of Sri Lanka and other regulatory requirements.

By order of the Board



**S H Amarasekera**  
Chairman



**D T S H Mudalige**  
Chairman - Audit Committee

31st May 2025

# RISK MANAGEMENT REPORT

## MANAGING RISKS & OPPORTUNITIES

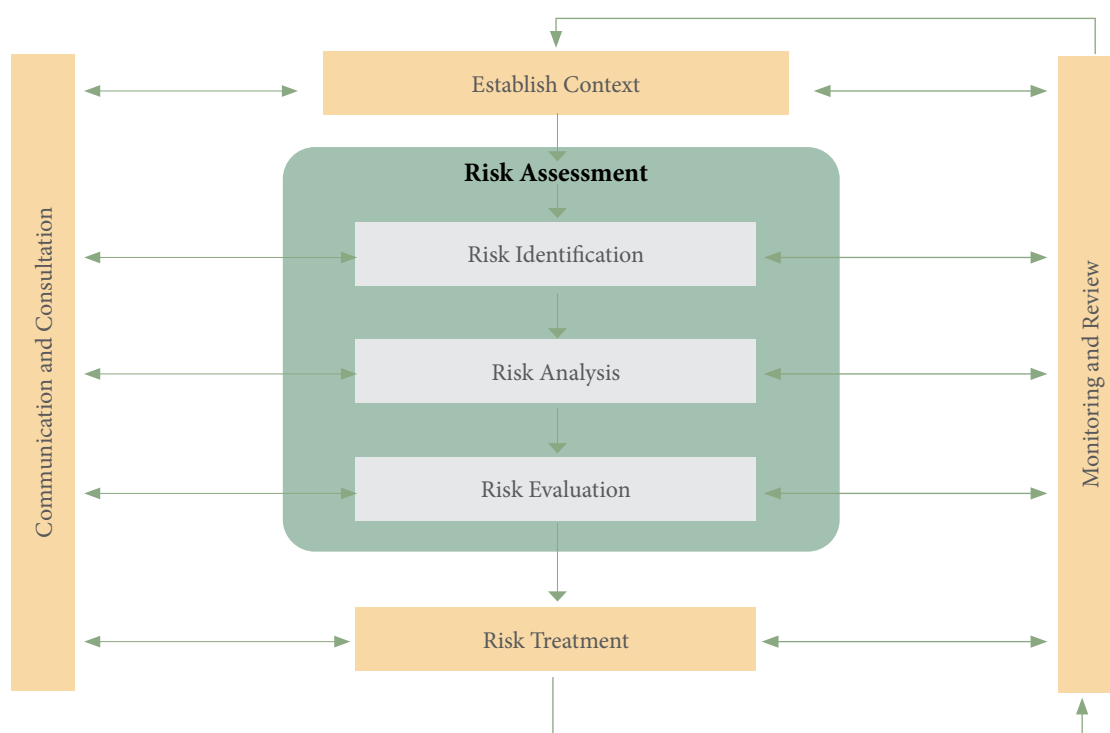
Risk management continues to be a primary focus for the Board, regularly featuring on the agenda as risk landscapes evolve. It necessitates continuous evaluation from various perspectives and timelines to guarantee the effectiveness of current decisions over time. Notably, the tools available for risk management are advancing, enabling more sophisticated quantitative and qualitative analyses that yield valuable

insights for short, medium, and long-term management. CIC rigorously enhances its risk management processes annually to meet the demands of its business and regulatory environment.

## OVERSIGHT OF RISK MANAGEMENT

The Board is responsible for managing risks and building institutional resilience and this is a regular agenda item at meetings of the Board. The Board is supported by the Audit Committee, which

oversees detailed risk reviews. The GCEO and Senior Management implement effective risk management processes. The Board promotes a culture of risk awareness through discussions, feedback and guidance to the Senior Management. Risk is viewed using a bottom-up approach as well as a top down approach in an effort to identify both internal and external factors. Additionally, risk is a key topic at Senior Management meetings, focusing on impacts and mitigation plans.



## RISK LANDSCAPE

The CIC Group is exposed to a fairly wide range of risks arising from the multiplicity of value chains as well as their length in addition to other common macroeconomic, social and environmental factors. The macrotrends impacting the Group's risk landscape are set out below. Many of the risks noted below are correlated and connected which can compound their impacts.

The global economic outlook is projected to decline from 3.3% in 2024 to 2.8% in 2025, with growth in advanced economies anticipated at 1.4%. The tariffs implemented by the US administration have considerably heightened uncertainty in trade flow and economic activity

forecasts, as global supply chains are expected to experience disruptions impacting numerous countries.

Sri Lanka had a strong start to the year recording 5% GDP growth in 2024. With the announcement of tariffs, The World Bank has downgraded Sri Lanka's economic growth forecast to 3% and 3.1% for 2026, citing the lingering effects of the economic crisis, structural bottlenecks, and global trade uncertainties in April 2025. Despite this, the country's prospects are positive with a stable policy environment, low interest rates, and a relatively stable foreign currency rate. The lifting of vehicle import restrictions is likely to reduce the foreign exchange liquidity in the market, but

careful monetary policy is expected to counter these impacts.

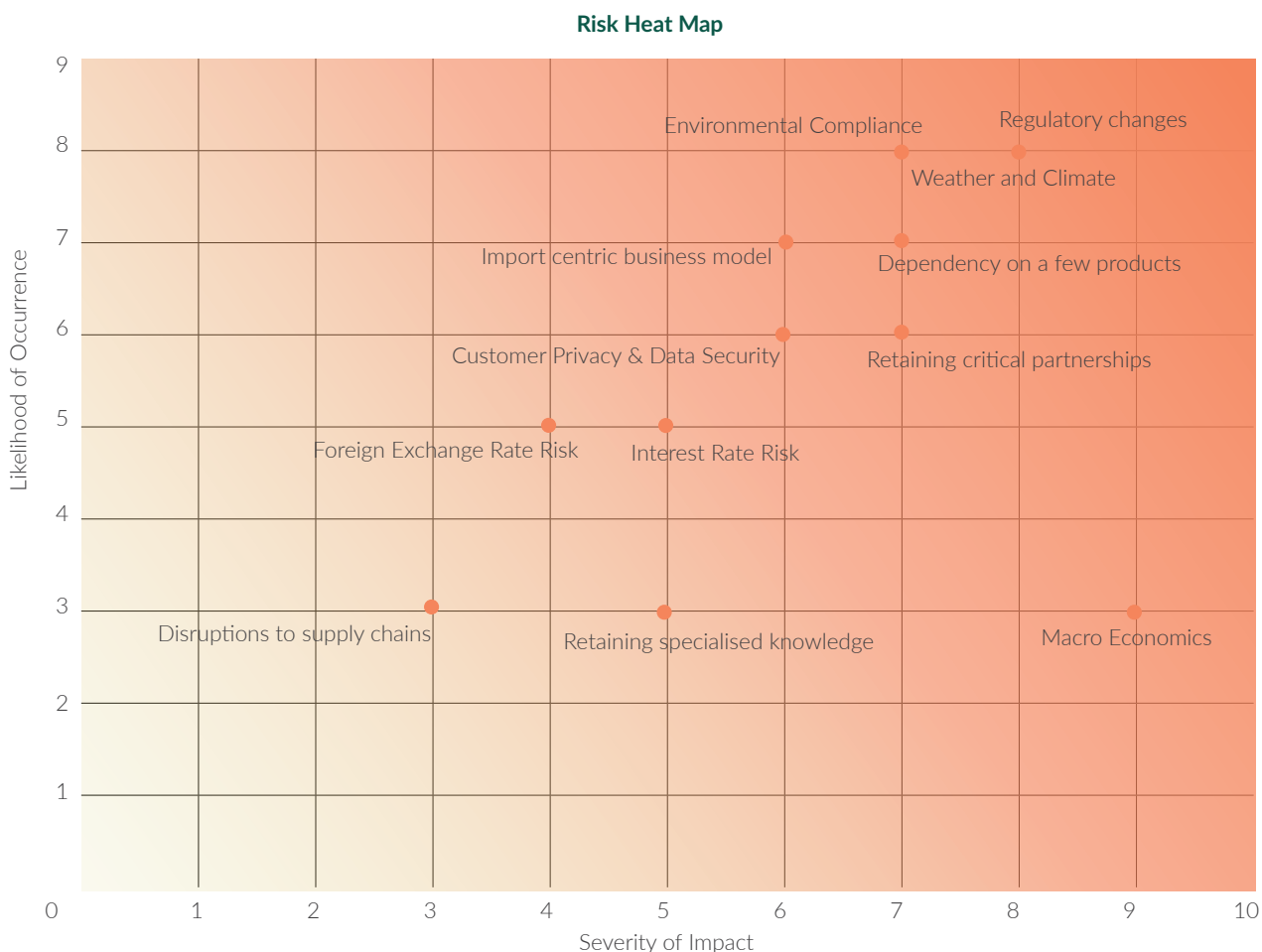
Technology continues to advance at a rapid pace with AI driving the tech revolution to new heights. The social impacts are undeniable as are the benefits from productivity and balancing these priorities will be critical to global growth.

Extreme weather events continue to increase in frequency and intensity resulting in loss of lives, loss of crops and damage to infrastructure. Additionally, temperatures are increasing with changes in weather patterns, disrupting agriculture cycles.

## RISK MANAGEMENT REPORT

### Key Risks

The Group maintains risk registers for its key businesses. A consolidated view of the key risks of the Group are given below.



All risks scoring above 4 for either the impact or likelihood of occurrence are described below.

Risk	Assessment & Approach	Potential Impact	Mitigating Factors/Plans
<b>1. Regulatory changes</b> CIC derives 63% revenue from regulated industries and policy stability is critical for long term strategic planning and investments to drive growth in key business verticals	<b>Assessment:</b> Very High  <b>Approach</b> Accept & Reduce	Performance being impacted by ad-hoc policy changes resulting in below target returns/losses	<ul style="list-style-type: none"> <li>Building Strong rapport with officials of GoSL (Periodic discussions, visits etc.)</li> <li>Industry lobbying to maintain policy consistency</li> <li>Participating in expert panels</li> </ul>
<b>2. Weather &amp; Climate change</b> Extreme weather events can result in loss of lives, crops and damage to physical infrastructure	<b>Assessment:</b> Very High  <b>Approach</b> Accept & Transfer	Product shortages, Stocks build up, Working capital tide up, loss/ damage of assets	Difficult to mitigate <ul style="list-style-type: none"> <li>Go through Insurance process as much as possible</li> <li>Invest in R&amp;D on climate/drought resistant crops</li> <li>Pre-pone Harvesting and look for crop storage mechanisms</li> </ul>



Risk	Assessment & Approach	Potential Impact	Mitigating Factors/Plans
<b>3. Environmental Compliance</b>  Non-compliance with regulatory requirements and certification standards may result in loss of certifications or operating licenses	<b>Assessment:</b> Very High  <b>Approach</b> Manage to reduce and avoid	Closure of affected sites/ facilities and resultant loss of production and revenue in addition to fines and underutilised staff	Strict adherence to environmental regulations <ul style="list-style-type: none"> <li>• Complying with applicable laws and regulations</li> <li>• Updating knowledge on changes that will come into force in near future and management to be involved in setting up policy framework</li> </ul>
<b>4. Dependency on a few products</b>  Some clusters are dependent on a few star products to drive performance which may also incur regulatory changes	<b>Assessment:</b> Very High  <b>Approach</b> Reduce dependency	Sharp loss of revenue in affected clusters due to regulatory changes	<ul style="list-style-type: none"> <li>• Research and innovation</li> <li>• Develop strong roadmaps for more products</li> <li>• Monetising R&amp;D Pipelines</li> <li>• Developing strong marketing roadmap for other products</li> <li>• Development of Export revenue channels</li> <li>• More concentration of newly launched portfolio</li> </ul>
<b>5. Retaining critical partnerships</b>  Many clusters are reliant on critical partners for performance and maintaining these partnerships is critical at a time of mergers, and elevated geopolitical and geoeconomic risks	<b>Assessment:</b> Very High  <b>Approach</b> Manage and Reduce	Sharp loss of revenue in affected clusters, diminished product portfolios and potential loss of market leaderships	<ul style="list-style-type: none"> <li>• Strong stakeholder management (Principal Management)</li> <li>• Exploring alternate available specialty suppliers which could be a suitable substitute or to tap different market segments.</li> <li>• Enhance our R&amp;D function to explore opportunities on locally developing some of the specialty fertilizer.</li> <li>• Multi layered relationships to ensure continuity</li> </ul>
<b>6. Import centric business model</b>  Group operations are import centric and need to expand in exports and local manufacture	<b>Assessment:</b> Very High  <b>Approach</b> Manage and Reduce	Significant impact on all business segments	<ul style="list-style-type: none"> <li>• Develop strategies to have strong export portfolio</li> <li>• Investment on research and development, technology &amp; innovation to expand local production (Import Substitution)</li> <li>• Investment in more essential sectors</li> </ul>
<b>7. Customer Privacy &amp; Data Security</b>  Escalating cybersecurity risks and imminent enforcement of the Personal Data Protection Act makes this a high priority	<b>Assessment:</b> Very High  <b>Approach</b> Manage and avoid	Loss of reputation, data, information and potential lockdown of systems by hackers	<ul style="list-style-type: none"> <li>• Investments on security upgrades</li> <li>• Periodic security audits to identify areas that needs improvement.</li> <li>• Obtain insurance coverages.</li> </ul> <p>Essential training and development of CIO/IT -team on better understanding developments on technology ecosystem(domestic/ International)</p>

## RISK MANAGEMENT REPORT

Risk	Assessment & Approach	Potential Impact	Mitigating Factors/Plans
<b>8. Macroeconomic factors</b> As witnessed in the recent past, macroeconomic factors have a significant impact on the performance of the Group	<b>Assessment:</b> High  <b>Approach</b> Accept	Reduced buying power of customers, elevated costs and product shortages	Monitor economic indicators and adjust strategy, exposures and prices accordingly
<b>9. Interest Rate Risk</b> Interest rates declined sharply during the year as policy rates decreased. However, these may move up in the year ahead.	<b>Assessment:</b> High  <b>Approach</b> Accept and reduce	Interest rate volatility can impact profitability	<ul style="list-style-type: none"> <li>• Proper long term financing strategies of strategic investments</li> <li>• Encourage cash sales and Infusion/re-invest new capital to businesses (re-capitalisation)</li> <li>• Mitigation through proper working capital management,</li> </ul>
<b>10. Foreign Exchange Risk</b> As an import centric business, CIC is exposed to foreign exchange risk which has been less volatile in the past two years, favourably impacting our operations. However, this is likely to change in the year ahead	<b>Assessment:</b> High  <b>Approach</b> Accept and reduce	Depreciation of the rupee will have a negative effect on the performance of the Group due to foreign currency exposures	Manage foreign currency exposures proactively
<b>11. Retaining specialised knowledge</b> Domain knowledge is essential to maintain leadership and innovation in many business verticals.	<b>Assessment:</b> High  <b>Approach</b> Reduce	Specialised skills and experience are highly valued by employers and retaining such talent may require review of remuneration structures	<ul style="list-style-type: none"> <li>• Leadership development to ensure continuous pipeline of leaders in line with the succession plan</li> <li>• Plan out strong capability development process</li> <li>• Investment in training and development and having a performance driven culture</li> <li>• Focus on employee motivation</li> </ul>
<b>12. Disruptions to supply chains</b> Elevated geopolitics and geoeconomics can result in disruption to established supply chains	<b>Assessment:</b> Medium  <b>Approach</b> Accept and reduce	Disruptions to supply chains can result in stock outages, loss of revenue and crops	<ul style="list-style-type: none"> <li>• Effective negotiation with available pool of suppliers</li> <li>• Critical evaluating the quantities requirement and maintain adequate buffer stock levels.</li> <li>• Pursue alternate supplier sources and Develop link with alternative suppliers</li> <li>• Look for new entrepreneurs with innovative supply models and materials (Options to source locally)</li> </ul>

# ADVANCING THE NATION

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As we reflect on the year under review, we focus on those initiatives that defined our forward trajectory and the shift towards technological progress and sustainability that ensured our growth across sectors and enabled us to create a positive impact across communities.

## FINANCIAL & STATUTORY REPORTS



## FINANCIAL CALENDAR

1st Quarter Financial Results	Released on 05th August 2024
2nd Quarter Financial Results	Released on 08th November 2024
3rd Quarter Financial Results	Released on 06th February 2025
4th Quarter Financial Results	Released on 30th May 2025
2024/25 Final Dividend Payment Date if approved at AGM	21st July 2025
62nd Annual General Meeting	30th June 2025

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# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of CIC Holdings PLC has pleasure in presenting their Report on the Affairs of the Company, together with the Audited Financial Statements of CIC Holdings PLC and the Audited Consolidated Financial Statements of the Group for the 12 months ended 31st March 2025.

## REVIEW OF THE YEAR

Chairman's Statement, (pages 10 to 12), and the Group Chief Executive Officer's Review, (pages 13 to 16) describe the Company's affairs and the Group's business. Financial results of the Company/Group are elaborated on pages 166 to 255. These reports, together with the Audited Financial Statements reflect the state of affairs of the Company/Group.

## PRINCIPAL ACTIVITIES

The Company carries the business of merchandising and manufacturing as its principal activities. There were no significant changes in the activities of the Company during the year under review. The Group is engaged in Agri Produce, Crop Solutions, Livestock Solutions and Health & Personal Care market segments. During the year under review, there were no changes in the business of the Company and those of its subsidiary companies, except for the acquisition of 100% of the issued shares of Asiavet Lifesence (Pvt) Ltd., a company engaged in the business of importing veterinary products.

## INDEPENDENT AUDITORS' REPORT

The Independent Auditors' report on the Financial Statements is given on pages 163 to 165 in this Annual Report.

## FINANCIAL STATEMENTS

The Financial Statements for the 12 months ended 31st March 2025 are in accordance with the Sri Lanka Accounting Standards, SLFRSs/LKASs, issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of Section 151 (and Section 153 for consolidated entity) of the Companies Act No. 07 of 2007. The Financial Statements duly signed by the Directors are provided on pages 166 to 255 in this Annual Report.

## ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Statements are provided in detail in the Notes to the Financial Statements on pages 173 to 189. The Company/Group has consistently applied the accounting policies as set out in Note 1 to 4 to all periods presented in these Consolidated Financial Statements.

## PROFIT AND APPROPRIATIONS

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit for the year after depreciation	1,621,861	2,476,309	9,210,523	13,517,422
From which a deduction is made for taxation and	(273,455)	1,262	(2,877,071)	(2,543,225)
For discontinued operations	(1,433)	(236)	296,028	47,197
	1,346,973	2,477,335	6,629,480	11,021,394
From which a deduction is made for non- controlling Interest	-	-	(1,187,063)	(1,278,136)
	1,346,973	2,477,335	5,442,417	9,743,258
To which must be added/(deducted) other comprehensive income	(40,096)	(41,463)	21,585	(190,447)
Total comprehensive income	1,306,877	2,435,872	5,464,002	9,552,811
To which must be added the unappropriated profit brought forward from the previous years and	9,150,980	3,992,674	30,785,659	18,327,732
Derecognition of fair value reserve due to change in ownership of investments	-	2,904,312	-	3,228,750
Realisation of capital reserve on account of disposal of assets	-	765,822	-	765,822
Adjustment to non-controlling interest of a subsidiary	-	-	(11,990)	(141,756)
Making available for appropriation amount of	10,457,857	10,098,680	36,237,671	31,733,359
Out of which a dividend was paid Rs.2.50 (2024 - Rs 2.50)	(947,700)	(947,700)	(947,700)	(947,700)
so that the unappropriated profit carried forward will be	9,510,157	9,150,980	35,289,971	30,785,659

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

## PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Company and the Group invested a sum of Rs. 122.31 Mn (Rs. 127.44 Mn in 2023/24) and Rs. 1,194.04 Mn (635.64 Mn in 2023/2024) in property, plant and equipment. Details of property, plant and equipment and intangible assets and their movements are given in Notes 16 to the Financial Statements respectively. Details of freehold land and buildings are given in Note 16 to the Financial Statements.

## MARKET VALUE OF PROPERTIES

The freehold property of the Company/ Group is revalued by an Independent Qualified Valuer when there is a substantial difference between the fair value and the carrying amount of the freehold property. The Company/ Group reviews its assets once in each reporting date.

The most recent valuation was carried out as at 31st March 2025. The details of the valuation are given in Note 16 to the Financial Statements on page 204 in this Annual Report.

## DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Statement of the Directors' Responsibilities is given on page 161.

## CORPORATE GOVERNANCE

The Company has complied with Corporate Governance Rules laid down by the Institute of Chartered Accountants of Sri Lanka, and Listing Rules of the Colombo Stock Exchange. The Corporate Governance Section on pages 84 to 138 describes the good Corporate Governance Principles adopted by the Company.

## DIVIDENDS

In terms of Article 7 of the Articles of Association of the Company, a first and final dividend of Rs. 2.50 per share has been proposed by the Directors for the financial year ended 31st March 2025. The Board has reasonable grounds for believing that the Company would satisfy the Solvency Test immediately after the distribution is made and accordingly, the Board of Directors has signed the Certificate of Solvency in accordance with Section 57 of the Companies Act No. 07 of 2007.

The Board of Directors will obtain a Certificate of Solvency from the Auditors prior to the date of dispatch of the dividend payment.

## RESERVES (EXCLUDING NON-CONTROLLING INTEREST)

Group reserves and retained equity as at 31st March 2025 amounted to Rs. 39,111 million vs Rs. 33,885 million as at 31st March 2024. The break-up and movement are shown in the Statement of Changes in Equity in the Financial Statements.

## STATED CAPITAL

As per the provisions of the Companies Act No. 07 of 2007, the Stated Capital of the Company was Rs. 1,008.45 Mn as at 31st March 2025 and remained unchanged during the year. Details are given in Note 30 to the Financial Statements on page 233.

Earnings per share, dividends per share, dividend payout and net assets value per share are given in the Highlights on page 9 of this Annual Report and prior year figures are adjusted in line with the subdivision.

## COMMITMENTS AND CONTINGENCIES

Commitments and Contingent Liabilities of the Group are disclosed in the Note 39 and 40 to the Financial Statements.

## DIRECTORS

The following were the Directors of the Company as at 31st March 2025 and their brief profiles are set out in pages 19 to 20.

Mr. S H Amarasekera - Chairman,  
*Non-Independent, Non-Executive Director*

Mr. R S Captain  
*Non-Independent, Non-Executive Director*

Mr. P R Saldin  
*Non-Independent, Non-Executive Director*

Mr. S M Enderby  
*Non-Independent, Non-Executive Director*

Mr. J R Gunaratne  
*Independent, Non-Executive Director*

Mr. M P Jayawardena  
*Non-Independent, Non-Executive Director*

Mr. D T S H Mudalige  
*Independent, Non-Executive Director*

Ms. K D Senewiratne  
*Independent, Non-Executive Director*

## APPOINTMENTS & RESIGNATIONS

### Retirement/ re-election / re-appointment of Directors

(i) Mr. S M Enderby retires pursuant to Article 25(6) of the Articles of Association of the Company and being eligible offers himself for re-election as recommended by the Board.

(ii) Mr. P R Saldin retires pursuant to Article 25(6) of the Articles of Association of the Company and being eligible offers himself for re-election the Board.

(iii) Mr. M P Jayawardena who attained this age of 70 years on 2nd August 2022 vacates office at the conclusion of the forthcoming Annual General Meeting pursuant to Section 210 of the Companies Act No.7 of 2007. As recommended by the Board, a resolution will be placed before the shareholders for the re-appointment of Mr. M P Jayawardena pursuant to Section 211 of the Companies Act No.7 of 2007.

## INDEPENDENCE OF DIRECTORS

Mr. D T S H Mudalige  
*Independent, Non-Executive Director*

Mr. J R Gunaratne  
*Independent, Non-Executive Director*

Ms. K D Senewiratne  
*Independent, Non-Executive Director*

In accordance with Rule 7.10.2 (b) of the Colombo Stock Exchange (CSE) listing Rules, Independent Directors have submitted signed and dated declarations as per the specimen given in Appendix 7A of Continuing Listing Rules of the CSE.

## CHANGE OF STATUS

The Board resolved that Mr. S H Amarasekera, Mr. S M Enderby and Mr. M P Jayawardena, who previously served as an Independent Non-Executive Directors, will be considered Non-Independent, Non-Executive Director with effect from 1st January 2025.

## 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.

## BOARD COMMITTEES

### Audit committee

The Directors comprising the Audit Committee are:

Mr. D T S H Mudalige  
*Independent, Non-Executive Director - Chairman of the Committee*

Mr. P R Saldin  
*Non-Independent, Non-Executive Director*

Mr. M P Jayawardena  
*Non-Independent, Non-Executive Director*

Mr. J R Gunaratne  
*Independent, Non-Executive Director*

Ms. K D Senewiratne  
*Independent, Non-Executive Director*

The Report of the Audit Committee on page 139 sets out the manner of compliance by the Company of the requirements of the Rule 7.10 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

### Human Capital and Compensation Committee

Following are the names of the Directors comprising the Human Capital and Compensation Committee of the Board:

Mr. J R Gunaratne  
*Independent, Non-Executive Director - Chairman of the Committee*

Ms. K D Senewiratne  
*Independent, Non-Executive Director*

Mr. S H Amarasekera  
*Non-Independent, Non-Executive Director*

Mr. R S Captain  
*Non-Independent, Non-Executive Director*

Mr. D T S H Mudalige  
*Independent, Non-Executive Director*

The Report of the Human Capital and Compensation Committee on page 141 contains a statement on the remuneration policy. The details of the aggregate remuneration paid to the Executive and

Non-Executive Directors during the year under review are given in Note 11 to the Financial Statements on page 195.

### Nominations and Governance Committee

Following are the names of the Directors comprising the Nominations and Governance Committee of the Board:

Mr. D T S H Mudalige  
*Independent, Non-Executive Director - Chairman of the Committee*

Mr. J R Gunaratne  
*Independent, Non-Executive Director*

Ms. K D Senewiratne  
*Independent, Non-Executive Director*

Mr. S H Amarasekera  
*Non-Independent, Non-Executive Director*

Mr. R S Captain  
*Non-Independent, Non-Executive Director*

The Report of the Nomination Committee on page 143 sets out the manner of compliance by the Company with the requirements of the Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

### Related Party Transactions Review Committee

Following are the names of the Directors comprising the Related Party Transactions Review Committee:

Mr. J R Gunaratne  
*Independent, Non-Executive Director - Chairman of the Committee*

Ms. K D Senewiratne  
*Independent, Non-Executive Director*

Mr. S M Enderby  
*Non-Independent, Non-Executive Director*

Mr. D T S H Mudalige  
*Independent, Non-Executive Director*

The Board of Directors has declared that the related party transactions of the Company that require review by the Committee during the financial year have been reviewed by the Related Party Transactions Review Committee of the Company and that the Company is in compliance with Section 9 of the Listing Rules of the CSE.

The Report of the Related Party Transactions Review Committee on page 145 sets out the manner of compliance by the Company.

## DIRECTORS' INTERESTS AND INTEREST REGISTER

The Company, in compliance with the Companies Act No. 07 of 2007, maintains an Interests Register.

All Directors have made declarations as provided for in Section 192(2) of the said Act. As per the particulars of entries in the Interests Register there are no share purchases during the financial year under review.

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 wherever 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 under review, the Company did not enter into any contracts in which any Director was materially interested.

## DIRECTORS' REMUNERATION

Executive Directors remuneration is structured within an established framework by the Board's Remuneration Committee to whom this task has been entrusted. The Directors are of the opinion that the framework assures appropriateness of remuneration and fairness for the Company. The total remuneration of the Directors for the year ended 31st March 2025 is given in Note 11 includes the value of perquisites (if any) granted to them as part of their terms of service.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors' fees of Non-Executive Directors for the reporting year ended 31st March 2025 given in Note 11 is determined according to the scales of payment decided upon by the Board. The Board is satisfied that the payment of remuneration is fair to the Company.

## DIRECTORS' INTEREST IN SHARES

The Directors holding in shares of the Company are as follows:

### CIC HOLDINGS PLC

As at	Ordinary shares		Non-Voting (Class X)	
	31.03. 2025	31.03. 2024	31.03. 2025	31.03. 2024
Mr. S H Amarasekera - Chairman	-	-	-	-
Mr. R S Captain	320	320	556	556
Mr. S M Enderby	-	-	-	-
Mr. J R Gunaratne	-	-	-	-
Mr. D T S H Mudalige	-	-	-	-
Mr. M P Jayawardena	-	-	5,000	20,000
Mr. P R Saldin	-	-	2,000	2,000
Ms. K D Senewiratne	-	N/A	-	N/A
	320	-	7,556	22,556

## DIRECTORS' INDEMNITY AND INSURANCE

The Company has obtained a Directors' and Officers' Liability Insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Group.

## SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDINGS

The distribution of shareholdings, public holding percentage, market value of shares, 20 largest shareholders and record of scrip issues are given on pages 256 to 261.

## DIRECTORATES OF SUBSIDIARIES AND THEIR SHAREHOLDING

The names of the Directors holding office at the end of the year in subsidiary companies and their shareholding in the respective companies are given below:

Company	Directors	Shareholding 31st March 2024 Number of shares	Shareholding 31st March 2025 Number of shares
Chemanex PLC	P R Saldin	NIL	NIL
	S A B Ekanayake	NIL	NIL
	E M M Boyagoda (resigned w.e.f 31/12/2024)	NIL	NIL
	P A Seresinhe	NIL	NIL
	T K D A P Samarasinghe (appointed w.e.f 25/09/2024)	NIL	NIL
	R P Bandaranayake (appointed w.e.f 25/09/2024)	NIL	NIL
Chemanex Exports (Private) Limited	M P Jayawardena	NIL	NIL
	S A B Ekanayake	NIL	NIL
Chemcel (Private) Limited	P A Seresinhe	NIL	NIL
	S A B Ekanayake	NIL	NIL
Link Natural Products (Private) Limited	S H Amarasekera	NIL	NIL
	D Nugawela	NIL	NIL
	P R Saldin	NIL	NIL
	S A B Ekanayake	NIL	NIL
	R S Captain	NIL	NIL
	D T S H Mudalige	NIL	NIL
	J R Gunaratne	NIL	NIL
	S M Enderby	NIL	NIL
	T M S G Tennakoon	NIL	NIL
CISCO Speciality Packaging (Private) Limited	P R Saldin	NIL	NIL
	R S Captain	1	1
	D P G C P Wegiriya	NIL	NIL
	L A Captain	13,000	13,000
	J R Gunaratne	NIL	NIL

Company	Directors	Shareholding 31st March 2024 Number of shares	Shareholding 31st March 2025 Number of shares
CIC CropGuard (Private) Limited	V L R Gamage	NIL	NIL
	R Ganesalingam	NIL	NIL
	W P Madawananarachchi	NIL	NIL
	P A Seresinhe	NIL	NIL
Crop Management Services (Private) Limited	W P Madawananarachchi	NIL	NIL
	H A C K Leelarathna	NIL	NIL
Colombo Industrial Agencies Limited	L I Fernando	45,076	45,076
	K A V Manatunga	NIL	NIL
	H C Ahangama	NIL	NIL
CIC Lifesciences Limited	K A V Manatunga	NIL	NIL
	H C Ahangama	NIL	NIL
Cropwiz (Private) Limited	K A V Manatunga	NIL	NIL
	E Shaked	NIL	NIL
	H A C K Leelarathna	NIL	NIL
CIC Properties (Private) Limited	K A V Manatunga	NIL	NIL
	W P Madawananarachchi	NIL	NIL
	H A C K Leelarathna	NIL	NIL
	P A Seresinhe (appointed on 01/05/2024)	NIL	NIL
Chiron Medtech (Private) Limited	P A Seresinhe (appointed on 01/05/2024)	NIL	NIL
	K A V Manatunga	NIL	NIL
	H C Ahangama (resigned w.e.f 01/05/2024)	NIL	NIL
CIC Precision Agricultural Technologies (Private) Limited	S P S Ranatunga	NIL	NIL
	P W M B B Marambe	NIL	NIL
	M S Gunawardana	1	1
	A Hettiarachchi	NIL	NIL
	K A Rutnam	NIL	NIL
Akzo Nobel Paints Lanka (Private) Limited	P R Saldin	NIL	NIL
	W Heenetigala (resigned w.e.f 29/04/2024)	NIL	NIL
	M D A Indika (appointed on 30/04/2024)	NIL	NIL
	R A P Kumara	NIL	NIL
	R Rajgopal	NIL	NIL
	S M Enderby	NIL	NIL
CIC Feeds (Private) Limited	D A Cabraal	NIL	NIL
	D T S H Mudalige	NIL	NIL
	J R Gunaratne	NIL	NIL
	L D A Weerasinghe	NIL	NIL
CIC Vetcare (Private) Limited	D A Cabraal	NIL	NIL
	L D A Weerasinghe	NIL	NIL
	M P Jayawardena	NIL	NIL
	D T S H Mudalige	NIL	NIL

## ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Company	Directors	Shareholding 31st March 2024 Number of shares	Shareholding 31st March 2025 Number of shares
CIC Poultry Farms Limited	D A Cabraal	NIL	NIL
	M P Jayawardena	NIL	NIL
	D T S H Mudalige	NIL	NIL
	L D A Weerasinghe	NIL	NIL
	R R Anthony	NIL	NIL
	J R Gunaratne	NIL	NIL
CIC Bio Security Breeder Farms Limited	D A Cabraal	NIL	NIL
	D T S H Mudalige	NIL	NIL
	M P Jayawardena	NIL	NIL
CIC Agri Businesses (Private) Limited	S H Amarasekera	NIL	NIL
	P R Saldin	NIL	NIL
	W P Madawanarachchi	NIL	NIL
	J D Peiris	NIL	NIL
	J M Swaminathan	NIL	NIL
	K J M De A Rajapakse	NIL	NIL
	H A C K Leelarathna	NIL	NIL
CIC Dairies (Private) Limited -	P A Seresinhe	NIL	NIL
	W P Madawanarachchi	NIL	NIL
	P. Wegiriya	NIL	NIL
	H A C K Leelarathna	NIL	NIL
CIC Grains (Private) Limited -	P A Seresinhe	NIL	NIL
	W P Madawanarachchi	NIL	NIL
	H A C K Leelarathne	NIL	NIL
CIC Seeds (Private) Limited	P A Seresinhe	NIL	NIL
	W P Madawanarachchi		
	H A C K Leelarathna	NIL	NIL
C I C Retail Management (Private) Limited	S. S. Wijeweera	NIL	NIL
	W P Madawanarachchi	NIL	NIL
Previously known as CIC Dairy Breeding & Management (Private) Limited			
CIC Agri Produce Marketing (Private) Limited	W P Madawanarachchi	NIL	NIL
	M Fernandopulle (resigned w.e.f 23/09/2024)	NIL	NIL
	H A C K Leelarathna (appointed w.e.f 23/09/2024)	NIL	NIL
CIC Agri Produce Export (Private) Limited	W P Madawanarachchi	NIL	NIL
	S S Wijeweera	NIL	NIL
Wayamba Agro Fertilizer Limited	W P Madawanarachchi	NIL	NIL
	S S Wijeweera	NIL	NIL
CIC Agri Biotech (Private) Limited	W P Madawanarachchi	NIL	NIL
	S S Wijeweera	NIL	NIL
Biosystems Technologies Limited	W P Madawanarachchi	NIL	NIL
	S A D N Senevirathne	6,512,132	6,512,132
	H A C K Leelarathna	NIL	NIL

Company	Directors	Shareholding 31st March 2024 Number of shares	Shareholding 31st March 2025 Number of shares
Unipower (Private) Limited	K J M De A Rajapakse	NIL	NIL
	P A Seresinhe	NIL	NIL
	W M M P K Wanninayake	NIL	NIL
	H M R Bandara	NIL	NIL
	W P Madawanarachchi	NIL	NIL
Asiavet Lifesence (Private) Limited	D A Cabraal	NIL	NIL
	L D A Weerasinghe	NIL	NIL
	P A Seresinhe	NIL	NIL
	H C Ahangama	NIL	NIL
	J R Gunaratne (appointed w.e.f 01/12/2024)	NIL	NIL

## HUMAN RESOURCES

The number of persons employed by the Group and the Company as at 31st March 2025 was 2,313 (2,272 in 2024) and 588 (531 in 2024 ), respectively.

## MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS OF THE COMPANY

No material issues pertaining to employees and industrial relations of the Company occurred during the year under review which require disclosure under Rule 7.6 (vii) of the Listing Rules

## EMPLOYEE SHARE OPTION SCHEME (ESOS)

ESOS of the Company was approved by the shareholders of the Company on 30th June 2016. Under this plan, the Company was authorized to issue up to 20% of Non-Voting shares and offered to eligible employees. The option granted under this plan has to be exercised within 10 years of such grant. No employees have been provided with any financial assistance to exercise the option.

## MATERIAL FORESEEABLE RISK FACTORS

Financial Risks Management objectives and policies are set out in Note 44 on page 245.

Risks that Company and its subsidiaries are exposed to are set out in the Report on Risk Management on page 147.

Donations (for approved and non-approved charities/ organisations)

During the year, donations amounting to Rs.2.72 Mn (2023/24 – Rs.3.11 Mn) were made by the Group and donations made by the Company were Rs1 Mn (2023/24 – Rs.1 Mn). Donations made by the Group and Company are given in Note 11

At the last Annual General Meeting shareholders approved a sum not exceeding Rs 1 Mn- in respect of donations.

## AUDITORS Company

The Financial Statements for the period under review were audited by Messrs KPMG, Chartered Accountants who have offered themselves for reappointment for the ensuing year. The Directors propose the reappointment of Messrs KPMG, Chartered Accountants as Auditors of the Company for the year 2025/26 subject to the approval of the shareholders at the Annual General Meeting.

The Audit Committee reviews the appointment / reappointment of the Auditor, its effectiveness and its relationship with the Company including the level of audit and non -audit fees paid to the Auditors.

The audit and non-audit fees paid to the Auditors by the Company are disclosed in Note 11 on page 195 in this Annual Report.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company or its subsidiaries. The Auditors have confirmed that they do not have any relationship (other than that of Auditors) with or interest in the Company or any of its subsidiaries other than those disclosed above.

## Group

The audits of subsidiary companies are handled by firms of Chartered Accountants in Sri Lanka.

Details of payments to such audit firms on account of audit fees and for permitted non audit services are set out in Note 11 to the Financial Statements on page 195.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

## CORPORATE GOVERNANCE

The Company has complied with Best Practices on Corporate Governance laid down by the Institute of Chartered Accountants of Sri Lanka and Listing Rules of Colombo Stock Exchange. The Corporate Governance Section on pages 84 to 138 describes the good Corporate Governance Principles adopted by the Company.

The Corporate Governance Report is given under the Governance Section of the Annual Report.

## DIRECTORS' DECLARATIONS

The Directors declare that having considered all information and explanations made available to them that –

- (a) the Company complied with all applicable laws and regulations in conducting its business;
- (b) they have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested;
- (c) the Company has made all endeavors to ensure the equitable treatment of shareholders;
- (d) the business is a going concern with supporting assumptions or qualifications as necessary; and
- (e) they have conducted a review of internal controls covering financial, operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith.

## EVENTS AFTER THE REPORTING PERIOD

The Board of Directors by a resolution passed on 30th May 2025 recommended the payment of a final dividend of Rs. 2.50 per share to be paid to the shareholders on 21st of July 2025

No circumstances have arisen since the reporting date, which would require adjustment or disclosure except for the details given in Note 41 to the Financial Statements on page 240.

## STATUTORY PAYMENTS

The declaration relating to statutory payments is made in the Statement of Directors' Responsibility on page 161.

Special Business to be transacted at the Annual General Meeting

## AMENDMENT TO ARTICLES OF ASSOCIATION

The Directors in the Notice of Meeting, have placed before the shareholders under "Special Business" amendments to certain Articles of the Articles of Association of the Company.

- (a) Article 14 is introduced to facilitate 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) Due to the introduction of a new Article 14, the current Article 14 to 47 required to be re-numbered as 14 to 48.
- (c) Currently, the minimum number of Directors shall not be less than two (02). The recent amendments to Listing Rules required the minimum number to be increased to five (05). The amendment is to be in line with the new rule.
- (d) The Listing Rules recently amended the circumstances under which / the period for which an Alternate Director may be appointed. The amendment is in line with the Rule.

- (e) Additional methods were brought in to serve notice on shareholders

- (f) 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.

## NOTICE OF MEETING

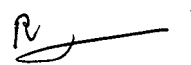
The 62nd Annual General Meeting will be held on 30th June 2025 at 9th Floor, Commercial Bank Building, No.1, Union Place, Colombo 02 at 9.00 a.m

The Notice of the Annual General Meeting to the shareholders is given on page 264.

For and on behalf of the Board,



S.H. Amarasekera  
Chairman



P. R. Saldin  
Director



P W Corporate Secretarial (Pvt) Ltd  
Company Secretary

31st May 2025



# STATEMENT OF 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 pages 163 to 165 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  
CIC Holdings PLC



P W Corporate Secretarial (Pvt) Ltd  
Secretaries

31st May 2025

# CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

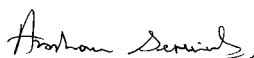
The Financial Statements of CIC Holdings PLC and the Consolidated Financial Statements of the Group are prepared in conformity with requirements of the Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka,

- Companies Act No. 07 of 2007,
- Sri Lanka Accounting & Auditing Standards Act No 15 of 1995,
- Listing Rules of the Colombo Stock Exchange and
- Code of Corporate Governance issued by Securities and Exchange Commission of Sri Lanka.

The Board of Directors and the management of our Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgements relating to the Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs. To ensure this, the Company has taken proper and sufficient care in installing a system of internal controls and accounting records, for safeguarding assets, and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. Our Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Financial Statements were audited by Messrs. KPMG, Chartered Accountants, the Independent Auditors.

The Audit Committee of our Company meets periodically with the Internal Auditors and the Independent Auditors to review the manner in which these auditors are performing their responsibilities, and to discuss auditing, internal control and reporting issues. To ensure complete independence, the Independent Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.



**P. A. Serasinhe**  
Group Chief Executive Officer



**Erandi Wickramaarachchi**  
Group Chief Financial Officer

31st May 2025

# INDEPENDENT AUDITOR'S REPORT



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

**Tel** +94 - 11 542 6426  
**Fax** +94 - 11 244 5872  
**Internet** +94 - 11 244 6058  
[www.kpmg.com/lk](http://www.kpmg.com/lk)

To the Shareholders of CIC Holdings PLC

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of CIC Holdings 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 March 31, 2025, and statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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

### Basis for Opinion

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

responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

#### 1. Allowance for impairment of Trade Receivables

Refer to the significant accounting policy in Note 3.14.4 and explanatory Note 26 to the financial statements.

### Risk Description

The Group and Company has recognized trade receivable balance of Rs. 11.99 Bn and 5.14 Bn respectively as at 31st March 2025, after adjusting for impairment provision amounting to Rs. 1,141 Mn and 710 Mn respectively.

As described in Note 3.14.4 to the financial statements, management's provisioning methodology is based on an expected credit loss model as required under SLFRS 9 'Financial Instruments'. The Group's customers operate in

number of sectors, having different credit profiles. The determination of provision for impairment using expected credit loss model is subject to number of key judgments and assumptions such as forward-looking probability of default (PD), loss given default (LGD), macroeconomic scenarios including their weighting and judgments over the use of data inputs required.

Impairment of trade receivables remains one of the significant judgements made by management particularly in light of the prevailing volatile macro-economic environment in Sri Lanka on each sectors the Group operates.

We identified impairment of trade receivables as a key audit matter for our audit, as it requires management to exercise subjective judgment in making assumptions and estimates for the assessment of allowance for impairment of trade receivables.

### Our audit procedures included:

- Evaluating the appropriateness of the impairment methodology adopted by the Group in accordance with SLFRS 9 and challenging the key assumptions and evaluating the reasonableness of the key judgments and methodology used by the management.
- Assessing the appropriateness of impairment allowance by considering the estimation uncertainties by management pursuant to the current economic situation in determining loss

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C.P. Jayatilake FCA  
Ms. S. Joseph FCA  
R.M.D.B. Rajapakse FCA  
M.N.M. Shameel FCA  
Ms. P.M.K. Sumanasekara FCA

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

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

## INDEPENDENT AUDITOR'S REPORT

allowances, including assessing the appropriateness of the key parameters and assumptions used in the expected credit loss model.

- Evaluating the completeness, accuracy, and relevance of data used in preparation of the impairment provision.
- Comparing the economic factors used in the models to market information to assess whether they are aligned with the market and economic development.
- Evaluating the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

### 2. Revaluation of Land

Refer to the material accounting policy in Note 3.8.3 and explanatory Note 16 to the Financial Statements.

#### Risk Description

The Group and the Company carried freehold Land classified under Property, Plant and Equipment at fair value amounting to Rs. 5,692 Mn and Rs. 1,713 Mn respectively as at 31st March 2025. Accordingly, the Group and the Company have recognized a fair value gain of Rs. 959 Mn and Rs. 297 Mn respectively during the year ended 31st March 2025. The assessment of fair value of these Land are based on valuations performed by qualified independent property valuers. We considered this as a key audit matter because the valuation of Land involved significant judgments exercised by external valuation experts and were subjected to significant level of estimation uncertainty and management bias.

#### Our audit procedures included:

- Assessing the objectivity, independence, competence, and qualifications of the external valuer engaged by the management.
- Assessing the reasonableness of the valuers' assumptions and methods used in the valuation and comparing the same with evidence of current market values.

- Engaging our own internal experts where applicable to assess the reasonability of the valuation technique and per perch value.
- Assessing the adequacy of disclosures made in relation to the revaluation of Land in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.

#### Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

#### Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3272.



KPMG  
Colombo, Sri Lanka

31st May 2025

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March		Company		Group	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Continuing operations</b>					
Revenue	6	20,629,090	18,860,317	83,291,872	76,424,242
Cost of sales		(14,570,108)	(13,364,686)	(61,069,650)	(55,706,039)
<b>Gross profit</b>		<b>6,058,982</b>	<b>5,495,631</b>	<b>22,222,222</b>	<b>20,718,203</b>
Other income	7	930,597	2,637,426	389,610	296,035
Distribution expenses		(2,691,591)	(2,327,995)	(7,673,129)	(6,219,413)
Impairment loss on trade receivables		(139,832)	(87,459)	(233,461)	(11,952)
Administrative expenses		(1,000,231)	(1,001,377)	(4,199,172)	(3,987,189)
Other expenses	8	(30,888)	(153,742)	(69,580)	(122,031)
<b>Results from operating activities</b>		<b>3,127,037</b>	<b>4,562,484</b>	<b>10,436,490</b>	<b>10,673,653</b>
Finance income		226,945	208,086	749,497	737,328
<b>Finance cost</b>		<b>(1,732,121)</b>	<b>(2,294,261)</b>	<b>(2,367,087)</b>	<b>(3,337,784)</b>
Finance cost (net)	9	(1,505,176)	(2,086,175)	(1,617,590)	(2,600,456)
Gain on bargain purchase	23.1	-	-	440,096	5,355,562
Loss on dilution of investment in associate	23.1	-	-	(946,269)	(1,080,557)
Share of profit of equity accounted investees (net of tax)	10	-	-	897,796	1,169,220
<b>Profit before tax</b>	11	<b>1,621,861</b>	<b>2,476,309</b>	<b>9,210,523</b>	<b>13,517,422</b>
Income tax expense	12	(273,455)	1,262	(2,877,071)	(2,543,225)
<b>Profit from continuing operations</b>		<b>1,348,406</b>	<b>2,477,571</b>	<b>6,333,452</b>	<b>10,974,197</b>
<b>Discontinued operations</b>					
Profit/(loss) from discontinued operations (net of tax)	13	(1,433)	(236)	296,028	47,197
<b>Profit for the year</b>		<b>1,346,973</b>	<b>2,477,335</b>	<b>6,629,480</b>	<b>11,021,394</b>
<b>Other comprehensive income</b>					
<b>Items that will never be reclassified to profit or loss</b>					
Actuarial losses on retirement benefit obligations		(57,280)	(59,233)	(68,515)	(211,508)
Surplus on revaluation of land		297,103	-	958,950	-
Deferred tax charge on revaluation surplus		(89,131)	-	(277,107)	-
Income tax on other comprehensive income		17,184	17,770	20,510	62,419
Net gain from fair value change in financial assets		27,580	3,004,870	206,244	3,794,574
Equity-accounted investees- share of OCI		-	-	55,690	(67,957)
<b>Other comprehensive income for the year</b>		<b>195,456</b>	<b>2,963,407</b>	<b>895,772</b>	<b>3,577,528</b>
<b>Total comprehensive income for the year</b>		<b>1,542,429</b>	<b>5,440,742</b>	<b>7,525,252</b>	<b>14,598,922</b>
<b>Profit attributable to :</b>					
Equity holders of the Company		1,346,973	2,477,335	5,442,417	9,743,258
Non- Controlling interests		-	-	1,187,063	1,278,136
<b>Profit for the year</b>		<b>1,346,973</b>	<b>2,477,335</b>	<b>6,629,480</b>	<b>11,021,394</b>
<b>Total comprehensive income attributable to :</b>					
Equity holders of the Company		1,542,429	5,440,742	6,186,130	12,973,399
Non- Controlling interests		-	-	1,339,122	1,625,523
<b>Total comprehensive income for the year</b>		<b>1,542,429</b>	<b>5,440,742</b>	<b>7,525,252</b>	<b>14,598,922</b>
<b>Earnings per share</b>					
Basic/diluted earnings per share (Rs.)	14	3.55	6.54	14.36	25.70
<b>Earnings per share -continuing operations</b>					
Basic/diluted earnings per share (Rs.)		3.56	6.54	13.91	25.63

Notes from pages 173 to 255 form an integral part of the Financial Statements

Figures in brackets indicate deductions



# STATEMENT OF FINANCIAL POSITION

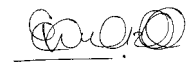
For the year ended 31st March	Note	Company		Group	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
ASSETS					
Non- current assets					
Property, plant & equipment	16	2,638,256	2,337,740	14,052,964	12,608,280
Investment property	17	-	-	2,400	2,400
Capital work-in-progress	18	20,128	-	495,640	94,555
Biological assets	19.1	-	-	420,937	504,362
Intangible assets	20	23,777	31,677	598,205	625,211
Deferred tax assets	21	-	-	18,081	251,312
Investment in subsidiaries	22	3,767,260	3,734,955	-	-
Equity accounted investees	23	17,123,199	16,312,019	29,350,818	25,206,123
Equity investments at fair value through OCI	24	-	-	150	150
Deposits with banks		-	-	291	291
		23,572,620	22,416,391	44,939,486	39,292,684
Current assets					
Inventories	25	6,081,943	5,184,716	20,718,991	18,449,041
Biological assets	19.7	-	-	247,327	299,770
Income tax receivables	37	-	-	31,318	712
Trade receivables	26	5,144,811	3,422,280	11,987,868	9,237,533
Contract assets		166,728	104,484	224,657	156,929
Other receivables	27	659,388	1,010,589	3,829,537	3,318,297
Equity investments at fair value through OCI	28	68,382	40,059	496,002	287,267
Deposits with banks		1,658,796	1,611,244	1,683,269	1,618,710
Cash in hand and at bank	29	1,359,854	590,361	5,045,473	5,416,036
		15,139,902	11,963,733	44,264,442	38,784,295
Assets classified as held for sale	13.2	146,266	146,266	187,951	350,964
Assets classified as held for distribution	13.5	197	197	64,404	59,315
		15,286,365	12,110,196	44,516,797	39,194,574
Total assets		38,858,985	34,526,587	89,456,283	78,487,258
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the company					
Stated capital	30	1,008,450	1,008,450	1,008,450	1,008,450
Capital reserves	31	1,158,212	950,240	3,013,269	2,412,465
Revenue reserves	32	10,317,199	9,930,442	36,097,862	31,472,225
		12,483,861	11,889,132	40,119,581	34,893,140
Non controlling Interests		-	-	6,307,242	5,101,736
Total Equity		12,483,861	11,889,132	46,426,823	39,994,876
Non-current liabilities					
Loans and borrowings	33.1	1,554,569	70,132	1,900,909	399,988
Retirement benefit obligations	34	472,914	339,731	1,609,745	1,300,694
Grants	35	-	-	1,195	1,372
Deferred tax liabilities	21	57,642	91,436	1,660,611	1,850,252
		2,085,125	501,299	5,172,460	3,552,306

## STATEMENT OF FINANCIAL POSITION

For the year ended 31st March	Note	Company		Group	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Current Liabilities</b>					
Trade payables	36	2,728,857	2,318,959	6,427,227	4,763,848
Contract liabilities		242,316	148,409	353,465	246,533
Income tax payable	37	386,395	82,174	1,368,624	1,020,457
Accruals and other payables	38	1,158,863	1,241,316	3,262,959	3,332,722
Contingent consideration payable		108,052	138,052	108,052	138,052
Loans and borrowings	33.4	19,665,516	18,207,246	26,334,758	25,025,619
		24,289,999	22,136,156	37,855,085	34,527,231
Liabilities classified as held for sale	13.2	-	-	-	411,012
Liabilities classified as held for distribution	13.5	-	-	1,915	1,833
		24,289,999	22,136,156	37,857,000	34,940,076
<b>Total Liabilities</b>		26,375,124	22,637,455	43,029,460	38,492,382
<b>Total equity and liabilities</b>		38,858,985	34,526,587	89,456,283	78,487,258
<b>Net assets per share Rs.</b>		32.93	31.36	105.83	92.05

Notes from pages 173 to 255 form an integral part of the Financial Statements.

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



**Erandi Wickramaarachchi**  
Group Chief Financial Officer

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



**S. H. Amarasekera**  
Chairman

31st May 2025  
Colombo



**D. T. S. H. Mudalige**  
Director

# STATEMENT OF CHANGES IN EQUITY

## Company

(In Rs.'000)	Stated Capital	Revaluation Reserve	General Reserves	Fair Value Reserve	Retained Earnings	Total
<b>Balance as at 1 April 2023</b>	1,008,450	1,716,062	782,604	(103,700)	3,992,674	7,396,090
Profit for the year	-	-	-	-	2,477,335	2,477,335
Derecognition of fair value reserve due to change in ownership of investments	-	-	-	(2,904,312)	2,904,312	-
Other comprehensive income	-	-	-	3,004,870	(41,463)	2,963,407
Realisation of capital reserve	-	(765,822)	-	-	765,822	-
<b>Total comprehensive income</b>	-	(765,822)	-	100,558	6,106,006	5,440,742
Dividends (Note 15)	-	-	-	-	(947,700)	(947,700)
<b>Total contributions by and distribution to the owners of the Company</b>	-	-	-	-	(947,700)	(947,700)
<b>As at 31st March 2024</b>	1,008,450	950,240	782,604	(3,142)	9,150,980	11,889,132
<b>Balance as at 1 April 2024</b>	1,008,450	950,240	782,604	(3,142)	9,150,980	11,889,132
Profit for the year	-	-	-	-	1,346,973	1,346,973
Other comprehensive income	-	-	-	27,580	(40,096)	(12,516)
Surplus on revaluation	-	297,103	-	-	-	297,103
Deferred tax on revaluation	-	(89,131)	-	-	-	(89,131)
<b>Total comprehensive income</b>	-	207,972	-	27,580	1,306,877	1,542,429
Dividends (Note 15)	-	-	-	-	(947,700)	(947,700)
<b>Total contributions by and distribution to the owners of the Company</b>	-	-	-	-	(947,700)	(947,700)
<b>As at 31st March 2025</b>	1,008,450	1,158,212	782,604	24,438	9,510,157	12,483,861

Notes from pages 173 to 255 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

## STATEMENT OF CHANGES IN EQUITY

### Group

(In Rs.'000)	Attributable to the equity holders of the company					Total	Non-controlling interest	Total Equity
	Stated Capital	Revaluation Reserve	Fair Value Reserve	General Reserves	Retained Earnings			
<b>Balance as at 1 April 2023</b>	1,008,450	3,165,113	(225,578)	720,306	18,327,732	22,996,023	4,832,992	27,829,015
Profit for the year	-	-	-	-	9,743,258	9,743,258	1,278,136	11,021,394
Derecognition of fair value reserve due to change in ownership of investments	-	-	(3,228,750)	-	3,228,750	-	-	-
Other comprehensive income	-	-	3,420,588	-	(190,447)	3,230,141	347,387	3,577,528
Adjustment due to change in holding	-	13,174	-	-	(177,998)	(164,824)	(146,423)	(311,247)
Adjustment on non-controlling interest	-	-	-	-	36,242	36,242	(36,242)	-
Transfer due to disposal of assets	-	(765,822)	-	-	765,822	-	-	-
<b>Total comprehensive income for the year</b>	-	(752,648)	191,838	-	13,405,627	12,844,817	1,442,858	14,287,675
<b>Transactions with shareholders</b>								
Dividend paid to equity holders of the parent (Note 15)	-	-	-	-	(947,700)	(947,700)	-	(947,700)
Subsidiary dividend to non controlling- interest	-	-	-	-	-	-	(1,174,114)	(1,174,114)
<b>Transaction with owners of the Company</b>	-	-	-	-	(947,700)	(947,700)	(1,174,114)	(2,121,814)
<b>As at 31st March 2024</b>	1,008,450	2,412,465	(33,740)	720,306	30,785,659	34,893,140	5,101,736	39,994,876
<b>Balance as at 1 April 2024</b>	1,008,450	2,412,465	(33,740)	720,306	30,785,659	34,893,140	5,101,736	39,994,876
Profit for the year	-	-	-	-	5,442,417	5,442,417	1,187,063	6,629,480
Other comprehensive income	-	-	121,325	-	21,585	142,910	71,019	213,929
Adjustment due to change in equity accounted investee	-	-	-	-	21,448	21,448	1,611	23,059
Adjustment on non-controlling interest	-	-	-	-	(33,438)	(33,438)	33,438	-
Surplus on revaluation	-	843,376	-	-	-	843,376	115,574	958,950
Deferred tax on revaluation	-	(242,573)	-	-	-	(242,572)	(34,535)	(277,107)
<b>Total comprehensive income for the year</b>	-	600,803	121,325	-	5,452,012	6,174,141	1,374,170	7,548,311
Dividend paid to equity holders of the parent (Note 15)	-	-	-	-	(947,700)	(947,700)	-	(947,700)
Subsidiary dividend to non controlling- interest	-	-	-	-	-	-	(168,664)	(168,664)
<b>Transaction with owners of the Company</b>	-	-	-	-	(947,700)	(947,700)	(168,664)	(1,116,364)
<b>As at 31st March 2025</b>	1,008,450	3,013,268	87,585	720,306	35,289,971	40,119,581	6,307,242	46,426,823

Notes from pages 173 to 255 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

# STATEMENT OF CASH FLOW

For the year ended 31st March	Note	Company		Group	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash flow from operating activities					
Cash generated from operations (Note A)		725,457	410,444	8,471,124	9,166,003
Interest paid		(1,732,122)	(2,286,133)	(2,361,426)	(3,285,281)
Retirement benefits paid	34	(11,481)	(15,980)	(48,889)	(57,730)
Income tax paid	37	(74,975)	(336,861)	(2,711,205)	(2,903,165)
Net cash inflow/(outflow) from operating activities		(1,157,721)	(2,228,530)	3,349,604	2,919,827
Cash flow from investing activities					
Additions to property, plant & equipment	16	(122,308)	(127,442)	(1,194,037)	(635,643)
Additions to capital work-in-progress	18	(47,841)	-	(643,313)	(143,520)
Additions to intangible assets	20	-	-	(216)	(5,481)
Additions to biological assets	19	-	-	(534,269)	(433,595)
Proceeds from disposal of property, plant & equipment		2,106	1,018	11,592	7,611
Proceeds from disposal of assets held for sale		-	800,052	-	800,052
Proceeds from sale of biological assets		-	-	684	4,521
Disposal of rights	7	48,005	-	-	-
Further investment in subsidiary	22	(5)	(311,247)	-	(311,247)
Addition to other long-term investments	24	-	(6,474,514)	-	(6,474,514)
Further investment in associate		(811,180)	(1,662,356)	(4,259,093)	(1,748,904)
Short term investments	28	(743)	(904)	(5,294)	(242,001)
Investment in bank deposits		(47,552)	28,544	(64,559)	653,587
Dividend received from subsidiaries	7	155,850	2,025,450	-	-
Dividend received from equity accounted investees	7	363,260	502,978	584,771	517,763
Dividend received from other financial assets	7	165,670	21,656	11,031	34,188
Subsidiary dividends to non-controlling interest		-	-	(168,664)	(1,174,114)
Interest income received		226,945	208,086	749,497	737,328
Net cash outflow from investing activities		(67,793)	(4,988,679)	(5,511,870)	(8,413,360)
Net cash outflow before financing activities		(1,225,514)	(7,217,209)	(2,162,266)	(5,493,533)
Cash flow from financing activities					
Dividends paid to equity holders of the parent		(947,700)	(947,700)	(947,700)	(947,700)
Lease rental payments	33.3	(3,128)	(10,931)	(64,476)	(124,213)
Repayment of long-term borrowings	33.2	(151,588)	-	(154,288)	(57,058)
Long-term borrowings obtained		2,000,000	-	2,000,000	-
Net cash inflow/(outflow) from financing activities		897,584	(958,631)	833,536	(1,128,971)
Net decrease in cash & cash equivalents during the Period		(327,930)	(8,175,840)	(1,328,730)	(6,622,504)
Cash & cash equivalents at the beginning of the Period		(17,613,757)	(9,437,917)	(19,498,481)	(12,875,977)
Cash & cash equivalents at the end of the period (Note B)		(17,941,687)	(17,613,757)	(20,827,211)	(19,498,481)

## STATEMENT OF CASH FLOW

For the year ended 31st March	Note	Company		Group	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Note A - Cash generated from operations					
Profit before tax from continuing businesses		1,621,861	2,476,309	9,498,848	13,517,422
Profit/(loss) before tax from discontinued businesses		(1,433)	(236)	8,491	47,299
Adjustments for:					
Depreciation on property, plant & equipment	16	138,592	151,060	913,140	891,576
Impairment of property, plant & equipment	8	-	-	1,814	40
Impairment of investment in subsidiary	8	30,500	50,000	-	-
Capital work-in-progress expensed		-	-	-	102
(Gain) /loss on disposal of property, plant & equipment	7,8	388	(773)	(752)	(568)
Loss on disposal of assets held for sale	8, 13.1	-	103,742	-	103,742
Gain on discontinuation of consolidation of subsidiary		-	-	(288,326)	-
Provision for retirement benefit	34	87,384	69,863	289,425	249,561
Provision reversal for impairment of investment against subsidiaries		(62,800)	-	-	-
Amortisation of intangible assets	20	7,900	7,900	27,223	26,758
Amortisation of right-of-use assets		5,522	5,522	103,575	77,668
Amortisation of biological assets		-	-	637,207	300,819
Provision for impairment of trade receivables	26.2	139,832	87,459	233,461	11,952
Provision for write-down of inventories	25.1	130,718	128,131	424,194	473,107
Loss from changes in fair value - biological assets	8	-	-	20,127	17,198
Grants amortised	7	-	-	(176)	(176)
Profits from sale of Rights		(48,005)	-	-	-
Share of profit of equity accounted investees	10	-	-	(897,796)	(1,169,220)
Gain on bargain purchase		-	-	(440,096)	(5,355,562)
Loss on dilution of investment in associate		-	-	946,269	1,080,557
Interest income	9	(226,945)	(208,086)	(761,526)	(737,328)
Interest expense		1,732,121	2,294,261	2,367,087	3,289,973
Dividend income	7	(684,780)	(2,550,084)	(11,031)	(34,188)
Operating profit before working capital changes		2,840,355	2,615,068	13,071,158	12,790,732
Increase in trade and other receivables		(1,573,403)	(1,117,078)	(3,563,577)	(2,899,758)
Increase in inventories		(1,027,948)	(678,725)	(2,682,025)	(1,006,754)
Increase/(decrease) in trade and other payables		391,353	(408,821)	1,645,568	281,783
Cash generated from operations		725,457	410,444	8,471,124	9,166,003
Note B - Analysis of cash & cash equivalents at the end of the year					
Cash in hand and at bank	29.1	1,359,854	590,361	5,100,805	5,479,820
Interest bearing short-term borrowings	29.2	(19,301,541)	(18,204,118)	(25,928,016)	(24,978,301)
	29.2	(17,941,687)	(17,613,757)	(20,827,211)	(19,498,481)

Notes from pages 173 to 255 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

CIC Holdings PLC (formerly known as Chemical Industries (Colombo) PLC) is a limited liability Company incorporated and domiciled in Sri Lanka. The address of the Company's registered office and the principal place of business is 199, Kew Road, Colombo 2.

The Consolidated Financial Statements of CIC Holdings PLC, as at and for the year ended 31st March 2025 comprise of Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity accounted investees. Descriptions of the nature of the operations and principal activities of the Company, its subsidiaries and equity accounted investees are given on pages 156 to 159.

Ultimate Parent Company of CIC is Paints & General Industries Limited, a Company domiciled in Sri Lanka.

The Financial Statements of all Companies in the Group as mentioned in Notes 22 and 23 to the Financial Statements are prepared for a common financial year, which ends on 31st March.

## 2. BASIS OF ACCOUNTING

### 2.1 Statement of Compliance

The Financial Statements of the company, have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs), laid down by The Institute of Chartered Accountants of Sri Lanka. These Financial Statements except for information on cash flow, have been prepared following accrual basis accounting.

#### 2.1.1 Statement of Presentation

The Financial Statements of the Company have been presented in compliance with the requirements of the Companies Act No 07 of 2007 and provide appropriate disclosures as required by the listing rule of the Colombo Stock Exchange.

### 2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except that land and biological assets, assets held for sale and distribution and short-term & long term investments are measured at fair value

and the retirement benefit obligations are measured at the present value of the defined benefit plans as explained in the respective Notes to the Financial Statements.

### 2.3 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand, unless stated otherwise.

### 2.4 Use of Estimates and Judgments and Assumptions.

The preparation of Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRS/LKAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

#### 2.4.1 Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Financial Statements is included in the following notes.

- Note 07 – commission income: whether the Group acts as an agent in the transaction rather as a principal;
- Note 23 – equity accounted investees: whether the Group has significant influence over an investee;
- Note 22 – consolidation: whether the group has control over an investee; and
- Note 33 – lease term; whether the Group is reasonably certain to exercise extension options.

#### 2.4.2 Assumptions and estimation uncertainties

Information about the assumptions and estimation uncertainties that have a significant risk of resulting in a material

adjustments in the year ended 31st March 2025 is included in the following notes.

- Note 34 – measuring of defined benefit obligations: key actuarial assumptions;
- Note 21 – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 19 – determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 13.2 – determining the fair value less cost to sell of the disposal group on the basis of significant unobservable input data;
- Note 20 - impairment test of the intangible assets and goodwill: key assumptions underlying recoverable amounts , including recoverability of development costs;
- Note 40 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude;
- Note 44 - measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted- average loss rate;
- Note 22 – acquisition of subsidiary: fair value measured on a provisional basis .:
- Note 3.9 - leases (incremental borrowing rate) – the basis used when determining the incremental borrowing rate used to measure the lease liability is described in the Note 3.9 to these Financial Statements.
- Note 06 – revenue recognition: estimate of expected return

#### 2.4.3 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

'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

## NOTES TO THE FINANCIAL STATEMENTS

measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Group Chief Financial Officer.

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

### Level 1:

quoted prices (unadjusted) in active markets for identical assets or liabilities

### Level 2:

inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as

prices) or indirectly (i.e. derived from prices)

### Level 3:

inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

Further information about the assumptions made in measuring fair values included in the following notes;

- Note 19 - Biological Assets
- Note 13 - Disposable Group Held for Sale and Distribution
- Note 44 - Financial Instruments.
- Note 16 - Revaluation of Lands
- Note 22 - Acquisition of subsidiary

### 2.4.4 Retirement Benefits

The cost of defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the long term bond rate. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases are based on expected future inflation rates for the respective country.

### 2.4.5 Fair Value of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot

be derived from the active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

### 2.4.6 Development Costs

Development costs are capitalized in accordance with the accounting policy. Initial capitalization of cost is based on management's judgment that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

### 2.4.7 Recognition of Deferred Tax Assets

Management applies significant judgement on the extent to which deferred tax assets can be recognised based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

### 2.5 Comparative information

Comparative information including quantitative, narrative, and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements.

### 2.6 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 treated immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on “Presentation of Financial Statements”.

Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different nature or functions. Notes to the Financial Statements are presented in a systematic manner that ensures the understandability and the comparability of Financial Statements.

### 2.7 Going Concern

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

In determining the basis of preparing of the Financial Statements for the year ended 31 March 2025, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Company and the appropriateness of the use of the going concern basis.

The management has formed judgement that the Group, has adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these Consolidated Financial Statements and have been applied consistently by Group entities, unless otherwise indicated.

### Changes in Material Accounting policies

Company does not have changes in material accounting policies in the current annual reporting period.

Set out below is an index reference of material accounting policies,

A.	Basis of Consolidation	3.1
B.	Foreign Currency	3.2
C.	Revenue	3.3
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S.	Share-based payment transactions - ESOS	3.19
T.	Expenditure Recognition	3.20
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V.	Cash Flow Statement	3.22
W.	Operating Segments	3.23
X.	Events Occurring after the Reporting Date	3.24
Y.	Share capital	3.25
Z.	Operating profit	3.26
AA.	New Accounting Standards Amendments issued but not effective	4

### 3.1. Basis of Consolidation

#### 3.1.1 Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable asset.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; less

## NOTES TO THE FINANCIAL STATEMENTS

- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market based value of the replacement awards compared with the market based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

### 3.1.2 Non-Controlling Interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or

- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

The acquisition of an additional ownership interest or a disposal of ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in equity of the parent. No adjustment is made to goodwill as a result of such transactions.

### 3.1.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights over the investee.

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

Summarised financial information in respect of subsidiaries that have non-

controlling interests that are material to the reporting entity (i.e., the group) are disclosed separately when applicable.

### 3.1.4 Loss of Control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value as at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an FVOCI depending on the level of influence retained.

### 3.1.5 Interests in equity accounted investee

An associate is an entity in which the Group has significant influence, but no control over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have the control or joint control over those policies.

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

The Group determines significant influence or joint control by taking into account similar considerations necessary to determine control over subsidiaries.

The Group's investment in associate and joint venture are accounted for using the equity method and are recognised initially at cost which includes the transaction cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill

relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

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

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

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

At each reporting date, the Group determines whether there is objective evidence that the investment in associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Income Statement.

When the Group's share of losses exceeds its interest in the associate, the carrying amount of that interest, including any long term investments, is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate. If the associate subsequently reports

profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group discontinues the use of the equity method from the date that it ceases to have significant influence over an associate or joint control over the joint venture and accounts for the investment in accordance with the Group's accounting policy for financial instruments. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

There are no significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

Details of the associates within the Group are provided in Note 23 to the Financial Statements and the details of the joint venture are provided in Note 23 to the Financial Statements.

### 3.1.6 Intra-Group transactions

Pricing policies of all intra-group sales are identical to those adopted for normal trading transactions, which are at market prices.

### 3.1.7 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 3.2 Foreign Currency

### 3.2.1 Foreign Currency Transactions

Transactions in foreign currencies are initially recorded by the Group entities

at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the Income Statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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

## 3.3 Revenue from contract with customers

### A. Revenue streams

The Group generates revenue primarily from sale of goods under revenue from contracts with customers. The rental income and repair income are the other sources of income included under revenue.

### B. Disaggregation of revenue from contract with customers

Revenue from contract with customers (including revenue related to a

## NOTES TO THE FINANCIAL STATEMENTS

discontinuing operation) is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition under Note 06.

### C. Contract balances

#### Contract Assets

##### Cost to obtain contract

The Group capitalizes incremental costs to obtain a contract with a customer for the assets with more than one year amortization period and if it expects to recover those costs. The costs that will be incurred regardless of whether the contract is obtained – including costs that are incremental to trying to obtain a contract, are expensed as they are incurred. The cost to obtain contract will be amortized over the contract period on a systematic basis.

#### Cost of fulfilling a contract

The Group capitalizes the costs incurred in fulfilling a contract with a customer for which are not in the scope of other guidance and only if the fulfillment costs meet the following criteria:

- relate directly to an existing contract or specific anticipated contract;
- generate or enhance resources that will be used to satisfy performance obligations in the future; and
- are expected to be recovered.

The cost of fulfilling a contract will be amortized over the contract period on a systematic basis.

#### Contract Liabilities

The Group recognizes a contract liability for the deferred revenue on the extended warranty provided for the customers.

The contract liability shall be realized to revenue on the basis of utilizing the warranty by the customers or on a systematic basis accordingly.

### D. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or services to a contract.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sale of goods & services	The Group operates in different divisions and engaged in varieties of sale of goods under each divisions / clusters.	The revenue is recognized based on the identified performance obligation. The transaction price is determined taking into account of variable considerations. The transaction price is allocated to performance obligations and recognized the revenue point in time upon analysis of each sale of goods under separate divisions.
Distributor & dealer volume rebates	Distributors and dealers are entitled to volume rebates.  Volume rebates are given based on the yearly and daily sales quantities over different slabs.	The Group estimates the amount of variable consideration to which it expects to be entitled, giving consideration to the risk of revenue reversal in making the estimate for volume rebates.  The transaction price under revenue is adjusted for the provision of volume rebates and recognized as revenue.
Issue of free goods	The Group offers free goods to their dealers as a promotion.	The free goods granted to customer is a material right of the customer and is accounted as a separate performance obligation.  The revenue is allocated for the performance obligation on their relative stand-alone selling price and the revenue is recognized at the point in time when the performance obligation is met.
Distributor allowance on transportation	The Group pays an agreed daily distribution allowance to its distributors on an agreed distribution value.  This allowance is paid for the transportation cost incurred from the point of distributor to end consumer location.	The transport cost paid to the dealer / distributor is not in exchange for a distinct goods or services and it is recognized as a reduction to transaction price under revenue recognition.



Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Slotting Fees	<p>The Group pays slotting fees to identified supermarket chains for use of shelf spaces.</p> <p>The Slotting fees are either incurred by the Company or reimbursed by the principal.</p>	<p>The slotting fees are identified as a variable consideration payable to customer and recognized as a reduction to the transaction price for the slotting fees incurred by the Company.</p> <p>A receivable from principal is recognized for the slotting fees which are reimbursed by the principal.</p>

## Other Income Sources

### 3.3.1 Interest Income

Interest income is recognised in profit or loss as it accrues and is calculated by using the effective interest rate method.

### 3.3.2 Dividend Income

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

### 3.3.3 Rental Income

Rental income arising from operating leases on investment properties or renting out of premises are recognised as revenue on a straight-line basis over the term of the lease or agreement.

### 3.3.4 Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

### 3.3.5 Others

Other income is recognised on an accrual basis.

Net gains and losses on the disposal of property, plant & equipment and other non-current assets including investments have been accounted for in profit or loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

## 3.4 Government Grants

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 in profit or loss as other income over the period necessary

to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the profit or loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments.

### 3.5 Finance income and finance costs

The Group's finance income and finance costs include

- Interest income,
- Interest expenses
- Foreign currency gain or loss on financial assets and liabilities,

Interest income or expense is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortized cost of the financial liability.

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

## 3.6 Tax

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

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

### 3.6.1 Current Income Tax

Current tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends, if applicable.

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

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### 3.6.2 Deferred Tax

Deferred tax is recognised in respect of the temporary differences between the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognised for all taxable temporary differences, except for:

- Temporarily differences on the initial recognition of asset or liability in a transaction that is not a business combination and, at the time of the transaction, that affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences ;
- Temporary differences related to investments in subsidiaries and associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current

tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.7 Discontinued Operations and Assets Held for Sale/Distribution

#### 3.7.1 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

### 3.7.2 Assets held for sale

Before the classification as held for sale non current assets and liabilities in the disposal group are measured in accordance with relevant SLFRSs.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition 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.

Non-current assets are classified as held for distribution when the Company/ Group committed to distribute the assets or disposal group to its owners.

Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Property, plant & equipment and intangible assets once classified as held for sale are not depreciated or amortised.

#### 3.7.3 Cease to be classified as assets held for sale and distribution

When an operation is ceased to classify as held for sale, the results of the operations of the component previously presented in discontinued operations shall be reclassified and included in income from continuing operations for all presented periods. The amounts for prior periods shall be described as having been re-presented.

The amounts presented for the assets and liabilities of the disposal group classified as held for sale in the comparative Statements of Financial Position shall not be reclassified or re-presented.

### 3.8 Property, Plant & Equipment

#### 3.8.1 Initial Recognition and Measurement

Items of property, plant & equipment are measured at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset and includes the cost of replacing part of the property, plant & equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When significant parts of property, plant & equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

#### 3.8.2 Subsequent Costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to Significant accounting judgements, estimates and assumptions (Note 2.4) and Provisions (Note 3.17) for further information about the recorded decommissioning provision.

#### 3.8.3 Revaluation

Land are measured at fair value. Valuations are performed frequently (maximum of every three years) to

ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

#### 3.8.4 Depreciation

Items of property, plant & equipment are depreciated on a straight-line basis over the estimated useful lives of the each component.

Items of property, plant & equipment are depreciated from the month that they are installed and are ready for use, or in respect of internally constructed assets, from the month that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years of significant items of property, plant & equipment are as follows:

- Buildings 10 - 40 years
- Plant and equipment 5 - 50 years
- Computers and allied equipment 3-8 years
- Motor Vehicles 3-30 years
- Furniture & Fittings 5-20 years

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

#### 3.8.5 De-recognition

An item of property, plant & equipment is de-recognized upon disposal of or when no future economic benefits are expected from its use or disposal. Gains and losses arising on de-recognition of assets are determined by comparing the proceeds from the disposal with the carrying amount of property, plant & equipment and are recognized net within "Other Income" in profit or loss.

#### 3.8.6 Capital work-in-progress

These are expenses of a capital nature directly incurred in the constructions, awaiting capitalisation. These are stated in the Statement of Financial Position at cost less any accumulated impairment losses. Capital work-inprogress is transferred to the relevant asset when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management (i.e. available for use).

### 3.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in the exchange of for consideration. This policy is applied to contracts entered into on or after 01 April 2019.

#### 3.9.1 As a lessee

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will

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exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain premeasurements of the lease liability.

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the

Group's estimate of the amount expected to be payable under the residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is revised in-substance fixed lease payment.

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

The Group presents right-of-use assets that do not meet the definition of net investment in sublease in "property, plant & equipment" and lease liabilities in "loans and borrowings" in the Statement of Financial Position.

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

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

### 3.9.2 As a lessor

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

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

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

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

If an arrangement contains lease and non-lease components, then the Group applies SLFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Group further regularly reviews the estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SLFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

### 3.10 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 asset. 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.

### 3.11 Investment properties

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

The Group adopts cost model to measure investment. Investment properties are measured initially at cost. Subsequently to initial recognition investment property is measured at cost less accumulated depreciation and impairment losses.

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

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. When an investment property that was previously classified as property, plant & equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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

### 3.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Expenditure on internally generated intangible assets, excluding capitalised

development costs, is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Except for goodwill, intangible assets with finite lives are amortised on a straight-line basis in profit or loss over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period, residual value and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted accordingly. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

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

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

#### 3.12.1 ERP Implementation cost

The initial cost incurred for ERP implementation has been capitalized and amortised over a period of 10 years.

#### 3.12.2 Research and development costs

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditures on an

individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete and the ability to use or sell the asset
- Probability of generating future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is completed and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

### 3.13. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. (A cash generating

## NOTES TO THE FINANCIAL STATEMENTS

unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets)

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognized in respect of cash generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An impairment loss in respect of goodwill is not reserved. In respect of other assets, impairment losses recognized in prior

periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

### a) Goodwill

Goodwill is tested for impairment annually (as at 31 March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### b) Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### C ) Biological assets

Biological assets are measured at fair value less cost to sell, with any changes there in recognized in profit or loss.

## 3.14. Financial instruments

### 3.14.1. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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

### 3.14.2. Classification and Subsequent Measurement

#### Financial assets -classification

On initial recognition a financial asset is classified as measured at amortized cost, FVOCI - debt investment; FVOCI - equity investments; or FVTPL.

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

Financial asset is measured at amortized cost if it meets both of the following conditions and it not designated as at FVTPL:

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

On initial recognition of equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the



investment's fair value in OCI. This election is made on an investment-by-investment basis.

#### Financial assets – Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual income, maintain a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the asset;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of business are compensated – eg: whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sales are expectations about future sales activity.

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

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

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

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

- Contingent events that would change the amount and the timing if cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (example non resource features)

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

#### Financial asset – Subsequent measurement and gain and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss de-recognition is recognized in profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

#### Financial liabilities- Classification, subsequent measurement and gains and losses

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

#### 3.14.3. De-recognition Financial asset

The Group de recognizes a financial asset when the contractual rights to the cash flow from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and

## NOTES TO THE FINANCIAL STATEMENTS

rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

The Group enters into transaction whereby it transfers assets recognized in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

### Financial liabilities

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

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

### 3.14.4. Impairment of financial assets Non-derivative financial assets

#### a) Financial instruments and contract assets

The Group recognizes a loss allowance for ECLs on:

- Financial assets measured at amortized cost;
- Contract assets.

The Group measures loss allowances at an amount equal to life time ECLs, except for the following which are measured at 12 months ECLs:

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since the initial recognition.

Loss allowance for trade receivables measured at an amount equal to life time ECLs.

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

The Group assumes that a credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers financial asset to be in default when:

- The borrower unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security “if any is held”; or
- The financial asset is more than 365 days past due.

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

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

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

#### b) Measurement of ECLs

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

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

#### c) Credit-impaired financial assets

At each reporting date, the Group assess whether the financial assets carried at amortized cost credit- impaired. A financial asset is “credit impaired” when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

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

- Significant financial difficulty of the borrower or the issuer
- A breach of contract such as default or being more than 365 being past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower enter bankruptcy or other financial reorganization or
- The disappearance of the active market for a security because of financial difficulty

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

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

#### e) Write off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovery of financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write- off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group procedures for recovery of amounts due.

### 3.15 Biological assets

The Group's biological assets consist of poultry, teak and livestock. Biological assets are measured at fair value less cost to sell, with any change therein recognized in profit or loss.

### 3.16 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of finished goods is computed, based on the weighted average cost method and includes material, labour and appropriate share of production overheads, based on normal operating capacity. In the case of purchased inventories, cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. The cost of raw material is computed at weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### Provision for obsolete and slow moving inventory

Specific provision are made giving considerations to the condition of inventory held by the Company/Group.

### 3.17 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that an outflow of economic benefits will be required to settle the obligations.

### 3.18 Employment benefits

#### Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan, other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

Provision has been made for retirement gratuities from the first year of service of all employees, in conformity with LKAS 19 "Employee Benefit". However, under the Payment of Gratuity Act No.12 of 1983, the liability to an employee arise only on completion of five years of continued service.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately Profit or Loss. The Group recognises gains or losses on settlement of a defined benefit plan when a settlement occurs.

Gratuity was calculated based on the below basis.

Period of service (Years)	Basis
5-9 inclusive	½ month salary for each completed year
10-14 inclusive	¾ months salary for each completed year
15-16 inclusive	15 months salary in total
17-18 inclusive	16 months salary in total
19-20 inclusive	17 months salary in total
21-22 inclusive	18 months salary in total
23-24 inclusive	19 months salary in total
25-40 inclusive	20 months salary in total
41 years and over	½ month salary for each completed year

**Defined Contribution Plan** - Employees' Provident Fund/ Mercantile Services Provident Society 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 and has no further legal or constructive obligation to pay further amounts. The Group contributes 12%, 12% and 3% of gross emoluments of employees to the Employees' Provident Fund, Mercantile Services Provident Society and the Employees' Trust Fund respectively. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

#### Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

## NOTES TO THE FINANCIAL STATEMENTS

### 3.19 Share-based payment transactions - ESOS

Shareholders of the Company resolved on 30th June 2016 the issue of Four Million Three Hundred Seventy Four Thousand Non-Voting (Class X), Ordinary Shares (constituting approximately 20% of the issued Non-Voting (Class X) shares as at 24th May 2016) to all executive officers in the level premier managers and above in CIC Group under and Employee Share Option Scheme (ESOS). Options were granted for no consideration. The shares would be issued to employees during a period of 5 years commencing from 2017. The shares under ESOS were priced at average of volume weighted average market price of the Company's shares for thirty (30) market days immediately preceding the grant date.

There will be no financial assistance granted to employees with regard to the ESOS.

"Group" for the purpose of ESOS will consist of CIC Holdings PLC, CIC Agri businesses Group, CIC CropGuard (Private) Limited and CIC Feeds (Private) Limited and its subsidiaries.

The cost of equity – settled transactions is recognized, together with a corresponding increase in other capital reserves in equity if management intends that the eligible employees will exercise the option right in foreseeable future.

During the year no options were granted/exercised under ESOS.

### 3.20 Expenditure Recognition

Expenses are recognized in profit and loss on the basis of direct association between the cost incurred and the earning of specific item of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income arriving at the profit for the year.

For the purpose of presentation of the profit or loss, the Directors are of the opinion that "function of expense method" presents fairly the elements of the Group's performance and hence such presentation method is adopted.

### 3.21 Earnings Per Share

The Group presents basic Earnings Per Share (EPS) for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted number of ordinary shares outstanding during the period.

### 3.22 Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method. Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 3.23 Operating Segments

#### A. Basis for segmentation

The Group has five strategic business segments, which are its reportable segments. These business segments offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Segment	Product and services
Crop Solutions	Lawn and garden, Plant nutrition, Seeds
Agri Produce	Agri Produce retail chain, Agri resort, Dairy, Farms, Fruit and Vegetables, Grains, Rice
Livestock Solutions	Feeds, Poultry, Vet care, Dairy breeding

Segment	Product and services
Industrial Solutions	Construction Materials, Industrial Raw Material, Packaging
Health & Personal care	Herbal Care, Medical Devices, Personal Care, pharmaceuticals

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expenses comprise mainly corporate assets (primarily the Company's head office), head office expenses and tax assets and liabilities.

#### B. Information about reportable segments

A summary describing the operations of each reportable segment is given in page 188.

### 3.24 Events Occurring after the Reporting Date

All material events occurring after the reporting date have been considered and where appropriate adjustment or disclosures have been made in these Financial Statements.

### 3.25 Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

### 3.26 Operating profit

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

#### 4. NEW ACCOUNTING STANDARDS AMENDMENTS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### 4.1. Standards issued but not yet effective

There are no new accounting standards or amendments which are issued but not yet effective as at 31 March 2025 that are expected to have a material impact on the Group's Financial Statements.

- Amendment to LKAS 21: Lack of Exchangeability
- Amendment to SLFRS 9 and SLFRS 7: Classification and Measurement of Financial Instruments
- Amendment to SLFRS 18: Presentation and disclosures in financial statements
- General Requirements for Disclosure of Sustainability related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2)

## NOTES TO THE FINANCIAL STATEMENTS

### 5. SEGMENTAL INFORMATION

For the year ended 31st March	Crop Solutions		Agri Produce		Live Stock Solutions	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Revenue</b>	<b>33,844,700</b>	<b>31,546,712</b>	<b>5,835,650</b>	<b>5,743,480</b>	<b>18,052,954</b>	<b>16,307,472</b>
Inter segmental Revenue	(651,151)	(365,399)	(2,070)	(337,387)	(313,701)	(190,505)
<b>Total revenue to external customers</b>	<b>33,193,549</b>	<b>31,181,313</b>	<b>5,833,580</b>	<b>5,406,093</b>	<b>17,739,253</b>	<b>16,116,967</b>
<b>Segmental results</b>	<b>4,477,851</b>	<b>4,648,454</b>	<b>569,940</b>	<b>327,532</b>	<b>1,974,185</b>	<b>2,302,223</b>
Finance cost (net)	172,641	199,231	(60,886)	(181,256)	(126,695)	(466,509)
Gain on bargain purchase	-	-	-	-	-	-
Loss on dilution of investment in associate	-	-	-	-	-	-
Share of profit of equity accounted investees	-	-	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>4,650,492</b>	<b>4,847,685</b>	<b>509,054</b>	<b>146,276</b>	<b>1,847,490</b>	<b>1,835,714</b>
Income Tax	(1,495,213)	(1,477,195)	(150,289)	(122,574)	(559,147)	(244,789)
<b>Profit/(loss) after tax</b>	<b>3,155,279</b>	<b>3,370,490</b>	<b>358,765</b>	<b>23,702</b>	<b>1,288,343</b>	<b>1,590,925</b>
Profit/(loss) from discontinued operations	(100)	(100)	296,522	48,017	-	-
<b>Profit/(loss) for the year</b>	<b>3,155,179</b>	<b>3,370,390</b>	<b>655,287</b>	<b>71,719</b>	<b>1,288,343</b>	<b>1,590,925</b>
<b>Attributable to :</b>						
Equity Holders of the company	2,651,685	2,981,113	509,364	(9,485)	1,228,227	1,430,985
Non-Controlling Interests	503,494	389,277	145,924	81,204	60,116	159,940
<b>Profit /(loss) for the year</b>	<b>3,155,179</b>	<b>3,370,390</b>	<b>655,288</b>	<b>71,719</b>	<b>1,288,343</b>	<b>1,590,925</b>
<b>Assets and Liabilities</b>						
<b>Non -current assets</b>						
Property, Plant and equipment	1,470,377	1,299,992	936,363	700,350	4,899,485	4,619,401
Unallocated property, plant and equipment	-	-	-	-	-	-
Other non-current assets	2,253,815	134,270	5,978	12,914	632,447	466,718
<b>Total non -current assets</b>	<b>3,724,192</b>	<b>1,434,262</b>	<b>942,341</b>	<b>713,264</b>	<b>5,531,932</b>	<b>5,086,119</b>
<b>Current assets</b>	<b>17,144,391</b>	<b>16,890,932</b>	<b>3,689,810</b>	<b>2,329,425</b>	<b>5,972,146</b>	<b>5,540,647</b>
<b>Total assets</b>	<b>20,868,583</b>	<b>18,325,194</b>	<b>4,632,151</b>	<b>3,042,689</b>	<b>11,504,078</b>	<b>10,626,766</b>
<b>Non -current liabilities</b>	<b>1,172,383</b>	<b>660,601</b>	<b>114,952</b>	<b>111,878</b>	<b>1,269,122</b>	<b>1,220,718</b>
<b>Current Liabilities</b>	<b>6,933,277</b>	<b>6,810,580</b>	<b>2,800,029</b>	<b>2,006,741</b>	<b>2,289,940</b>	<b>2,967,537</b>
<b>Total Liabilities</b>	<b>8,105,660</b>	<b>7,471,181</b>	<b>2,914,981</b>	<b>2,118,619</b>	<b>3,559,062</b>	<b>4,188,255</b>

Inter segment pricing on the basis of arm's length transactions.

Secondary geographical segmentation is not given since the dispersion of the group operations does not construe an objective segmentation.



	Industrial Solutions		Health & Personal Care		Others		GROUP	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
	8,395,626	7,883,313	19,124,184	16,675,445	-	-	85,253,114	78,156,422
	(319,747)	(327,262)	(674,573)	(511,627)	-	-	(1,961,242)	(1,732,180)
	8,075,879	7,556,051	18,449,611	16,163,818	-	-	83,291,872	76,424,242
	1,523,213	1,691,674	2,202,042	2,241,733	(310,741)	(537,963)	10,436,490	10,673,653
	4,180	(99,903)	(2,027)	(151,706)	(1,604,803)	(1,900,313)	(1,617,590)	(2,600,456)
	-	-	-	-	440,096	5,355,562	440,096	5,355,562
	-	-	-	-	(946,269)	(1,080,557)	(946,269)	(1,080,557)
	528,469	477,081	-	-	369,327	692,139	897,796	1,169,220
	2,055,862	2,068,852	2,200,015	2,090,027	(2,052,390)	2,528,868	9,210,523	13,517,422
	(476,926)	(488,190)	(763,303)	(700,639)	567,807	490,162	(2,877,071)	(2,543,225)
	1,578,936	1,580,662	1,436,712	1,389,388	(1,484,583)	3,019,030	6,333,452	10,974,197
	(394)	(720)	-	-	-	-	296,028	47,197
	1,578,542	1,579,942	1,436,712	1,389,388	(1,484,583)	3,019,030	6,629,480	11,021,394
							-	
	1,180,365	1,151,139	1,357,495	1,200,776	(1,484,719)	2,988,730	5,442,417	9,743,258
	398,177	428,803	79,217	188,612	135	30,300	1,187,063	1,278,136
	1,578,542	1,579,942	1,436,712	1,389,388	(1,484,584)	3,019,030	6,629,480	11,021,394
	2,017,453	1,671,389	2,966,215	2,722,789	-	-	12,289,893	11,013,921
	-	-	-	-	-	-	1,763,071	1,594,359
	5,392,963	4,896,035	1,468,318	220,651	21,133,001	20,953,816	30,886,522	26,684,404
	7,410,416	6,567,424	4,434,533	2,943,440	21,133,001	20,953,816	44,939,486	39,292,684
	4,851,787	4,450,887	10,019,129	9,982,683	2,839,534	-	44,516,797	39,194,574
	12,262,203	11,018,311	14,453,662	12,926,123	23,972,535	20,953,816	89,456,283	78,487,258
	598,703	431,823	2,017,300	1,127,286	-	-	5,172,460	3,552,306
	1,781,063	1,600,953	4,390,662	3,490,146	19,662,029	18,064,119	37,857,000	34,940,076
	2,379,766	2,032,776	6,407,962	4,617,432	19,662,029	18,064,119	43,029,460	38,492,382

## NOTES TO THE FINANCIAL STATEMENTS

### 6. REVENUE

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Revenue</b>	<b>20,629,090</b>	<b>18,860,317</b>	<b>83,291,872</b>	<b>76,424,242</b>
Net Revenue	20,629,090	18,860,317	83,291,872	76,424,242
Local	20,629,090	18,860,317	81,652,662	75,057,344
Exports	-	-	1,639,210	1,366,898
Total	20,629,090	18,860,317	83,291,872	76,424,242

#### 6.1 Disaggregation of Revenue from Contracts with Customers

For the year ended 31st March	Crop Solutions		Agri Produce		Live Stock Solutions	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Primary geographical markets</b>						
Local	33,193,549	31,181,313	5,651,615	5,244,075	17,739,253	16,116,967
Export	-	-	181,965	162,018	-	-
	33,193,549	31,181,313	5,833,580	5,406,093	17,739,253	16,116,967
<b>Major product lines</b>						
Agro chemicals	11,171,210	10,882,561	-	-	-	-
Fertilizer	18,347,636	17,030,208	-	-	-	-
Grains	-	-	3,883,407	3,719,654	-	-
Feeds	-	-	-	-	13,655,438	12,312,578
Pharmaceuticals and medical devices	-	-	-	-	-	-
Herbal health and personal care	-	-	-	-	-	-
Industrial chemicals	-	-	-	-	-	-
Consumer & packaging	-	-	-	-	-	-
Others	3,674,703	3,268,544	1,950,173	1,686,439	4,083,815	3,804,389
	33,193,549	31,181,313	5,833,580	5,406,093	17,739,253	16,116,967
<b>Timing of revenue recognition</b>						
Products transferred at a point in time	33,193,549	31,181,313	5,833,580	5,406,093	17,739,253	16,116,967

#### 6.2 Disaggregation of Export Revenue from Contracts with Customers

For the year ended 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Asia	530,949	558,390
Europe	718,602	487,481
Middle East	72,595	68,381
USA/Canada	198,301	161,452
Australia	107,482	86,738
Others	11,281	4,456
	1,639,210	1,366,898

	Industrial Solutions		Health & Personal Care		Total	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
	8,075,879	7,556,051	16,992,366	14,958,938	81,652,662	75,057,344
	-	-	1,457,245	1,204,880	1,639,210	1,366,898
	8,075,879	7,556,051	18,449,611	16,163,818	83,291,872	76,424,242
	-	-	-	-	11,171,210	10,882,561
	-	-	-	-	18,347,636	17,030,208
	-	-	-	-	3,883,407	3,719,654
	-	-	-	-	13,655,438	12,312,578
	-	-	11,171,591	10,525,477	11,171,591	10,525,477
	-	-	7,278,020	5,638,341	7,278,020	5,638,341
	4,037,101	3,704,574	-	-	4,037,101	3,704,574
	4,038,778	3,851,477	-	-	4,038,778	3,851,477
	-	-	-	-	9,708,691	8,759,372
	8,075,879	7,556,051	18,449,611	16,163,818	83,291,872	76,424,242
	8,075,879	7,556,051	18,449,611	16,163,818	83,291,872	76,424,242

## NOTES TO THE FINANCIAL STATEMENTS

### 7. OTHER INCOME

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rent	26,713	25,337	8,526	9,209
Dividend Income				
Quoted	154,380	123,433	11,031	34,188
Unquoted	530,400	2,426,651	-	-
Net gain on disposal of property, plant & equipment	-	773	2,910	1,619
Changes in fair value of biological assets	-	-	6,739	-
Grants amortised	-	-	176	176
Inter company provision reversal	62,800	-	-	-
Direct sales commission	108,299	60,764	177,305	73,988
Sale of rights	48,005	-	-	-
Fertilizer handling income	-	-	-	6,083
Sundry income	-	468	182,923	170,772
Total	930,597	2,637,426	389,610	296,035

### 8. OTHER EXPENSES

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Impairment loss on property, plant & equipment	-	-	1,814	40
Loss on disposal of property, plant & equipment	388	-	2,158	1,051
Loss on disposal of assets classified as held for sale (Note 13.6)	-	103,742	-	103,742
Changes in fair value of biological assets	-	-	26,866	17,198
Write off of inter company receivable	-	-	33,691	-
Provision for advance given to Rainforest Ecolodge (Private) Limited	-	-	5,051	-
Impairment of investment in CIC Dairies (Private) Limited	30,500	50,000	-	-
Total	30,888	153,742	69,580	122,031

## 9. FINANCE COST (NET)

### 9.1 Total interest income arising from financial assets

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Staff loans	-	-	1,175	1,426
Foreign exchange gain	131,615	51,505	340,575	346,964
Interest on repo investments	-	-	259,500	152,028
Inter company loan interest	-	35,656	-	-
Deposits	95,330	120,925	148,247	236,910
	226,945	208,086	749,497	737,328
<b>9.2 Finance cost-Other</b>				
Long-term loans	131,930	-	169,537	12,693
Lease Interest	7,805	8,128	53,954	45,771
Short-term loans and overdrafts	1,592,386	2,048,248	2,143,596	3,279,320
Inter company loan interest	-	237,885	-	-
	1,732,121	2,294,261	2,367,087	3,337,784
	(1,505,176)	(2,086,175)	(1,617,590)	(2,600,456)

## 10. SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEEs (NET OF TAX)

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Akzo Nobel Paints Lanka (Private) Limited	-	-	528,469	477,081
John Keells Holdings PLC	-	-	369,327	692,139
Total	-	-	897,796	1,169,220

## 11. PROFIT BEFORE TAX

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Stated after charging all expenses including the following:				
Directors' emoluments and retirement benefits	-	-	45,172	35,247
Depreciation on property, plant & equipment and amortisation of right of use asset	144,114	156,582	1,016,715	969,244
Directors' fees	70,173	46,562	107,878	81,526
Donations	1,000	1,000	2,720	3,113
Legal fees	16,848	6,539	23,327	11,643
Auditors' remuneration				
Statutory audit fees	4,366	3,800	23,408	22,116
Audit related fees	112	113	10,920	8,093
Non- audit fees	5,296	5,833	8,598	10,383
Professional fees	4,314	6,182	34,800	25,919
Provision for obsolete and slow moving inventories	130,718	128,131	424,194	473,107
Personnel Costs * (Note 11.1)	1,218,033	974,631	4,803,751	3,940,725

\*Includes Director' emoluments and retirement benefits

## NOTES TO THE FINANCIAL STATEMENTS

### 11.1 Personnel Costs

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Salaries	745,740	589,798	3,058,518	2,572,176
EPF/MSPS - Defined contribution plan	94,685	75,192	424,681	267,464
ETF - Defined contribution plan	23,671	18,825	92,203	70,501
Bonus	266,553	220,953	934,913	770,871
Provision for retirement benefits (Note 34)	87,384	69,863	289,425	249,561
Voluntary retirement scheme	-	-	4,011	500
Total	1,218,033	974,631	4,803,751	3,940,725
Number of employees as at the end of the year	588	531	2,313	2,272

### 11.2 Reconciliation of adjusted EBITDA to profit from continuing operation

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit from continuing operations	1,348,406	2,477,571	6,333,452	10,974,197
Income tax expense	273,455	(1,262)	2,877,071	2,543,225
Profit before tax	1,621,861	2,476,309	9,210,523	13,517,422
Adjustment for:				
Net Finance cost	1,505,176	2,086,175	1,617,590	2,600,456
Depreciation	138,592	151,060	913,140	891,576
Amortization	13,422	13,422	768,004	405,245
Impairment losses on PPE	-	-	1,814	40
Share of profit of equity accounted investees	-	-	897,796	1,169,220
Gain on bargain purchase	-	-	440,096	5,355,562
Loss on dilution of investment in associate	-	-	(946,269)	(1,080,557)
Adjusted EBITDA	3,279,051	4,726,966	12,902,694	22,858,964

### 12. INCOME TAX EXPENSE

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Current tax expenses on ordinary activities for the year				
Current tax expenses on profit for the year ( Note 12.2)				
Continued Operations	415,885	178,666	3,032,432	2,400,641
Over provision in respect of previous years	(36,689)	(53,510)	(35,954)	(69,691)
Tax on dividend income	-	-	93,600	409,313
	379,196	125,156	3,090,078	2,740,263
Deferred Tax reversals				
Origination of temporary differences (Note 12.1)				
Continued Operations	(105,741)	(126,418)	(213,007)	(197,038)
	(105,741)	(126,418)	(213,007)	(197,038)
Total	273,455	(1,262)	2,877,071	2,543,225



### 12.1 Deferred Tax Expense/(Reversal)

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Income Statements				
Deferred tax expense/(reversal) arising from :				
Property, plant & equipment	(4,541)	(42,684)	(14,540)	(92,279)
Intangible assets	-	-	(3,998)	(2,924)
Biological assets	-	-	(30,973)	2,542
Provision for impairment of trade receivables	(41,949)	(7,594)	(61,066)	13,280
Provision for obsolete and slow moving inventories	(17,177)	(34,965)	(3,022)	(66,350)
Provision for others	(18,585)	(24,195)	(18,538)	(31,223)
Contract assets	-	-	1,645	3,245
Right-of-use assets	(1,656)	(1,656)	(789)	33,910
Lease liability	938	841	(7,581)	(6,219)
Contract liability	-	-	(3,907)	(2,848)
Employee benefits	(22,771)	(16,165)	(70,238)	(48,172)
	(105,741)	(126,418)	(213,007)	(197,038)
Other Comprehensive Income				
Deferred tax expense/ (reversal) arising from :				
Actuarial losses/(gain) on defined benefit Obligations	(17,184)	(17,770)	(20,510)	(62,419)
Revaluation of property, plant and equipment	89,131	-	277,107	-
	71,947	(17,770)	256,597	(62,419)
<b>Total</b>	<b>(33,794)</b>	<b>(144,188)</b>	<b>43,590</b>	<b>(259,457)</b>

#### 12.1.1 Deferred Tax Charge/ (Reversal) recognised Through

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Statement of Profit or Loss				
Charge arising on during the year movement	(105,741)	(126,418)	(213,007)	(197,038)
<b>Total</b>	<b>(105,741)</b>	<b>(126,418)</b>	<b>(213,007)</b>	<b>(197,038)</b>
Other Comprehensive Income				
Charge arising on during the year movement	71,947	(17,770)	256,597	(62,419)
	71,947	(17,770)	256,597	(62,419)

## NOTES TO THE FINANCIAL STATEMENTS

### 12.1.1 Deferred Tax Charge/ (Reversal) recognised Through

For the year ended 31st March	Company				Group				Company				Group			
	2025	2025	2024	2024	2025	2025	2024	2024	2025	2025	2024	2024	2025	2025	2024	2024
	%	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Profit before tax-continuing operations									1,621,861	2,476,309	9,210,523	13,517,422				
Profit/ (loss) before tax-discontinued operations									(1,433)	(236)	296,816	47,307				
Intra - group adjustments									-	-	245,000	43,163				
									1,620,428	2,476,073	9,752,339	13,607,892				
Tax using the Company's domestic tax rate	30%	486,128	30%	742,822	33%	3,216,830	30%	4,082,367	-	-	-	-				
Share of profit of equity accounted investee	0%	-	0%	-	-3%	(269,338)	-3%	(350,766)	-	-	(897,796)	(1,169,220)				
Gain on bargain purchase	0%	-	0%	-	-1%	(132,028)	-12%	(1,606,669)	-	-	(440,096)	(5,355,562)				
Loss on dilution of investment in associate	0%	-	0%	-	3%	283,880	2%	324,167	-	-	946,269	1,080,557				
Other sources of income	0%	22	0%	47	0%	48,061	1%	93,109	74	157	310,204	310,362				
Disallowable expenses	-1%	(19,205)	8%	203,984	7%	704,204	7%	983,188	(64,016)	679,947	2,302,683	4,068,239				
Tax deductible expenses	1%	23,429	1%	18,114	-7%	(644,754)	-6%	(817,908)	78,096	60,381	(2,316,634)	(2,726,361)				
Tax exempt income	-5%	(74,489)	-32%	(786,301)	-2%	(178,850)	-3%	(356,571)	(248,296)	(2,621,002)	2,288,008	(1,138,569)				
Tax loss for the year	0%	-	0%	-	0%	17,265	1%	95,457	-	-	57,550	318,189				
Tax loss utilised during the year	0%	-	0%	-	0%	(12,050)	0%	(45,623)	-	-	(40,168)	(152,079)				
Taxable Profit	25%	415,885	7%	178,666	30%	3,033,220	17%	2,400,751	(234,142)	595,556	11,674,033	8,843,448				
Income tax @ 15%									-	-	45,000	-				
Income tax @ 30%									415,885	178,666	2,987,432	2,400,751				
Current tax expense on continued operations									415,885	178,666	3,032,432	2,400,641				
Current tax expense on Discontinued operations									-	-	788	110				
									415,885	178,666	3,033,220	2,400,751				
Accumulated tax losses																
Tax loss brought forward									-	-	875,187	957,234				
Adjustment to brought forward tax losses									-	-	(588,667)	(248,157)				
Tax loss for the year									-	-	57,523	318,189				
Tax loss utilised during the year									-	-	(40,170)	(152,079)				
Tax loss carried forward											303,873	875,187				
Effective tax rate									30%	30%	25%	27%				
Effective tax rate as a percentage of profit before tax									25%	7%	30%	17%				

**12.3** Tax have been provided as per the Inland revenue Act No 24 of 2017 and any subsequent amendments therto,including any amendments legislated by the inland Revenue ( Amendment) Act No 45 of 2022.

**12.4** Group's tax expense is based on the taxable profit of each Company in the Group. At present the tax laws of Sri Lanka do not provide for Group Taxation.

**12.5** Irrecoverable Economic Service Charge (ESC) has been charged to the Profit or Loss.

### 12.6 Details of the Current Tax Computation

CIC Agri Produce Marketing (Private) Limited, a BOI Company engaged in Cultivation of Banana was tax exempt under Agro Farming up to 2023/24. For the current year it was taxed at 30 % including its investment income.

CIC Seeds (Private) Limited, mainly engaged in Cultivation of Seeds and planting materials was tax exempt under Agro Farming up to 2023/24. For the current year it was taxed at 30 % including its investment income.

CIC Agri Produce Export (Private) Limited a BOI Company engaged in Rice Milling business was taxed at the concessionary rate of 14% up to first half of 2022/23 under Argo- processing. With subsequent amendments to the Act, For the current year it was taxed at the rate of 30%.

CIC Dairies (Private) Limited, a BOI Company, engaged in the production of Yogurt, which was exempt from Income tax up to 31 March 2021, became liable for Income tax at the rate of 18% after expiration of the exemption period. From the second half of 2022/23 the Company was liable for Income Tax at the rate of 30%. However, due to Tax losses it was not Taxed for the current year.

CIC Poultry Farms Limited was subject to a concessionary income tax rate of 15%, in accordance with the agreement entered with the Board of Investment of Sri Lanka. Any income not covered under this agreement was taxed at the standard corporate income tax rate. During the year 2023/24, CIC Feeds (Private) Limited was subject to dual tax rates with the feed division taxed at 30% and the day-old chick's division taxed at 0%. However, from 1st April 2024 onwards, both divisions became liable for income tax at the standard rate of 30%. CIC Vetcare (Private) Limited and CIC Bio Security Breeder Farms Limited were also liable for income tax at the standard corporate rate of 30%.

### 13. DISCONTINUED OPERATIONS

Discontinued operations include CIC Agri Biotech (Private) Limited, Chemenex Export (Private) Limited, Chemcel (Private) Limited, and consumer product lines of CIC Holdings PLC. Previously these businesses were categorised under "Agri Produce", "Industrial Solutions", and "Health and Personal Care" segments.

Further in 2019/20, Board of Directors of Cropwiz (Private) Limited had resolved to discontinue its operations and accordingly it is classified as held for sale. Previously this business was classified under "Agri Produce" segment.

#### 13.1 The results of aforesaid operations for the year are presented below:

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit/(loss)after tax from discontinued operations				
Revenue	-	-	-	-
Overhead charges	(31)	(54)	(31)	(54)
Gross loss	(31)	(54)	(31)	(54)
Other income	-	-	288,422	147
Administrative expenses	(1,355)	(169)	(3,557)	(584)
Distribution expenses	(47)	(13)	(47)	(13)
Finance cost (net)	-	-	12,029	47,811
Profit/(loss) before tax from a discontinued operations	(1,433)	(236)	296,816	47,307
Tax expense	-	-	(788)	(110)
Profit/(loss) for the year from a discontinued operations	(1,433)	(236)	296,028	47,197

## NOTES TO THE FINANCIAL STATEMENTS

### 13.2 Major Classes of Assets and Liabilities Classified as held for sale:

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Assets</b>				
Property, plant & equipment	146,266	146,266	187,951	187,950
Trade receivables	-	-	-	92,996
Cash in hand and cash at bank**	-	-	-	70,018
Assets classified as held for sale	146,266	146,266	187,951	350,964
<b>Liabilities</b>				
Trade and other payables	-	-	-	411,012
Liabilities directly associated with assets classified as held for sale	-	-	-	411,012
Net assets directly associated with disposal group	146,266	146,266	187,951	(60,048)

\* Investment in Cropwiz (Private) Limited amounting to Rs.125.11Mn is fully impaired in the Company financials.

\*\* Restricted cash at bank amounts to Rs.60Mn.

Property, plant & equipment include a land belonging to CIC Holdings PLC and the last valuation was performed on 31st March 2022 out of which part is disposed during the current financial year. No decrease in fair value was identified. Further, the land belonging to CIC Properties (Private) Limited has been classified as held for sale during the year 2021/22 at a value of Rs. 174.75 Mn and a part of it was disposed during the financial year 2022/23.

In 2022/23 CIC Properties (Private) Limited transferred free of charge its right title and interest in (20) acres from and out of the land and premises located at Katuwahenawatta, Agalegedara, Walpita. And accordingly, on 21st October 2022, Hatton National Bank PLC issued a letter stating that unconditionally and irrevocably acknowledge and agree that: the recovery of Rs.275Mn by the sale of assets shall be considered as full and final settlement against the total liability of loans, together with interests accrued up to that date, granted to Cropwiz (Private) Limited. Accordingly, Cropwiz (Private) Limited wrote back its loans together with the interest and recognised the disposal loss of assets which were transferred amounting to Rs.49.15Mn.

In 2022/23 CIC Properties (Private) Limited further disposed 38 acres and 5 perches for a consideration of Rs.67Mn which generated a total disposal loss of Rs.66Mn included in other expenses. Below are the details of the remaining land.

Location	Land extent in Acres/Perches/Roods	Date of revaluation	Significant unobservable inputs- Estimated price	Revalued Amount Rs.Mn	Sensitivity fair value to unobservable inputs
Katuwahanawatte, Walpita, Waradala	13 acres and 39.5 perches	30th November 2021	Per acer Rs.1,200,000- Rs.3,600,000	46.25	Positively correlated sensitivity

Property, plant & equipment include a land belonging to CIC Holdings PLC and the last valuation was performed on 30th September 2017. No change in fair value was identified.

### 13.3 Cash Flows Generated from/(Used in) Discontinued Operations

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Net cash generated from operating activities	-	-	(100)	(100)
Net cash from investing activities	-	-	2,232	(299)
Net cash inflow/(outflow)	-	-	2,132	(399)

### 13.4 Earnings/(Deficit) per Share:

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Basic/diluted earnings/(loss) per share for the year, from discontinued operations (Rs.)	(0.01)	-	0.78	0.07

### 13.5 Assets classified as held for distribution

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Major classes of assets and liabilities classified as held for distribution Assets</b>				
Investments	197	197	9,072	5,549
Cash in hand and at bank	-	-	55,332	53,766
Asset Classified as held for distribution	197	197	64,404	59,315
<b>Liabilities</b>				
Trade and other payables	-	-	1,915	1,833
Liabilities directly associated with assets classified as held for distribution	-	-	1,915	1,833

Assets and liabilities which belong to CIC Agri Biotech (Private) Limited, Chemanex Exports (Private) Limited and Chemcel (Private) Limited have been categorised under "assets and liabilities held for distribution".

### 13.6 Disposal of Assets Held for Sale

Group disposed a part of property, plant & equipment which was classified as "held for sale". Following table summarises the effect of the said disposal on the financial position of the Company and the Group. Details are given in Note 13.5.

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Property, plant & equipment	-	903,794
Consideration received (net of tax)	-	(800,052)
Loss on disposal	-	103,742
<b>Classified under</b>		
Other expenses	-	103,742

## NOTES TO THE FINANCIAL STATEMENTS

### 13.7 Discontinuation of consolidation of Cropwiz (Private) Limited

With relating to Cropwiz (Private) Limited , a liquidator was appointed by the court on 12th July 2024 and process is being done by the liquidator. Hence as per the section 292 (1) & (2) of the Companies Act No.07 of 2007, liquidator has the control over the assets and liabilities of the company as they are legally bound to sell or realize the assets to raise the funds to settle liabilities of the company. Accordingly Company discontinued the consolidation of Cropwiz (Private) Limited. The said discontinuation resulted in a profit of LKR 288.33Mn.

Profit from discontinuation of consolidation of Cropwiz (Private) Limited

	Amount Rs.'000
Trade receivables	91,257
Cash in hand and at bank	73,715
	164,972
Trade and other payable	(404,774)
Inter company trade payable	(9,380)
Inter company borrowing	(27,240)
Inter company other payable	(11,904)
Gain	(288,326)

### 14. EARNINGS PER SHARE

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit attributable to equity holders of the Company	1,346,973	2,477,335	5,442,417	9,743,258
Profit continuing operation	1,348,406	2,477,571	5,146,389	9,696,061
Profit/(loss) - discontinued operation	(1,433)	(236)	296,028	47,197
Total	1,346,973	2,477,335	5,442,417	9,743,258
The share capital is as follows :				
<b>Ordinary Shares</b>				
Weighted average number of shares	291,600,000	291,600,000	291,600,000	291,600,000
<b>Non-Voting (Class X) Shares</b>				
Weighted average number of shares	87,480,000	87,480,000	87,480,000	87,480,000
Total weighted average number of shares	379,080,000	379,080,000	379,080,000	379,080,000
<b>Basic / Diluted earnings per share (Rs.)</b>	<b>3.55</b>	<b>6.54</b>	<b>14.36</b>	<b>25.70</b>

#### Basic Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of shares outstanding during the year.

#### Diluted Earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shares outstanding after adjustment for the effect of all potentially dilutive ordinary shares.

There were no potentially dilutive ordinary shares at any time during the year/previous year

There is no material impact on diluted earnings per share arising from Employee Share Option Scheme

## 15. GROSS DIVIDEND

For the year ended 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Interim Dividend</b>				
<b>Ordinary Shares</b>				
Interim dividend paid per share Nil (2024/25), Rs.Nil (2023/24)	-	-	-	-
<b>Non-Voting (Class X) Shares</b>				
Interim dividend paid per share Nil (2024/25), Rs.Nil (2023/24)	-	-	-	-
<b>Final Dividends</b>				
Final dividend proposed and paid Rs.2.50 (2023/24) Rs.2.50 (2022/23)				
Ordinary Shares	729,000	729,000	729,000	729,000
Non-Voting (Class X ) Shares	218,700	218,700	218,700	218,700
	947,700	947,700	947,700	947,700
<b>Total</b>	<b>947,700</b>	<b>947,700</b>	<b>947,700</b>	<b>947,700</b>
<b>Post sub-division no. of shares</b>				
Ordinary Shares	291,600,000	291,600,000	291,600,000	291,600,000
Non-Voting ( Class X) Shares	87,480,000	87,480,000	87,480,000	87,480,000
	379,080,000	379,080,000	379,080,000	379,080,000
<b>Dividend per share</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>

During the year, Rs.2.50 dividend was paid to the shareholders (2023/24 - Rs.2.50).

Directors have recommended the payment of a final dividend of Rs. 2.50 per share on Ordinary and Non-Voting (class x) shares for the year ended 31st March 2025. This proposed dividend has not yet been recognised as a liability as at 31st March 2025.

This would result in a total dividend per share of Rs. 2.50 (2023/24 - Rs.2.50) once it is approved at the Annual General Meeting.



## NOTES TO THE FINANCIAL STATEMENTS

### 16. PROPERTY, PLANT & EQUIPMENT

#### A. Company

	Land	Buildings	Plant & Machinery	Equipment	Computers	Furniture & Fittings	Motor	Total 2025	Total 2024
As at 31st March	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Freehold</b>									
<b>Cost/Valuation</b>									
At the beginning of the year	1,415,593	1,083,587	250,722	725,335	311,799	50,257	16,120	3,853,413	3,727,221
Additions	-	35,434	48,924	20,821	13,808	3,321	-	122,308	127,442
Transferred from capital work in progress (Note 18)	-	-	27,713	-	-	-	-	27,713	-
Revaluation surplus	297,103	-	-	-	-	-	-	297,103	-
Disposals	-	-	(10,461)	(27,596)	(120)	(3,037)	-	(41,214)	(1,250)
<b>At the end of the year</b>	<b>1,712,696</b>	<b>1,119,021</b>	<b>316,898</b>	<b>718,560</b>	<b>325,487</b>	<b>50,541</b>	<b>16,120</b>	<b>4,259,323</b>	<b>3,853,413</b>
<b>(b) Depreciation/Impairment</b>									
At the beginning of the year	-	486,595	149,612	640,687	231,710	43,872	16,120	1,568,596	1,418,541
Depreciation	-	50,565	19,854	24,854	40,938	2,381	-	138,592	151,060
On disposals	-	-	(8,727)	(26,857)	(120)	(3,016)	-	(38,720)	(1,005)
<b>At the end of the year</b>	<b>-</b>	<b>537,160</b>	<b>160,739</b>	<b>638,684</b>	<b>272,528</b>	<b>43,237</b>	<b>16,120</b>	<b>1,668,468</b>	<b>1,568,596</b>
<b>Leasehold</b>									
<b>Cost/Valuation</b>									
At the beginning of the year	-	94,164	-	-	-	-	-	94,164	94,164
At the end of the year	-	94,164	-	-	-	-	-	94,164	94,164
<b>Depreciation/Impairment</b>									
At the beginning of the year	-	41,241	-	-	-	-	-	41,241	35,719
Amortisation	-	5,522	-	-	-	-	-	5,522	5,522
<b>At the end of the year</b>	<b>-</b>	<b>46,763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,763</b>	<b>41,241</b>
<b>Carrying value as at 31st March 2025</b>	<b>1,712,696</b>	<b>629,262</b>	<b>156,159</b>	<b>79,876</b>	<b>52,959</b>	<b>7,304</b>	<b>-</b>	<b>2,638,256</b>	
<b>Carrying value as at 31st March 2024</b>	<b>1,415,593</b>	<b>649,915</b>	<b>101,110</b>	<b>84,648</b>	<b>80,089</b>	<b>6,385</b>	<b>-</b>		<b>2,337,740</b>

- i Carrying amount of property, plant & equipment is not pledged as securities for bank facilities obtained.
- ii Property, plant & equipment includes right-of-use assets of Rs.47.40Mn (2024- Rs.52.92Mn ) related to leased properties that do not meet the definition of the investment property.

## 16. Property, Plant & Equipment

### A. Group

	Land	Buildings	Plant & Machinery	Equipment	Computers	Furniture & Fittings	Motor	Total 2025	Total 2024
As at 31st March	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>(a) Cost/Valuation</b>									
At the beginning of the year	4,729,586	5,904,795	5,513,606	2,587,855	631,299	358,042	603,186	20,328,369	19,844,777
Additions	3,162	99,094	607,500	227,922	75,964	89,423	70,925	1,173,990	593,318
Revaluation surplus	958,950	-	-	-	-	-	-	958,950	-
On disposals	-	(2,006)	(21,234)	(48,812)	(4,029)	(8,523)	(694)	(85,298)	(214,456)
Transferred from capital work in progress (Note 18)	-	96,565	132,607	8,109	935	3,692	49	241,957	105,048
Impairment	-	-	(30,101)	(1,796)	(577)	-	-	(32,474)	(318)
At the end of the year	5,691,698	6,098,448	6,202,378	2,773,278	703,592	442,634	673,466	22,585,494	20,328,369
<b>(B) Depreciation/Impairment</b>									
At the beginning of the year	-	2,049,913	3,426,555	1,987,611	432,614	238,465	474,333	8,609,491	7,954,346
Depreciation	-	223,468	337,870	171,492	94,573	29,805	37,699	894,907	862,903
Impairment	-	-	(29,297)	(786)	(577)	-	-	(30,660)	(278)
On disposals	-	(664)	(18,559)	(44,544)	(3,501)	(7,125)	(690)	(75,083)	(207,480)
At the end of the year	-	2,272,717	3,716,569	2,113,773	523,109	261,145	511,342	9,398,655	8,609,491
<b>Leasehold</b>									
<b>Cost/Valuation</b>									
At the beginning of the year	401,058	1,282,922	-	-	-	-	31,911	1,715,891	1,510,615
Additions to right-of-use assets	-	79,109	-	-	-	-	-	79,109	166,921
Additions	85	19,962	-	-	-	-	-	20,047	42,325
On disposals	-	(11,834)	-	-	-	-	-	(11,834)	(3,970)
At the end of the year	401,143	1,370,159	-	-	-	-	31,911	1,803,213	1,715,891
<b>Depreciation/Impairment</b>									
At the beginning of the year	102,814	697,370	-	-	-	-	26,305	826,489	724,051
Depreciation	2,570	15,663	-	-	-	-	-	18,233	28,673
Amortisation	7,220	94,893	-	-	-	-	1,462	103,575	77,668
On disposals	-	(11,209)	-	-	-	-	-	(11,209)	(3,903)
At the end of the year	112,604	796,717	-	-	-	-	27,767	937,088	826,489
Carrying value as at 31st March 2025	5,980,237	4,399,173	2,485,809	659,505	180,483	181,489	166,268	14,052,964	
Carrying value as at 31st March 2024	5,027,830	4,440,435	2,087,051	600,244	198,684	119,577	134,459		12,608,280

## NOTES TO THE FINANCIAL STATEMENTS

- i Carrying amount of property, plant & equipment pledged as securities for bank facilities obtained amounted to Rs.368.76 Mn.(2024 Rs.303.70 Mn).
- ii During the year Group has not capitalised the borrowing cost.(2024 - Nil).
- iii Unexpired lease period of land belonging to CIC Agri Businesses (Private) Limited is 66 years
- iv Property, plant & equipment includes right-of-use assets of Rs.457.46Mn (2024- Rs.481.92Mn) related to leased properties that do not meet the definition of the investment property.

### C. Carrying value for the property, plant & equipment

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At Cost	878,159	874,944	7,498,303	7,061,582
At Valuation	1,712,696	1,409,873	5,688,536	4,657,296
On Finance Lease	47,401	52,923	866,125	889,402
Total	2,638,256	2,337,740	14,052,964	12,608,280

### D. The values of the lands if it had been carried under cost model

As at 31st March	Company		Group	
	2025 Rs.Mn.	2024 Rs.Mn.	2025 Rs.Mn.	2024 Rs.Mn.
Land	138.72	138.72	1,012.45	1,009.29
Total	138.72	138.72	1,012.45	1,009.29

## E. Value of land and ownership

Company	Location	Land Extent in Acres/Perches/ Roods	Number of buildings	Carrying Value Rs Mn
CIC Holdings PLC	Kew Road, Colombo 02	1 rood and 30.25 perches	1	1,264.50
	Lenagala Estate, Dedigamuwa	13 acres, 3 roods and 33.5 perches	20	441.67
	Lenagala Estate, Dedigamuwa	1 rood and 25 perches	-	6.52
CIC Agri Businesses (Private) Limited	Mahiella, Kurunegala	2 acres, 3 roods and 31.25 perches	4	235.63
Wayamba Agro Fertilizer Company Limited	Maho	16 acres and 30.8 perches	15	248.20
CISCO Speciality Packaging (Private) Limited	Pellanwatta, Pannipitiya	4 acres, 3 roods and 28.80 perches	14	368.76
CIC Vetcare (Private) Limited	Madampalle Estate, Madampalle	15 acres	-	67.50
	Galla Estate, Ekala	3 roods and 1.00 perch	3	57.54
CIC Poultry Farms Limited	Molahena Estate, Badalgama	25 acres and 29.95 perches	31	113.34
	Iswetiya Elies, Horakandawila, Dunagaha	17 acres and 16.8 perches	17	260.20
	Amunuwela Estate, Kuliyaipitiya	48 acres 1 roods and 19.63 perches	25	224.70
CIC Bio Security Breeder Farms Limited	Molahena Estate, Badalgama	28 acres and 39.49 perches	-	127.11
CIC Feeds (Private) Limited	Galla Estate, Ekala	6 acres and 32.9 perches	17	422.77
	Heeralugedara, Kotadeniyawa	18 acres and 2 roods	17	83.25
	Madampalle Estate, Madampalle	25 acres	25	112.50
	Madampalle Estate, Madampalle	3 acres	-	4.96
	Nabirithankadawara, Welipennagahamulla, Pannala	50 acres and 18.0 perches	18	236.09
Colombo Industrial Agencies Limited	Temple Lane, Ekala	3 acres, 2 roods, 7.62 perches	4	352.00
Link Natural Products (Private) Limited	Malinda, Kapugoda	13 acres, 3 roods and 10.95 perches	39	909.41
	Kapugoda, Giridara	39.1 perches	-	19.60
	Dambukanda	20 acres, 5 roods and 64 perches	2	105.60
	Kahatagahawatta	22.1 perches	-	17.50
	Parakaduwa	23 acres, 2 roods and 5.8 perches	-	12.35
				5,691.70

## NOTES TO THE FINANCIAL STATEMENTS

Last valuation of lands has been as follows.

Company	Date of Revaluation	Significant unobservable inputs estimated price	Revalued Amount Rs. Mn	Sensitivity of fair value to unobservable inputs
CIC Holdings PLC	31st March 2025	Per perch Rs.18,000,000	<b>1,264.50</b>	Positively correlated sensitivity
	31st March 2025	Per perch Rs.32,500 - Rs.276,250	<b>441.67</b>	Positively correlated sensitivity
	31st March 2025	Per perch Rs.32,500	<b>6.52</b>	Positively correlated sensitivity
CIC Agri Businesses (Private) Limited	31st March 2025	Per perch Rs.500,000	<b>235.63</b>	Positively correlated sensitivity
Wayamba Agro Fertilizer Company Limited	31st March 2025	Per perch Rs.97,500	<b>248.20</b>	Positively correlated sensitivity
CISCO Speciality Packaging (Private) Limited	31st March 2025	Per perch Rs.420,000	<b>368.76</b>	Positively correlated sensitivity
CIC Vetcare (Private) Limited	31st March 2025	Per perch Rs.475,000 - Rs.500,000	<b>57.54</b>	Positively correlated sensitivity
	31st March 2025	Per perch Rs. 28,125	<b>67.50</b>	Positively correlated sensitivity
CIC Poultry Farms Limited	31st March 2025	Per perch Rs. 28,125 - Rs.140,000	<b>598.24</b>	Positively correlated sensitivity
CIC Bio Security Breeder Farms Limited	31st March 2025	Per perch Rs. 28,125	<b>127.11</b>	Positively correlated sensitivity
CIC Feeds (Private) Limited	31st March 2025	Per perch Rs.425,000 - Rs.450,000	<b>422.77</b>	Positively correlated sensitivity
	31st March 2025	Per perch Rs. 26,250 - Rs.72,000	<b>436.80</b>	Positively correlated sensitivity
Colombo Industrial Agencies Limited	31st March 2022	Per perch Rs.550,000 - Rs.625,000	<b>352.00</b>	Positively correlated sensitivity
Link Natural Products (Private) Limited	31st March 2025	Per perch Rs.3,281	<b>12.35</b>	Positively correlated sensitivity
	31st March 2025	Per perch Rs.800,000	<b>17.50</b>	Positively correlated sensitivity
	31st March 2025	Per perch Rs.26,563 - Rs.32,813	<b>105.60</b>	Positively correlated sensitivity
	31st March 2025	Per perch Rs.400,000 - Rs. 500,000	<b>929.01</b>	Positively correlated sensitivity

All above revaluations are based on market value and were carried out by Perera Sivaskantha & Company, an incorporated valuer.

The revalued figures were incorporated in these Financial Statements.

### Market Comparable Method

This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued.

This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property.

In this process, outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.

F Depreciation has been provided on a straight-line basis at the following rates:

Company	Buildings Years	Plant & Machinery Years	Equipment Years	Computers Years	Furniture & Fittings	Motor Vehicles Years
CIC Holdings PLC	20	8,15,30,40	4,5,8,10,15,30	3	5,10	5
Chemanex PLC	10-20	20	3	3	4	4
CISCO Speciality Packaging (Private) Limited	20	12,10,5	10,5,3	3	10	5
CIC Agri Businesses (Private) Limited and Subsidiaries*	20,30	5,15	3,20	3,8	5,10	3,5
Colombo Industrial Agencies Limited	20	-	-	-	-	-
CIC Feeds (Private) Limited and Subsidiaries	10,20,40	10,15,20	5,8,10,12.5	5	5,8	4,5
Link Natural Products (Private) Limited	40,25	10,15,20,40	5,8,10,25	3	10	4,8,10,20,25
CIC CropGuard (Private) Limited	-	-	5	5	10	5
CIC Lifesciences Limited	-	8	4	4	4	-
Unipower (Private) Limited	10-20	-	5-10	4,5	5-10	7
Asiavet Lifesence (Private) Limited	-	-	5,12.5	5,8	5,8	-
CIC Precision Agricultural Technologies (Private) Limited	-	-	3-8	3-8	-	-

\* Land development cost is depreciated over 30 years.

G. Cost of fully depreciated property, plant & equipment still in use at the reporting date as follows:

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Buildings	50,686	50,382	524,850	240,583
Plant & Machinery	87,018	91,933	1,014,730	1,009,953
Equipment	588,185	565,685	1,612,318	1,278,875
Computers	165,226	142,979	379,164	307,964
Furniture & Fittings	36,906	36,217	91,637	139,555
Motor Vehicles	16,115	16,115	277,020	416,251
Leased hold land improvements	-	-	11,745	11,745
Total	944,136	903,311	3,911,464	3,404,926

Company	Location	Land extent in Acres/ Perches/Roods	Date of revaluation	Significant unobservable inputs-Estimated price	Revalued amount Rs. Mn	Sensitivity of fair value to unobservable inputs
CIC Holdings PLC	Sri Sarana Jothi Mawatha, Rathmalana	11 perches	30th September 2017	Per perch Rs.1,100,000	12.10	Positively correlated sensitivity
	Pellawatta, Piliyandala	1 acres, 2 roods and 9.83 perches	30th September 2017	Per perch Rs.227,500 - Rs.450,000	71.95	Positively correlated sensitivity
CIC Properties (Private) Limited	Katuwahanawatta, Walpita, Waradala	13 acres and 39.50 perches	30th November 2021	Per acre Rs.1,200,000- Rs.3,600,000	45.07	Positively correlated sensitivity

## NOTES TO THE FINANCIAL STATEMENTS

During the year 2021/22, the land belongs to CIC Properties (Private) Limited was transferred to “asset held for sale” at a value of Rs.174.75Mn. Previously, this had been rented out to Cropwiz (Private) Limited which is a subsidiary company of the Group.

Immediately before the initial classification of the above three lands as “assets held for sale”, a revaluation was carried out by Messrs. S Sivaskantha, Chartered Valuer. Details are given above.

I Plant & equipment transferred to assets held for sale

Hatton National Bank PLC, issued a Parate Notice to Cropwiz (Private) Limited on 13 June 2019 and Auction Sale Gazette Notifications were issued on 09 August 2019 and 25 October 2019 (Under the Section 4 of the Recovery of Loans by Banks [Special Provisions] Act, No. 04 of 1990). However the auction did not take place on the said date. Based on this, charging depreciation was discontinued and on 31 March 2020 the total value of the assets under non - current assets were transferred to “assets held for sale” after determining the lower of its carrying amount and fair values less cost to sell.

The fair value of the property, plant & equipment as at 31st March 2020, was determined by Messrs. Perera Sivaskantha & Company, an accredited independent valuer. Fair value is determined by reference to market-based evidence. Valuations are based on active market prices, adjusted for any differences in the nature, location or condition of the specific property.

### 17. INVESTMENT PROPERTY

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Cost	2,400	2,400
Carrying value	2,400	2,400

#### A. Details of investment property

Ownership	Location	Land extent	Number of buildings	Market Value	Carrying value	
				2025 Rs.'000	2025 Rs.'000	2024 Rs.'000
CIC Agri Businesses (Private) Limited	Bogahapitiya estate, Kengalle	12.0 perches and 2 roods	-	6,300	2,400	2,400
Total				6,300	2,400	2,400

B. During the year, no income was generated or expenses were incurred with relating to the above investment property.

#### C. Fair Value

The fair value of the investment property determined by external valuer M/s Sivaskantha and Company, an incorporated external valuer.

Valuation Technique	Significant unobservable inputs estimated price	Inter-relationship between key unobservable inputs and fair value measurements
Market comparable method	Per perch Rs. 525,000	Positively correlated
Total		



## 18 . CAPITAL WORK-IN-PROGRESS

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	-	-	94,555	56,185
Amount capitalised in property, plant & equipment	(27,713)	-	(241,957)	(105,048)
Transferred to expenditure	-	-	(271)	(102)
Additions during the year	47,841	-	643,313	143,520
As at the end of the year	20,128	-	495,640	94,555

Capital work-in-progress comprised of the expenditure incurred relating to building, machinery and furniture

During the year Group has not capitalised borrowing cost (2024-Nil).

## 19. BIOLOGICAL ASSETS

### 19.1 Non-current biological assets

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	504,362	393,305
Additions	534,269	433,595
Gain/(loss) from changes in fair value		
Due to Price change	12,774	(595)
Due to physical change	6,739	8,423
Disposals/amortisation	(637,207)	(330,366)
At the end of the year (Note 19.3)	420,937	504,362

### 19.2 Measurement of Fair Values

#### a) Fair Value Hierarchy

The fair value measurements of the standing biological assets have been categorized as under Level 3 fair value hierarchy.

#### b) Level 3 Fair Values

The break down of the total gains (losses) in respect of Level 3 fair values is shown below.

For the year ended 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Gains included in other income		
Change in fair value (Unrealised)	6,739	8,423
Change in fair value (realised)	12,774	(595)

### 19.3 Biological Assets

As at 31st March	Buffaloes	Poultry Breeder	Highland Crops	Teaks	Total
Matured (Rs.'000)	17,237	222,594	25,839	4,502	270,172
Immature (Rs.'000)	8,789	122,723	-	19,253	150,765
Total	26,026	345,317	25,839	23,755	420,937

## NOTES TO THE FINANCIAL STATEMENTS

### 19.4 Nature of Group's Biological Assets

The Group has biological assets comprising poultry breeder for producing Day Old Chicks (DOC), cattle for raw milk and teak for timber.

### 19.5 Non-Financial Measures of Biological Assets

#### Quantities

At the end of the period	Buffaloes No. of animals	Poultry No. of birds	Teak cubic meters
2025	170	96,804	4.07
2024	151	91,148	4.08

#### Quantities

Produced during the year	Buffaloes No. of animals	Poultry No. of birds	Breeder No. of Eggs
2025	33	5,703,013	20,409,302
2024	31	5,137,523	16,965,022

### 19.6 Valuation of biological assets

CIC Group uses the following valuation techniques to measure their biological assets.

Description	Valuation Technique	Valuation Input	Discount Rate	Inter-relationship between key unobservable inputs and fair value measurements
Teak	Discounted cashflow	Annual marginal increase of timber content (0.55-1.5cm per year for a tree of diameter girth over 10cm)	19%	positively correlated with diameter and negative correlation with interest
Poultry breeder bird	Present value of future cash flows	No. of birds	22.57%	positively correlated
		No. of eggs per bird		positively correlated
		Weight of cull birds		positively correlated
		Selling price per DOC		positively correlated
		Cost per DOC		positively correlated
		Hatchability		positively correlated

### 19.7 Current biological assets

As at 31st March	Group 2025 Rs.'000	2024 Rs.'000
At the beginning of the year	299,770	320,841
Additions during the year	5,614,119	5,452,055
Expensed during the year	-	(6,654)
Disposals	(5,626,922)	(5,441,446)
Gain from change in fair value	(39,640)	(25,026)
	247,327	299,770

Part of these consumables biological assets represent growing birds (Broilers) which are usually processed and sold within 40 to 42 days. Age group of 1 to 28 days are valued at cost. Birds aging from 29 to 42 days are valued based on fair value which is determined based on the market value prevailing as at the reporting date. The valuation basis and the significant unobservable data used for the valuations are given below.

Type	Valuation Techniques	Significant Unobservable Data	Inter-relationship between key unobservable inputs and fair value measurements
Consumable biological assets	The Company has identified six aging categories such as 1-7, 8-14, 15-21, 22-28, 29-35, 36-42 and depending on the aging, the standard weight per bird is identified. Average cost is calculated for each category according to the age by analysing the Feed, DOC, Drug Vaccine and other overhead usages. Fair Value is calculated by using the prevailing market price per bird and Cost to sell includes commission expenditure made for marketing representatives. However, the market prices for the first four age categories are not available and therefore those age categories are measured at cost. Further, a positive yield can be determined only for the last two categories that is 29-35 and 36-42 and therefore those age categories are measured at fair value.	Selling price Rs.690 per Kg	Increase when selling price increases Decrease when selling price decreases
Growing birds (broilers)		Average bird weight (2.00Kg)	Increase when average weight increases Decrease when average weight decreases

### 19.8 Sensitivity Analysis

Sensitivity variation on selling price values as appearing in the Statement of Financial Position are sensitive to sales price changes with regard to the average price applied. Simulations made for livestock show that an increase or a decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets.

As at 31st March	Group 2025	
	-10% Rs.'000	10% Rs.'000
Biological assets	12,671	18,743

Sensitivity Variation on average animal weight values as appearing in the statement of Financial Position are sensitive to average animal weight changes. Simulations made for livestock show that an increase or a decrease by 10kg of average animal weight has the following effect on the net present value of biological assets.

As at 31st March	Group 2025	
	-10% Rs.'000	10% Rs.'000
Biological assets	7,742	19,982

Risk Management strategies relating agricultural activities are described in the risk report to the annual report.

## 20. INTANGIBLE ASSETS

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Goodwill</b>				
Gross amount	-	-	673,088	673,088
Less: provision for impairment	-	-	(139,610)	(139,610)
Net Goodwill (20.1)	-	-	533,478	533,478
<b>Software cost capitalised</b>				
During the year additions	31,677	39,577	91,733	113,010
Amortisation for the year	-	-	216	5,481
Net ERP cost capitalised	(7,900)	(7,900)	(27,222)	(26,758)
<b>Total</b>	<b>23,777</b>	<b>31,677</b>	<b>64,727</b>	<b>91,733</b>
	<b>23,777</b>	<b>31,677</b>	<b>598,205</b>	<b>625,211</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 20.1 Aggregate carrying amounts of goodwill allocated to each unit are as follows:

As at 31st March	Group	
	2025 Rs.Mn	2024 Rs.Mn
Unipower (Private) Limited	208.08	208.08
ChemaneX PLC	11.06	11.06
CIC Feeds (Private) Limited	16.62	16.62
BioSystems Technologies Limited	8.48	8.48
Asiavet Lifesence (Private) Limited	289.24	289.24
	533.48	533.48

The recoverable amounts of all cash generating units have been determined based on the fair value, less cost to sell or the value in use (VIU) calculation.

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

The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

#### Gross margins

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 rates

The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium.

#### Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic condition.

#### Volume growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the industry growth rates of one to four years immediately subsequent to the budgeted year. Cash flows beyond the five year period are extrapolated using 1% growth rate.

## Recoverable values measured with reference to the value in use

Investee	Significant unobservable inputs	Value of the inputs
Unipower (Private) Limited	Average growth rate	10%-15%
	Discount rate	10.5%
	Term	5 years (terminal value thereafter)
	Terminal growth rate	1%
	Change required for carrying amount to equal to recoverable amount	35%
CIC Feeds (Private) Limited	Average growth rate	10%-15%
	Discount rate	10.7%
	Term	5 years (terminal value thereafter)
	Terminal growth rate	3%
	Change required for carrying amount to equal to recoverable amount	24%
Chemanex PLC	Average growth rate	10%-15%
	Discount rate	12.0%
	Term	5 years (terminal value thereafter)
	Terminal growth rate	1%
	Change required for carrying amount to equal to recoverable amount - Excluding FVOCI	13%
BioSystems Technologies Limited	Average growth rate	7.5%-10%
	Discount rate	10.0%
	Term	5 years (terminal value thereafter)
	Terminal growth rate	1%
	Change required for carrying amount to equal to recoverable amount	23%
Asiavet Life Science (Private) Limited	Average growth rate	15%-20%
	Discount rate	14.0%
	Term	5 years (terminal value thereafter)
	Terminal growth rate	3.0%
	Change required for carrying amount to equal to recoverable amount	7%

**20.2** The Company/Group capitalised the ERP implementation cost as at the year-end. This will be depreciated over 10 years.

**20.3** There has been no permanent impairment of intangible assets that requires provision.

## NOTES TO THE FINANCIAL STATEMENTS

### 21. DEFERRED TAX

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	91,436	235,624	1,598,940	1,858,397
Amount origination / (reversal) of temporary differences				
Recognised in profit or loss	(105,741)	(126,418)	(213,007)	(197,038)
Recognised in other comprehensive income	71,947	(17,770)	256,597	(62,419)
At the end of the year	57,642	91,436	1,642,530	1,598,940
Deferred tax asset	-	-	18,081	251,312
Deferred tax liabilities	57,642	91,436	1,660,611	1,850,252
Net liability	57,642	91,436	1,642,530	1,598,940

#### B. Movement in Deferred Tax Balances

##### Company

2025	Balance at 31 March					
	Net balances as at 01st April Rs'000	Recognised in Profit or loss Rs'000	Recognised in OCI Rs'000	Net Rs'000	Deferred tax assets Rs'000	Deferred tax liabilities Rs'000
Property plant & equipment	196,632	(4,541)	-	192,091	-	192,091
Revaluation reserves	383,059	-	89,131	472,190	-	472,190
Right-of-use assets	15,878	(1,656)	-	14,222	-	14,222
Lease liability	(21,977)	938	-	(21,039)	(21,039)	-
Provision for obsolete and slow moving inventories	(156,103)	(17,177)	-	(173,280)	(173,280)	-
Provision for impairment of trade receivables	(104,016)	(41,949)	-	(145,965)	(145,965)	-
Other provisions	(120,120)	(18,585)	-	(138,705)	(138,705)	-
Retirement benefit obligations	(101,917)	(22,771)	(17,184)	(141,872)	(141,872)	-
<b>Net liabilities/(assets)</b>	<b>91,436</b>	<b>(105,741)</b>	<b>71,947</b>	<b>57,642</b>	<b>(620,861)</b>	<b>678,503</b>

## Company

2024	Net balances as at 01st April Rs'000	Recognised in Profit or loss Rs'000	Recognised in OCI Rs'000	Balance at 31 March		
				Net Rs'000	Deferred tax assets Rs'000	Deferred tax liabilities Rs'000
Property plant & equipment	239,316	(42,684)	-	196,632	-	196,632
Revaluation reserves	383,059	-	-	383,059	-	383,059
Right-of-use assets	17,534	(1,656)	-	15,878	-	15,878
Lease liability	(22,818)	841	-	(21,977)	(21,977)	-
Provision for obsolete and slow moving inventories	(121,138)	(34,965)	-	(156,103)	(156,103)	-
Provision for impairment of trade receivables	(96,422)	(7,594)	-	(104,016)	(104,016)	-
Other provisions	(95,925)	(24,195)	-	(120,120)	(120,120)	-
Retirement benefit obligations	(67,982)	(16,165)	(17,770)	(101,917)	(101,917)	-
<b>Net liabilities/(assets)</b>	<b>235,624</b>	<b>(126,418)</b>	<b>(17,770)</b>	<b>91,436</b>	<b>(504,133)</b>	<b>595,569</b>

Deferred tax rate is 30%

## Movement in deferred tax balances

## Group

2025	Net balances as at 01st April Rs'000	Recognised in Profit or loss Rs'000	Recognised in OCI Rs'000	Balance at 31 March		
				Net Rs'000	Deferred tax assets Rs'000	Deferred tax liabilities Rs'000
Property plant & equipment	1,322,115	(14,540)	-	1,307,575	-	1,307,575
Revaluation reserves	1,145,224	-	277,107	1,422,331	-	1,422,331
Intangible assets	3,512	(3,998)	-	(486)	(486)	-
Right-of-use assets	50,942	(789)	-	50,153	-	50,153
Lease liability	(16,236)	(7,581)	-	(23,817)	(23,817)	-
Biological assets	131,313	(30,973)	-	100,340	-	100,340
Provision for impairment of trade receivables	(210,592)	(61,066)	-	(271,658)	(271,658)	-
Provision for obsolete and slow moving inventories	(308,900)	(3,022)	-	(311,922)	(311,922)	-
Other provision	(132,295)	(18,538)	-	(150,833)	(150,833)	-
Contract assets	15,734	1,645	-	17,379	-	17,379
Contract liability	(29,437)	(3,907)	-	(33,344)	(33,344)	-
Retirement benefit obligation	(372,440)	(70,238)	(20,510)	(463,188)	(463,188)	-
<b>Net liabilities/(assets)</b>	<b>1,598,940</b>	<b>(213,007)</b>	<b>256,597</b>	<b>1,642,530</b>	<b>(1,255,248)</b>	<b>2,897,778</b>



## NOTES TO THE FINANCIAL STATEMENTS

### Group

2024	Net balances as at 01st April Rs'000	Recognised in Profit or loss Rs'000	Recognised in OCI Rs'000	Balance at 31 March		
				Net Rs'000	Deferred tax assets Rs'000	Deferred tax liabilities Rs'000
Property plant & equipment	1,414,394	(92,279)	-	1,322,115	-	1,322,115
Revaluation reserves	1,145,224	-	-	1,145,224	-	1,145,224
Intangible assets	6,436	(2,924)	-	3,512	-	3,512
Right-of-use assets	17,032	33,910	-	50,942	-	50,942
Lease liability	(10,017)	(6,219)	-	(16,236)	(16,236)	-
Biological assets	128,771	2,542	-	131,313	-	131,313
Provision for impairment of trade receivables	(223,872)	13,280	-	(210,592)	(210,592)	-
Provision for obsolete and slow moving inventories	(242,550)	(66,350)	-	(308,900)	(308,900)	-
Other provision	(101,072)	(31,223)	-	(132,295)	(132,295)	-
Contract assets	12,489	3,245	-	15,734	-	15,734
Contract liability	(26,589)	(2,848)	-	(29,437)	(29,437)	-
Retirement benefit obligation	(261,849)	(48,172)	(62,419)	(372,440)	(372,440)	-
<b>Net liabilities/(assets)</b>	<b>1,858,397</b>	<b>(197,038)</b>	<b>(62,419)</b>	<b>1,598,940</b>	<b>(1,069,900)</b>	<b>2,668,840</b>

The rate use for Deferred Tax computation given in Note 12.6

### Deferred Tax Effect of Temporary Differences

Company	2025		2024	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Property plant & equipment	640,305	192,091	655,444	196,632
Revaluation reserves	1,573,969	472,190	1,276,866	383,059
Right-of-use assets	47,400	14,222	52,923	15,878
Provision for obsolete and slow moving inventories	(577,598)	(173,280)	(520,340)	(156,103)
Provision for impairment of trade receivables	(486,554)	(145,966)	(346,722)	(104,016)
Other provisions	(462,338)	(138,701)	(400,394)	(120,120)
Retirement benefit obligation	(472,913)	(141,874)	(339,729)	(101,917)
Net tax assets/(liabilities)	262,271	78,682	378,047	113,413
Lease liability	(70,132)	(21,040)	(73,260)	(21,977)
<b>Net liabilities</b>		57,642		91,436

Group	2025		2024	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Property plant & equipment	5,028,223	1,307,575	5,045,710	1,322,115
Revaluation reserves	4,857,097	1,422,331	3,919,983	1,145,224
Intangible assets	(693)	(486)	24,175	3,512
Biological assets	338,065	100,340	551,200	131,313
Other provision	(502,930)	(150,833)	(440,987)	(132,295)
Right-of-use assets	185,433	50,153	204,811	50,942
Lease liability	(79,390)	(23,817)	(73,587)	(16,236)
Contract liability	57,932	(33,344)	(98,123)	(29,437)
Contract assets	(111,146)	17,379	52,444	15,734
Provision for impairment of trade receivables	(995,262)	(271,658)	(682,431)	(210,592)
Provision for obsolete and slow moving inventories	(1,087,342)	(311,922)	(1,176,390)	(308,900)
Retirement benefit obligations	(1,543,960)	(463,188)	(1,300,694)	(372,440)
<b>Net liabilities</b>		1,642,530		1,598,940

Deferred tax has been computed using respective income tax rates of the companies within the group.

#### D. Unrecognised Deferred Tax Assets

As at 31st March	2025		2024	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Company/Group				
Accumulated tax losses	303,873	91,162	875,189	262,557

Accumulated tax losses will be expired by 31.03.2026

Deferred tax asset has not been recognised in respect of the Group's brought forward tax losses as at 31st March 2025 amounting to Rs.303.87Mn (2024-Rs.875.19Mn) since it is not probable that the future taxable profit will be available against which the Group can use the benefit therein.

Recognised deferred tax asset on accumulated tax losses has been recognised only upto the extent of forecasted future taxable profit.

#### E. Unremitted income from subsidiaries and associates

The Group has determined that the undistributed profits of its subsidiaries or associate will not be distributed in the foreseeable future. The Group has an agreement with its associate that the profit of the associate will not be distributed until it obtains the consent of the Group. The Group does not anticipate giving such consent at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

### 22. INVESTMENT IN SUBSIDIARIES

#### Acquisition of subsidiary

Identifiable assets acquired and liabilities assumed

#### Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, Plant & Equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate.  Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible Assets	The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by any cash flows related to contributory assets.
Inventories	Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

#### A

As at 31st March	Market Value Rs. Mn	Holding %	2025		2024	
			No. of Shares	Cost Rs. '000	No. of Shares	Cost Rs. '000
Company						
Quoted						
Chemanex PLC	1,222.66	50.55	7,939,373	136,683	7,939,373	136,683
	1,222.66		7,939,373	136,683	7,939,373	136,683
Unquoted - Subsidiaries						
Crop Management Services (Private) Limited.		100.00	780,000	202,144	780,000	202,144
CISCO Speciality Packaging (Private) Limited.		50.00	5,525,005	55,250	5,525,005	55,250
CIC Agri Businesses (Private) Limited		67.68	10,720,001	263,135	10,720,001	263,135
Colombo Industrial Agencies Limited.		85.56	855,598	15,505	855,598	15,505
CIC Feeds (Private) Limited		82.44	3,710,000	217,434	3,710,000	217,434
Link Natural Products (Private) Limited.		86.13	6,833,834	1,937,600	6,833,834	1,937,600
CIC CropGuard (Private) Limited		100.00	500,001	5,005	500,000	5,000
CIC Lifesciences Limited		99.89	132,625,435	191,205	132,625,435	191,205
Unipower (Private) Limited		100.00	538,000	427,675	538,000	427,675
CIC Properties (Private) Limited		100.00	4,500,000	45,000	4,500,000	45,000
Asiavet Lifesence (Private) Limited		100.00	2,750,100	463,824	2,750,100	463,824
CIC Dairies (Private) Limited		14.15	8,050,000	80,500	8,050,000	80,500
Precision Agricultural Technologies (Private) Limited		60.00	840,000	8,400	840,000	8,400
				4,049,360		4,049,355
Provision for impairment of subsidiaries				(282,100)		(314,400)
Total				3,767,260		3,734,955

- i) During the year, the Company has made an additional provision of Rs.30.50Mn against its investment in CIC Dairies (Private) Limited. This has increased the total provision against the said investment to Rs.80.5 Mn. Further, provision made for the investment in CIC Agri Businesses (Private) Limited amounting to Rs. 62.8Mn was reversed due to its recovery.
- ii) In 2023/24, the company capitalised its advance given to CIC Dairies (Private) Limited amounting to Rs.80.5Mn. Accordingly, CIC acquired 14.15% of CIC Dairies (Private) Limited. Further, Company impaired the said investment due to the negative net assets position.
- iii) In 2020/21, the Company has made an additional provision of Rs.37.0Mn against its investment in CIC Properties (Private) Limited. This has increased the total provision against the said investment to Rs.45.0 Mn.
- Further, other investments were also tested for impairment and no provision was required. Moreover, based on the evaluation performed by the management, no additional impairment is required due to the effect of macro economic changes.
- iv) In 2017/18, 2018/19 and 2019/20, the Company has made a provision of Rs.8Mn and Rs.148.2Mn on the investment in CIC Properties (Private) Limited and Crop Management Services (Private) Limited due to reduction of net assets.
- v) In 2017/18, the Company has made a provision of Rs.8.4Mn on the investment of CIC Precision Agricultural Technologies (Private) Limited due to the re-assignment of promotion of latest agricultural technologies to the respective entities of CIC Agri Businesses Group
- vi) Breakup of the provision for impairment of subsidiaries is as follows

As at 31st March	Group	
	2025 Rs.Mn	2024 Rs.Mn
Crop Management Services (Private) Limited	148,200	148,200
Precision Agriculture Technologies (Private) Limited	8,400	8,400
CIC Properties (Private) Limited	45,000	45,000
CIC Agri Businesses (Private) Limited	-	62,800
CIC Dairies (Private) Limited	80,500	50,000
Total	282,100	314,400

viii) The subsidiaries of the Company are incorporated in Sri Lanka.

ix) The Company has neither contingent liabilities nor capital commitment in respect of subsidiaries

x) The main activities of the subsidiary companies are given in pages 156 to 159.

#### B. Inter Company Shareholdings

As at 31st March	Investee	2025		2024	
		% Holding	Number of Shares	% Holding	Number of Shares
Chemanex PLC	CIC Feeds (Private) Limited	11.11	500,000	11.11	500,000
CIC Agri Businesses (Private) Limited	Chemanex PLC	2.84	444,604	2.84	444,604
Crop Management Services	CIC Feeds (Private) Limited	6.44	290,100	6.44	290,100

## NOTES TO THE FINANCIAL STATEMENTS

### C. Material Non Controlling Interest

The group has assessed each subsidiary that has non-controlling interest based on contributions made to the group revenue, profit, total assets and net assets. Following table summarises the information relating to the subsidiary which has a material non-controlling interest.

As at 31st March	CIC Agri Businesses (Private) Limited GROUP	
	2025 Rs.Mn	2024 Rs.Mn
NCI percentage	32.30%	32.30%
Non-current assets	2,572,190	2,164,423
Current assets	13,753,698	10,551,832
Non - current liabilities	760,539	611,054
Current liabilities	7,758,283	5,866,194
Profit after tax	1,648,356	1,549,521
Net cash flows generated from/(used in) operating activities	866,810	(796,440)
Net cash flows used in investing activities	(460,698)	(254,757)
Net cash flows used in financing activities	(48,634)	(216,771)
Net assets attributable to non-Controlling interest	2,521,744	2,016,447

### D. Other individually immaterial subsidiaries

The group has assessed each subsidiary that has non-controlling interest based on contributions made to the group revenue, Following table summarises the information relating to the subsidiary which do not have a material non-controlling interest.

As at 31st March	2025 Rs.Mn	
	2025 Rs.Mn	2024 Rs.Mn
Non-current assets	11,016,739	8,461,867
Current assets	11,067,642	10,398,670
Non-current liabilities	2,278,505	2,171,889
Current liabilities	5,086,504	4,669,773
Profit after tax	2,437,601	3,009,111
Net cash flows generated from/(used in) operating activities	3,146,053	6,773,249
Net cash flows used in investing activities	(2,987,848)	(826,567)
Net cash flows (used in)/ generated financing activities	429,649	(860,408)
Net assets attributable to non-Controlling interest	3,785,498	3,085,289

### E. Acquisition of NCI

During the financial year 2023/24, Group acquired 2.5% of Colombo Industries Agencies Limited and 2.52% of Link Natural Products (Private) Limited.

As at 31st March	Colombo Industrial Agencies Limited Rs.000	Link Natural Products (Private) Limited Rs.000	Total Rs.000
Net assets on the date of acquisition	303,173	5,501,110	5,804,283
Carrying amount of NCI acquired	7,579	138,844	146,423
Consideration paid to NCI	6,375	200,000	206,375
A (decrease)/increase in equity attributable to owners of the Company	1,204	(61,156)	(59,952)
The decrease in equity attributable to owners of the Company comprised;			
a decrease in retained earnings			(73,126)
an increase in revaluation reserve			13,174
			59,952

#### F. Debt capitalisation of a subsidiary

On 31st March 2024, CIC Dairies (Private) Limited, 50.5% of its shares owned by CIC Agri Businesses (Private) Limited and 49.5% owned by CIC Crop Management Services (Private) Limited capitalised its existing inter company loans and advances amounting to Rs.369Mn. Accordingly, new ownership structure is as follows and it generated a gain of Rs.36.24Mn to the retained earnings. CIC Dairies (Private) Limited issued additional shares and the below table provides the new shareholding structure.

Shareholder	Number of shares after the debt capitalisation	Shareholding % after the debt capitalisation
CIC Agri Businesses (Private) Limited	30,100,000	52.90%
CIC Seeds (Private) Limited	8,850,000	15.55%
CIC Holdings PLC	8,050,001	14.15%
Crop Management Services (Private) Limited	9,899,999	17.40%
	56,900,000	

	Rs.000
Gain allocated to NCI in CIC Agri Businesses (Private) Limited	192,623
Amount capitalised by CIC Holdings PLC	(80,500)
Net gain allocated to NCI	112,123
Effective NCI of CIC Agri Businesses (Private) Limited	32.32%
Gain to the Group	36,242

Below table summaries the financial position of CIC Dairies (Private) Limited as at 31st March 2024

	Rs.000
Non-current assets	305,588
Current assets	203,163
Total assets	508,751
Equity	(55,528)
Non-current liabilities	52,020
Current liabilities	512,259
Total Equity & liabilities	508,751

## NOTES TO THE FINANCIAL STATEMENTS

### 23. EQUITY ACCOUNTED INVESTEEES

As at 31st March	Holding %	2025 No. of Shares	Cost Rs.'000	2024 No. of Shares	Cost Rs.'000
<b>Company</b>					
<b>Unquoted</b>					
Akzo Nobel Paints Lanka (Private) Limited					
Ordinary Shares	49.37	2,340,000	23,400	2,340,000	23,400
Non-Voting Shares	100.00	1,260,000	12,600	1,260,000	12,600
CIC Grains (Private) Limited	49.00	26,313,000	263,131	26,313,000	263,131
JKH Holdings PLC	5.12	902,870,000	17,087,199	85,400,926	16,276,019
Provision for impairment of equity accounted investees			(263,131)		(263,131)
<b>Total</b>			<b>17,123,199</b>		<b>16,312,019</b>
<b>Group</b>					
<b>Unquoted</b>					
Akzo Nobel Paints Lanka (Private) Limited					
Ordinary Shares		2,340,000	23,400	2,340,000	23,400
Non-Voting Shares		1,260,000	12,600	1,260,000	12,600
Group share of net assets on deemed disposal		-	280,922	-	280,922
Rainforest Ecolodge (Private) Limited.		9,950,868	99,510	9,950,868	99,510
Rahimafrooz CIC Agro Limited		212,928	32,573	212,928	32,573
John Keells Holdings PLC		1,237,358,093	23,416,654	100,527,141	19,157,561
			<b>23,865,659</b>		<b>19,606,566</b>
Share of equity accounted investees retained earnings			<b>1,734,025</b>		<b>1,342,250</b>
Share of equity accounted investees other reserves			<b>14,875</b>		<b>14,875</b>
Share of losses absorbed -Rahimafrooz CIC Agro Limited			<b>(32,573)</b>		<b>(32,573)</b>
Gain on bargain purchase of John Keells Holdings PLC			<b>5,795,658</b>		<b>5,355,562</b>
Loss on dilution of investment in John Keells Holdings PLC			<b>(2,026,826)</b>		<b>(1,080,557)</b>
<b>Total</b>			<b>29,350,818</b>		<b>25,206,123</b>

#### 23.1 Investment in John Keells Holdings PLC (JKH)

CIC Holdings PLC has entered into an agreement on the 06th October 2023 with Paints & General Industries Limited and its major shareholder Mr. Sohli Captain and several companies held by him and Mr.Rusi Captain whereby they have granted CIC an irrevocable unconditional proxy over their voting rights from their shareholdings in JKH to CIC for a period of ten (10) years. The shares which are the subject matter of this agreement aggregate at present to approximately 16.02% of the issues shares of JKH.

Accordingly with the said agreement CIC approximately holds 23.05% of the voting rights in JKH As at 31st March 2025.

As per paragraph 5 of LKAS 28 - Investments in Associates and Joint Ventures, Significant Influence is presumed to exist when an investor holds, directly or indirectly (e.g. through subsidiaries), 20 percent or more of the voting power of another entity. As described in the proceeding paragraph, CIC now holds approximately 23.05% of the voting rights in JKH through the contractual agreement. Accordingly, CIC has determined that CIC exercises significant influence on JKH and therefore, permitted to treat JKH as an associate company in terms of Sri Lanka Accounting Standards, only to the extent of the percentage of shares effectively held by CIC in JKH.



Thus, CIC applied equity accounting only in respect of CIC and its subsidiaries' holding in JKH, from the quarter ending 31st December 2023. During the financial year 2024/25, gain on bargain purchase amounting to Rs.440 Mn as given below.

Rs'000	Stated capital	Revenue reserves	Other components of equity	Net assets
As at 30 June 2024	91,240,260	128,887,450	137,560,210	357,687,920
Net assets attributable to CIC Group - 30 June 2024	23,713	33,498	35,752	92,963
As at 30 September 2024	91,250,146	130,365,591	134,619,151	356,234,888
Net assets attributable to CIC Group - 30 September 2024	7,992	11,290	19,901	39,183
As at 31 December 2024	115,327,062	132,527,069	137,242,974	385,097,105
Net assets attributable to CIC Group - 31 December 2024	2,354,003	513,857	944,157	3,812,017
As at 31 March 2025	126,692,117	134,508,683	137,877,626	399,078,426
Net assets attributable to CIC Group - 31 March 2025	613,736	107,011	34,272	755,026
Net assets attributable				4,699,189
Cost of the investment				4,259,093
Gain on bargain purchase				440,096

### 23.2 Loss on dilution of investment in John Keells Holdings PLC

Share dilution due to debenture conversion, employee share based payment and exercise of share option by JKH holdings PLC during the quarter ended 30th June 2024 and quarter ended 31st March 2025., CIC Holdings Group share holding percentage got diluted. Accordingly a loss of dilution of Rs.946.27 was charged to the Income Statement.

Rs'000	As at 30th June 2024	As at 31st March 2025	Total
Net assets applicable to CIC Group before dilution	23,950,292	28,052,415	-
Net assets applicable to CIC Group after dilution	23,930,685	27,125,753	-
Loss on dilution of investment in John Keells Holdings PLC	(19,607)	(926,662)	(946,269)

**23.3** Except for Rahimafrooz CIC Agro Limited incorporated in Bangladesh, all the other equity accounted investees are incorporated in Sri Lanka.

**23.4** Though the Group continues to hold 49% of Rahimafrooz CIC Agro Limited, management has decided to withdraw from the operations carried out by the investee. In having withdrawn from the joint venture, the Group has been unable to obtain the information pertaining to the losses incurred by Rahimafrooz CIC Agro Limited as well as information pertaining to assets/ liabilities as at the reporting date and for the previous year, amounts relating to the year 2015 have been disclosed herein.

As at 31st March	2015 Rs. '000
Current assets	356,699
Non current assets	10,920
Current liabilities	(473,943)
Non current liabilities	(124,089)
Net assets	(230,413)

## NOTES TO THE FINANCIAL STATEMENTS

**23.5** The main activities of the equity accounted investees are given in pages 156 to 159. Registered business place of Rainforest Ecolodge (Private) Limited is Aitken Spence Tower 02, Vauxhall Street, Colombo 02 and AkzoNobel Paints Lanka (Private) Limited is located at Level 10, Maga one, 200, Nawala Road, Narahenpita, Colombo 05.

**23.6** The Group has neither contingent liabilities nor capital commitments in respect of equity accounted investees.

**23.7** In 2018/19 Directors of CIC Holdings PLC and CIC Agri Businesses (Private) Limited decided to impair its investment in Cropwiz (Private) Limited amounting to Rs.125.11Mn and Rs.78.19Mn due to the reduction of net assets.

**23.8** CIC Grains (Private) Limited made losses which reduced its net assets to negative Rs.170.85Mn. Therefore in 2017/18 the Directors of CIC Holdings PLC and CIC Agri Businesses (Private) Limited decided to fully impair the investment made in the respective entities i.e. Rs. 263.13Mn and Rs. 273.87Mn respectively.

### 23.9 Summarised financial information of equity accounted investees.

As at 31st March	Group	
	2025 Rs. '000	2024 Rs. '000
Revenue	325,703,680	270,395,588
Expenses	(317,812,655)	(257,480,371)
Profit after tax	7,891,025	12,915,217
Non- current assets	659,464,744	597,901,074
Current assets	191,470,673	178,125,350
Total assets	850,935,417	776,026,424
Non- current liabilities	275,101,902	261,907,906
Current liabilities	155,069,891	134,615,786
Total liabilities	430,171,793	396,523,692
Net assets	420,763,624	379,502,732

### 23.10 The below table reconciles the summarised financial information to the carrying amount of the Groups's interest in Associates.

As at 31st March	Group	
	2025 Rs. '000	2024 Rs. '000
At the beginning of the year	25,206,123	1,264,307
Transferred from fair value through OCI	-	17,408,652
Addition	4,259,093	1,748,909
Gain on bargain purchase	440,096	5,355,562
Loss on dilution of investment	(946,269)	(1,080,557)
Share of profit of equity accounted investees	897,796	1,169,220
Share of other comprehensive income	55,690	(67,957)
Dividend received	(584,771)	(592,013)
Adjustment on dividend to NCI	23,059	-
At the end of the year	29,350,818	25,206,123

## 24. EQUITY INVESTMENT AT FAIR VALUE THROUGH OCI

The Company designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Company intends to hold for strategic purpose. No strategic investments were disposed during 2023/24 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Carrying value at the beginning of the year	-	5,145,507	150	5,153,595
Additions	-	6,474,514	-	6,474,514
Fair value gain/ (loss)	-	2,993,637	-	2,996,501
Transfer to equity accounted investee	-	(14,613,658)	-	(14,624,460)
Carrying value at the end of the year	-	-	150	150

As at 31st March	2025			2024		
	No of shares	Share Price (Rs)	Fair Value Rs. '000	No of shares	Share Price (Rs)	Fair Value Rs. '000
<b>Group</b>						
<b>Quoted</b>						
Muller & Phipps (Ceylon) PLC	300	1	-	300	1	-
John Keels Holdings PLC	-	-	-	-	-	-
			-			-
<b>Unquoted</b>						
Equity Investments (Lanka) Limited	15,000	10	150	15,000	10	150
			150			150
Total			150			150

The fair value of financial instruments traded in active market is based on quoted market prices as at the reporting date. The disclosures relating to fair value measurement are given in Note 3.20 to the Financial Statements.

## 25. INVENTORIES

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Raw materials and consumables	1,395,456	1,257,482	10,538,964	8,075,674
Packing Materials	-	-	555,158	2,498,721
Work-in-progress	20,949	106,479	823,826	862,624
Finished goods	4,880,907	3,855,183	8,692,362	7,701,014
Goods-in-transit	362,228	485,911	1,579,975	675,572
	6,659,540	5,705,055	22,190,285	19,813,605
Provision for obsolete and slow moving inventories (Note 25.1)	(577,597)	(520,339)	(1,471,294)	(1,364,564)
Total	6,081,943	5,184,716	20,718,991	18,449,041

Inventories are stated at cost or net realisable value, whichever is lower. The breakup of the carrying value of inventories is as follows:

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At cost	6,081,943	5,184,716	20,718,991	18,449,041
At net realisable value	-	-	-	-
Total	6,081,943	5,184,716	20,718,991	18,449,041

### 25.1 Provision for obsolete and slow moving inventories

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	520,339	403,791	1,364,564	1,116,248
Provision made during the year	130,718	128,131	424,194	473,107
Write off during the year	(73,460)	(11,583)	(317,464)	(224,791)
At the end of the year	577,597	520,339	1,471,294	1,364,564

**25.2** The Group has obtained bank facilities on the negative pledge on inventories.

### 26. TRADE RECEIVABLES

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade receivables from Group Companies (Note 26.1)	74,673	3,032	-	-
Other trade receivables	5,780,522	3,989,800	12,871,328	9,921,451
Bills receivable	-	-	257,472	246,464
Total	5,855,195	3,992,832	13,128,800	10,167,915
Less : Provision for impairment for trade receivables (Note 26.2)	(710,384)	(570,552)	(1,140,932)	(930,382)
Total	5,144,811	3,422,280	11,987,868	9,237,533

\* Bank facilities have been obtained on negative pledge on trade receivables.

\*\* Trade receivables have increased mainly due to the increase in turnover and it does not have a material impact on the loss allowance as the debtors are within the average credit period.

#### 26.1 Trade Receivables from Group Companies

As at 31st March	Company	
	2025 Rs.'000	2024 Rs.'000
CIC Agri Businesses (Private) Limited	14,891	-
Link Natural Products (Private) Limited	57,910	-
CIC Diaries (Private) Limited	794	-
CIC Feeds (Private) Limited	30	542
CIC Dairies (Private) Limited	-	887
CIC Poultry Farms Limited	587	1,401
CISCO Specialty Packaging (Private) Limited	461	202
Total	74,673	3,032

## 26.2 Provision for impairment for trade receivables

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	570,552	512,679	930,382	989,279
Provision made during the year	139,832	87,459	233,461	11,952
Written off during the year	-	(29,586)	(22,911)	(70,849)
At the end of the year	710,384	570,552	1,140,932	930,382

There is no material expense incurred for the recovery of written off debtors

## 26.3 Trade Receivables Currency-wise

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sri Lankan Rupees	5,721,039	3,827,757	12,716,030	9,975,624
US Dollars	134,156	165,075	268,974	192,173
Euro	-	-	143,796	118
Total	5,855,195	3,992,832	13,128,800	10,167,915

## 27. OTHER RECEIVABLES

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Non trade receivables from Group companies (Note 27.1)	86,896	121,875	-	-
Other non trade receivables (Net)	720,308	1,009,776	2,432,804	2,074,626
Subsidy receivable	-	-	1,437,448	1,294,029
VAT Receivable	5,677	17,534	94,859	71,591
Income Tax receivable (Note 37 )	-	-	31,318	712
Loans to employees	10,317	10,478	29,346	29,954
Pre-paid staff cost	-	-	6,697	8,344
	823,198	1,159,663	4,032,472	3,479,256
Less : Provision for impairment of other receivables (note 27.3)	(163,810)	(149,074)	(202,935)	(160,959)
Total	659,388	1,010,589	3,829,537	3,318,297

## NOTES TO THE FINANCIAL STATEMENTS

**27.1** Short term loans granted to subsidiaries include Rs. 55Mn of CIC Properties (Private) Limited at an interest rate of 12.26%.which is payable on demand This is loan has been fully impaired.

### 27.2 Non Trade Receivable from Group Companies

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Chemanex PLC	13,531	19,614
CIC Agri Businesses (Private) Limited	16,711	15,687
CISCO Speciality Packaging (Private) Limited	-	4,630
CIC Feeds (Private) Limited	2,527	23,031
CIC CropGuard (Private) Limited	27,499	32,970
Crop Management Services (Private) Limited	-	218
CIC Vetcare (Private) Limited	1,714	-
CIC Lifescineces Limited	5,214	-
CIC Agri Produce Export (Private) Limited	1,817	1,808
CIC Agri Produce Marketing (Private) Limited	176	155
CIC Grains (Private) Limited	2,363	1,898
CIC Seeds (Private) Limited	1,723	996
CIC Dairies (Private) Limited	7,783	86
CIC Dairy Breeding & Management (Private) Limited	2,238	2,238
Cropwiz (Private) Limited	-	10
CIC Poultry Farms (Private) Limited	734	-
Link Natural Products (Private) Limited	3,722	17,845
Bio System Technologies Limited	-	164
Unipower (Private) Limited	4,833	3,459
Total	92,585	124,809
Less: Provision for impairment	(5,689)	(2,934)
Total	86,896	121,875

### 27.3 Provision for impairment of non-trade receivable from Group Companies

As at 31st March	Company	
	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	2,934	1,635
Provision made during the year	2,755	1,299
At the end of the year	5,689	2,934

### 27.4 Provision for impairment of other receivables

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	149,074	184,745	160,959	211,985
Provision made during the year	14,736	69,220	41,976	69,220
Write-off during the year	-	(104,891)	-	(120,246)
At the end of the year	163,810	149,074	202,935	160,959

### 27.5 Inter company loan

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
CIC Properties (Private) Limited	55,000	55,000
	55,000	55,000
Less: Provision for impairment	(55,000)	(55,000)
Total	-	-

Company has lend its funds at opportunity interest rate plus additional 1% to its group companies.

A.

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
CIC Properties inter company receivables		
Balance as at	-	-
Payment	1,143	499
Provision (charge)/ reversal	(1,143)	(499)
	-	-

### 28. Equity Investment at Fair value through OCI

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Carrying value at the beginning of the year	40,059	27,922	287,267	2,033,291
Additions	743	904	5,294	242,001
Fair value gain/(loss)	27,580	11,233	203,441	796,167
Transfer to investment in equity accounted investees	-	-	-	(2,784,192)
Carrying value at the end of the year	68,382	40,059	496,002	287,267

As at 31st March	2025			2024		
	Share Price (Rs.)	No of shares 'Rs. '000	Fair value 'Rs. '000	Share Price (Rs.)	No of shares 'Rs. '000	Fair value 'Rs. '000
Company						
Quoted						
Ceylon Hospitals PLC	127.50	5,979	762	119.75	5,979	716
Renuka Agri Foods PLC	3.40	155,611	529	3.70	155,611	576
Hatton National Bank PLC- Voting	305.00	202,120	61,647	180.00	197,992	35,639
Hatton National Bank PLC - Non-Voting	255.25	21,330	5,444	150.25	20,821	3,128
Total			68,382			40,059



## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	Share Price (Rs.)	2025 No of shares 'Rs. '000	Fair value 'Rs. '000	Share Price (Rs.)	2024 No of shares 'Rs. '000	Fair value 'Rs. '000
<b>Group</b>						
<b>Quoted</b>						
Ceylon Hospitals PLC	127.50	5,979	762	119.75	5,979	716
Renuka Agri Foods PLC	3.40	155,611	530	3.70	155,611	576
Hatton National Bank PLC- Voting	305.00	1,604,148	489,266	180.00	1,571,373	282,847
Hatton National Bank PLC - Non-Voting	255.25	21,330	5,444	150.25	20,821	3,128
Total			496,002			287,267

All fair value through OCI financial assets are designated as level 1 in the fair value hierarchy as the mentioned short term investments are all quoted and actively traded in the Colombo Stock Exchange. There have been no transfers between level 1 and level 2 during the year.

### 29. CASH AND CASH EQUIVALENTS

#### 29.1 Favourable cash and cash equivalents

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash and bank balances	1,359,854	590,361	2,771,636	2,105,017
Short term deposits	-	-	2,273,837	3,311,019
	1,359,854	590,361	5,045,473	5,416,036
Cash and cash equivalents classified as assets held for sale	-	-	-	10,018
Cash and cash equivalents classified as assets held for distribution	-	-	55,332	53,766
	1,359,854	590,361	5,100,805	5,479,820

#### 29.2 Unfavourable cash and cash equivalents

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Bank overdraft	(313,417)	(409,924)	(1,368,958)	(923,883)
Short term bank loans	(18,988,124)	(17,794,194)	(24,559,058)	(24,054,418)
	(19,301,541)	(18,204,118)	(25,928,016)	(24,978,301)
Interest bearing short-term borrowings for the purpose of cash flow statement				
Cash and cash equivalents for the purpose of cash flow statements	(17,941,687)	(17,613,757)	(20,827,211)	(19,498,481)

### 30. STATED CAPITAL

As at 31st March	Company			
	2025 No. of Shares	2025 Rs.	2024 No. of Shares	2024 Rs.
Ordinary Shares				
As at the beginning of the year	291,600,000	789,750,000	291,600,000	789,750,000
As at the end of the year	291,600,000	789,750,000	291,600,000	789,750,000
Non-Voting (Class X ) Shares				
As at the beginning of the year	87,480,000	218,700,000	87,480,000	218,700,000
As at the end of the year	87,480,000	218,700,000	87,480,000	218,700,000
Total	379,080,000	1,008,450,000	379,080,000	1,008,450,000

The holders of Ordinary shares (Voting) are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 05th January 2021, a special resolution stating sub-division of shares has been duly passed by the shareholders unanimously at the Extra Ordinary General Meeting of the Company held on the said date. Accordingly, number of shares of the Company, after the subdivision is as follows:

As at 31st March	Ordinary Shares	Non-Voting (Class-X) Shares	Total Shares
No of shares prior to the sub-division	72,900,000	21,870,000	94,770,000
No of shares after the sub-division	291,600,000	87,480,000	379,080,000

### 31. CAPITAL RESERVES

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	950,240	1,716,062	2,412,465	3,165,113
Surplus on revaluation	297,103		843,376	
Realization of capital reserve on account of disposal of Asset Held for sale	-	(765,822)	-	(765,822)
Deferred tax on revaluation of land	(89,131)	-	(242,572)	-
Adjustment due to change in holding	-	-	-	13,174
At the end of the year	1,158,212	950,240	3,013,269	2,412,465

Capital reserves consist of revaluation reserve and reserve on scrip issue.

Revaluation reserve relates to revaluation of lands and represents the increase in the fair value of the lands.

Reserve on scrip issue is originated from post-acquisition scrip issues made by the subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

### 32. REVENUE RESERVES

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Summary				
General reserves	782,604	782,604	720,306	720,306
Retained earnings	9,510,157	9,150,978	35,289,971	30,785,659
Fair value reserves	24,438	(3,142)	87,585	(33,740)
	10,317,199	9,930,442	36,097,862	31,472,225

Revenue reserves comprises of retained earnings, general reserves and fair value reserves.

General reserve is the amount appropriated by the Board of Directors.

The fair value reserve arises on the fair value change of financial assets recognised in the other comprehensive income.

### 33. LOANS AND BORROWINGS

#### 33.1 Loans and borrowings repayable after one year

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Bank loans (Note 33.2)	1,487,926	-	1,487,926	-
Lease liabilities relating to right of use asset (Note 33.3)	66,643	70,132	412,983	399,988
	1,554,569	70,132	1,900,909	399,988

#### 33.2 Bank Loans

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	-	-	2,700	59,758
Obtained during the year	2,000,000	-	2,000,000	100,000
Repayments during the year	(151,588)	-	(154,288)	(157,058)
At the end of year	1,848,412	-	1,848,412	2,700
Less: Repayable within one year	(360,486)	-	(360,486)	(2,700)
Repayable after one year	1,487,926	-	1,487,926	-

There are no bank loans payable after five years in the Company or Group.

#### 33.3 Lease liability relating to ROU asset

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	73,260	76,063	444,606	356,127
New lease additions	-	-	79,109	166,921
Interest charge	7,805	8,128	53,954	45,771
Payments	(10,933)	(10,931)	(118,430)	(124,213)
At the end of the year	70,132	73,260	459,239	444,606
Less: Repayable within one year	(3,489)	(3,128)	(46,256)	(44,618)
Repayable after one year	66,643	70,132	412,983	399,988

**33.4 Loans and borrowings repayable within one year from the year end**

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Bank loans	360,486	-	360,486	2,700
Lease liabilities relating to right-of-use asset	3,489	3,128	46,256	44,618
Bank overdrafts	313,417	409,924	1,368,958	923,883
Short term loans	18,988,124	17,794,194	24,559,058	24,054,418
Total	19,665,516	18,207,246	26,334,758	25,025,619

**33.5 Analysis of loans and borrowings payable after one year**

Company	Lender	Interest Rate	Repayment Term	2025 Rs.Mn	2024 Rs.Mn	Security
CIC Holdings PLC	Amana Bank	11.75%	Monthly	1,848.41	-	JKH Shares

**34. RETIREMENT BENEFIT OBLIGATIONS**

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Present value of the gratuity				
At the beginning of the year	339,731	226,615	1,300,694	897,355
Current service cost	43,220	29,073	130,291	94,119
Benefits paid by the plan	(11,481)	(15,980)	(48,889)	(57,730)
Interest cost	44,164	40,790	159,134	155,442
Actuarial (gains)/losses	57,280	59,233	68,515	211,508
As at the end of the year	472,914	339,731	1,609,745	1,300,694

A Retirement benefit cost is recognised in the following line items in the Statements of Profit or Loss and Other Comprehensive Income.

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cost of Sales	1,236	971	50,150	47,105
Distribution expenses	22,603	24,467	63,355	48,180
Administrative expenses	63,545	44,425	175,920	154,276
	87,384	69,863	289,425	249,561
Other comprehensive income	57,280	59,233	68,515	211,508
Total	144,664	129,096	357,940	461,069

## NOTES TO THE FINANCIAL STATEMENTS

The gratuity liability of the Company, and the Group is based on the actuarial valuation carried out by Actuarial and Management Consultants (Private) Limited, a firm of defined benefit plan professional actuaries. The liability is not externally funded and it is a non-contributory defined benefit plan.

B LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefits that employees have earned in return for their service in the current and prior periods and discount that benefit using projected unit credit method in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure.

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Rate of discount	11%	13%
Salary increase	10%	12%
Retirement age	60 Years	60 Years
Staff turnover rate-up to age 54+	14%	13%
Staff turnover rate-after age 54+	0%	0%

Weighted average retirement age of the company is 11.79 Years

Assumptions regarding future mortality are based on a 67/70 mortality table, issued by Institute of Actuaries, London.

A long-term Treasury Bond rate of 11 % p.a. (2024 – 13% p.a.) has been used to discount future liabilities taking into consideration remaining working life of eligible employees. Further, the salary increment rate of 12% is considered appropriate to be in line with the Company's targeted future salary increments when taking into account the current market conditions and inflation rate. The demographic assumptions underlying the valuation with respect to retirement age, early withdrawals from the services and retirement on medical grounds.

### C. Sensitivity of Assumptions Used

A change in discount rate and in salary increase would change in the present value of the retirement benefit obligations as follows:

As at 31st March 2025	Increase by 1%		Decrease by 1%	
	Discount Rate Rs.'000	Future Salary Growth Rs.'000	Discount Rate Rs.'000	Future Salary Growth Rs.'000
Company - The present value change in retirement benefit obligation	(22,791)	27,069	24,979	(25,091)
Group - The present value change in retirement benefit obligation	(73,503)	84,261	81,160	(78,062)

As at 31st March 2024	Increase by 1%		Decrease by 1%	
	Discount Rate Rs.'000	Future Salary Growth Rs.'000	Discount Rate Rs.'000	Future Salary Growth Rs.'000
Company - the present value change in retirement benefit obligations	(16,906)	20,142	18,630	(18,568)
Group - the present value change in retirement benefit obligations	(69,007)	79,233	75,929	(47,006)

D. Below table summarises the maturity profile of the defined benefit obligation

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Within the next 12 months	62,895	42,945	225,274	224,261
Between 1-2years	-	-	46,491	74,812
Between 2-5 years	187,476	127,644	524,958	340,161
Between 5-10 years	151,719	110,435	455,128	356,210
Beyond 10 years	70,824	58,707	357,894	305,250
Total	472,914	339,731	1,609,745	1,300,694

E. Employee benefit expenses

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Wages & Salaries	745,740	589,798	3,058,518	2,572,176
Contributions to defined contributions plan	118,356	94,017	516,884	337,965
Termination benefits	87,384	69,863	289,425	249,561
	951,480	753,678	3,864,827	3,159,702

### 35. GRANTS

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	1,372	1,548
Amortised during the year	(177)	(176)
At the end of the year	1,195	1,372

Grants are amortised over the useful life of the asset. Details of grants are as follows;

Beneficiary	Purpose	Grantor	Carrying Value	
			2025 Rs.'000	2024 Rs.'000
CIC Agri Business (Private) Limited	Dairy development in the Eastern Province	Land O'Lakes, Inc	1,195	1,372
			1,195	1,372

### 36. TRADE PAYABLES

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade payables to Group Companies ( Note 36.1)	109,420	65,675	-	-
Bills payable	2,597,719	2,248,227	5,094,768	3,470,871
Other trade payables	21,718	5,057	1,332,459	1,293,007
Total	2,728,857	2,318,959	6,427,227	4,763,878

## NOTES TO THE FINANCIAL STATEMENTS

### 36.1 Trade Payables to Group Companies

As at 31st March	Company	
	2025 Rs.'000	2024 Rs.'000
CISCO Speciality Packaging (Private) Limited	-	10,322
CIC Seeds (Private) Limited	1,116	-
Link Natural Products (Private) Limited	39,621	2,633
CIC Lifesciences Limited	68,683	52,720
	109,420	65,675

### 36.2 Currency-wise Trade Payable

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
US Dollars	1,857,411	1,669,756	4,154,352	2,671,209
Euros	37,327	42,168	157,764	41,978
Singapore Dollars	118,815	-	118,815	-
Sri Lankan Rupees	715,304	607,035	1,996,296	2,050,691
	2,728,857	2,318,959	6,427,227	4,763,878

### 37. INCOME TAX PAYABLE/ (RECEIVABLE)

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
As at the beginning of the year	82,174	293,879	1,019,745	1,256,787
Provision made during the year				
- continuing operations	415,885	178,666	3,126,032	2,809,954
- discontinued operations	-	-	788	110
Under provisions in respect of previous year	(36,689)	(53,510)	(35,954)	(69,691)
Tax on dividend Income	-	-	(62,100)	(74,250)
Payments made during the year	(74,975)	(336,861)	(2,711,205)	(2,903,165)
As at the end of the year	386,395	82,174	1,337,306	1,019,745
Income tax payable	386,395	82,174	1,368,624	1,020,457
Income tax receivable	-	-	(31,318)	(712)
Total net balance	386,395	82,174	1,337,306	1,019,745

### 38. ACCRUALS AND OTHER PAYABLES

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Other payables to Group Companies (Note 38.1)	51,625	46,422	-	-
Other payables	512,221	341,908	1,769,530	1,909,513
Accruals	595,017	852,986	1,493,429	1,423,209
Total	1,158,863	1,241,316	3,262,959	3,332,722



### 38.1 Other payables to Group Companies

As at 31st March	Company	
	2025 Rs.'000	2024 Rs.'000
Colombo Industrial Agencies Limited	50,690	41,547
CISCO Speciality Packaging (Private)Limited	935	-
CIC Lifescineces Limited	-	4,875
	51,625	46,422

### 39. CAPITAL COMMITMENT

There were no capital commitments, which have been approved or contracted as for the reporting date.

### 40. CONTINGENT LIABILITIES

CIC Feeds (Private) Limited provided Corporate Guarantee of Rs.600Mn to Bank of Ceylon on behalf of its subsidiary CIC Poultry Farms Limited.

#### VAT Assessment Under Tax Appeal Commission (TAC)

Link Natural Products (Private) Limited has received Value Added Tax (VAT) assessments from the Department of Inland Revenue amounting to Rs.1.2Bn, relating to the years of 2018/19, 2019/20, 2020/21 and 2021/22. The assessment primarily concerns the claim of VAT exemption under the First Schedule (xxxiv) (Supply of Ayurvedic preparations) of the VAT Act No.14 of 2002.

The Company has duly appealed against all the assessments to the Commissioner General of Inland Revenue Department (IRD) and has received Determination of Appeals for nine periods of the year 2018/19 as at 31st March 2025 and two periods of the year 2019/20 subsequent to the Balance Sheet date. The Company has duly appealed to the Tax Appeal Commission for the determinations which received for the year 2018/19 and those are in the hearing process. Based on legal advice and the merits of the case, the Board of Directors of Link Natural (Private) Limited believes that it is not probable that an outflow of economic resources will be required to settle the obligation. Accordingly, no provision has been recognized in these financial statements.

- Bank Guarantee submitted to the TAC: Rs.156Mn
- Uncertainties: The timing and outcome of the appeal process remain uncertain.

#### Corporate Income Tax (CIT) Assessment under Commissioner General Level

##### R&D Concession Claim Under Review

Link Natural Products (Private) Limited has received Corporate Income Tax (CIT) assessments from the Department of Inland Revenue amounting to Rs.1.1Bn, relating to the periods of 2018/19, 2019/20, 2020/21 and 2021/22. This is mainly due to disallowing the claim under the R&D concession in line with the section 15 and the sixth schedule of the Inland Revenue Act, No.24 of 2017.

The Company is confident that the claim has been made in accordance with the applicable tax laws and regulations. However, as the matter is still under review and subject to interpretations, the outcome remains uncertain. Based on current legal and tax advice, the Directors are of the view that it is not probable the liability will arise.

- Uncertainties: The review process is ongoing, and the final determination may take time.

There are no material contingent liabilities as at the reporting date, which require adjustment and/or disclosure in the Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 41. EVENTS AFTER THE REPORTING DATE

#### Final dividend deceleration

The Board of Directors has recommended a final dividend of Rs. 2.50 per share amounting to Rs.947.70 Mn on the issued capital of both Ordinary and Non-Voting (Class X) shares which is payable on 21st July 2025, if approved by the Shareholders at the Annual General Meeting.

There are no other material events have taken place as at the reporting date, which require adjustment and/or disclosure in the Financial Statements.

### 42. LEASES

See accounting policy in Note 3.9.

#### 42.1 Leases as lessee (SLFRS 16)

Group has entered in to lease agreements with several parties to use their lands,buildings. A subsidiary has rented out its leased premises to outsiders for a shorter period.

Lessee	Location	Nature	Period
CIC Agri Businesses (Private) Limited	Ratnapura	Office Premises	01/04/2012 -31/03/2027
CIC Agri Businesses (Private) Limited	Galle	Office Premises	01/06/ 2024 -30/05/2026
CIC Agri Businesses (Private) Limited	Kandy	Office Premises	01/07/2020 -30/06/2025
CIC Agri Businesses (Private) Limited	PB- 7995 CAB	Motor Vehicle	01/02/2023 -01/01/2028
CIC Agri Produce Marketing (Private) Limited	Pelwehera	Land (100 acres)	02/07/2008 - 02/07/2038
CIC Seeds (Private) Limited	Hingurakgoda	Land/Farm	8/17/1998 - 8/16/2048
CIC Seeds (Private) Limited	Pelwehera	Land/Farm	8/31/2001 - 8/30/2051
CIC Seeds (Private) Limited	Talawa	Land/Farm	11/13/2002 - 11/12/2032
CIC Seeds (Private) Limited	Jawatta	Sales Outlet	5/1/2021 - 4/30/2026
CIC Seeds (Private) Limited	NCC	Sales Outlet	7/1/2022 - 6/30/2027
CIC Seeds (Private) Limited	Ex way Side A	Sales Outlet	4/1/2022 - 3/31/2027
CIC Seeds (Private) Limited	Ex way Side B	Sales Outlet	4/1/2022 - 3/31/2027
CIC Seeds (Private) Limited	Wattala	Sales Outlet	11/1/2024 - 10/30/2034
CIC Seeds (Private) Limited	Embilipitiya	Store	7/1/2022 - 6/30/2025
CIC Dairies (Private) Limited	Dambulla	Factory Land	9/9/2011 - 8/9/2041
Link Natural Products (Private) Limited	Palugama	Agricultural Land	15/12/2024 - 15/12/2026
Link Natural Products (Private) Limited	Jaffna	Agricultural Land	28/03/2023 - 28/03/2026
Link Natural Products (Private) Limited	Malinda - Kapugoda	Bicycle Parking land	01/12/2021 - 30/11/2026
Link Natural Products (Private) Limited	Mahawalawatta	Agricultural Land	01/06/2022 - 31/05/2027
Link Natural Products (Private) Limited	Colombo 07	Experience Centre	30/11/2022 - 30/11/2027
Link Natural Products (Private) Limited	Malinda - Kapugoda	IP Stores	15/12/2022 - 15/12/2024
Link Natural Products (Private) Limited	Malinda - Kapugoda	Record Room	08/09/2023 - 09/25/2025
Link Natural Products (Private) Limited	Pugoda	FG Stores 1	3/20/2024 - 3/19/2026
Link Natural Products (Private) Limited	Pugoda	FG Stores 2	3/20/2024 - 3/19/2026
Link Natural Products (Private) Limited	Dambukanda	Compost preperation project	8/8/2024 - 8/7/2026
CIC Poultry Farms Limited	Mundel,Madurankuliya	Broiler Farm Cages	31/01/2021- 30/01/2028
CIC Poultry Farms Limited	Haira Farms - Matale	Broiler Farm Cages	01/12/2023- 30/11/2028
CIC CropGuard (Private) Limited	Colombo 10	Office Premises	01/01/2024 - 31/12/2034
CIC CropGuard (Private) Limited	Colombo 10	Office Premises	1/3/2024-31/12/2028

#### 42.1.1 Right-of-use-assets

Right-of-use-assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment. (See Note 16).

Company 2025	Buildings Rs.'000	Total Rs.'000
Balance as at 01 April 2024	52,923	52,923
Depreciation charge for the year	(5,522)	(5,522)
Balance as at 31 March 2025	47,401	47,401

Company 2024	Buildings Rs.'000	Total Rs.'000
Balance as at 01 April 2023	58,445	58,445
Depreciation charge for the year	(5,522)	(5,522)
Balance as at 31 March 2024	52,923	52,923

Group 2025	Lands Rs.'000	Buildings Rs.'000	Motor Vehicle Rs.'000	Total Rs.'000
Balance as at 01 April 2024	134,102	342,216	5,605	481,923
Addition to right-of-use assets	-	79,109	-	79,109
Depreciation charge for the year	(7,220)	(94,893)	(1,462)	(103,575)
Balance as at 31 March 2025	126,882	326,432	4,143	457,457

Group 2024	Lands Rs.'000	Buildings Rs.'000	Motor Vehicle Rs.'000	Total Rs.'000
Balance as at 01 April 2023	124,139	261,463	7,068	392,670
Addition to right-of-use assets	17,560	149,361	-	166,921
Depreciation charge for the year	(7,597)	(68,608)	(1,463)	(77,668)
Balance as at 31 March 2024	134,102	342,216	5,605	481,923

#### 42.1.2 Amounts recognised in profit or loss

	Company Rs.'000	Group Rs.'000
2025-Leases under SLFRS 16		
Interest on lease liabilities	7,804	53,955
Expenses relating to short-term leases	(16,413)	(32,826)
Amortisation of right-of-use asset	(5,522)	(103,575)

	Company Rs.'000	Group Rs.'000
2024-Leases under SLFRS 16		
Interest on lease liabilities	(8,128)	(45,771)
Expenses relating to short-term leases	(8,520)	(17,040)
Amortisation of right-of-use asset	(5,522)	(77,668)

Expense relating to short term lease includes rental payment for stores premises located at Sapugaskanda & Peliyagoda.

## NOTES TO THE FINANCIAL STATEMENTS

### 42.1.3 Amounts recognised in statement of cash flows

	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Payment of lease rentals - Capital	(3,126)	(10,931)	(46,952)	(124,213)
Payment of lease rentals - Interest	(7,805)	-	(53,954)	-
Expenses relating to short term leases	(16,413)	(8,520)	(32,826)	(17,040)

### 42.1.4 Extension options

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within the control.

### 42.1.5 Maturity analysis - Contractual undiscounted cash flows

	Company Rs.'000	Group Rs.'000
Less than one year	10,931	121,808
Later than one year and not later than five years	51,192	387,529
More than five years	47,002	457,809
Total undiscounted lease liability	109,125	967,146

### 42.2 Leases as lessor

The Group leases out its leased properties. All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease, which the Group has classified as a finance sub-lease.

#### 42.2.1 Lease

During 2020, the Group has sub-leased a building that has been presented as part of right-of-use asset, property, plant & equipment. In mid 2021, Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets and the lease period is also for a shorter term.

Rental income recognised by the Group during 2025 was Rs. 8.53Mn (2024-Rs. 9.21Mn)

Undiscounted lease payments to be received within less than nine months after the year end is Nil (2024- Rs.5.87Mn)

### 43. RELATED PARTY DISCLOSURE

The Company carried out transactions in the ordinary course of the business on an arm's length basis at commercial rates with parties who are defined as Related Parties as per the Sri Lanka Accounting Standard - LKAS 24 'Related Party Disclosures', except for the transactions that the Key Management Personnel (KMP) have availed under schemes uniformly applicable to all staff at concessionary rates.

#### 43.1 Parent and Ultimate Controlling Party - Paints & General Industries Limited

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Statement of Profit or Loss and Other Comprehensive Income				
Sale of goods	545,008	428,868	548,254	434,314
Purchase of goods	1,330	1,216	1,330	1,216
Interest expense on short term loan	-	132,102	-	132,102
Statement of Changes in Equity				
Dividend paid	395,867	395,867	395,867	395,867
Statement of Financial Position				
Trade receivables	138,325	163,615	139,338	164,782

Company/ Group neither obtained nor granted any corporate guarantees to Paints and General Industries Limited.

#### 43.2 Key Management Personnel (KMP)

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

##### KMP of the Company

The Board of Directors of the Company have been classified as KMP of the Company.

##### KMP of the Group

The Board of Directors (including Executive and Non-Executive) of the Company and the Board of Directors of the holding company have been classified as KMP of the Group. The officers who are only Directors of subsidiaries and not of the company have been classified as KMP for that subsidiary.

#### 43.2.1 Transactions with KMP

Loans to Directors

No loans have been granted to the Directors of the Company/ Group

Key Management Personnel Compensation

The details of compensation are given in note 11 to the Financial Statements.

Other Transactions with Key Management Personnel

The names of Directors of CIC Holdings PLC, who are also Directors of subsidiaries, sub-subsidiaries and the equity accounted investees, are as follows:

Mr. S.H. Amarasekera  
 Mr. R.S. Captain  
 Mr. M.P. Jayawardena  
 Mr. P.R. Saldin  
 Mr. J.R. Gunaratne  
 Mr. D.T.S.H. Mudalige  
 Mr. S.M. Enderby  
 Ms. K.D. Senewiratne

Details of Directors and their spouses' shareholdings are given in the Annual Report of the Directors' on the Affairs of the Company on page 156.

## NOTES TO THE FINANCIAL STATEMENTS

### 43.3 Transactions with Subsidiaries

Nature of transaction	Company	
	2025 Rs.'000	2024 Rs.'000
Statement of Profit or Loss and Other Comprehensive Income		
Handling commission	140,808	118,972
Interest expense on short term loan	-	105,154
Interest income on short term loan	-	35,026
Purchase of goods	886,829	603,545
Rent paid	10,931	10,931
Rent received	25,918	24,446
Sale of goods	29,942	25,803
Service Charge	271,147	220,215
Staff cost paid	140,333	89,607
Staff cost received	71,617	85,377
Statement of Changes in Equity		
Dividend received	198,348	2,025,749
Statement of Financial Position		
Payables - Non Trade	51,625	46,422
Payables -Trade	109,420	65,675
Receivable - Non Trade	86,896	121,875
Receivables - Trade	74,673	3,032

Transactions relating to Corporate Guarantees have been disclosed under Contingent Liabilities Note 40.

- (i) Companies within the Group engage in trading transactions under normal commercial terms and conditions.
- (ii) Company provides office space to some of its subsidiaries and charge rent. In addition, the Company provides certain shared services such as data processing and administration functions. The related costs are allocated to subsidiaries and equity accounted investees.
- (iii) CIC CropGuard (Private) Limited and Link Natural Products (Private) Limited purchased John Keells Holdings rights from the open market. Hence rights sale profit Rs.64.8Mn generated from other companies was eliminated at the consolidation

#### 43.4 Transactions with Other Related Companies

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Statement of Profit or Loss and Other Comprehensive Income				
Purchases of goods	67,216	105,184	500,504	385,721
Sale of Goods	306,876	185,173	4,739,192	1,922,757
Interest income	6,827	2,094	6,827	2,094
Rent received	161	157	161	157
Statement of Changes in Equity				
Dividend received (Gross)	484,906	577,225	522,581	577,225
Dividend paid (Gross)	-	-	1,235	7,309
Statement of Financial Position				
Receivables - Non Trade	48	233	48	233
Receivables - Trade	70,914	76,135	932,777	732,883
Payables -Trade	10,566	9,039	83,134	46,136

- (i) Transactions relating to Corporate Guarantees have been disclosed in Contingent Liabilities Note 40.
- (ii) During the year, there were no recurring related party transactions of the Company which require disclosure in Annual Report as per the requirements of section 9.3.2(b) of the CSE Listing Rules.

#### 43.5 Non recurring related party transactions

There were no non-recurring related party transactions which in aggregate value exceeds 10% of the equity (Rs. 4.00Bn.) or 5% of the total assets,(Rs.3.92Bn.) whichever is lower, of the Company as at 31st March 2024 audited Financial Statements, which require additional disclosure in the 2024/25 Annual report under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

### 44. FINANCIAL INSTRUMENTS

#### Risk Management

The Group's principal financial liabilities comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds equity instruments as investments. Therefore, the Group is exposed to market risk, credit risk and liquidity risk.

#### Risk Management Framework

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Board of Directors that advise on financial risks and appropriate financial risk governance framework for the Group. The Board of Directors review and agree policies for managing each of these risks which are summarised below.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.



## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	Company	
	2025 Rs.'000	2024 Rs.'000
Exposure to credit risk		
Trade receivables	5,855,195	3,992,832
Contract assets	166,728	104,484
Other receivables	817,521	1,142,129
Equity investments at fair value through OCI	68,382	40,059
Deposits with banks	1,658,796	1,611,244
Cash at bank	1,359,854	590,361
Total	9,926,476	7,481,109

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Trade receivables	13,128,800	10,167,915
Contract assets	224,657	156,929
Other receivables	2,468,847	2,112,924
Equity investments at fair value through OCI	496,152	287,417
Deposits with banks	1,683,560	1,619,001
Cash at bank	5,045,473	5,416,036
Total	23,047,489	19,760,222

### Equity securities

The Group limits its exposure to credit risk by investing only in liquid equity securities.

The Group has recognised its equity securities at its fair value.

### Cash and cash equivalents

The Company held cash and cash equivalents of Rs.1.36Bn at 31 March 2025, (2024: Rs. 0.59Bn), Group held Rs.5.05Bn as at 31st March 2025 (2024 - Rs.5.42Bn) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are being rates as stable based on rating agency ratings.

Following table depicts the credit ratings of the banks where the Group holds deposits.

Bank	Rating
Commercial Bank of Ceylon PLC	AA-
Nation Trust Bank PLC	A
Sampath Bank PLC	AA-
Nation Development Bank PLC	A

### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and area in which customers operate, as these factors may have an influence on credit risk.

The senior management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the senior management. Customers that fail to meet the Group's benchmark credit worthiness may transact with the company only on a prepayment basis.

A significant percentage of the Group's customers are transacting with the Group for more than four years. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are institutes, government or non-government, whether they are wholesale, retail or end-customer, their geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Customers that are graded as 'high risk' are placed on a restricted customer list and monitored by the management, and future sales are made on a prepayment basis.

The Group is closely monitoring the economic environment in the country and is taking actions to limit its exposure to customers in the country experiencing particular economic volatility.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for Group of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics of those receivables and future macro economic conditions.

The Group is closely monitoring the economic environment in the country and is taking necessary measures to limit its exposure to customers experiencing particular economic volatility.

As at 31st March	Group	
	2025 Rs.'000	2024 Rs.'000
Domestic	12,716,030	9,975,624
Foreign	412,770	192,291
Total	13,128,800	10,167,915

### Impairment losses

All trade receivables that are past due, have been considered for impairment as at 31 March 2025

The movement in the allowance for impairment of trade receivables is disclosed in Note No.26.2

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contracts assets for customers as at 31 March 2025.

The Group uses a provision matrix to calculate ECLs for loans and trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the relevant sectors, weightage on the worst case will be increased. At every reporting date, the weightages are updated and changes in the forward-looking estimates are analysed the assessment of the correlation between historical observed default rates, forecast economic conditions. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	Gross Rs.'000	2025 Impairment Rs.'000	Net receivable Rs.'000	Gross Rs.'000	2024 Impairment Rs.'000	Net receivable Rs.'000
<b>Company</b>						
Corporate and Government	1,623,068	(295,740)	1,327,328	2,100,401	(273,598)	1,826,803
Distributors	4,123,758	(414,644)	3,709,114	1,756,174	(296,954)	1,459,220
Foreign customers/Exporters	108,369	-	108,369	136,257	-	136,257
	5,855,195	(710,384)	5,144,811	3,992,832	(570,552)	3,422,280

As at 31st March	Gross Rs.'000	2025 Impairment Rs.'000	Net receivable Rs.'000	Gross Rs.'000	2024 Impairment Rs.'000	Net receivable Rs.'000
<b>Group</b>						
Corporate and Government	5,683,782	(552,259)	5,131,524	5,864,010	(384,748)	5,479,262
Distributors	6,898,151	(536,615)	6,361,536	3,597,109	(496,460)	3,100,649
Foreign customers/Exporters	441,479	(20,951)	420,528	389,792	(17,134)	372,658
Others	105,388	(31,107)	74,280	317,004	(32,040)	284,964
	13,128,800	(1,140,932)	11,987,868	10,167,915	(930,382)	9,237,533

As at 31st March	Gross Rs.'000	2025 Impairment Rs.'000	Net receivable Rs.'000	Gross Rs.'000	2024 Impairment Rs.'000	Net receivable Rs.'000
<b>Company</b>						
Not past due	5,417,140	(290,148)	5,126,992	3,388,684	(59,284)	3,329,400
Past due 0-30 days	11,062	(3,782)	7,280	19,378	(945)	18,433
Past due 31-120 days	8,945	(3,706)	5,239	69,233	(1,126)	68,107
Past due more than 120 days	418,048	(412,748)	5,300	515,537	(509,197)	6,340
	5,855,195	(710,384)	5,144,811	3,992,832	(570,552)	3,422,280

As at 31st March	Gross Rs.'000	2025 Impairment Rs.'000	Net receivable Rs.'000	Gross Rs.'000	2024 Impairment Rs.'000	Net receivable Rs.'000
<b>Group</b>						
Not past due	6,483,665	(305,496)	6,178,169	5,908,963	(75,036)	5,833,927
Past due 0-30 days	3,333,704	(13,396)	3,320,308	2,115,361	(99,882)	2,015,479
Past due 31-120 days	2,248,110	(27,003)	2,221,107	980,309	(98,306)	882,003
Past due more than 120 days	1,063,321	(795,037)	268,284	1,163,282	(657,158)	506,124
	13,128,800	(1,140,932)	11,987,868	10,167,915	(930,382)	9,237,533

A Risk Management policy is set so as to limit the net financial liabilities to a pre-approved amount. The Group maintains the net financial liabilities to these specified upper limits and any deviation to these upper limits require prior approval.

As at 31st March 2025	Carrying Value Rs.'000	Contractual cash flow Rs.'000	Company On Demand Rs.'000	Less than 90 days Rs.'000	90-365 days Rs.'000
Trade payables	2,728,857	2,728,857	-	2,728,857	-
Lease liabilities relating to right-of-use asset	3,489	10,931	-	-	3,489
Short term loans	18,988,124	18,988,124	-	18,988,124	-
Bank overdraft	313,417	313,417	-	313,417	-
Contingent consideration payable	108,052	108,052	-	108,052	-

As at 31st March 2024	Carrying Value Rs.'000	Contractual cash flow Rs.'000	Company On Demand Rs.'000	Less than 90 days Rs.'000	90-365 days Rs.'000
Trade payables	2,318,959	2,318,959	-	2,318,959	-
Lease liabilities relating to right- of- use asset	3,128	10,931	-	-	3,128
Short term loans	17,794,194	17,794,194	-	17,794,194	-
Bank overdraft	409,924	409,924	409,924	-	-
Contingent consideration payable	138,052	138,052	-	138,052	-

As at 31st March 2025	Carrying Value Rs.'000	Contractual cash flow Rs.'000	Group On Demand Rs.'000	Less than 90 days Rs.'000	90-365 days Rs.'000
Trade payables	6,427,227	6,427,227	-	6,427,227	-
Lease liabilities relating to right- of- use asset	46,256	129,368	-	-	46,256
Bank overdraft	1,368,958	1,368,958	1,368,958	-	-
Short term loans	24,559,058	24,559,058	-	24,559,058	-
Contingent consideration payable	108,052	108,052	-	108,052	-

As at 31st March 2024	Carrying Value Rs.'000	Contractual cash flow Rs.'000	Group On Demand Rs.'000	Less than 90 days Rs.'000	90-365 days Rs.'000
Trade payables	4,763,848	4,763,848	-	4,763,848	-
Lease liabilities relating to right- of- use asset	44,618	109,016	-	-	44,618
Bank overdraft	923,883	923,883	-	923,883	-
Short term loans	24,054,418	24,054,418	24,054,418	-	-
Contingent consideration payable	138,052	138,052	-	138,052	-

## NOTES TO THE FINANCIAL STATEMENTS

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As at 31st March 2025, Company's current liabilities exceeded its current assets by Rs.9.0Bn. This is primarily due to the Company's short-term loans and borrowings, which are within the Company's banking facility limits. Further, as a corrective measure on the advice of the Board of Directors we are in the process of negotiating the best possible interest rate to obtain a long-term loan to refinance our existing long-term investments, taking advantage of the current lower market interest rates.

### Market risk

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

Summary of the Company and Group's investment in equity market is as follows

As at 31st March		Group 2025 Rs.'000	2024 Rs.'000
Equity Securities - FVOCI	Company	68,382	40,059
Equity Securities - FVOCI	Group	496,152	287,267

### Currency risk

The Group is exposed to currency risk on sales, purchases that are denominated in a currency other than the respective functional currencies of entities. The currencies in which these transactions primarily are denominated are Euro, USD and Sterling Pound.

Effects of currency rate fluctuations of imported materials and finished goods are transferred in a reasonable manner keeping in line with the prices in the market.

Subsidiary companies of the Group settle majority of their import bills and the financial liabilities denominated in a currency other than functional currency.

### Exposure to currency risk

The summary quantitative data about the Company and Groups' exposure to currency risk as reported to the management of the Company and Group is as follows:

#### Company

As at 31st March Rs.'000	2025			2024		
	EUR	USD	SGD	EUR	USD	SGD
Trade receivables	-	459	-	-	559	-
Foreign currency deposits	-	5,554	-	-	5,292	-
Trade payables	(105)	(6,179)	(526)	(127)	(5,469)	-

#### Group

As at 31st March Rs.'000	2025			2024		
	EUR	USD	SGD	EUR	USD	SGD
Trade receivables	459	921	-	-	650	-
Foreign currency deposits	-	5,638	-	-	5,317	-
Trade payables	(484)	(13,821)	(526)	(128)	(8,792)	-

Followings are the exchange rate used for the translation of transaction denominated in foreign currencies.

As at 31st March	Year end average (Rs.)		Period end spot rate- Buying(Rs.)		Period end spot rate- Selling (Rs.)	
	2025	2024	2025	2024	2025	2024
US Dollar	296.35	301.18	292.07	295.54	300.58	305.33
Euro	319.86	326.03	313.40	318.32	326.16	332.11
GBP	383.78	380.52	376.51	371.85	390.71	387.24
SGD	221.11	223.63	216.16	217.57	225.86	228.23

#### Sensitivity Analysis

A reasonably possible strengthening (weakening) of the USD, Euro or Sterling Pound against all other currencies at reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

As at 31st March	Company			
	Profit or loss		Equity net of tax	
	Strengthening Rs.'000	Weakening Rs.'000	Strengthening Rs.'000	Weakening Rs.'000
2025				
US Dollar (5% movement)	5,055	(5,055)	3,538	(3,538)
Euro (5% movement)	1,716	(1,716)	1,201	(1,201)
Singapore Dollar (5% movement)	5,941	(5,941)	4,159	(4,159)
2024				
US Dollar (5% movement)	(2,966)	2,966	(2,076)	2,076
Euro (5% movement)	2,108	(2,108)	1,476	(1,476)

As at 31st March	Group			
	Profit or loss		Equity net of tax	
	Strengthening Rs.'000	Weakening Rs.'000	Strengthening Rs.'000	Weakening Rs.'000
2025				
US Dollar (5% movement)	111,937	(111,937)	78,356	(78,356)
Euro (5% movement)	586	(586)	410	(410)
Singapore Dollar (5% movement)	5,941	(5,941)	4,159	(4,159)
2024				
US Dollar (5% movement)	46,047	(46,047)	32,233	(32,233)
Euro (5% movement)	2,112	(2,112)	1,478	(1,478)

## NOTES TO THE FINANCIAL STATEMENTS

### Interest rate risk Profile

At the reporting date, the interest rate profile of the Company's and Group's interest bearing financial instruments was as follows:

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Fixed rate instruments</b>				
Financial assets	1,658,796	1,611,244	3,957,106	4,929,729
	1,658,796	1,611,244	3,957,106	4,929,729
<b>Variable rate instruments</b>				
Financial assets	1,359,854	590,361	2,771,636	2,105,017
Financial liabilities	(19,301,541)	(18,204,118)	(25,928,016)	(24,978,301)
	(17,941,687)	(17,613,757)	(23,156,380)	(22,873,284)

### Cash flow sensitivity for variable rate instruments

Since the policy interest rates have significantly decreased after the reporting date, there will be a material impact to the Company/ Group Financial Statements

A reasonably change of 100 basis points in interest rate as at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant:

As at 31st March	Company			
	Profit or loss		Equity net of tax	
	Strengthening Rs.'000	Weakening Rs.'000	Strengthening Rs.'000	Weakening Rs.'000
2025				
Variable rate instrument				
Cash flow sensitivity (Net)	179,417	(179,417)	125,592	(125,592)

2024				
Variable rate instrument				
Cash flow sensitivity (Net)	176,138	(176,138)	123,296	(123,296)

As at 31st March	Group			
	Profit or loss		Equity net of tax	
	Strengthening Rs.'000	Weakening Rs.'000	Strengthening Rs.'000	Weakening Rs.'000
2025				
Variable rate instrument				
Cash flow sensitivity (Net)	231,564	(231,564)	162,095	(162,095)

2024				
Variable rate instrument				
Cash flow sensitivity (Net)	228,733	(228,733)	160,113	(160,113)



### Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using an adjusted net debt to equity ratio, which is adjusted net debt divided by adjusted equity. For this purpose, adjusted net debt is defined as total liabilities (which includes interest bearing borrowings and obligations under finance leases excluding lease liability under SLFRS 16) plus unaccrued proposed dividends, less cash and equivalents and deposits with banks. Adjusted equity comprises all components of equity other than amounts recognised in equity relating to cash flow hedges, less unaccrued proposed dividends.

The Company's and Group's adjusted net debt to equity ratio at the end of the reporting period was as follows;

As at 31st March	Company		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Total Debts	21,220,085	18,277,378	28,235,667	25,425,607
Less: Cash and cash equivalents and deposit with banks	(3,018,650)	(2,201,605)	(6,728,742)	(7,034,746)
Net debt	18,201,435	16,075,773	21,506,925	18,390,861
Adjusted net debt	19,079,003	16,950,213	21,995,386	18,893,955
Total equity	12,483,861	11,889,132	46,426,823	39,994,876
Adjusted equity	11,535,661	10,941,432	45,479,123	39,047,176
Net debt to adjusted equity ratio (Times)	1.46	1.55	0.48	0.48

### Accounting classifications and fair value

The value of financial assets and liabilities, together with carrying amounts shown in the statement of financial position as follows:

Company As at 31st March 2025	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Carrying amount	Fair Value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalent	-	1,359,854	-	1,359,854	1,359,854
Deposits with banks	-	1,658,796	-	1,658,796	1,658,796
Trade receivable	-	5,144,811	-	5,144,811	5,144,811
Other receivable	-	659,388	-	659,388	659,388
Equity investments at fair value through OCI	68,382	-	-	68,382	68,382
	68,382	8,822,849	-	8,891,231	8,891,231
Trade payables	-	-	(2,728,857)	(2,728,857)	(2,728,857)
Other payables	-	-	(1,158,863)	(1,158,863)	(1,158,863)
Loans and borrowings	-	-	(21,220,085)	(21,220,085)	(21,220,085)
	-	-	(25,107,805)	(25,107,805)	(25,107,805)

## NOTES TO THE FINANCIAL STATEMENTS

Company As at 31st March 2024	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Carrying amount	Fair Value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalent	-	590,361	-	590,361	590,361
Deposits with banks	-	1,611,244	-	1,611,244	1,611,244
Trade receivable	-	3,422,280	-	3,422,280	3,422,280
Other receivable	-	1,010,589	-	1,010,589	1,010,589
Equity investments at fair value through OCI	40,059	-	-	40,059	40,059
	40,059	6,634,474	-	6,674,533	6,674,533
Trade payables	-	-	(2,318,959)	(2,318,959)	(2,318,959)
Other payables	-	-	(1,241,316)	(1,241,316)	(1,241,316)
Loans and borrowings	-	-	(18,277,378)	(18,277,378)	(18,277,378)
	-	-	(21,837,653)	(21,837,653)	(21,837,653)

Group As at 31st March 2025	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Carrying amount	Fair Value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalent	-	5,045,473	-	5,045,473	5,045,473
Deposits with banks	-	1,683,269	-	1,683,269	1,683,269
Trade receivables	-	11,987,868	-	11,987,868	11,987,868
Other receivables	-	3,829,537	-	3,829,537	3,829,537
Equity investments at fair value through OCI	496,152	-	-	496,152	496,152
	496,152	22,546,147	-	23,042,299	23,042,299
Trade payables	-	-	(6,427,227)	(6,427,227)	(6,427,227)
Other payables	-	-	(3,262,959)	(3,262,959)	(3,262,959)
Loans and borrowings	-	-	(28,235,667)	(28,235,667)	(28,235,667)
	-	-	(37,925,853)	(37,925,853)	(37,925,853)

Group As at 31st March 2024	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Carrying amount	Fair Value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalent	-	5,416,036	-	5,416,036	5,416,036
Deposits with banks	-	1,618,710	-	1,618,710	1,618,710
Trade receivables	-	9,237,533	-	9,237,533	9,237,533
Other receivables	-	3,318,297	-	3,318,297	3,318,297
Equity investments at fair value through OCI	287,417	-	-	287,417	287,417
	287,417	19,590,576	-	19,877,993	19,877,993
Trade payables	-	-	(4,763,848)	(4,763,848)	(4,763,848)
Other payables	-	-	(3,332,722)	(3,332,722)	(3,332,722)
Loans and borrowings	-	-	(25,425,607)	(25,425,607)	(25,425,607)
	-	-	(33,522,177)	(33,522,177)	(33,522,177)

## Fair value measurement hierarchy

As at 31st March	Level 01		Level 02		Level 03	
	2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000
<b>Company</b>						
<b>Recurring fair value measurements-</b>						
Assets measured at fair value						
Freehold land	-	-	-	-	1,712,696	1,415,593
Equity Investment	68,382	40,059	-	-	-	-
	68,382	40,059	-	-	1,712,696	1,415,593
<b>Non - recurring fair value measurements-</b>						
Net asset classified as held for sale and distribution					146,463	146,463
					146,463	146,463

As at 31st March	Level 01		Level 02		Level 03	
	2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000
<b>Group</b>						
<b>Recurring fair value measurements-</b>						
Assets measured at fair value						
<b>Non-Financial</b>						
Freehold land	-	-	-	-	5,691,698	4,729,586
Biological Assets	-	-	-	-	668,264	804,132
<b>Financial</b>						
Equity Investment	496,152	287,417	-	-	-	-
	496,152	287,417	-	-	6,359,962	5,371,441
<b>Assets for which fair values are disclosed:</b>						
Investment property					6,300	6,000
<b>Non-recurring fair value measurements</b>						
Net asset classified as held for sale and distribution					250,440	(2,566)

**Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations. The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. Impact of current economic condition is disclosed in the separate note to the Financial Statements.

# SHAREHOLDERS & INVESTORS INFORMATION

## 1. STOCK EXCHANGE LISTING

CIC Holdings PLC is a Public Quoted Company. The issued share capital of the Company consists of 291,600,000 (2024 - 291,600,000) Ordinary Shares and 87,480,000 (2024 - 87,480,000) Non-Voting (Class X) Shares listed in the Colombo Stock Exchange.

## 2. SHAREHOLDERS

There were 3,972 (2024 - 4,135) Ordinary shareholders and 4,016 (2024 - 4,161) Non-Voting (Class X) shareholders as at 31st March 2025, distributed into different categories as follows:

### Ordinary Shares

Shares held	2025			2024		
	No. of Shareholders	Total Shareholding	%	No. of Shareholders	Total Shareholding	%
1 - 1000	2,400	557,792	0.19	2,396	594,962	0.20
1001 - 10000	996	3,897,983	1.34	1,129	4,424,172	1.52
10001 - 100000	423	14,308,531	4.91	471	15,258,016	5.23
100001 - 1000000	135	40,695,533	13.95	121	34,849,210	11.95
Over 1000000	18	232,140,161	79.61	18	236,473,640	81.10
	3,972	291,600,000	100.00	4,135	291,600,000	100.00

### Shares held

Shares held	2025			2024		
	No. of Shareholders	Total Shareholding	%	No. of Shareholders	Total Shareholding	%
Resident	3,936	286,357,165	98.20	4,103	280,968,178	95.35
Non-Resident	36	5,242,835	1.80	32	10,631,822	3.65
	3,972	291,600,000	100.00	4,135	291,600,000	100.00

The below information of distribution of shares as at 31st March 2025, has been furnished to Colombo Stock Exchange (CSE) and Securities Exchange Commission (SEC) in accordance with CSE Listing Rule 7.3.

Percentage of shares held by public - 46.69%

Percentage of shares held by the Directors together with the members of their families - 0.0001%

Percentage of shares held by the Parent Company - 53.31%

Percentage of shares held by the Employees - 0.004%

Percentage of shares held by Employees' Provident Fund - 9.06%

### Non-Voting (Class X) Shares

Shares held	2025			2024		
	No. of Shareholders	Total Shareholding	%	No. of Shareholders	Total Shareholding	%
1 - 1000	1,911	589,084	0.67	1,860	607,746	0.69
1001 - 10000	1,362	5,402,543	6.18	1,516	6,135,237	7.01
10001 - 100000	600	18,414,345	21.05	646	19,890,280	22.74
100001 - 1000000	135	34,906,812	39.90	131	32,463,108	37.11
Over 1000000	8	28,167,216	32.20	8	28,383,629	32.45
	4,016	87,480,000	100.00	4,161	87,480,000	100.00

## Shareholders &amp; Investors Information

Shares held	2025			2024		
	No. of Shareholders	Total Shareholding	%	No. of Shareholders	Total Shareholding	%
Resident	3,960	85,140,773	97.33	4,099	84,311,504	96.38
Non-Resident	56	2,339,227	2.67	62	3,168,496	3.62
	4,016	87,480,000	100.00	4,161	87,480,000	100.00

Percentage of shares held by public - 96.52%

Percentage of shares held by the Directors together with the members of their families - 0.01%

Percentage of shares held by the Parent Company - 3.32%

Percentage of shares held by the Employees - 0.15%

Percentage of shares held by Employees' Provident Fund - 12.70%

## 3. TWENTY LARGEST SHAREHOLDERS - ORDINARY SHARES

	Name	2025		2024	
		No. of shares	%	No. of shares	%
1	Paints & General Industries Limited	155,441,396	53.31	155,441,396	53.31
2	Employee's Provident Fund	26,417,892	9.06	26,417,892	9.06
3	Sampath Bank PLC/ Chacra Capital Holdings (Private) Limited	13,104,960	4.49	13,104,960	4.49
4	Ms. J. Ambani	5,099,192	1.75	2,122,966	0.73
5	Asia Securities (Private) Limited - Trading Account	5,030,589	1.73	-	-
6	Citibank Newyork S/A Norges Bank Account 2	4,258,258	1.46	9,975,561	3.42
7	Senkadagala Finance PLC/ Mr. R.S.H. Nanayakkara & R.M. Nanayakkara	3,500,000	1.20	253,428	0.09
8	Ranavav Holdings (Private) Limited	3,105,963	1.07	-	-
9	Mr. H. Yusoof	2,970,959	1.02	809	0.00
10	Employees Trust Fund Board	2,309,538	0.79	5,320,236	1.82
11	Dr. H.R. Wickremesinghe & Mr. V.K. Wickremasinghe (Deceased)	1,752,242	0.60	1,752,242	0.60
12	Amana Bank PLC/ Hi-Line Trading (Private) Limited	1,459,254	0.50	433,748	0.15
13	Mr. R.P. Weerasooriya	1,442,935	0.49	839,345	0.29
14	Ms. L.K. Goonewardena	1,403,965	0.47	1,205,120	0.41
15	S.K. Wickremesinghe Trust (Gurantee) Limited	1,360,000	0.47	1,360,000	0.47
16	Colombo Fort Investments PLC	1,245,000	0.43	1,220,000	0.42
17	Ms. N.K.R.H. De Silva	1,135,700	0.39	1,135,700	0.39
18	Union Assurance PLC - Universal Life Fund	1,102,318	0.37	-	-
19	Bank of Ceylon - Ceybank Unit Trust	981,279	0.34	470,839	0.16
20	Finco Holdings (Private) Limited	930,887	0.32	4,013,234	1.38
		234,052,327	80.26	225,067,476	77.18

## SHAREHOLDERS & INVESTORS INFORMATION

### 4. TWENTY LARGEST SHAREHOLDERS - NON VOTING (X CLASS) SHARES

	Name	2025		2024	
		No. of shares	%	No. of shares	%
1	Employee's Provident Fund	11,113,696	12.70	11,113,696	12.70
2	Sampath Bank PLC/ Chacra Capital Holdings (Private) Limited	6,184,280	7.07	6,184,280	7.07
3	Paints & General Industries Limited	2,905,204	3.32	2,905,204	3.32
4	Mr. H. Yusoof	2,514,306	2.87	-	-
5	Seylan Bank PLC/ Mr. W.G.U.I. Ranaweera	2,059,290	2.35	-	-
6	DFCC Bank A/C No.01	1,257,444	1.44	1,630,000	1.86
7	Winsland Reality (Private) Limited	1,104,534	1.26	-	-
8	Union Assurance PLC - Universal Life Fund	1,028,462	1.18	-	-
9	Mr. E.J.B.U. Fernando	927,764	1.06	-	-
10	Ranavav Holdings (Private) Limited	914,329	1.05	-	-
11	Seylan Bank PLC/ Mr. A.C. Senanka	838,270	0.96	725,000	0.83
12	Hatton National Bank PLC - NDB Wealth Growth and Income Fund	800,000	0.91	-	-
13	Invenco Capital (Private) Limited	781,734	0.89	-	-
14	Adamjee Lukmanjee & Sons (Private) Limited	668,088	0.76	-	-
15	GF Capital Global Limited	641,916	0.73	-	-
16	Seylan Bank PLC/ Hotel International (Private) Limited	548,500	0.63	250,705	0.29
17	Seylan Bank PLC/ Hiline Towers (Private) Limited	540,110	0.62	7,956	0.01
18	Malship Ceylon Limited	534,528	0.61	548,271	0.63
19	Acuity Partners (Private) Limited/ Mr. H.A.R. Pieris	510,000	0.58	300,000	0.34
20	Ms. S. Vasudevan & Mr. S. Vasudevan	500,000	0.57	500,000	0.57
		36,372,455	41.58	24,165,112	27.62

### 5. MARKET VALUE OF SHARE

As at 31st March	Ordinary Shares		Non-voting Shares	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Share price (Rs.)				
As at the end of the year	117.25	70.50	77.90	52.50
Highest price traded	132.00	76.90	91.00	59.80
Lowest price traded	65.00	57.80	45.00	39.20

### 6. SHARE TRADING

As at 31st March	Ordinary Shares		Non-voting Shares	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
No. of shares traded	89,044,946	53,311,192	90,656,698	46,967,448
No. of transactions	19,487	14,494	29,376	18,901
Value of shares traded (Rs.)	7,906,700,655	3,673,773,455	5,905,622,220	2,471,464,783

**7. MARKET CAPITALISATION**

Type	No of shares	Share price Rs.	Capitalisation Rs.
Ordinary Shares	291,600,000	117.25	34,190,100,000
Non voting (Class - X) Shares	87,480,000	77.90	6,814,692,000
			41,004,792,000

**8. FLOAT ADJUSTED MARKET CAPITALISATION**

Type	No of shares	Share price Rs.	Capitalisation Rs.
Ordinary Shares	136,145,684	117.25	15,963,081,449
Non voting (Class - X) Shares	84,432,773	77.90	6,577,313,016
			22,540,394,465

The float adjusted market capitalisation of the Company falls under option 01 of Rule 7.13.1(i) (a) of Colombo Stock Exchange and Company has complied with minimum public holding requirement applicable under said option.

**9. PUBLIC SHAREHOLDERS**

Public Shareholder as at March	2025		2024	
	No. of public shareholders	Public shareholding (%)	No. of public shareholders	Public shareholding (%)
Ordinary Shares	3,967	46.69	4,130	46.68
Non Voting (Class - X) Shares	4,009	96.52	4,152	96.50



## MOVEMENT IN ISSUED CAPITAL AND DIVIDEND DISTRIBUTION

Year to 31st March	Proportion	Sub division (No. of Shares)		Bonus Issue (No. of Shares)		Share Capital (No. of Shares)		Dividend Rs.
		Voting	Non-Voting	Voting	Non-Voting	Voting	Non-Voting	
1965						50,000		
(Initial issue)								
1966						50,000		2.00
1967						50,000		2.00
1968	1:01			50,000		100,000		2.00
1969						100,000		2.00
1970	1:02			50,000		150,000		2.00
1971						150,000		1.75
1972						150,000		2.00
1973						150,000		2.00
1974						150,000		2.00
1975	1:03			50,000		200,000		2.00
1976	1:02			100,000		300,000		2.00
1977						300,000		2.00
1978						300,000		2.00
1979	1:02			150,000		450,000		2.00
1980	7:09			350,000		800,000		2.00
1981						800,000		2.00
1982						800,000		2.00
1983						800,000		2.00
1984						800,000		2.00
1985	1:02			400,000		1,200,000		2.00
1986	1:02			600,000		1,800,000		2.50
1987	1:01			1,800,000		3,600,000		2.50
1988						3,600,000		2.75
1989						3,600,000		2.50
1990	1:02			1,800,000		5,400,000		3.00
1991						5,400,000		3.25
1992						5,400,000		4.00
1993	3 N-V:10 V (Rights)				1,620,000	5,400,000	1,620,000	3.50
1994						5,400,000	1,620,000	4.00
1995						5,400,000	1,620,000	4.00
1996						5,400,000	1,620,000	4.00
1997						5,400,000	1,620,000	4.00
1998						5,400,000	1,620,000	2.50
1999						5,400,000	1,620,000	3.50
2000	1:06			900,000	270,000	6,300,000	1,890,000	3.75
2001						6,300,000	1,890,000	4.00
2002						6,300,000	1,890,000	4.00
2003	1:07			900,000	270,000	7,200,000	2,160,000	4.25
2004						7,200,000	2,160,000	4.75
2005	1:08			900,000	270,000	8,100,000	2,430,000	4.75
2006						8,100,000	2,430,000	4.75

Year to 31st March	Proportion	Sub division (No. of Shares)		Bonus Issue (No. of Shares)		Share Capital (No. of Shares)		Dividend Rs.
		Voting	Non-Voting	Voting	Non-Voting	Voting	Non-Voting	
2007	1:1 (Rights)			8,100,000	2,430,000	16,200,000	4,860,000	1.44*
	3:2 (Bonus)			24,300,000	7,290,000	40,500,000	12,150,000	
2008	4:5 (Bonus)			32,400,000	9,720,000	72,900,000	21,870,000	1.50
2009						72,900,000	21,870,000	1.50
2010						72,900,000	21,870,000	1.85
2011						72,900,000	21,870,000	2.75
2012						72,900,000	21,870,000	3.20
2013						72,900,000	21,870,000	1.63
2014						72,900,000	21,870,000	-
2015						72,900,000	21,870,000	3.00
2016						72,900,000	21,870,000	4.00
2017						72,900,000	21,870,000	2.00
2018						72,900,000	21,870,000	1.00
2019						72,900,000	21,870,000	1.00
2020						72,900,000	21,870,000	2.00
2021	1:04	218,700,000	65,610,000			291,600,000	87,480,000	2.25
2022						291,600,000	87,480,000	2.00
2023						291,600,000	87,480,000	2.50
2024						291,600,000	87,480,000	2.50
2025						291,600,000	87,480,000	2.50

\*Effective rate (Rs. 1.44 Per Share)

# TEN YEAR GROUP PERFORMANCE

As at 31st March	2025 SLFRS Rs'000	2024 SLFRS Rs'000	2023 SLFRS Rs'000	2022 SLFRS Rs'000
Turnover	83,291,872	76,424,242	68,274,718	41,759,591
Operating profit after interest	7,923,117	12,052,167	11,925,129	4,531,251
Other income	389,610	296,035	601,428	308,814
Share of profit of equity accounted investees	897,796	1,169,220	541,981	643,440
Profit before tax	9,210,523	13,517,422	13,068,538	5,483,505
Taxation	(2,877,071)	(2,543,225)	(3,070,914)	(910,619)
Profit for the year from continuing operations	6,333,452	10,974,197	9,997,624	4,572,886
Profit/(loss) for the year from discontinued operations	296,028	47,197	54,934	(227,113)
Non-controlling interest	1,187,063	1,278,136	2,251,109	661,620
Profit attributable to equity holders of the company	5,442,417	9,743,258	7,801,449	3,684,153
<b>Balance Sheet</b>				
Stated capital	1,008,450	1,008,450	1,008,450	1,008,450
Capital reserves	3,013,269	2,412,465	3,165,113	3,368,499
Revenue reserves	36,097,862	31,472,225	18,822,460	12,133,713
Non-controlling interest	6,307,242	5,101,736	4,832,992	3,603,439
Total equity	46,426,823	39,994,876	27,829,015	20,114,101
Property, plant & equipment	14,052,964	12,608,280	12,676,995	12,749,774
Investment property	2,400	2,400	2,400	2,400
Biological assets	420,937	504,362	393,305	311,612
Capital work-in-progress	495,640	94,555	56,185	107,948
Intangible assets	598,205	625,211	646,488	373,182
Investments	29,350,968	25,206,273	6,417,902	2,738,087
Net current assets	6,660,088	4,254,789	10,700,020	6,515,992
	51,581,202	43,295,870	30,893,295	22,798,995
Deferred liabilities	(1,642,530)	(1,598,940)	(1,858,397)	(1,519,511)
Long-term liabilities	(3,511,849)	(1,702,054)	(1,205,883)	1,165,383
	46,426,823	39,994,876	27,829,015	22,444,867
<b>Cash Flow Statement</b>				
Net cash inflow/(outflow) from operating activities	3,349,604	2,919,827	2,377,786	2,573,654
Net cash inflow/(outflow) from investing activities	(5,511,870)	(8,413,360)	(6,069,149)	(1,968,921)
Net cash inflow/(outflow) from financing activities	833,536	(1,128,971)	(562,838)	(1,249,263)
<b>Other Information</b>				
Earning per share(Rs.)	14.36	25.70	20.58	9.72
Dividend per share(Rs.)	2.50	2.50	1.00	2.25
Net assets per share(Rs.)	105.83	92.05	60.66	43.55
Market capitalisation(Rs.Mn)	41,004.79	25,150.50	25,092.18	13,296.96
Interest cover(No.of times)	6.69	4.55	4.03	3.51
Current Ratio(No.of times)	1.18	1.12	1.43	1.28
Dividend cover(No.of times)	5.74	10.28	20.58	4.32
Price earnings ratio(No.of times)				
Ordinary	8.17	2.74	3.46	3.92
Non-voting(Class X)	5.42	2.04	2.41	2.57

2021 SLFRS Rs'000	2020 SLFRS Rs'000	2019 SLFRS Rs'000	2018 SLFRS Rs'000	2017 SLFRS Rs'000	2016 SLFRS Rs'000
37,233,343	30,535,563	30,701,977	33,148,257	32,210,546	26,666,284
4,140,439	1,120,813	303,337	(251,921)	852,073	1,117,701
305,125	360,906	202,417	673,963	311,298	534,705
466,488	390,013	394,788	267,053	334,728	362,478
4,912,052	1,871,732	900,542	689,095	1,498,099	2,014,884
(975,188)	(535,597)	(40,428)	(491,865)	(384,066)	(366,777)
3,936,864	1,336,135	860,114	197,230	1,114,033	1,648,107
(90,771)	(256,735)	(402,784)	(575,123)	(227,116)	(14,273)
713,682	246,816	(25,909)	35,182	333,419	279,542
3,132,411	832,584	483,239	(413,075)	553,498	1,354,292
1,008,450	1,008,450	1,008,450	1,008,450	1,008,450	1,008,450
2,818,526	2,360,463	2,360,463	1,917,975	1,815,568	2,281,833
9,397,491	6,206,615	5,848,483	5,611,505	6,237,214	5,564,815
3,078,520	2,136,220	2,061,339	2,174,725	2,354,316	2,029,199
16,302,987	11,711,748	11,278,735	10,712,655	11,415,548	10,884,297
12,193,664	12,359,815	13,279,431	12,275,229	12,645,808	12,275,004
2,400	2,400	2,400	13,900	54,147	51,400
221,125	179,610	208,082	181,028	248,508	226,382
21,614	21,260	353,024	382,247	301,036	72,153
390,480	366,982	384,362	391,938	168,809	137,140
1,399,139	1,155,031	1,298,570	1,376,659	1,339,958	945,217
4,514,714	713,772	(1,004,411)	(785,319)	(1,124,166)	(1,929,784)
18,743,136	14,798,870	14,521,458	13,835,683	13,634,100	11,777,512
(1,333,857)	(1,411,812)	(1,274,866)	(1,280,408)	(431,580)	105,275
(1,106,292)	(1,675,310)	(1,967,857)	(1,842,620)	(1,786,972)	(998,490)
16,302,987	11,711,748	11,278,735	10,712,655	11,415,548	10,884,297
8,117,296	749,221	(1,713,963)	2,236,464	(132,541)	(451,359)
(1,166,628)	10,456	(1,315,568)	(2,368,100)	(353,331)	(1,436,441)
(1,135,340)	(618,235)	227,624	(297,636)	(246,839)	(2,473,931)
8.26	8.79	5.10	(4.36)	5.84	14.29
1.25	2.00	-	1.00	2.00	4.00
34.89	101.04	97.26	90.09	95.61	93.44
18,551.59	3,183.54	3,367.00	5,180.00	7,203.98	8,525.66
6.18	2.10	1.50	1.47	1.73	3.73
1.21	1.03	0.96	0.96	0.94	0.90
6.61	4.39	-	-	2.92	3.57
6.16	3.98	7.55	-	13.71	6.68
5.13	3.29	5.02	-	10.68	5.00

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty Second (62nd) Annual General Meeting of CIC Holdings PLC will be held at the Auditorium of Commercial Bank of Ceylon PLC, Union Place Branch, Colombo 02 on 30th June 2025 at 9 a.m. for the following purposes:

## AGENDA

### 1. Ordinary Business

- 1.1 To receive and adopt the Statements of Accounts of the Company and of the Group for the year ended 31st March 2025 together with the Reports of the Directors and Auditors thereon.
- 1.2 To re-elect Mr. S M Enderby who retires by rotation pursuant to the provisions of Article 25(6) of the Articles of Association of the Company, as a Director.
- 1.3 To re-elect Mr. P R Saldin who retires by rotation pursuant to the provisions of Article 25(6) of the Articles of Association of the Company, as a Director.
- 1.4 To pass the ordinary resolution set out below to re-appoint Mr. M P Jayawardena, who attained the age of 70 years on 02nd August 2022, 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. M P Jayawardena, who attained the age of 70 years on 02nd August 2022 and that he be and is hereby re-appointed a Director of the Company."

- 1.5 To declare a dividend as recommended by the Directors.
- 1.6 To re-appoint Messers KPMG, Chartered Accountants, as the Auditors of the Company and to authorize the Directors to determine their remuneration.
- 1.7 To authorize 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

To consider and, if thought fit, to pass the following Special Resolution to amend the Articles of Association of the Company:

#### "IT IS HEREBY RESOLVED THAT

- (a) the following new Article be inserted as Article 14, immediately prior to the existing Article 14;

#### MEETINGS OF SHAREHOLDERS

14. (1) A General Meeting of shareholders may be held either—

- (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 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 Meeting); or
  - (iii) by a meeting held both physically and electronically (called Hybrid Meetings); 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, shall be valid as if it had been passed at a General Meeting of those Shareholders.
- (2) The Board shall determine whether a General Meeting is to be held as a physical General Meeting as referred to in 14. (1) (i) or held as an electronic General Meeting as referred to in 14. (1)(ii) or held as a Hybrid General Meeting, both physically and electronically, as referred to in 14. (1)(iii) or by a Resolution in writing as referred to in 14. (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 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 member necessarily in physical attendance at the Electronic General Meeting. The members 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 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 14 shall apply to that adjournment.
- (iii) In relation to an Electronic General Meeting, the right of a member 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.
- (b) to re-number the existing Article 14 to Article 47 as Article 15 to Article 48, respectively; and any cross references in the said Article 14 to Article 47 to be accordingly re-numbered based on the re-numbering of Article 14 to Article 47 as Article 15 to Article 48.

## DIRECTORS

- (c) the re-numbered Article 26 (1) be amended by the deletion of the word and figure "Two (2)" and the substitution therefor of the word and figure "Five (5), to read as follows:  
 "26. (1) The Directors shall not be less than five (5) nor more than fourteen (14) in number."
- (d) the re-numbered Article 37 (7)(i) to (v) be deleted in its entirety and replaced with the following new Article 37 (7):  
 "37. (7) (i) (a) 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.  
 (b) Such Alternate Director shall be entitled to receive notices of all meetings of Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and to exercise the rights of the appointer at meetings of the Board.  
 (c) The attendance of any Alternate Director at any meeting, including a Board committee meeting, at which the appointer is absent, shall be counted for the purpose of quorum at such meeting.  
 (ii) The appointment of an Alternate Director shall be subject to the approval of the Board.  
 (iii) An alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company, nor be required to hold any Share qualification. However, the Board may reimburse an Alternate Director such reasonable expenses as he may incur in attending and returning from meetings of the Board which he is entitled to attend, or as he may otherwise properly incur in or about the business of the Company. Alternatively, the Board may pay such allowances as it considers proper in respect of such expenses.  
 (iv) An alternate Director shall (on his giving an address for such notice to be served on him) be entitled to receive notices of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in the absence of such appointer, due to the reasons stated in Article 37(7)(i) hereof, including the signing of resolutions in writing to be passed by circulation under Article 35(1) hereof.  
 (v) Subject to Article 37(7)(i) hereof, an Alternate Director shall ipso facto cease to be an alternate Director on the occurrence of any of the following events:  
 (a) If his appointer ceases for any reason to be a Director. Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;  
 (b) If the appointment of the Alternate Director is revoked by his appointer by a notice in writing delivered to the Secretary;  
 (c) If the Board resolves that the appointment of the Alternate Director be terminated on a date determined by it prior to the completion of the period of one (1) year.  
 (vi) A Director shall not vote on the question of the approval of an Alternate Director to act for him, or on the question of the termination of the appointment of such an Alternate under Article 37 (7)(v)(c). He shall also not be counted to determine the quorum at meetings when such matters are voted on.

## NOTICE OF ANNUAL GENERAL MEETING

(vii) If an Alternate Director is appointed for a Non-Executive Director, such Alternate Director shall not be an executive of the Company.

(viii) 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."

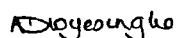
(f) to delete the re-numbered Article 46 (1) and substitute therefor the following :

"46. (1) Where the Company is required to send any document to a shareholder or to give notice of any matter to a shareholder, it shall be sufficient for the Company to send the document of notice to the registered address of the shareholder by ordinary post. The Company may serve notice by electronic mail to an electronic mail account notified by the shareholder in writing or any other acceptable means, to the Company or to the Central Depository System (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."

(g) to delete the re-numbered Article 46 (7) and substitute therefor the following :

"46. (7) Any notice required to be or which may be given by advertisement shall unless otherwise require by statute be published in Sinhala, Tamil and English national daily newspapers. 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 (if the company is listed on the Colombo Stock Exchange)."

By order of the Board  
CIC HOLDINGS PLC



P W Corporate Secretarial (Private) Ltd  
Secretaries

31st May 2025

### Notes:

- A shareholder is entitled to attend and/or vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to participate and/or vote on his/her behalf (as applicable) and Forms of Proxy are enclosed for this purpose.
- A proxy need not be a shareholder of the Company.
- Shareholders who wish to appoint a member of the Board of Directors as his/ her proxy to represent them at the AGM may do so by completing the Form of Proxy.
- Any Shareholder or Proxy holder attending the meeting is kindly requested to bring this report along with his/her National Identity Card or Passport for identification purposes.



# FORM OF PROXY

## ORDINARY SHARES

### ANNUAL GENERAL MEETING

I/We.....of  
.....

being a shareholder/shareholders of CIC Holdings PLC hereby appoint:

Shiran Harsha Amarasekera	or failing him
Rusi Sohli Captain	or failing him
Steven Mark Enderby	or failing him
Jitendra Romesh Gunaratne	or failing him
Mahinda Preethiraj Jayawardena	or failing him
Don Tiburtius Sujeewa Handapangoda Mudalige	or failing him
Prawira Rimoe Saldin	or failing him
Kshenuka Dhireni Senewiratne	

as my/our Proxy to represent me/us and speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9.00. a.m on 30th June 2025 and at any adjournment thereof.

I/We\* the undersigned, hereby authorize my/our\* proxy to speak and vote for me/us\* and on my/our\* behalf in accordance with the preference as indicated below:

1.0	Ordinary Business	For	Against
1.1	To receive and adopt the Statements of Accounts of the Company and of the Group for the year ended 31st March 2025 together with the Reports of the Directors and Auditors thereon.		
1.2	To re-elect Mr. S M Enderby who retires by rotation pursuant to the provisions of Article 25(6) of the Articles of Association of the Company, as a Director.		
1.3	To re-elect Mr. P R Saldin who retires by rotation pursuant to the provisions of Article 25(6) of the Articles of Association of the Company, as a Director.		
1.4	To pass the ordinary resolution set out below to re-appoint Mr. M P Jayawardena, who attained the age of 70 years on 02nd August 2022, as a Director of the Company.		
1.5	To declare a dividend as recommended by the Directors.		
1.6	To re-appoint Messers KPMG, Chartered Accountants, as the Auditors of the Company and to authorize the Directors to determine their remuneration.		
1.7	To authorize 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 Special Resolution set out under item 2 of the Notice of Meeting to amend the Articles of Association of the Company.		

In witness my/our\* hands this ..... day of ..... Two Thousand and Twenty Five.

.....  
Signature of Shareholder/s

\*Please delete as appropriate

- Notes**
1. A proxy need not be a shareholder of the Company
  2. Instructions as to completion are noted on the reverse hereof

## FORM OF PROXY

### INSTRUCTIONS AS TO 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 Proxy shall –
  - (a) In the case of an individual be signed by the shareholder or by his/her 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).
3. 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.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company at the undermentioned address or scanned and emailed to [agm@cic.lk](mailto:agm@cic.lk) by 9.00 a.m. on 28th June 2025.

CIC House  
199, Kew Road  
Colombo 2

# FORM OF PROXY

Non-Voting (Class X) Shares

## ANNUAL GENERAL MEETING

I/We.....of

being a shareholder/shareholders of CIC Holdings PLC hereby appoint:

Shiran Harsha Amarasekera	or failing him
Rusi Sohli Captain	or failing him
Steven Mark Enderby	or failing him
Jitendra Romesh Gunaratne	or failing him
Mahinda Preethiraj Jayawardena	or failing him
Don Tiburtius Sujeewa Handapangoda Mudalige	or failing him
Prawira Rimoe Saldin	or failing him
Kshenuka Dhireni Senewiratne	

as my/our Proxy to represent me/us and speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9.00. a.m on 30th June 2025 and at any adjournment thereof.

I/We\* the undersigned, hereby authorize my/our\* proxy to speak and vote for me/us\* and on my/our\* behalf in accordance with the preference as indicated below:

1.0	Ordinary Business	For	Against
1.1	To receive and adopt the Statements of Accounts of the Company and of the Group for the year ended 31st March 2025 together with the Reports of the Directors and Auditors thereon.		
1.2	To re-elect Mr. S M Enderby who retires by rotation pursuant to the provisions of Article 25(6) of the Articles of Association of the Company, as a Director.		
1.3	To re-elect Mr. P R Saldin who retires by rotation pursuant to the provisions of Article 25(6) of the Articles of Association of the Company, as a Director.		
1.4	To pass the ordinary resolution set out below to re-appoint Mr. M P Jayawardena, who attained the age of 70 years on 02nd August 2022, as a Director of the Company.		
1.5	To declare a dividend as recommended by the Directors.		
1.6	To re-appoint Messers KPMG, Chartered Accountants, as the Auditors of the Company and to authorize the Directors to determine their remuneration.		
1.7	To authorize 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 Special Resolution set out under item 2 of the Notice of Meeting to amend the Articles of Association of the Company.		

In witness my/our\* hands this ..... day of ..... Two Thousand and Twenty Five.

.....  
Signature of Shareholder/s

\*Please delete as appropriate

- Notes**
1. A proxy need not be a shareholder of the Company
  2. Instructions as to completion are noted on the reverse hereof

## FORM OF PROXY

### INSTRUCTIONS AS TO 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 Proxy shall –
  - (a) In the case of an individual be signed by the shareholder or by his/her 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).
3. 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.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company at the undermentioned address or scanned and emailed to [agm@cic.lk](mailto:agm@cic.lk) by 9.00 a.m. on 28th June 2025.

CIC House  
199, Kew Road  
Colombo 2

## NOTES

[illegible]

## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# CORPORATE INFORMATION

## NAME OF THE COMPANY

CIC Holdings PLC

## COMPANY REGISTRATION NUMBER

PQ 88

## LEGAL FORM

A Public Quoted Company with limited liability incorporated in Sri Lanka on 12th May 1964

Re-registered under the Companies Act. No. 7 of 2007 on 21st November 2007

## REGISTERED ADDRESS

CIC House, No.199, Kew Road, Colombo 02

## BOARD OF DIRECTORS

S H Amarasekera (Chairman)  
R S Captain  
S M Enderby  
J R Gunaratne  
M P Jayawardena  
D T S H Mudalige  
P R Saldin  
K D Senewiratne

## COMPANY SECRETARY

P W Corporate Secretarial  
(Private) Limited  
3/17, Kynsey Road  
Colombo 8

## AUDITORS

KPMG  
Chartered Accountants  
32A  
Sir Mohamed Macan Markar Mawatha,  
Colombo 03

## BANKERS

Bank of Ceylon  
Commercial Bank of Ceylon PLC  
DFCC Bank PLC  
Standard Chartered Bank PLC  
Hatton National Bank PLC  
NDB Bank PLC  
Nations Trust Bank PLC  
Peoples Bank  
Sampath Bank PLC  
Seylan Bank PLC  
HSBC Bank  
Amana Bank PLC  
Public Bank

## LEGAL ADVISERS

Nithya Partners  
Attorneys-at-Law  
97A, Galle Road, Colombo 03

Heritage Partners  
Attorneys-at-Law  
04, Malalasekara Pedesa  
Colombo 07

Julius & Creasy  
Attorneys-at-Law  
371, R A De Mel Mawatha, Colombo 03

## NON-EXECUTIVE DIRECTORS

S H Amarasekera (Chairman)  
R S Captain  
S M Enderby  
J R Gunaratne  
M P Jayawardena  
D T S H Mudalige  
P R Saldin  
K D Senewiratne

## AUDIT COMMITTEE

D T S H Mudalige - Chairman  
P R Saldin  
M P Jayawardena  
J R Gunaratne  
K D Senewiratne

## HUMAN CAPITAL & COMPENSATION COMMITTEE

J R Gunaratne - Chairman  
D T S H Mudalige  
K D Senewiratne  
R S Captain  
S H Amarasekera

## NOMINATIONS & GOVERNANCE COMMITTEE

D T S H Mudalige - Chairman  
S H Amarasekera  
J R Gunaratne  
R S Captain  
K D Senewiratne

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

J R Gunaratne - Chairman  
K D Senewiratne  
D T S H Mudalige  
S M Enderby



