

Authentic. Accessible. Acclaimed.





A LEGACY OF VISION AND LEADERSHIP

Deshamanya D.H.S. Jayawardena

With deep respect and profound gratitude, we pay tribute to Deshamanya D.H.S. Jayawardena, an extraordinary leader whose enduring legacy at the helm of the Distilleries Company of Sri Lanka PLC (DCSL) continues to resonate with purpose and pride. His leadership extended far beyond strategy, sustainability, and innovation — it was rooted in a deep understanding of people and a profoundly human approach to business. He built a company not only known for meticulous excellence, but that empowered individuals, nurtured talent, and touched lives.

Appointed Chairman in 2006, following nearly two decades as Managing Director, Mr. Jayawardena played a pivotal role in transforming DCSL from a state-owned enterprise into one of Sri Lanka's most respected private sector institutions. Under his stewardship, DCSL Sri Lanka's pioneering distiller underwent unprecedented growth, earning a Fitch AAA credit rating and recognition on Forbes' "Best Under a Billion" list on three occasions.

His unwavering commitment to quality led him to pursue the development of a state-of-the-art, automated manufacturing plant, located in Seeduwa, which more than rivals its international counterparts. He upheld the principle that the customer deserves nothing less than excellence, embedding this ethos across the company.

He also possessed an unparalleled talent for recognising potential and cultivating strategic partnerships, leveraging external expertise. His critical alliance with industry leader Pernod Ricard in 1995 was a prime example of this— a decade-long collaboration that fundamentally transformed DCSL's facilities. Through this partnership, Mr. Jayawardena introduced industry experts and technicians, spearheaded significant product enhancements, and facilitated the advanced training of our chemists in France. His leadership not only elevated our manufacturing capabilities but also propelled our product offerings to new heights.

But what truly set Mr. Jayawardena apart was his belief in people. He was a firm advocate of professional growth, constantly encouraging employees to broaden their horizons through cross-functional exposure and skills development. During challenging times, his care extended beyond business, personally investing in the safety and well-being of team members and their families.

His ability to inspire ownership, resilience, and excellence created a culture where individuals flourished alongside the company. DCSL's transformation into a powerhouse of the private sector was characteristic of his dynamic leadership, bold decision-making, and uncompromising pursuit of quality.

So, as we move forward, we carry with us not only his vision but also his values. Deshamanya D.H.S. Jayawardena leaves behind a legacy defined by integrity, foresight, and a relentless drive for excellence—one that will guide us as we shape the future of DCSL, inspired by the standards he set and the lives he transformed.



Established in 1913, our company proudly holds the distinction of being the first in the industry with a heritage spanning over a century. All our spirits are crafted from 100% pure coconut spirit - completely free from any adulteration. With a commitment to excellence, we combine traditional craftsmanship with modern technology and state-of-the-art facilities to ensure uncompromising quality. We remain dedicated to delivering the finest products in the industry to our valued consumers.

Authentic. Accessible. Acclaimed.

Three words that define who we are – authentic in our commitment to principled leadership, always accessible to our stakeholders, and highly acclaimed products we deliver to our consumers and for the legacy of quality we continue to build.

This is reinforced by our AAA rating from Fitch Ratings.



CONTENTS

COMPANY OVERVIEW

- 3** Financial Highlights
- 4** A Historical Perspective
- 10** Distilled to Perfection. Enjoyed without Reservation.
- 12** The Definitive Collection of International Bestsellers.
- 16** A Flavour for Every Occasion.
A Toast to the Spirit of Celebration.
- 18** Brewed to Please Everyone, Every Time.
- 20** Chairman's Message
- 24** Board of Directors
- 30** DCSL Management
- 32** Management Discussion & Analysis
- 34** A Collection of Treasured Moments

GOVERNANCE REPORTS

- 36** Corporate Governance
- 53** Enterprise Risk Management
- 56** Report of The Senior Independent Director
- 57** Audit & Risk Committee Report
- 59** Remuneration Committee Report
- 60** Related Party Transactions Review Committee
- 61** Nominations and Governance Committee Report
- 63** Annual Report of the Board of Directors

FINANCIAL REPORTS

- 68** Statement of Directors' Responsibility
- 69** Independent Auditor's Report
- 74** Statement of Profit or Loss and Other Comprehensive Income
- 75** Statement of Financial Position
- 76** Statement of Changes In Equity-Group
- 78** Statement of Changes In Equity-Company
- 80** Statement of Cash Flows
- 82** Notes to the Financial Statements

SUPPLEMENTARY INFORMATION

- 132** Ten Year Summary
- 133** Statement of Value Added
- 134** Shareholder Information
- 136** DCSL Management Team
and Unit Management Team
- 139** Notice of Meeting
- 141** Form of Proxy
- IBC** Corporate Information



FINANCIAL HIGHLIGHTS

		2025	2024
SUMMARY OF RESULTS			
Gross Turnover	Rs. Mn	138,940	115,396
Excise Duty	Rs. Mn	85,257	69,142
Net Turnover	Rs. Mn	53,683	46,254
Profit After Tax	Rs. Mn	17,596	14,340
Shareholders Fund	Rs. Mn	17,332	10,621
Working Capital	Rs. Mn	4,824	(100)
Total Assets	Rs. Mn	39,336	30,980
Staff Cost	Rs. Mn	3,745	3,421
No. of Employees		953	921
PER SHARE			
Basic Earnings	Rs.	3.83	3.12
Net Assets	Rs.	3.77	2.31
Dividends	Rs.	2.70	3.88
Market Price			
High	Rs.	40.40	29.00
Low	Rs.	24.90	17.10
Year End	Rs.	36.40	26.90
RATIOS			
Price Earnings	times	9.50	8.62
Return on Shareholder Funds	%	101.59	135.02
Current Ratio	times	1.24	0.99
Interest Cover	times	429.61	157.04
Stock Turnover (Finished Goods)	days	19	20
Debt to Equity	%	0.02	25.57
Debt to Total Assets	%	0.01	8.77
Dividend Payout	%	70.50	124
Dividend Yield	%	7.42	14

A HISTORICAL PERSPECTIVE



Present in Sri Lanka for over a century, The Distilleries Company of Sri Lanka PLC (DCSL), is one of the most profitable and well-respected corporate entities in the country. Its proud tradition, rich heritage and proven credentials have made the Company a beacon of inspiration for others. Over the past 100 years, our corporate DNA has been strengthened with our values of tradition, quality, innovation, resilience and the determination to succeed.

DCSL's roots can be traced back to 1913, when the Excise Department of Ceylon, which was initially created as the enforcement authority to distribute and sell liquor products in Sri Lanka, branched out into the distillation and manufacture of liquor products. In 1974,

the State Distilleries Corporation was incorporated by statute, to take over this venture, while the Excise Department realigned its operations as a monitoring body.

Thus, DCSL has the distinction of being the pioneer distiller in Sri Lanka. In 1989, under a government policy decision, the State Distilleries Corporation was converted into a limited liability company. This transfer of ownership took place at the Colombo Stock Exchange (CSE) in 1992, making it the largest transaction in the history of the CSE at that time.

Under new private management, the Company entered an era of modernisation that witnessed upgrading of machinery and equipment.

argenté

The ultimate expression
of distinguished taste

As the largest and oldest distiller of pure coconut arrack in the world, we have perfected the process of extraction, distilling and blending for over a century. Made exclusively from coconut spirit aged for a minimum of 20 years, Argenté Centenary Blend is the result of this progression, where the finest raw materials are transformed by our master-craftsmen, into a creation that is the essence of excellence and an icon of distinguished taste.



Narikela

Pure Coconut

**DISTINCTIVE FLAVOUR
OF COCONUT TO SATISFY
THE CONNOISSEUR**



**BRONZE
WINNER
2016**

A legacy

The destiny of a dynasty

The vitality and reach of the Taittinger brand is based on the values of those who embody it today. These values are inherited from those who created the Champagne House. Over three generations, a number of people have left their mark on the history, spirit and style of Taittinger and, beyond that, on the image of Champagne itself. Vision, inspiration, strategy, development and influence have all contributed to permanently shaping the destiny of the family and the reputation of the Champagne House.



CHAMPAGNE
TAITTINGER

BLACK JACK

LONDON DRY
& LEMON

GIN



Make it your Style



HOUSE OF TILBURY

—PREMIUM WHISKY—

A Blend of Malt, Blended Scotch Whisky
and Finest Grain Spirits from Sri Lanka,
Combined to Create a Blend of Whisky
which is Rich and Smooth on the Palate.
A Taste that Deserves to be Shared.



DISTILLED TO PERFECTION. ENJOYED WITHOUT RESERVATION.

SPECIAL ARRACK

Celebrate the spirit of the moment with this brilliant blend. Here's an arrack that is traditionally taken straight or enjoyed with soda or water.

WHITE LABEL ARRACK

A crystal-clear arrack that offers a clean, smooth, uplifting taste, this is the perfect drink for anytime or place. Offering a hint of lime, White Label really comes into its own when mixed in a tropical cocktail, but it can also be enjoyed with just ice.

NARIKELA

The Spirit of Sri Lanka; a pure coconut liqueur, with a subtle taste and aroma of desiccated coconut and embodying a delicate sweetness. Narikela encapsulates the spirit of our island and its people-joyful, carefree, hospitable and versatile. It can be served straight, on the rocks, with a chaser or mixed into a cocktail.

EXTRA SPECIAL ARRACK

A legend among blended arracks, Extra Special lives up to its name, with a unique and distinctive taste. If you are looking for a spirited beverage, known for its authentic intensity, your search ends here.

BLUE LABEL ARRACK

Share a moment, catch up with friends, or enjoy one of life's simple pleasures with this unique blend of spirits that's perfectly balanced. Every bottle is an expression of tradition, passion, and good taste.



VERY SPECIAL OLD ARRACK

Arrack is not just another beverage, it is a tradition, an institution, a pastime. Want to know what makes this arrack so 'very special'? The proof is in the tasting. Enjoy it straight, mixed, with chasers, or in your favourite cocktail. Here is a drink that will put sunshine in your heart and a smile on your face.



DOUBLE DISTILLED ARRACK

A time-tested romance between the science of distilling and the art of blending. Distilled twice for extra purity and smoothness, this is the drink for those who know the difference. However, for the committed connoisseur who demands a beverage with real character, nothing else will do.



OLD ARRACK

An arrack that has inspired generations and has remained a local favourite through the ages. Smooth, swanky and with plenty of attitude. Mixes well with good company, but it might be even better when enjoying the sweet bliss of solitude.



PURE COCONUT SRI LANKA ARRACK

A bold and adventurous blend of pure coconut spirits. The perfect drink for those warm tropical days or heady nights. Mixes perfectly with soda, water and a generous helping of ice. Sri Lanka Arrack is the ideal accomplice to a good time.



COCONUT ARRACK

With Coconut Arrack you get a lesson in tradition and a masterclass in blending. By using only the purest spirits, we have produced a drink that doesn't need a special occasion for imbibing, though opening a bottle will make any occasion a very special one.



THE DEFINITIVE COLLECTION OF INTERNATIONAL BESTSELLERS.

GRAND CHAIS DE FRANCE

Founded in 1979, the owners of over 30 domains and chateaux with 20 years of experience in wines and spirits.

ALBERT BICHOT - "THE EPIC STORY" OF A GREAT HOUSE

In 1350, the Bichot family was established in Burgundy. In the XIXth century the family ventured into the wine business. In 1831 Bernard Bichot founded a wine brokerage, which has been passed down from father to son until now.

PASSION POP

There is nothing serious about this little number!

BURONGA HILL

Buronga Hill Estate is the flagship brand of the Buronga Hill Winery. Located in the Sunraysia district of southern NSW, Buronga Hill Winery is one of the largest wineries in Australia.

WINCARNIS - TONIC WINE

First produced in 1887, Wincarnis Tonic Wine is a natural tonic, incorporating a unique infusion of herbs and spices rich in energy-giving vitamins.



DOÑA PAULA - LOS CARDOS

Doña Paula is among the main Argentinean wineries that export premium wines; 97% of production is exported to more than 60 countries and the international press has assigned their wines at very high ratings.



CAPE DREAMS

The name Cape Dreams reflects our personal aspiration to build an internationally recognised brand. Our objective is to develop and grow Cape Dreams into a brand synonymous with wines of superb quality.



MISIONES DE RENGO

Its birth was in 2001, breaking all traditional paradigms of the Chilean wine industry, its eye catching presentation and oenological quality has enabled it to become one of Chile's main brands. The company also offers Cuve'e and Varietal ranges.



3 TRES MEDALLAS

Intense and deep ruby-red wine with delicate violet hues. Black fruits such as plums and blackberries predominate on the nose along with subtle spicy, vanilla, caramel and toasted notes from its contact with French and American oak. The palate is big and voluminous, persistent and structured. Its soft and round tannins stand out, generating wine with a great finish, fruity, intense and fresh.



TERRA ANDINA - BY SUR ANDINO

Blending grapes from different valleys, of Chile's different wine growing regions. Terra Andina is focused on making quality wines to capture the full potential of Chilean viticulture.



THE DEFINITIVE COLLECTION OF INTERNATIONAL BESTSELLERS.

TEMPUS TWO

Style, Substance, Sophistication. Launched in 1998, the vision for Tempus Two remains; to create a unique and distinctive range of wines from Australia's premier wine growing regions. Blending substance with style, they have designed a luxurious, artesian and elegant range of wines for those who appreciate the finer things in life.

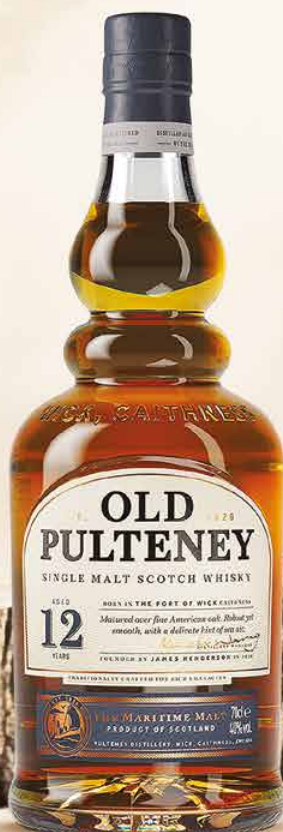
SOMERTON

The Somerton range reflects the bright fruit flavours that are the hallmark of Australia's sunny climate regions at incredible value for money.



OLD PULTENEY

Pulteney distillery is one of the most northerly distilleries on the Scottish mainland. The extreme location and unique stills have resulted in a Single Malt Scotch Whisky that is bursting with the power and subtlety of the sea.



SPEYBURN - SINGLE MALT SCOTCH WHISKY

Carving our own path 1897 - for over 100 years Speyburn have trusted in their instincts and challenged whisky norms to create a single malt Scotch worthy of the vibrancy of the Speyside region.



MARCEL MARTIN ROSE D'ANJOU

Composed of Grolleau and Cabernet Franc, this Rosé d'Anjou La Jaglerie has a pink pale color. The nose reveals red fruits and floral notes. The palate is balanced, supple and fresh. Served at 10° C, this wine is ideal as an aperitif and it is the perfect accompaniment to cakes and ice cream.



TAITTINGER - CHAMPAGNE

This high proportion of Chardonnay, unique among fine non-vintage champagnes, is aged for three years in cellars, where it reaches the peak of aromatic maturity. Known for its consistently excellent quality all over the world.

THE QUEEN'S SEAL

'Smooth and Mellow', A competitively priced, good quality matured blended Scotch whisky, Queen's Seal contains a selection of aged single malt and grain whiskies. Experience has shown that its competitive price position encourages consumer trial, while its smooth and mellow taste keeps them coming back for more.

STOLICHNAYA VODKA

Since the dawn of the 20th century, produced to the same traditions and highest quality standards for more than 80 years.

12-YEAR-OLD REGENCY (PREMIUM)

Left to mature in American ex-bourbon casks for 12 long years, it is then expertly combined to create this spicy, sweet and distinctively balanced, blended Scotch Whisky.

AGAVITA - TEQUILA

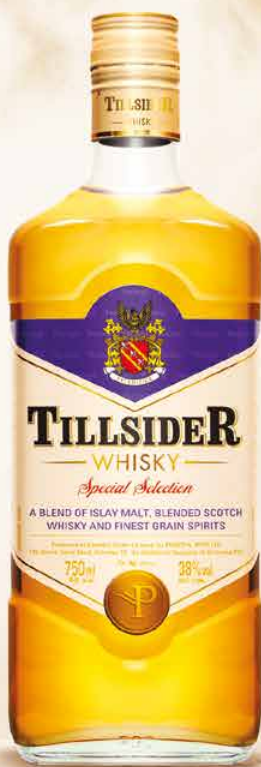
A time-tested Tequila Blanco, or white Tequila, is a Mexican spirit that can be served as a shot or mixed in cocktails. Even though it is colourless, it gives a slight taste of mint and pepper.



A FLAVOUR FOR EVERY OCCASION. A TOAST TO THE SPIRIT OF CELEBRATION.

TILL SIDER WHISKY

A refined blend of Islay malts and scotch whisky with fine grain spirits. Every bottle tells a story of fiery passion, rugged coast, and windswept highlands. Best enjoyed liberally, whether on the rocks, mixed, or in your favourite whisky cocktails.



HOUSE OF TILBURY PREMIUM WHISKY

A blend of malt, blended scotch whisky and finest grain spirits from Sri Lanka, combined to create a blend of whisky which is rich and smooth on the palate. A taste that deserves to be shared.



PETROFF VODKA

For those days or nights when you want to feel like a Russian Czar, Petroff Vodka goes well with just about anything. Crystal clear, with a subtle taste you're sure to enjoy, this is vodka for casual enthusiasts and aficionados alike.



TRIPLE BLUE SUPERIOR ARRACK

The pursuit of happiness and pleasure requires a certain passion and dedication, which reveals itself in this brave and intense blend. Offering a rich final product, Triple Blue is a definitive statement in quality.



BLACK OPAL ARRACK

With a rich and smooth mouthfeel, this is an arrack that offers a distinctively well-rounded taste, combined with a clean, upbeat rush. An absolute joy to drink, whether you like them on the rocks or mixed.



GALERIE BRANDY

A blend of renowned French brandy and premium quality spirits, matured in the finest barrels. This gives Galerie its distinctively smooth finish, for a brandy with plenty of style and a distinguished character.



BLACK JACK LEMON GIN

Black Jack Lemon Gin opens with zesty lemon peel and subtle juniper.

A smooth citrus burst gives way to hints of herbal botanicals and a gentle sweetness.

Crisp and refreshing on the palate, it finishes clean with a tangy twist, making it perfect for sipping or mixing in cocktails.



FRANKLIN BRANDY

An exquisite blend of the best French brandy with select spirits, offering a taste that's refreshingly contemporary. One of the finest blended brandies with a smooth, full-bodied, and artfully blended finish.



BLACK JACK LONDON DRY GIN

Black Jack Dry Gin delivers a bold blend of classic botanicals, led by crisp juniper. Subtle citrus zest and peppery spice follow, creating a balanced, dry profile. The finish is clean and lingering, making it ideal for timeless gin cocktails or a refined sipping experience.



EXCELLA TEQUILA BLANCO

Excella Tequila Blanco is a smooth and refreshing Tequila. On the nose, it has aromas of citrus, mint and honey with a hint of earthiness. On the palate, it is light and crisp, with flavours of lemon, lime, grapefruit and agave nectar, balanced by a touch of pepper and mineral. The finish is clean and refreshing, with a lingering citrus zest. Excella Tequila Blanco is perfect for sipping on its own or mixing into a variety of cocktails, such as margaritas, palomas or ranch waters.



DARK RUM

A combination of spirits that deliver an authentic tasting rum, which stays true to its Caribbean roots. Balmora mixes well with any occasion and is the perfect addition for creating those magical moments.



BREWED TO PLEASE EVERYONE, EVERY TIME.



HEINEKEN

Heineken® stands as a leading international premium lager, recognised globally for its consistent quality and crisp taste. Available in nearly every country, Heineken® has upheld its reputation for excellence for almost 150 years. In Sri Lanka, it remains the only brew crafted with 100% pure malt, using the finest A-Yeast and undergoing a meticulous 28-day brewing process in horizontal tanks.



ANCHOR

Anchor beer is brewed following a traditional European recipe that has been refined over time to create an award-winning flavour and experience. The brewing process is marked by the careful selection of premium European malt and hops, along with expert craftsmanship, ensuring that Anchor beer consistently delivers its signature taste and exceptional mouthfeel.



TIGER

Tiger has firmly established itself as Asia's leading international premium beer and ranks among the fastest-growing brands worldwide, with presence in more than 60 countries. Tiger has been uncaging new ways to take refreshment to the next level - making the impossible possible for decades. It is best complemented with Sri Lanka's vibrant and spicy cuisine.

Marketed by DCSL Breweries Lanka Limited, a member of DCSL Group



BISON

A 100% homegrown brew, Bison Beer is Sri Lanka's first strong beer with an ABV of 8.8%. Crafted with care from premium natural ingredients, Bison promises a potent taste of world-class strength, uniquely authentic to our island paradise!



DCSL

DCSL Beer signifies the strategic expansion of DCSL, the country's leading alcohol company, into the beer category reinforcing a legacy of excellence built through its acclaimed hard liquor portfolio. Brewed with premium ingredients and guided by expert craftsmanship, the brand upholds the highest standards of quality, embodied in the tagline "Truly Extra Special", while enhancing the drinking experience of consumers across Sri Lanka.

CHAIRMAN'S MESSAGE



On behalf of the Board, management, our employees, and stakeholders, I extend our deepest gratitude to our late Chairman for his unparalleled contributions. His tenure of excellence established a legacy that will continue to inspire us as we undertake the next chapter in DCSL's journey.



D. Hasitha S. Jayawardena
Chairman

Dear Shareholder,

**Authentic. Accessible.
Acclaimed.**

It is with sincere humility and a profound sense of responsibility that I address you today, as the newly appointed Executive Chairman of Distilleries Company of Sri Lanka PLC (DCSL). This moment marks both a continuation of a remarkable legacy, and the beginning of a new chapter; one grounded in our enduring commitment to remaining authentic to our values, accessible to our

partners, and acclaimed for the standards that we embody.

As I assume this role, I am deeply mindful of the path charted by our late Chairman, Deshamanya Harry Jayawardena. His dynamic vision, uncompromising resolve, and assured stewardship transformed DCSL into a diversified and resilient market leader, esteemed as an integral pillar of Sri Lanka's corporate landscape. On behalf of the Board, management, our employees, and stakeholders, I extend our deepest gratitude to our



Rs.141,297 Mn
GROSS TURNOVER



Rs.100,775 Mn
TAXES PAID



Rs.14,675 Mn
PROFIT AFTER TAX

late Chairman for his unparalleled contributions. His tenure of excellence established a legacy that will continue to inspire us as we undertake the next chapter in DCSL's journey.

The Economic Landscape: Challenges and Resilience

The year under review was characterised by cautious global optimism, tempered by unfolding geopolitical disruptions. As 2025 began, major economies experienced moderating inflation, but transnational conflicts and tightening fiscal policies continued to challenge global trade flows and consumer demand. These external headwinds were mirrored in Sri Lanka's domestic context.

Under the IMF-supported reform agenda, Sri Lanka welcomed signs of macroeconomic stabilisation: declining inflation, improved foreign reserves, and modest GDP recovery. Yet, despite these improvements, everyday realities remained challenging for many consumers, whose disposable income continued to be constrained by a high cost of living and tax adjustments.

For the alcoholic beverages industry, this environment presented a complex interplay. On the one hand, consumers sought affordable offerings and meaningful social connection; on the other, successive excise duty increases raised retail prices substantially, impacting affordability and shifting demand. These changes contributed to the unwelcome growth of the illicit alcohol market, undermining the legitimate sector and posing a serious risk to public health.

At DCSL, we recognise that fostering industry sustainability requires collaborative reform. As such, we remain committed to constructively engaging with policymakers and regulators to promote responsible consumption, ensure a level playing field, and protect our customers from illicit products that endanger human life and well-being.

Strategic Milestone: Expanding Horizons through Brewing

Amidst these external pressures, DCSL undertook the strategic decision, in 2024,

to acquire 99.4% of Heineken Lanka Limited from Heineken Asia Pacific Pte Ltd., marking our formal entry into the brewing sector and redefining our identity as an increasingly fully integrated alcoholic beverage group. This move was driven by our conviction that, to remain relevant to evolving consumer preferences, we must offer a diversified portfolio that resonates with both traditional preferences and contemporary tastes.

Following this acquisition, we proudly launched a new portfolio of locally brewed premium beers: DCSL Lager, DCSL Strong and DCSL Stout. These beers were meticulously developed by seamlessly blending international quality standards with unparalleled Sri Lankan brewing craftsmanship and foreign expertise.

The integration of DCSL Breweries Lanka Ltd. expanded our distribution footprint, enhancing operational synergies, and enabling us to serve a broader demographic, including the growing tourist segment that selectively pursues local craft and heritage brands. Through this transformation, DCSL has positioned itself as not only a market leader in spirits, but as a dynamic player, spanning the full breadth of the alcoholic beverage industry.

Group Performance: Balanced Growth, Resilient Fundamentals

In a year shaped by shifting demand patterns, tax-driven price escalation, and cost volatility, DCSL delivered a robust and balanced performance. This reflects the strength of our multi-category portfolio and disciplined operational execution.

Group revenue reached Rs. 141.3 billion for the financial year ended 31st March 2025, a significant increase from Rs. 115.4 billion in the previous year. Despite challenging industry headwinds, including indirect tax hikes and rising input costs, our net profit after tax stood at Rs. 14.67 billion, underscoring the strength and adaptability of our business.



Group revenue reached Rs. 141.3 billion for the financial year ended 31st March 2025, a significant increase from Rs. 115.4 billion in the previous year.



CHAIRMAN'S MESSAGE

This outcome was achieved by safeguarding our market leadership in the core distilled spirits segment, where DCSL continues to hold the position as Sri Lanka's foremost market leader; capturing additional value from the newly acquired beer segment, which is gaining consumer traction at a pace exceeding initial expectations; and enhancing operational efficiencies to mitigate cost pressures and maintain sustained profitability.

Our balanced portfolio strategy positions us to serve consumers across diverse price points, consumption occasions, and evolving preferences.

Outlook: Staying Relevant, Responsible, and Resilient

Looking forward, we anticipate gradual macroeconomic recovery in Sri Lanka, underpinned by structural reforms and fiscal consolidation. However, consumer purchasing power is likely to remain challenged due to ongoing tax adjustments and cost-of-living concerns.

In response, DCSL's strategic priorities are clear. Central to our approach is the deepening of brand loyalty through innovative product and packaging developments that resonate with both local and international consumers. Building on this foundation, we are expanding our distribution reach to ensure our brands remain present and accessible at key moments of consumer engagement. Complementing these efforts, we continue to drive operational excellence and efficiency at DCSL Breweries Lanka Ltd., reinforcing our competitiveness. A strong emphasis on data-driven insights will subsequently enable us to anticipate emerging trends and proactively refine our portfolio to stay ahead of market shifts and expectations.

While external risks remain, from policy volatility to geopolitical disruptions, our disciplined capital structure, strong governance framework, and proven execution capability ideally equip us to navigate uncertainty and sustain long-term stakeholder value.

Dividends: Commitment to Sustainable Returns

In keeping with our tradition of rewarding shareholders, the Board announced a total dividend of Rs. 3.0 per share for the financial year, ended 31st March 2025. This decision reflects our confidence in the Group's fundamental integrity, prudent capital allocation, and long-term growth trajectory. We remain committed to balancing reinvestment for strategic expansion and operations with consistent returns to shareholders.

Governance: Strengthening Oversight in Transition

The year under review also marked an important phase in governance renewal, ensuring that our Board remains strategically positioned to guide DCSL through an increasingly volatile landscape. We undertook a number of key leadership appointments to reinforce governance and strategic direction. This included my own re-designation as Executive Chairman on 6th February 2025, a move intended to ensure leadership continuity amid a period of strategic realignment. This was complemented by the appointment of Mr. L.U.D. Fernando as Executive Non-Independent Director on 19th February 2025, strengthening operational alignment and advancing strategic execution. Additionally, Mr. L.H.A. Lakshman Silva, who joined the Board on 1st October 2024, was appointed Senior Independent Director in February 2025, bringing valuable financial expertise and bolstering governance oversight. Further enhancing the Board's depth, Mr. Ashoka Goonesekere was appointed as Independent Non-Executive Director on 30th September 2024, contributing a wealth of professional acumen and industry insight.

We also take this opportunity to acknowledge the invaluable contributions of Dr. A.N. Balasuriya, who stepped down on 30th September 2024 after years of dedicated service.

During the year, the Board strengthened risk management frameworks, updated committee charters, and enhanced



In keeping with our tradition of rewarding shareholders, the Board announced a total dividend of Rs. 3 per share for the financial year ended 31st March 2025



oversight mechanisms to align governance with our evolving operational footprint and stakeholder expectations. Our governance ethos remains grounded in transparency, accountability, and integrity, ensuring we retain the trust of our stakeholders.

Honouring a Legacy: A Personal Reflection

As I take on this role, I do so as both the son and successor of our late Chairman, Deshamanya Harry Jayawardena. His principled leadership, unique vision, and steadfast dedication to national progress defined not only DCSL but contributed to shaping Sri Lanka's corporate landscape.

His meticulous standards, pursuit of excellence, and an unwavering commitment to society continue to guide us. They remind us that authenticity of purpose transcends brand positioning, demanding that we live our principles in every decision, in every action.

Appreciation: Our Collective Strength

I extend my heartfelt gratitude to the Board of Directors for their wise counsel and steadfast support during this period of transition. To our leadership team and every employee across the nation, your dedication, resilience, and professionalism are what makes our success and achievements possible.

To our valued consumers, partners, regulators, and communities, we extend our sincere gratitude for your unwavering trust and active engagement. Your expectations truly inspire us to lead with purpose and integrity, striving to create lasting value and meaningful impact in every offering we bring to market.

Finally, to our shareholders, thank you for your belief in our long-term vision. Your support empowers us to pursue decisive strategic moves, like our expansion into brewing, while continuing to deliver robust returns. Together, we are positioned to build a stronger, more dynamic DCSL that embraces sustainability; a Company that not only honours its heritage, but boldly embraces an innovative and ambitious future.



D. Hasitha S. Jayawardena
Chairman

22nd August 2025

BOARD OF DIRECTORS



MR. D. HASITHA S. JAYAWARDENA
Chairman



MR. C. R. JANSZ
Executive Director



MS. D.S.T. JAYAWARDENA
Non-Independent Non-Executive Director



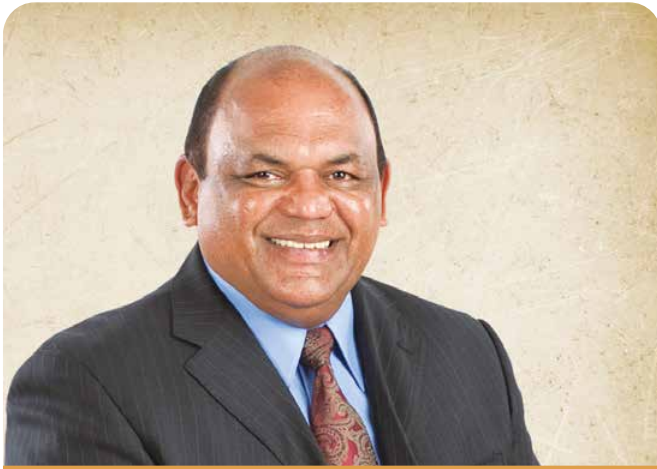
MR. M. A.N S. PERERA
Executive Director



MR. L. H. A. L. SILVA
Senior Independent Non-Executive Director



MR. L. U. D. FERNANDO
Executive Director



CAPT. K. J. KAHANDA (RETD.)
Executive Director- Managing Director



MR. N. J. DE S. DEVA ADITYA
Non-Independent Non-Executive Director



DR. R. A. FERNANDO
Independent Non-Executive Director



MR. A. GOONESEKERE
Independent Non-Executive Director



MS. V. J. SENARATNE
Company Secretary & Senior Vice President-Legal

BOARD OF DIRECTORS

MR. D. HASITHA S. JAYAWARDENA

BBA (Hons) (UK)

Chairman

Consequent to the demise of Deshamanya D. H. S. Jayawardena, Mr. D. Hasitha S. Jayawardena was appointed as the Executive Chairman on 6th February 2025.

Mr. Jayawardena holds a Bachelor's Degree in Business Administration BBA (Hons) from the University of Kent in the United Kingdom.

He has also worked as an Intern at the Clinton Global Initiative Programme (CGI) in New York in 2007.

Mr. Jayawardena has over 12 years of experience in various diversified fields in the Group and is the Chairman & Managing Director of Stassen Group of Companies, the Chairman of Melstacorp Group. He is also a Director of Lanka Milk Foods Group, Zahra Exports (Pvt) Ltd., McSen Range (Pvt) Ltd. and several other companies.

MR. C. R. JANSZ

Executive Director

Mr Jansz holds a Diploma in Banking and Finance from London Metropolitan University, UK. He is a Chevening Scholar and an UN-ESCAP Certified Training Manager on Maritime Transport for Shippers.

Mr Jansz specialises in the movement and finance of international trade.

He has been the Chairman of DFCC Bank PLC and Sri Lanka Shippers Council.

Mr Jansz is the Chairman of Lanka Milk Foods Group, Melsta Hospitals Ragama (Pvt) Ltd, and the Deputy Chairman of Melstacorp Group. He is also a Director of Stassen Group, Aitken Spence PLC and several other companies.

CAPT.K.J. KAHANDA (RETD.)

Executive Director- Managing Director

Captain Kahanda joined Distilleries Company of Sri Lanka in 1993 as Regional Manager (Central Region) and was appointed a Director in December 2006.

He was appointed as the Managing Director of Distilleries Company of Sri Lanka PLC in September 2022.

Being a former officer of the Sri Lanka Army, he spearheaded the reorganisation of the operations of the Central Region since privatisation. He specialises in logistics, distribution and security matters, and is also a Director of G4S Security Services (Pvt) Ltd., Pelwatte Sugar Industries PLC and DCSL Breweries Lanka Limited.

MR. N. J. DE S. DEVA ADITYA

DL. FRSA

Non-Independent Non-Executive Director

Mr. N. J. de Silva Deva Aditya is a Fellow of the Royal Society of Arts FRSA established 1754, a Research Fellow of Loughborough University of Technology, a Graduate of the Royal Aeronautical Society, and a Member Institution of Mechanical Engineers. He also holds a Bachelor of Technology (Honours) from the University of Loughborough and is a Professor at the Beijing University.

The Honourable N. J. de Silva Deva Aditya (Nirj Deva) who is a Fellow of the Royal Society of Arts, Deputy Lieutenant for the Lord Lieutenancy of Greater London representing HM King Charles III, Presidential Envoy of Sri Lanka to the EU and the Commonwealth of 56 Nations and Senior Advisor to the President of Sri Lanka, former Member of Parliament in the British House of Commons, and a Member of the European Parliament, joined the Board of Directors of Aitken Spence in September 2006. He was the first Post War Asian-born Conservative

Member of the British House of Commons and served in Government as the Parliamentary Private Secretary to the Scottish Office after which he was elected as the first Asian-born British Member of the European Parliament representing over 8 million British people in Berkshire, Hampshire, Buckinghamshire, Oxfordshire, Surrey, Sussex and Kent for 20 years.

He was the Vice President of the International Development Committee for 15 years, overseeing the annual Euro 25 billion European Budget. He was the Chairman of the EU Korean Peninsula Delegation working towards a lasting peace with North Korea, Chairman of the EU China, EU Bangladesh, EU Indonesia, EU Myanmar and EU India Friendship Groups in the EU Parliament and was nominated by his political group ECR to be the President of the European Parliament and was the Chairman of the EU Delegation to the UN General Assembly. He is now the President of the Commonwealth Union; the largest cyber community encompassing the Commonwealth. For his Tsunami Relief work he was made MEP of the Year by the European Parliament, a Chevalier of the Catholic Church, Vishwa Keerthi Sri Lanka Abhimani by the Buddhist Clergy of Sri Lanka, and Gaurav Bharat by India. He is the Publisher of the commonwealthunion.com, the global media platform, the first Commonwealth-wide news and TV media reaching out to 2.6 billion people and seen regularly by 18 million. He was appointed Presidential Envoy and Senior Advisor in August 2022.

Mr. N. J. de Silva Deva Aditya is a Director of Melstacorp PLC, Browns Beach Hotels PLC, Aitken Spence PLC, Aitken Spence Hotel Holdings PLC and The Kingsbury PLC.

MS. D. S. T. JAYAWARDENA

Non-Independent Non-Executive Director

Ms. Jayawardena is graduate of St. James' & Lucie Clayton College and Keele University in the United Kingdom, Emeritus Institute of Management, Singapore and an Associate Alumni of University of Cambridge (Judge Business School), United Kingdom.

Ms. Stasshani Jayawardena was appointed to the Board of Distilleries Company of Sri Lanka PLC since 2022.

Ms. Jayawardena marks several milestones for Aitken Spence PLC Group as the first female Chairperson in its 156-year history with her appointment as Executive Chairperson in February 2025; and the youngest and first female board member of Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC in December 2013.

With a career spanning over 10 years at Aitken Spence, she wields a fresh perspective in management and leads strategic business units across the Group. She leads several key strategic teams as the Chairperson of Aitken Spence Hotel Managements (Pvt) Ltd., and as a member on the Board of Directors of Stassen Group, Lanka Milk Foods (CWE) PLC and Melstacorp PLC.

Ms. Jayawardena was the youngest intern to work under US Senator Hilary Rodham Clinton and the Former US President Bill Clinton in 2003; and was appointed as the Sri Lankan Ambassador for EY NextGen Club from 2017 to 2019. She is also a member of the PwC Next- and Now-Generation Advisory Council since the year 2020.

Ms. Jayawardena was appointed to the Executive Board of The Hotel Association of Sri Lanka (THASL) and represents THASL at the Ceylon Chamber of Commerce Committee since 2019. She is

an Executive Committee Member at the International Chamber of Commerce in Sri Lanka since 2020 and a Steering Committee Member of the Ceylon Chamber of Commerce Tourism. She served as the Chairperson of the Employers' Federation of Ceylon (EFC) Hotels and Tourism Employers Group for the financial year 2020/21. She was appointed to the Board of Directors of the Colombo International Arbitration Centre, Sri Lanka in January 2025.

Ms. Jayawardena represents the Company as the Ambassador from Aitken Spence PLC at the Target Gender Equality initiative of the UN Global Compact since 2020.

In recognition of her work and commitment to inspire, she was recognized at The Top 50 Professional & Career Women Awards in Sri Lanka with a Gold award in the Hotel & Hospitality Sector in 2017, and in 2020 by the Sri Lankan business magazine, Echelon, which listed her among the most innovative and influential young leaders who have succeeded in business and shaping the future of Sri Lanka.

Ms. Jayawardena became the award recipient of the Expatriate Contribution Award – Gold category by Women in Management Maldives. The Professional and Career Women Awards Maldives 2022 presented this award to Ms. Jayawardena for her exceptional contributions and achievements in the field of Hotel & Hospitality.

Ms. Jayawardena was an award recipient at the Global CEO Leadership Excellence Awards 2024 (which honoured 50 top-tier CEOs and their teams who met the challenges successfully in turbulent times) and was again recognised for Excellence in Corporate Leadership at the Global CEO Top Businesswomen Award 2025.

MR. M. A. N. S. PERERA

FCA, MBA

Executive Director

Mr. M A N Sampath Perera holds an MBA from the prestigious University of Cambridge and is a Fellow of the Institute of Chartered Accountants of Sri Lanka. He is also a Certified Management Accountant and has other qualifications and exposure to investment and financial strategy, risk management, and international tax planning.

Mr. Perera has over 20 years of investment and banking experience. He specialises in the areas of financial and investment strategy, risk management, and financial technology solutions. He has extensive experience in corporate restructuring, turnaround, and mergers & acquisitions.

During the last two decades, Mr. Perera worked in the investment, banking, and fintech sectors in London. He started his UK chapter with PwC-London and was involved in several strategic projects with global top-tier banks including JP Morgan, ING, Bank of Montreal, National Australia Bank, and BNP Paribas. He was pivotal in setting up two London-based international investment banks and a FinTech banking institute. He served these institutions in various leadership capacities including Finance Director, Chief Financial Officer, Head of Strategy, and part-time Chief Risk Officer. Mr. Perera has led strategic and economic research initiatives at a corporate level. He has over 25 years of international experience spanning Europe, Asia, the Americas, the Middle East, and Southern Africa.

Mr. M.A.N.S. Perera is Managing Director of Melstacorp Group. He is also a director, DCSL Breweries Lanka Ltd, Madulsima Plantations PLC, Balangoda Plantations PLC Melsta Health (Pvt) Ltd, Periceyl (Pvt) Ltd and several other companies.

BOARD OF DIRECTORS

DR. R. A. FERNANDO

Independent Non-Executive Director

Dr. Ravi Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo. He holds a Doctor of Business Administration Degree from the European Business School in 2016. He completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010. He is a Member of the Board of Study at the Post Graduate Institute of Management (PIM) since March 2023 and is a Visiting Faculty member. In April 2020, he created the '21st Century Board Leadership Model MasterClass'© for the Institute of Directors of Luxembourg. In February 2023 he published '21st Century Leadership to Fight the Code Red for Business' (Archway Publishing USA). His career with Multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser, Smithkline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011-2016. He was the first UN Global Compact Focal Point 2007 and set up the UNGC Sri Lanka Network. He serves on the Boards of Global Strategic Corporate Sustainability Pvt. Ltd, Dilmah Ceylon Tea Company PLC, Melstacorp PLC, Madulsima Plantations PLC, Balangoda Plantations PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, UN Global Compact and Ceylon Graphene Technologies Ltd. In 2007 the Global Strategy Leadership Award was presented to him by Professor Renee Mauborgne of INSEAD at the World Strategy summit.

MR. A. GOONESEKERE

FCA, FCMA, MBA

Independent Non-Executive Director

With a wealth of over 36 years of expertise in the banking industry, Mr. Ashoka Goonesekere brings a distinguished background in financial reporting, financial management, taxation, financial operations, and risk management. Holding an MBA from the University of Sri Jayawardenepura (PIM), he is a fellow member of both the Institute of Chartered Accountants of Sri Lanka and the Institute of Cost and Management Accountants of Sri Lanka.

Ashoka has held pivotal roles in corporate management, serving as the Chief Financial Officer of Hatton National Bank PLC and as the Senior Vice President/ Chief Financial Officer, as well as the Senior Vice President Integrated Risk Management/Chief Risk Officer at DFCC Bank PLC.

His extensive experience extends to board positions at Acuity Partners (Pvt) Ltd, Acuity Stock Brokers (Pvt) Ltd, Acuity Securities Ltd, and Sithma Development Ltd. Notably, he has contributed as a board member to the Sri Lanka Accounting and Auditing Standards Monitoring Board, demonstrating his commitment to upholding industry standards. In addition to his board responsibilities, Ashoka has chaired and actively participated in various Board sub-committees. Currently he is on the Board of HNB Assurance PLC as the Senior Independent Non-Executive Director, on the Board of Pan Asia Banking Corporation PLC as an Independent Non-Executive Director and on the Board of PMF Finance PLC & Melstacorp PLC as an Independent Non-Executive Director.

MR. L. H. A. L. SILVA

Senior Independent Non-Executive Director

Mr. Lakshman Silva started his professional career with the Department of Inland Revenue of Sri Lanka and joined the DFCC Banking Group in 1987. He was seconded to the service of DFCC Vardhana Bank in 2003 and functioned as the Chief Operating Officer until appointment as the Chief Executive Officer/Executive Director in January 2010. He held the position of Deputy Chief Executive Officer/Director of DFCC Bank PLC from October 2015 and was appointed as the Chief Executive Officer/Director in August 2017.

Until his retirement in December 2021, he held the position of Chairman of DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited, subsidiary companies of DFCC Bank PLC, and the Chairman of Lanka Financial Services Bureau Limited as well as Sri Lanka Banks' Association (Guarantee) Limited. Also, he held the position of Chairman / Director of Acuity Partners (Pvt) Limited, the joint venture company of DFCC Bank PLC, Lanka Ventures Limited and LVL Energy Fund PLC. He was also a Director at Lanka Clear (Pvt) Ltd until 31st December 2021.

He was a member of the Board of Directors of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), and Board of Management of the Sri Lanka Sustainable Energy Authority. At present, he serves as Chairman and Independent Non-Executive Director at LankaPay (Pvt) Ltd, Independent Non-Executive Director at Seylan Bank PLC and Melstacorp PLC, Independent Non-Executive Director at Finetech Consultancy Pvt Ltd and Independent Non-Executive Director at HNB Assurance PLC whilst serving as Chairman & Director of PanAsian Power PLC & subsidiary companies. He also

serves as a member of the Stakeholder Engagement Committee of Central Bank of Sri Lanka. He holds a BCom 2nd class upper degree (Sp.) from the University of Kelaniya and Master of Business Administration (MBA) from the Postgraduate Institute of Management of University of Sri Jayawardenepura. He is an Associate Member of the Association of Development Financial Institutions of Asia & Pacific (ADFIAP).

MR. L. U. D. FERNANDO

MBA(Sri.J), FCMA(UK)

Executive Director

Mr. Fernando joined the Group in 1989 and was a Director of DCSL PLC from 2006-2008. He was also a Director for Melstacorp PLC from 2010 to 2012. He was reappointed to the Board in September 2022. Mr. Fernando is a Fellow member of the Chartered Institute of Management Accountants of the United Kingdom. He was awarded a Master's Degree in Business Administration from the Postgraduate Institute of Management, University of Sri Jayawardenepura, in 1992. Mr. Fernando is a Non-Executive Director of HNB Assurance PLC and also of HNB General Insurance Ltd and Non-Independent Executive Director of Melstacorp PLC. Previously he served as the Executive Director of Sri Lanka Insurance Corporation Limited from 2003 to 2009 and as a Non-Executive director of HNB PLC from 2012 to 2022. He was a Director of The Lanka Hospitals Corporation PLC from 2006-2009 and from 2015 to 2017. He has also held Board positions in companies in Food & Beverage, Manufacturing, Healthcare, Telecommunications, Finance, Asset Management, and Unit Trusts.

MS. V.J. SENARATNE

Attorney-at-law, Notary Public, Solicitor (Eng. & Wales)

Company Secretary & Senior Vice President-Legal

Ms. Senaratne was appointed as the company secretary in 1993. She was admitted to the Bar in 1977 and was enrolled as a solicitor (England & Wales) in June 1990. She also holds the position as Company Secretary of Periceyl (Pvt) Ltd. and Melsta Health (Private) Ltd.

She also currently serves as a director on the Board of Paradise Resort Pasikudah (Pvt) Ltd., Amethyst Leisure Limited and DCSL Breweries Lanka Limited.

DCSL MANAGEMENT



MS. VYJAYANTHIMALA J SENARATNE

*Senior Vice President - Legal /
Company Secretary*



MR. NIMAL NAGAHAWATTE

Senior Vice President - Finance



MS. GAYATHRI CHAKRAVARTHY

Senior Vice President - Human Resources



MAJ. ROSHAN CABRAAL (RETD.)

Senior Vice President - Northern Region



COL. RANJITH RUPASINGHE (RETD.)

*Senior Vice President - Extra Special
Heritage Arena*



CAPT. CHULA RANASINGHE (RETD.)

Senior Vice President - Central Region



LT. COL. SUSANTHA MARAPANA (RETD.)

Senior Vice President - Southern Region



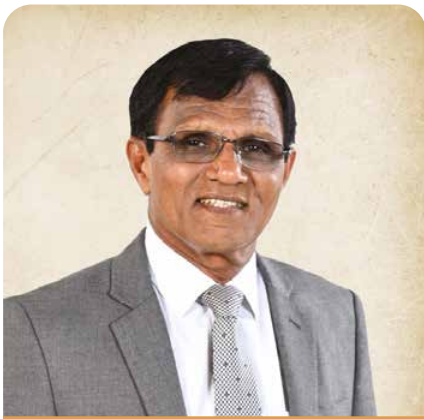
MR. ROSHANTH PERERA

Senior Vice President - Transport & Logistics



MR. LALITH RATNAYAKE

Senior Vice President - Inventory Management



**DESHABANDU LAKSHMAN BANDARA
SSP (RETD.)**

Senior Vice President - Corporate Risk Management



MR. CHANDANA BANDARA

Senior Vice President - Internal Audit



MR. UPALI VITHANAGE SSP (RETD.)

Vice President - Compliance



**CDR. KAPILA NAYANA JITH
PUSHPAKUMARA (RETD.)**

Vice President - Procurement

MANAGEMENT DISCUSSION & ANALYSIS



The global alcoholic beverage industry continued to demonstrate resilience in FY 2024/25, underpinned by long-term structural trends such as premiumisation, evolving consumer preferences, and the sustained recovery of the hospitality and tourism sectors in the post-pandemic era. Growth was particularly evident in premium spirits, craft offerings, and low-alcohol alternatives, as consumers increasingly sought products that emphasise quality, authenticity, and experiential value. This reflected a broader global shift towards more responsible and experience-driven consumption, with next-generation consumers and urban middle-class segments acting as key drivers of change. At the same time, the industry faced challenges from inflationary pressures, rising input and logistics costs, supply chain disruptions, heightened taxation in major markets, and intensified regulatory scrutiny on marketing, labelling, and responsible consumption. Industry players responded with innovation in product development, digital distribution investments, and strengthened sustainability commitments, sustaining growth while addressing evolving societal expectations.

Within this global context, the Sri Lankan alcoholic beverage industry navigated a highly challenging environment in FY 2024/25. Successive excise duty increases and heightened tax pressures placed significant strain on both producers and

consumers, compounded by broader macroeconomic conditions that constrained disposable income and curtailed discretionary spending. These factors shifted consumption patterns, emphasizing affordability across key consumer segments. Despite these headwinds, opportunities emerged from the revival of tourism, the expansion of modern trade channels, and the growing demand for both premium and value offerings. This dual shift reflected the increasing maturity of Sri Lanka's beverage market, underscoring the importance of balancing innovation, portfolio expansion, and affordability.

DCSL maintained its prestigious AAA (lka) credit rating from Fitch Ratings, underscoring the company's superior creditworthiness and financial stability. This recognition bolsters investor confidence and reaffirms DCSL's leadership position within Sri Lanka's beverage industry, reflecting its commitment to being Authentic, Accessible, and Acclaimed. The company also strategically diversified into the beer segment through the acquisition of Heineken Lanka, rebranded as DCSL Breweries Lanka Ltd (DBL), enhancing its portfolio to cater to next-generation and value-conscious consumers while strengthening its domestic and international market presence.

During FY 2024/25, DCSL achieved substantial growth in both revenue and



At the Group level, DCSL delivered a strong consolidated performance, reporting revenues of Rs. 141.3 billion and Profit After Tax (PAT) of Rs. 14.7 billion, reflecting the resilience of its core spirits business and the strategic expansion into the beer segment.



profitability, driven by a resurgence in volumes, strategic portfolio diversification, and disciplined operational management. Significant volume growth translated into higher revenue, highlighting the enduring strength of core brands, deep market penetration, and agile pricing strategies amidst fiscal pressures. Revenue increased to Rs. 138.9 billion, compared to Rs. 115.4 billion in FY 2023/24, while Profit Before Tax (PBT) rose to Rs. 29 billion, supported by operational efficiency, portfolio resilience, and cost discipline.

At the Group level, DCSL delivered a strong consolidated performance, reporting revenues of Rs. 141.3 billion and Profit After Tax (PAT) of Rs. 14.7 billion, reflecting the resilience of its core spirits business and the strategic expansion into the beer segment. The DBL acquisition contributed approximately Rs. 7 billion in

revenue in its first year, while the launch of the new DCSL-branded beer range—including DCSL Lager, DCSL Strong, and DCSL Stout—was well received, particularly among regional and value-conscious consumers. First-year operations involved higher costs from raw materials, energy, excise levies, and marketing investments, which were treated as strategic investments to establish brand presence and long-term competitiveness.

Looking ahead, the DCSL Group enters FY 2025/26 with a cautiously optimistic outlook, supported by strong brand equity, an expanded product portfolio, and proven operational resilience. The full-year impact of the DBL acquisition, along with the continued rollout of the

DCSL beer range, is expected to drive top-line growth, increasing volumes and market penetration. Simultaneously, DCSL's flagship spirits brands will capitalise on high consumer loyalty, stable volume trajectories, and strategic pricing to maintain market leadership. Continued investment in automation, digital logistics, and data-driven supply chain management will enhance operational efficiency, reduce costs, and enable agile decision-making. Collectively, these initiatives position the Group to sustain growth, reinforce market leadership, and seize emerging opportunities in Sri Lanka's evolving alcoholic beverage market, delivering on its promise to remain *Authentic, Accessible, and Acclaimed*.



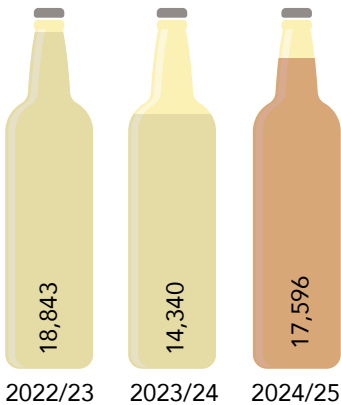
Revenue-Company

Rs. Mn.



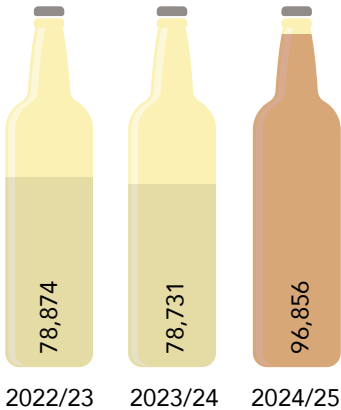
Profit After Tax-Company

Rs. Mn.



Taxes Paid-Company

Rs. Mn.



A COLLECTION OF TREASURED MOMENTS

Embracing a New Chapter this Year!



Uniting through Sports – DCSL Sports Tournament 2024



Developing a Passion for Learning



Knowledge is Power – DCSL Quiz 2024



Hawaiian Extravaganza – DCSL Annual Get-together 2024



CORPORATE GOVERNANCE

At DCSL, corporate governance is continuously adapting to the increasing influence of environmental and societal factors on our business activities. While some of these changes, such as shifts in legal, political, and technological landscapes, are immediately visible, others may subtly affect our value chains, supply chains, and our social license to operate. To address these challenges, DCSL is actively enhancing its risk management processes and expanding the scope of its governance and reporting systems. Staying attuned to the evolving operating environment and stakeholder concerns is crucial for us, as understanding these dynamics is essential for strengthening our corporate resilience.

DCSL operates with a well-tested organisational structure that has continuously evolved over the years. This evolution reflects changing societal expectations and adherence to best practices, ensuring that our governance framework remains robust and relevant. Our structure has been carefully adapted to meet the growing demands of our stakeholders and the shifting landscape of corporate governance. By aligning with contemporary standards and addressing emerging challenges, DCSL is committed to maintaining its ability to create sustained value for all stakeholders while reinforcing our resilience and operational effectiveness.

THE BOARD OF DIRECTORS

Key responsibilities of the Board

- i. Providing direction and guidance to the Group in formulating and implementing corporate strategies aimed at value creation in the short, medium, and long term, as well as monitoring the execution of these strategies.
- ii. Making decisions on Board appointments, evaluating Board performance, ensuring succession planning, and maintaining the Company's ability to operate seamlessly without disruptions.
- iii. Overseeing the Company's financial performance and adopting appropriate accounting policies to ensure accurate and transparent financial reporting.
- iv. Ensuring adherence to best practices in corporate governance, including upholding ethical business practices, compliance with rules, regulations, and internal policies of the Group, and addressing concerns related to ethics, bribery, and corruption.
- v. Establishing and overseeing robust systems of internal control and risk management to ensure that the Company effectively identifies, assesses, and mitigates risks.
- vi. Ensuring that business operations are conducted in alignment with environmental, social, and governance (ESG) considerations, fostering sustainability and responsible practices.
- vii. Building and enhancing relationships with stakeholders to support the Company's long-term success.
- viii. Reviewing and approving major investments, acquisitions, disposals, and capital expenditures, with careful consideration of their impacts on society and the environment.

Segregation of Key Roles

Roles of Chairman and Managing Director are segregated, strengthening Board balance and ensuring principles of good corporate governance.

Board of Directors	<p>The Board of Directors of Distilleries Company of Sri Lanka PLC holds overall responsibility for providing strategic direction, overseeing the performance of the Group, and ensuring sound corporate governance practices are upheld.</p> <p>The Board is accountable for safeguarding shareholder interests, promoting long-term value creation, and ensuring that the Group operates within an effective risk management and internal control framework. In fulfilling its role, the Board sets the tone at the top, monitors compliance with legal and regulatory requirements, and oversees the implementation of sustainability and ESG priorities aligned with the Group's strategic objectives.</p>
Role of the Chairman	<p>As the Executive Chairman of Distilleries Company of Sri Lanka PLC, he plays a pivotal role in leading the Board by facilitating effective governance and ensuring the Board's decisions align with the Group's strategic vision. Combining executive leadership with his Board responsibilities, the Chairman provides clear guidance and direction to both the Board and Senior Management, fostering a culture of accountability and transparency. He is instrumental in setting the agenda for Board meetings, promoting constructive dialogue among Directors, and acting as the primary link between the Board and Executive Management to drive sustainable growth and value creation.</p>
Role of the Managing Director	<p>The Managing Director of Distilleries Company of Sri Lanka PLC, as an Executive Director, is responsible for the day-to-day management and operational leadership of the Group. He implements the strategies and policies approved by the Board, ensuring that business objectives are met efficiently and effectively. The MD provides strong leadership to the management team, drives performance across all business units, and ensures alignment with the Group's vision and values. As a key link between the Board and Management, the MD regularly reports on operational matters, risks, and opportunities, enabling informed decision-making at the Board level.</p>
Role of the Senior Independent Director	<p>The Senior Independent Director serves as an impartial point of contact for shareholders and Board members, providing a vital channel for open communication independent of the Executive Chairman and Management. This role supports effective governance by facilitating constructive dialogue, addressing any concerns that may arise, and helping to resolve potential conflicts within the Board. The Senior Independent Director also leads the evaluation of the Chairman's performance and acts as a trusted advisor to ensure that the Board functions with transparency, accountability, and balanced oversight.</p>
Company Secretary	<p>The Company Secretary plays a crucial role in ensuring the effective functioning of the Board and compliance with statutory and regulatory requirements. Acting as a key advisor to the Board and its committees, the Company Secretary facilitates the smooth organization of meetings, timely dissemination of information, and accurate documentation of decisions. Additionally, the Company Secretary supports good corporate governance by monitoring adherence to the Company's Articles, the Listing Rules of the Colombo Stock Exchange, and applicable laws, thereby promoting transparency and accountability throughout the Group.</p>

CORPORATE GOVERNANCE

Composition

The structure of the Board and its Sub-committees is vital in setting the overall governance tone for the entire Group. Detailed profiles of the Board members are available on page 24-29, and their respective roles are outlined below.

Board of Directors	Directorship Status	Attendance at Meetings				
		Board Meetings	Audit Committee Meetings	Related Party Transactions Review Committee	Nominations and Governance Committee	Remuneration Committee Meetings
Deshamanya D.H.S. Jayawardena - Chairman (ceased to be a Director w.e.f. 03rd February 2025 due to demise)	Non-Executive Non-Independent Director (NED)	2/2				
Mr. D. Hasitha S. Jayawardena (Appointed as the Chairman w.e.f. 06th February 2025)	Executive Director (ED)	2/2	2/3	2/3		2/2
Mr. C. R. Jansz	Executive Director (ED)	2/2				
Capt.K. J. Kahanda (Retd.) - Managing Director	Executive Director (ED)	2/2				
Mr. N.J. de S. Deva Aditya (was an Independent Director until re-designation as Non-Independent Non-Executive Director w.e.f 01st January 2025)	Non-Independent Non-Executive Director (NED)	2/2	2/2			2/2
Ms. D. S. T. Jayawardena	Non-Independent Non-Executive Director(NED)	2/2	1/1	1/1	*	
Mr. M. A. N. S Perera	Executive Director (ED)	2/2				
Dr. A. N. Balasuriya (ceased to be a Director w.e.f. 30th September 2024 due to resignation)	Independent Non-Executive Director (INED)	1/1	2/2			2/2
Dr. R. A. Fernando	Independent Non-Executive Director (INED)	2/2	2/2	2/2	*	
Mr. A Goonesekere (appointed w.e.f. 30th September 2024)	Independent Non-Executive Director (INED)	1/1	2/2	2/2	*	
Mr. L.H.A.L Silva (appointed w.e.f. 01st October 2024 and appointed as Senior Independent Director w.e.f. 07th February 2025)	Senior Independent Non-Executive Director (SID)	1/1			*	
Mr. L.U.D Fernando (appointed w.e.f. 19th February 2025)	Executive Director (ED)	1/1				

* The Committee had deliberations online and has transacted business through Circular Resolutions.

Independence of the Directors

There were three Independent Non-Executive Directors at the close of the financial year 2024/2025. Independence of Directors is determined by the Board, based on annual declarations submitted by the Directors in compliance with the Listing Rules of the CSE and in line with Schedule C of the Code of Best Practice on Corporate Governance, 2023 issued by The Institute of Chartered Accountants of Sri Lanka. In keeping with Rule 9.6.3 of the listing rules of the CSE, Mr. L.H.A.L Silva was appointed as the Senior Independent Director w.e.f 07.02.2025, subsequent to Mr. D.Hasitha S. Jayawardena being appointed as the Chairman of the

Company, in Executive Director capacity. The Board determined that the below Directors are Independent Directors under Rule 9.8.3 of the Listing Rules of the CSE.

Dr. R.A. Fernando

The Board is of the view that Mr. Fernando's independence is not impaired as per the criteria set out in the CSE rules and therefore shall remain as an Independent Non-Executive Director of the Company.

Mr. A Goonesekere

Mr. Goonesekere was appointed as an Independent Non-Executive Director of the Company during FY 2024/25. The Board is of the view that Mr. Goonesekere's independence is not impaired as per the criteria of CSE rules.

Mr. L.H.A.L Silva

Mr. Silva was appointed as an Independent Non-Executive Director of the Company during FY 2024/25. The Board is of the view that Mr. Silva's independence is not impaired as per the criteria of CSE rules and appointed him as the Senior Independent Director of the Company w.e.f. 07th February 2025.

Board Sub-committees

The Board has delegated certain responsibilities requiring greater attention to Four Board Sub-committees with oversight responsibility for same. This arrangement enables the Board to allocate sufficient time to matters reserved for its decision making, particularly the execution of strategy and forward-looking agenda items, while ensuring that delegated matters receive in-depth focus. Committee Chairmen are accountable for the effective functioning of their Committees and report regularly to the Board on Committee activities.

Committee	Composition	Areas of Oversight
Audit Committee	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Ms. D. S. T. Jayawardena 	<ul style="list-style-type: none"> External Audit Internal Audit Financial Reporting Internal Controls and Risk Management Regulatory Compliance and Ethics
Remuneration Committee	<ul style="list-style-type: none"> Dr. R. A. Fernando - Chairman Mr. A. Goonesekere Ms. D. S. T. Jayawardena 	<ul style="list-style-type: none"> Remuneration Policy Development Compensation Frameworks and Incentives Performance Evaluation Service Contracts and Termination Provisions: Market Benchmarking
Related Party Transactions Review Committee	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Ms. D. S. T. Jayawardena 	<ul style="list-style-type: none"> Review and Approval of Related Party Transactions Governance and Compliance Policy, Process, and Documentation Independent Evaluation and Conflicts Management Quarterly Monitoring and Reporting Disclosure and Transparency
Nominations and Governance Committee	<ul style="list-style-type: none"> Dr. R. A. Fernando - Chairman Mr. A. Goonesekere Ms. D. S. T. Jayawardena Mr. L. H. A. L. Silva 	<ul style="list-style-type: none"> Board Appointments and Re-appointments Board Structure and Composition Board and CEO Evaluation Corporate Governance Framework Director Independence and Conflicts of Interest

Shareholder Communications

Shareholder communications are managed by the Company Secretary, with the Annual General Meeting (AGM) serving as the primary platform for engagement. Shareholders are also encouraged to ask questions, provide comments, or make suggestions to the Board through the Company Secretary. Any significant issues or concerns raised

by shareholders are referred to the Board, along with the Management's views. The Company Secretary responds to shareholder queries on behalf of the Management. Shareholders are also given the opportunity to address the Board directly during AGMs.

The Board approves the quarterly Financial Statements, which are promptly disseminated to shareholders through the

Colombo Stock Exchange (CSE). Additionally, all other price-sensitive information, including major acquisitions, disposals, and share transactions, is promptly reported to the CSE.

CORPORATE GOVERNANCE

DISCLOSURE IN TERMS OF RULE 9.10.4(E) OF THE LISTING RULES ON CORPORATE GOVERNANCE ISSUED BY THE COLOMBO STOCK EXCHANGE: COMPANIES IN WHICH THE DIRECTORS OF DISTILLERIES COMPANY OF SRI LANKA PLC SERVE AS DIRECTORS

MR. D. HASITHA S. JAYAWARDENA

Chairman

- ⊙ Melstacorp PLC
- ⊙ Balangoda Plantations PLC
- ⊙ Madulsima Plantations PLC
- ⊙ Stassen Exports (Pvt) Ltd.
- ⊙ Milford Exports (Ceylon) (Pvt) Ltd.
- ⊙ Stassen Natural Foods (Pvt) Ltd.
- ⊙ Stassen Foods (Pvt) Ltd.
- ⊙ Ceylon Garden Coir (Pvt) Ltd.
- ⊙ CBD Exports (Pvt) Ltd.

Director

- ⊙ Periceyl (Pvt) Ltd.
- ⊙ Lanka Milk Foods (CWE) PLC
- ⊙ Lanka Dairies (Pvt) Ltd.
- ⊙ Ambewela Livestock Company Limited
- ⊙ Pattipola Livestock Company Limited
- ⊙ Ambewela Products (Pvt) Ltd.
- ⊙ United Dairies Lanka (Pvt) Ltd.
- ⊙ Zahra Exports (Pvt) Ltd.
- ⊙ Mcsen Range (Pvt) Ltd.
- ⊙ Melsta Health (Private) Limited
- ⊙ Melsta Hospitals Ragama (Pvt) Ltd.
- ⊙ Melsta Hospitals Colombo North (Pvt) Ltd.
- ⊙ DCSL Brewery (Pvt) Ltd.
- ⊙ DCSL Breweries Lanka Limited
- ⊙ Melsta House (Private) Limited
- ⊙ DCSL Group Marketing (Pvt) Ltd.

MR. C. R. JANSZ

Chairman

- ⊙ Lanka Milk Foods (CWE) PLC
- ⊙ Ambewela Livestock Company Limited
- ⊙ Ambewela Products (Pvt) Ltd
- ⊙ Lanka Dairies (Pvt) Ltd.
- ⊙ Pattipola Livestock Company Limited
- ⊙ United Dairies Lanka (Pvt) Ltd.
- ⊙ Melsta Hospitals Ragama (Pvt) Ltd.
- ⊙ Melsta Hospitals Colombo North (Pvt) Ltd.

Deputy Chairman

- ⊙ Melstacorp PLC

Executive Director

- ⊙ Lanka Power Projects (Pvt) Ltd
- ⊙ Milford Holdings (Pvt) Limited

Non-Executive Director

- ⊙ Aitken Spence PLC
- ⊙ Balangoda Plantations PLC
- ⊙ Madulsima Plantations PLC

Director

- ⊙ Stassen Exports (Pvt) Ltd
- ⊙ Stassen Natural Foods (Pvt) Ltd
- ⊙ Stassen Foods (Pvt) Ltd
- ⊙ Milford Exports (Ceylon) (Pvt) Ltd
- ⊙ CBD Exports (Pvt) Ltd
- ⊙ Ceylon Garden Coir (Pvt) Ltd
- ⊙ Indo Lanka Exports (Pvt) Ltd
- ⊙ Lanka Bell Ltd.
- ⊙ Periceyl (Pvt) Limited
- ⊙ DCSL Brewery (Pvt) Ltd.
- ⊙ Melsta Health (Pvt) Ltd.
- ⊙ Bogo Power (Pvt) Ltd
- ⊙ DCSL Breweries Lanka Limited

CAPT. K. J. KAHANDA (RETD.)

Non-Executive Director

- ⊙ Melstacorp PLC.

Director

- ⊙ Melsta Properties (Pvt) Ltd

- ⊙ DCSL Breweries Lanka Limited
- ⊙ DCSL Group Marketing (Pvt) Ltd
- ⊙ G4S Security Services (Pvt) Ltd
- ⊙ Pelwatte Sugar Industries PLC
- ⊙ Milford Holdings (Pvt) Ltd
- ⊙ Melsta Brands (Pvt) Ltd
- ⊙ DCSL Brewery (Pvt) Ltd

MR. N. J. DE S. DEVA ADITYA

Non-Executive Director

- ⊙ Aitken Spence PLC
- ⊙ Aitken Spence Hotel Holdings PLC

- ⊙ Browns Beach Hotels PLC
- ⊙ Melstacorp PLC
- ⊙ The Kingsbury PLC

Director

- ⊙ Commonwealth Union Holdings Ltd

MS. D. S. T. JAYAWARDENA

Chairperson

- ⊙ Aitken Spence PLC
- ⊙ Browns Beach Hotels PLC
- ⊙ Aitken Spence Exports (Private) Limited
- ⊙ Aitken Spence Hotel Holdings PLC

- ⊙ Aitken Spence Hotels Limited
- ⊙ Aitken Spence Resources (Private) Limited
- ⊙ Amethyst Leisure Limited
- ⊙ Heritance (Private) Limited
- ⊙ Hethersett Hotels Limited

- ⊙ Jetan Travel Services Company (Pvt) Ltd
- ⊙ Kandalama Hotels (Private) Limited
- ⊙ Meeraladuwa (Private) Limited
- ⊙ Neptune Ayurvedic Village (Private) Limited

- ⊙ Nilaveli Holidays (Private) Limited
- ⊙ Nilaveli Resorts (Private) Limited
- ⊙ Paradise Resort Pasikudah (Private) Limited
- ⊙ Turyaa (Private) Limited
- ⊙ Unique Resorts Private Limited

Chairperson and Joint Managing Director

- ⊙ Aitken Spence Hotel Managements (Private) Limited

Deputy Chairperson

- ⊙ Lanka Milk Foods (CWE) PLC
- ⊙ Lanka Dairies Limited
- ⊙ Ambewela Products (Private) Limited
- ⊙ Ambewela Livestock Company Limited
- ⊙ Pattipola Livestock Company Limited
- ⊙ United Dairies Lanka (Private) Limited

Director

- ⊙ DCSL Breweries Lanka Limited

- ⊙ DCSL Group Marketing (Private) Limited
- ⊙ Ace Apparels (Private) Limited
- ⊙ Ace Global Management Services (Private) Limited
- ⊙ Ace Power Embilipitiya (Private) Limited
- ⊙ Ace Resorts Private Limited
- ⊙ Ahungalla Resorts Limited
- ⊙ Aitken Spence (Garments) Limited
- ⊙ Aitken Spence Apparels (Private) Limited
- ⊙ Aitken Spence Aviation (Private) Limited
- ⊙ Aitken Spence Corporate Services (Private) Limited
- ⊙ Aitken Spence Group Limited
- ⊙ Aitken Spence Hotel Managements Asia (Private) Limited
- ⊙ Aitken Spence Hotels International (Private) Limited
- ⊙ Aitken Spence International Pte. Ltd.

- ⊙ Aitken Spence Ports International (Middle East) FZCO
- ⊙ Aitken Spence Resorts (Middle East) LLC
- ⊙ Aitken Spence Travels Myanmar Ltd
- ⊙ Cowrie Investment Pvt Ltd
- ⊙ Negombo Beach Resorts (Private) Limited
- ⊙ Port City BPO (Private) Limited
- ⊙ Royal Spence Aviation (Private) Limited
- ⊙ Sagasolar Power (Private) Limited
- ⊙ Western Power Company (Pvt) Ltd
- ⊙ Stassen Exports (Pvt) Ltd.
- ⊙ Stassen Natural Foods (Pvt) Ltd.
- ⊙ Stassen Foods (Pvt) Ltd.
- ⊙ Milford Exports (Ceylon) (Pvt) Ltd.
- ⊙ CBD Exports (Pvt) Ltd.
- ⊙ Ceylon Garden Coir (Pvt) Ltd.
- ⊙ Aitken Spence Travels (Private) Limited - Alternate Director to M. P. Dissanayake (Dr.)
- ⊙ Melstacorp PLC

MR. M. A. N. S. PERERA

Managing Director

- ⊙ Melstacorp PLC.

Executive Director

- ⊙ Balangoda Plantations PLC
- ⊙ Madulsima Plantations PLC

Director

- ⊙ Periceyl (Pvt) Ltd.
- ⊙ DCSL Breweries Lanka Limited

- ⊙ Melsta Health (Pvt) Ltd.
- ⊙ Lanka Bell Limited
- ⊙ Melsta Logistics (Private) Limited
- ⊙ Melsta Tower (Private) Limited
- ⊙ Bellvantage (Private) Limited
- ⊙ Melsta Pharmaceuticals (Private) Limited
- ⊙ Melsta Labs (Private) Limited

- ⊙ Melsta Healthcare Colombo (Private) Limited
- ⊙ Formula World (Private) Limited
- ⊙ Melsta Hospitals Ragama (Private) Limited
- ⊙ Bellactive (Private) Limited
- ⊙ Bell Solutions (Private) Limited
- ⊙ Melsta House (Private) Limited
- ⊙ Bogo Power (Pvt) Ltd

DR. R. A. FERNANDO

Chairman

- ⊙ Global Strategic Corporate Sustainability Pvt Ltd.

Independent Non-Executive Director

- ⊙ Dilmah Ceylon Tea Company PLC
- ⊙ Melstacorp PLC

- ⊙ Aitken Spence PLC
- ⊙ Elpitiya Plantations PLC
- ⊙ Aitken Spence Hotel Holdings PLC
- ⊙ Madulsima Plantations PLC
- ⊙ Browns Beach Hotels PLC
- ⊙ Balangoda Plantations PLC

Director

- ⊙ UN Global Compact
- ⊙ Ceylon Graphene Technologies Ltd
- ⊙ Ceylon Asset Management Ltd

MR. A. GOONESEKERE

Independent Non-Executive Director

- ⊙ HNB Assurance PLC
- ⊙ Pan Asia Banking Corporation PLC
- ⊙ PMF Finance PLC
- ⊙ Melstacorp PLC

CORPORATE GOVERNANCE

MR. L. H. A .L. SILVA

Chairman

- ⊙ LankaPay (Pvt) Ltd
- ⊙ Panasian Power PLC

Independent Non-Executive Director

- ⊙ Seylan Bank PLC
- ⊙ Finetech Consultancy (Pvt) Ltd

- ⊙ HNB Assurance PLC

- ⊙ R-E-D Capital Asia (Pvt) Ltd
- ⊙ Melstacorp PLC

MR. L. U. D. FERNANDO

Independent Non-Executive Director

- ⊙ HNB Assurance PLC

Director

- ⊙ DCSL Breweries Lanka Limited
- ⊙ DCSL Brewery (Private) Limited
- ⊙ Melstacorp PLC

- ⊙ DCSL Group Marketing (Private) Limited

- ⊙ Bellvantage (Pvt) Ltd

- ⊙ Melsta Healthcare Colombo (Private) Limited

- ⊙ Melsta Laboratories (Pvt) Ltd

- ⊙ Melsta Logistics (Private) Limited

- ⊙ Melsta Pharmaceuticals (Private) Limited

- ⊙ Melsta Tower (Pvt) Ltd

- ⊙ Texpro Industries Ltd

- ⊙ Timpex (Pvt) Ltd

- ⊙ Melsta House (Pvt) Limited

- ⊙ Southern Green Agro (Pvt) Limited

COMPLIANCE WITH THE COMPANIES ACT NO. 7 OF 2007

Section	Requirement	Disclosure Reference for Compliance	Compliance status
168 (1)(a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed	Refer Financial Statements and Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (c)	Auditor's Report on Financial Statements of the Company and the Group	Refer Financial Statements of this Annual Report	Compliant
168 (1) (d)	Change of accounting policies during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (h)	Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer Annual Report of the Board of Directors of this Annual Report	Compliant

**COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS -
SECTION 7.6 ON THE CONTENT OF ANNUAL REPORT ISSUED BY THE COLOMBO STOCK EXCHANGE**

CSE Rule	Requirement	Disclosure Reference for Compliance	Compliance status
7.6 i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	Compliant
7.6 ii)	Principal activities of the entity and its subsidiaries during the year under review	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
7.6 iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer Shareholder Information of this Annual Report	Compliant
7.6 iv)	The float adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer Shareholder Information of this Annual Report	Not Compliant
7.6 v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
7.6 vi)	Information pertaining to material foreseeable risk factors	Refer Enterprise Risk Management of this Annual Report	Compliant
7.6 vii)	Details of material issues pertaining to employees and industrial relations	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
7.6 viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Note 11.3 to the Financial Statements of this Annual Report	Compliant
7.6 ix)	Number of shares representing the stated capital	Refer Shareholder Information of this Annual Report	Compliant
7.6 x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer Shareholder Information of this Annual Report	Compliant
7.6 xi)	Ratios and market price information	Refer Shareholder Information of this Annual Report	Compliant
7.6 xii)	Significant changes in the entity's or its subsidiaries' fixed assets and the market value of land	Refer Note 11.2(a) to 11.2(b) to the Financial Statements of this Annual Report	Compliant
7.6 xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 xiv)	Employee share option/purchase schemes	To date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	Compliant
7.6 xvi)	Related Party Transactions	Refer Note 29.2 to the Financial Statements	Compliant

CORPORATE GOVERNANCE

COMPLIANCE WITH SECTION 9 OF THE LISTING RULES ISSUED BY THE COLOMBO STOCK EXCHANGE

CSE Rule	Requirement	Status of Compliance	How We Comply
9.1 Corporate Governance Rules			
9.1.1 9.1.3	Statement confirming the extent of compliance with Corporate Governance Rules	Compliant	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in the table given below. Also refer 'Annual Report of the Board of Directors' of this Annual Report
9.2 Policies			
9.2.1	Listed Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website; a) Policy on matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	Compliant	The Company's policies are published on the corporate website
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	N/A	N/A
9.2.3	i List of policies in place as per Rule 9.2.1, with reference to website ii Any changes to policies adopted	Compliant	Refer 'How We Comply' under Rule 9.2.1 above
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	Compliant	Refer 'How We Comply' under Rule 9.2.1 above
9.3 Board Committees			
9.3.1	Listed Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include: (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	Compliant	The Company has established a Nominations and Governance Committee, a Remuneration Committee, an Audit and Risk Committee, and a Related Party Transactions Review Committee.

CSE Rule	Requirement	Status of Compliance	How We Comply
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules	Compliant	Refer 'How we Comply' under Rules 9.11, 9.12, 9.13 and 9.14 below
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	Compliant	The Chairperson of the Board does not serve as the Chairman of any Board Sub-committees.
9.4 Principles of Democracy in Shareholder Dealings			
9.4.1	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC). a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained	Compliant	The Company Secretary maintain records of all resolutions of General Meetings and information related thereto
9.4.2	a) Listed Company should have a policy on effective communication and relations with shareholders and investors b Listed Company should disclose the contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	Compliant	Refer "How We Comply" under Rule 9.2.1 above
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	Compliant	Refer "How We Comply" under Rule 9.2.1 above
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	Compliant	Refer "How We Comply" under Rule 9.2.1 above
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise an SID is appointed by such Entity in terms of Rule 9.6.3 below	Compliant	Since the Chairperson is an Executive Director, a Senior Independent Director has been appointed in compliance with Rule 9.6.3
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	Compliant	Announcement made to CSE on 07th February 2025
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	Compliant	Mr.L.H.A.L Silva was appointed as the Senior Independent Director w.e.f 07th February 2025 since the Chairperson is an Executive Director
9.6.4	Rationale for appointing Senior Independent Director	Compliant	Refer Report of the Senior Independent Director

CORPORATE GOVERNANCE

CSE Rule	Requirement	Status of Compliance	How We Comply
9.7 Fitness of Directors and CEOs			
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules. In evaluating fitness and propriety of the persons referred in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 of the Listing Rules	Compliant	The Company Secretary obtains annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	Compliant	Declarations obtained from the Directors in terms of Rule 9.7.4 are presented to the Nominations and Governance Committee for determination prior to recommending the Director for appointment/re-election.
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if he or she does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	Compliant	Refer 'How We Comply' under Rule 9.7.1 above
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation	Compliant	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st March 2025
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	Compliant	Refer the 'Annual Report of the Board of Directors' of this Annual Report N/A
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	Compliant	As of the date of the publication of this Annual Report, the Company consists of 10 Directors, thereby complying with the requirement stipulated under Rule 9.8.1 of the Listing Rules of the CSE The Articles of Association of the Company was amended at the last Annual General Meeting to increase the minimum number of Directors to five (05)
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	Compliant	The Board consists of 3 Independent Directors as at the date of publication of this Annual Report.
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Compliant	All the Independent Directors of the Company fulfil the criteria for determining independence under Section 9.8.3 of the Listing Rules.

CSE Rule	Requirement	Status of Compliance	How We Comply
9.8.5	<p>a) Each Independent Director to submit a signed and dated declaration annually of his or her “independence” or “non-independence” against the criteria specified in Rule 9.8.3 of the Listing Rules and in the format in Appendix 9A of the said Rules</p> <p>(b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors’ declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report</p> <p>(c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof</p>	Compliant	<p>The Independent Directors submit signed declarations annually with regard to their independence/ non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE.</p> <p>Refer ‘Board Composition’ in the Corporate Governance Report of this Annual Report.</p>
9.9 Alternate Directors			
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	N/A	<p>N/A</p> <p>However, the Articles of Association of the Company were amended to incorporate the requirements set out under Rule 9.9 of the Listing Rules.</p>
9.10 Disclosures Relating to Directors			
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	Compliant	Refer “How We Comply” under Rule 9.2.1 above.
9.10.2	<p>Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following:</p> <p>a brief resume of such Director;</p> <p>his/her capacity of directorship; and,</p> <p>Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company</p>	Compliant	Refer ‘Appointment, Re-election and Resignation of Directors’ in the Corporate Governance Report of this Annual Report.
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof	Compliant	Changes to the Board and Board Sub-committee are promptly notified to the Colombo Stock Exchange.

CORPORATE GOVERNANCE

CSE Rule	Requirement	Status of Compliance	How We Comply
9.10.4	<p>Directors' details</p> <p>a) name, qualifications and brief profile</p> <p>b) nature of his/her expertise in relevant functional areas</p> <p>c) whether either the Director or Close Family Members have any material business relationships with other Directors</p> <p>d) whether Executive, Non-Executive and/or independent Director</p> <p>e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive if the directorships are within the Group, names need not be disclosed</p> <p>f) number of Board meetings attended</p> <p>g) names of Board Committees in which the Director serves as Chairperson or a member</p> <p>h) attendance of board committee meetings</p> <p>i) terms of Reference and powers of Senior Independent Directors</p>	Compliant	<p>a), b) and d) - Refer Board of Directors of this Annual Report</p> <p>c) - Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company. A Statement to this effect is included in the 'Annual Report of the Board of Directors' of this Annual Report</p> <p>e), f), g) and h) - refer in the Corporate Governance Report of this Annual Report</p> <p>h) - Refer Committee Reports of this Annual Report</p> <p>i) – Refer report of the Senior Independent Director</p>
9.11 Nominations and Governance Committee			
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Section 9.11 of the Listing Rules	Compliant	The Company has a Nominations and Governance Committee that conforms with the requirements set out in Section 9.11
9.11.2	Listed Company 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	Compliant	Refer "How We Comply" under Rule 9.2.1 above
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Compliant	Refer "How We Comply" under Rule 9.2.1 above
9.11.4	<p>(1) The members of the Nominations and Governance Committee shall;</p> <p>(a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company</p> <p>(b) not comprise of Executive Directors of the Listed Company.</p> <p>(2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors</p> <p>(3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company</p>	Compliant	Refer 'Composition of the Committee' in the Nominations and Governance Committee Report
9.11.5	The functions of the Nominations and Governance Committee	Compliant	Refer 'Nominations and Governance Committee Report' of this Annual Report.

CSE Rule	Requirement	Status of Compliance	How We Comply
9.11.6	<p>The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson</p> <p>Nominations and Governance Committee Report shall include the following:</p> <ul style="list-style-type: none"> (a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee (c) Availability of documented policy and processes when nominating Directors (d) Requirement of re-election at regular intervals at least once in 3 years (e) Board diversity (f) Effective implementation of policies and processes relating to appointment and reappointment of Directors (g) Details of directors re-appointed <ul style="list-style-type: none"> Board Committees served Date of first appointment Date of last re-appointment Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years Any relationships – close family member, more 10% shareholding (h) Performance of periodic evaluation of board (i) Process adopted to inform independent directors of major issues. (j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement (k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules; if not compliant, reasons and remedial actions 	Compliant	Refer 'Nomination and Governance Committee Report' of this Annual Report
9.12 Remuneration Committee			
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	Compliant	The Company has a Remuneration Committee that conforms with the requirements set out in Section 9.12
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	Compliant	Refer 'Director Remuneration' in the Corporate Governance Report of this Annual Report and the 'Remuneration Committee Report' of this Annual Report
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	Compliant	Refer 'How We Comply' under Rule 9.2.1 above

CORPORATE GOVERNANCE

CSE Rule	Requirement	Status of Compliance	How We Comply
9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Compliant	Refer 'Remuneration Committee Report' of this Annual Report
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors	Compliant	Refer 'Composition of the Committee' in the Remuneration Committee Report of this Annual Report
9.12.7	The functions of the Remuneration Committee	Compliant	Refer 'Remuneration Committee Report' of this Annual Report
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) A statement regarding the Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	Compliant	Refer 'Remuneration Committee Report' of this Annual Report Refer Note 08 to the Financial Statements of this Annual Report
9.13 Audit and Risk Committee			
9.13.1	Where Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	Compliant	The Audit and Risk Committee of the Company also performs the risk functions and accordingly was renamed as the Audit and Risk Committee
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Compliant	The Audit and Risk Committee has a written terms of reference clearly defining its scope, authority and duties
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. (7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	Compliant	Refer 'Audit and Risk Committee Report' of this Annual Report

CSE Rule	Requirement	Status of Compliance	How We Comply
9.13.4	The functions of the Audit Committee	Compliant	Refer the Audit and Risk Committee Report of this Annual Report
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	Compliant	Refer 'Audit and Risk Committee Report' of this Annual Report
9.14 Related Party Transactions Review Committee			
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	Compliant	The Company has a Related Party Transactions Review Committee that conforms with the requirements set out in Section 9.14.1.
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include Executive Directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	Compliant	Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.3	The functions of the Related Party Transactions Review Committee	Compliant	Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter	Compliant	Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Compliant	Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	N/A	There were no Related Party Transactions during the year which required shareholder approval The Company would comply with this Rule when a need arise

CORPORATE GOVERNANCE

CSE Rule	Requirement	Status of Compliance	How We Comply
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	N/A	There were no Related Party Transactions during the year which required an immediate Market Announcement The Company would comply with this Rule when a need arise
9.14.8 (1)	Related Party Disclosures: non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	Compliant	Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	Compliant	Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report
9.14.8 (3)	Related Party Transactions Review Committee Report must include names of the Directors comprising the Committee along with a statement that committee has reviewed RPTs and communicated comments/observations to the Board Policies and procedures adopted by the Committee	Compliant	Refer 'Related Party Transactions Review Committee Report' of this Annual Report
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	Compliant	Refer 'Annual Report of the Board of Directors' of this Annual Report
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	N/A	The Company has not acquired or disposed of any assets from/to Related Parties during the year under review The Company would comply with this Rule when a need arise
9.16 Additional Disclosures			
	Board of Directors' Declaration that they have: Reviewed all material interests in contracts and have refrained from voting on matters in which they were materially interested Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; Disclosure of relevant areas of any material non-compliant with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	Compliant	Refer 'Annual Report of the Board of Directors' of this Annual Report

ENTERPRISE RISK MANAGEMENT

Effective risk management is essential to DCSL's ability to make informed business decisions and safeguard long-term stakeholder value. Our Enterprise Risk Management (ERM) framework is designed to anticipate, assess, and address risks that could affect our performance, growth trajectory, or reputation. In 2024/25, our approach has been guided by comprehensive internal assessments and the consideration of wider macroeconomic, geopolitical, environmental, and technological trends, recognising the increasingly interconnected and fast-evolving nature of today's business environment.

Embedded within our corporate governance structure, the ERM process is closely aligned with our strategic objectives and fosters a culture of risk awareness across all business units. This holistic and integrated approach enables us to respond proactively to challenges in a dynamic operating landscape marked by political uncertainty, economic volatility, climate-related pressures, and rapid technological change.

Through continuous monitoring, active Board oversight, and targeted mitigation strategies, we enhance organisational resilience and ensure we remain well-positioned to manage uncertainties while seizing new opportunities for sustainable growth.

Risk Management Framework

DCSL's Enterprise Risk Management (ERM) framework is the foundation for safeguarding our business in an increasingly complex and uncertain environment. It is structured around five interdependent pillars, ensuring that risk management is not a standalone activity

but a core element of how we plan, operate, and make decisions.

1. Risk Identification and Assessment

We employ a systematic and comprehensive approach to identifying risks across strategic, operational, financial, compliance, and reputational dimensions. This process is informed by both internal performance reviews and external intelligence, enabling us to recognise early warning signs before risks escalate. In addition to traditional business risks, we actively track global trends identified in leading research, such as misinformation and disinformation, cyber threats, extreme weather events, geopolitical instability, and supply chain vulnerabilities. Risks are evaluated for both their likelihood of occurrence and potential impact, with priority levels assigned to guide resource allocation and focus.

2. Risk Mitigation Strategies

Once risks are identified and prioritised, we develop targeted strategies to avoid, transfer, mitigate, or, where appropriate, accept the risk in line with our defined risk appetite. These strategies are operationalised through concrete actions such as streamlining production processes, enhancing operational efficiency, investing in cybersecurity infrastructure, diversifying supply sources, and strengthening contractual arrangements with strategic partners. Our mitigation plans are designed to be adaptive, enabling swift adjustments when circumstances change.

3. Risk Monitoring and Reporting

Ongoing vigilance is essential for effective risk management. We maintain robust

monitoring mechanisms, including key risk indicators, scenario analyses, and internal audit reviews, to detect emerging threats at an early stage. The results are regularly consolidated and presented to the Board of Directors, providing them with a current, accurate, and forward-looking view of the Company's risk profile. This transparent reporting process ensures that strategic and operational decisions are made with a full understanding of the associated risks.

4. Integration and Accountability

Risk management is embedded throughout the organisation, making it a shared responsibility rather than the sole remit of specialised teams. Business unit leaders are accountable for managing the risks within their areas, supported by training and tools that build risk awareness and decision-making confidence. This culture of shared ownership ensures that risk considerations are integrated into everyday operations, from strategic planning to frontline execution.

5. Continuous Improvement

The risk environment is dynamic, and our ERM framework is regularly reviewed and refined to remain relevant. We benchmark our practices against global standards and industry best practices, drawing on lessons learned from both internal experiences and external case studies. This commitment to continuous improvement ensures that our risk management capabilities evolve in step with new challenges, emerging threats, and regulatory developments, enabling us to protect and enhance stakeholder value over the long term.

ENTERPRISE RISK MANAGEMENT

Risk & Impact	Risk Level	Mitigation Strategies
Regulatory and Taxation Risks		
Sudden increases in excise duties, frequent amendments to industry-specific regulations, and inconsistent enforcement practices can materially affect product pricing, reduce consumer demand, and erode profitability. Such changes also risk expanding the illicit alcohol market, diverting sales away from the regulated sector.	High	Maintain proactive engagement with policymakers and regulatory authorities to promote balanced taxation and fair regulations. Continuously review and adapt pricing structures to remain competitive. Pursue operational efficiencies to absorb additional costs and protect margins.
Market & Economic Risks		
Persistent inflation, fluctuating interest rates, and currency volatility can reduce consumers' disposable income and alter purchasing patterns. Economic slowdowns or shifts in consumption trends can directly impact sales volumes, especially in discretionary product categories.	High	Maintain a balanced and diversified product portfolio to appeal to multiple market segments, from value-driven consumers to premium customers. Expand revenue streams through targeted investments and acquisitions that strengthen market presence. Adapt marketing and distribution strategies to evolving economic conditions.
Geopolitical Events		
Political instability, sanctions, cross-border trade restrictions, and diplomatic tensions can disrupt supply chains, delay shipments, and restrict market access. Such events may also cause sudden changes in import/export regulations and foreign investment policies.	Low	Closely monitor geopolitical developments and assess their potential operational impact. Diversify sourcing channels and establish alternative suppliers to reduce dependency on single markets. Develop contingency plans to ensure operational continuity. Maintain regular dialogue with government agencies to anticipate and address policy changes.
Misinformation & Disinformation		
False or misleading information spread through digital platforms can damage brand reputation, erode consumer trust, and reduce market confidence. Inaccurate narratives about product quality or company conduct can spread rapidly, creating a need for immediate and credible responses.	High	Implement real-time brand monitoring systems to detect misinformation early. Establish clear communication protocols to address false claims promptly. Strengthen digital content governance and train teams in online reputation management. Educate customers through transparent and fact-based communication campaigns.
Extreme Weather & Climate Change		
Rising frequency and severity of floods, droughts, and other extreme weather events can disrupt raw material supplies, damage infrastructure, and interrupt production. Climate change may also trigger stricter environmental regulations and compliance costs.	Moderate	Invest in climate-resilient infrastructure and production facilities. Adopt sustainable sourcing practices and reduce the carbon footprint across operations. Maintain compliance with environmental regulations and participate in industry-led sustainability initiatives. Develop contingency plans for extreme weather scenarios.
Counterfeiting & Unethical Competition		
Counterfeit products and unethical competitive practices can dilute brand value, create negative consumer experiences, and reduce legitimate market share. They may also expose the Company to legal disputes and reputational damage.	Moderate	Secure trademarks and intellectual property rights in all key markets. Conduct regular supply chain audits to detect counterfeit activity. Work closely with law enforcement and regulatory bodies to combat illegal trade. Partner with trusted suppliers and distributors to safeguard product authenticity.

Risk & Impact	Risk Level	Mitigation Strategies
Operational Risks		
Disruptions in the supply chain, volatility in raw material costs, and inefficiencies in production or distribution can reduce the Company's ability to meet market demand. Unexpected equipment failures or process bottlenecks can further impact performance.	Moderate	Establish long-term supplier agreements to secure consistent material supply and pricing stability. Continuously optimise operations through technology upgrades and process improvements. Invest in automation to improve productivity and reduce reliance on manual processes.
Cybersecurity & Technology Risks		
Increasing dependence on digital systems exposes the Company to cyberattacks, data breaches, and technology failures. Any disruption to IT systems can interrupt business operations, compromise sensitive data, and result in significant financial and reputational losses.	High	Maintain a comprehensive cybersecurity framework with multi-layered defences. Conduct regular penetration testing, security audits, and system upgrades. Implement robust data backup and disaster recovery plans. Provide ongoing cybersecurity training for employees to reduce human error vulnerabilities.
Legal & Compliance Risks		
Failure to comply with applicable laws, regulations, and industry standards can lead to financial penalties, litigation, and reputational harm. This includes risks associated with product labelling, licensing, environmental compliance, and data protection.	High	Enforce strong compliance programs across all business units. Conduct frequent legal audits and risk reviews. Provide ongoing training to employees on relevant regulations and ethical standards. Maintain robust documentation and reporting systems for regulatory submissions.
Organisational & People Risks		
Challenges in attracting, developing, and retaining skilled employees can limit the Company's ability to innovate, expand, and maintain operational efficiency. Leadership gaps and inadequate succession planning can disrupt business continuity.	Moderate	Offer competitive remuneration and benefits to attract top talent. Implement leadership development programs and succession planning frameworks. Promote employee engagement through recognition programs, career growth opportunities, and inclusive workplace policies.
Financial Risks		
Exposure to currency fluctuations, interest rate volatility, and liquidity constraints can affect profitability and hinder growth investments. Economic uncertainty may also impact access to capital.	Low	Actively manage currency exposures and interest rate risks through balanced capital structuring. Maintain close relationships with financial institutions to ensure funding flexibility. Monitor cash flows regularly to support operational needs and strategic investments.

REPORT OF THE SENIOR INDEPENDENT DIRECTOR

In compliance with Rule 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors designated me as the Senior Independent Director (SID) of the Company with effect from 6th February 2025, following the appointment of Mr. D. Hasitha S. Jayawardena as Executive Chairman. The Board benefits from strong representation of Independent Directors, which ensures objectivity a critical element of sound corporate governance.

The appointment of an SID aims to strengthen the independent element in Board proceedings, whether at Board meetings or in resolutions circulated among Directors. The SID provides guidance to the Chairman on governance matters and emphasises transparency and accountability in the Board's operations, while also reviewing the effectiveness of the Board. Additionally, the SID is available to any Director or employee for confidential discussions on Company affairs as needed.

The change in the office of Chairman, which necessitated my appointment as SID, occurred toward the latter part of

the financial year. Consequently, a meeting of Non-Executive Directors without the presence of Executive Directors, as required under Rule 9.6.3(b), could not be convened during FY 2024/25. The Board remains committed to full compliance with this requirement, and arrangements have been made to ensure such meetings are held during the current financial year. It is, however, noteworthy that despite the absence of separate Non-Executive Director meetings, the Non-Executive Directors have continued to provide constructive and positive contributions to all deliberations and decision-making.



L. H. A. Lakshman Silva
Senior Independent Director

22nd August 2025
Colombo.

AUDIT & RISK COMMITTEE REPORT

COMMITTEE

The primary responsibility of the Audit and Risk Committee is to support the Board by independently overseeing the accuracy and integrity of Financial Statements, the effectiveness of internal control systems, compliance with Group policies and legal and regulatory requirements, adherence to the risk

management policy, and by making recommendations to the Board on risk appetite and mitigation measures.

COMPOSITION OF THE COMMITTEE

In accordance with the Listing Rules of the Colombo Stock Exchange, the Audit and Risk Committee of the Parent Company

functioned as the Audit Committee of the subsidiaries that had not appointed a separate Audit Committee up to 30th September 2024. With effect from 1st October 2024, a separate Audit & Risk Committee was constituted for DCSL, chaired by Mr. A. Goonesekere, Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

Composition up to 30.09.2024	Composition from 01.10.2024 to to 09.02.2025	Composition from 10.02.2025
<ul style="list-style-type: none"> Mr. M. R. Mihular - Chairman Dr. A. N. Balasuriya Mr. N. J. de S. Deva Aditya Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Ms. D.S.T.Jayawardena
<ul style="list-style-type: none"> Independent Non-Executive Non-Independent Non-Executive 		

MEETING

The Board Audit Committee/ Audit & Risk Committee met four (4) times during the year. The attendance of the members at these meetings is as follows:

Name of Director	Attendance
Mr. M. Reyaz Mihular	2/2
Dr. A. N. Balasuriya	2/2
Mr. D. Hasitha S. Jayawardena	2/3
Mr. N. J. de S. Deva Aditya	2/2
Mr. A. Goonesekere	2/2
Dr. R. A. Fernando	2/2
Ms. D.S.T.Jayawardena	1/1

Group Managing Director, Group Financial Controller, Senior Vice President-Finance and Senior Vice President-Internal Audit attended the meetings by invitation. Additionally, senior officers of the Group, as well as the partner from Messrs. KPMG, Chartered Accountants, responsible for the Group's external audit, attended the meetings when necessary.

TERMS OF REFERENCE

The Board Audit & Risk Committee Charter approved and adopted by the Board clearly sets out the terms of reference governing the Audit & Risk Committee ensuring the highest

compliance with the Corporate Governance Rules applicable to Listed Companies in accordance with the Rules of the CSE and the Code of Best Practice on Corporate Governance.

RESPONSIBILITIES OF THE COMMITTEE

- Ensure accuracy and integrity of financial statements in compliance with Sri Lanka Accounting Standards, the Companies Act, and SEC regulations.
- Oversee the internal audit function, assess internal controls and risk management, and monitor corrective actions.
- Evaluate independence, objectivity, and performance of external auditors; recommend appointments and review non-audit services.
- Monitor compliance with laws, regulations, and the Company's Code of Conduct, including whistleblowing and fraud reporting.
- Report regularly to the Board, maintain open communication with auditors, and undertake additional responsibilities assigned by the Board.

ROLE OF THE COMMITTEE

The Board Audit & Risk Committee in its role assists the Board in fulfilling their responsibility with regard to:

- Ensuring the integrity of the Financial Statements of the Company and that good financial reporting systems are in place and is managed in order to give accurate, appropriate and timely information to the management, regulatory authorities and shareholders in accordance with the financial reporting standards of the Institute of Chartered Accountants of Sri Lanka, Companies Act No: 07 of 2007, the Sri Lanka Accounting and Auditing Standards Act and the Continuing Listing Rules of the Colombo Stock Exchange.
- Assessing the independence and monitoring the performance of external auditors.
- Ensuring compliance with applicable law, regulations and policies of the Group.
- Ensuring the Company's internal control and risk management process operates efficiently and effectively.
- Ensuring compliance with applicable laws, regulations and policies of Melstacorp Group and Company.
- Assessing the Company's ability to continue as a going concern in the foreseeable future.

AUDIT & RISK COMMITTEE REPORT

ACTIVITIES DURING THE FINANCIAL YEAR 2024/2025

Financial Reporting and Financial Control

- ⊙ Reviewed quarterly and annual financial statements of the Group with focus on:
 - Adequacy of disclosures.
 - Consistency and appropriateness of accounting policies adopted.
 - Major judgmental areas to ensure compliance with the Companies Act No. 7 of 2007.
 - Adherence to Sri Lanka Accounting Standards and other applicable accounting standards in overseas jurisdictions.
 - Compliance with the Listing Rules of the Colombo Stock Exchange.
 - Compliance with the Code of Best Practice on Corporate Governance (CA Sri Lanka).
 - Requirements of other relevant regulatory bodies.
 - Future accounting developments likely to impact the financial statements.
- ⊙ Reviewed integrity of published financial information, including significant financial judgments and estimates made by management.

External Audit

- ⊙ Oversaw appointment, independence, remuneration, tenure, and partner rotation of External Auditors.
- ⊙ Monitored engagement for non-audit services to ensure independence.
- ⊙ Assessed effectiveness and progress of External Auditors and the audit process.
- ⊙ Committee met with the external Auditors without management presence.
- ⊙ Discussed audited financial statements with External Auditors to ensure conformity with Sri Lanka Accounting Standards and regulatory requirements.
- ⊙ Reviewed the management letter and directed follow-up actions by management.

Risk Management and Internal Control

- ⊙ Monitored the Group's risk management and internal control processes through detailed discussions with the Senior Vice President-Internal Audit, Executive Directors, and Sector Senior Management.
- ⊙ Assisted the Board in evaluating the adequacy, robustness, and effectiveness of the Group's risk management framework, particularly in identifying, assessing, and mitigating both principal and emerging risks, in alignment with the approved risk management policy.
- ⊙ Ensured compliance with all applicable laws, rules, and regulations of Sri Lanka, as well as relevant international laws, codes of ethics, and standards of conduct required by regulatory authorities, professional bodies, and trade associations.

Reporting

- ⊙ Chairman of the Audit & Risk Committee reported to the Board at each meeting on Committee activities.
- ⊙ Minutes of Committee meetings tabled at Board meetings.
- ⊙ Audit & Risk Committee Report included in the Annual Report.
- ⊙ Chairman of the Audit & Risk Committee attended the Annual General Meeting.
- ⊙ Obtained assurances from the Managing Director, Head of Financial and senior management that financial records are properly maintained and financial statements present a true and fair view of the Group's operations and financial position.

CONDUCT, ETHICS AND GOOD GOVERNANCE

The Audit and Risk Committee remains committed to ensuring that the Group upholds the highest ethical standards in all business dealings. The Group has established an Internal Code of Business Conduct and robust policies, including the Whistleblowing Policy and the Anti-Bribery & Anti-Corruption Policy, which require all staff members to act ethically,

transparently, and accountably, and to report any suspected wrongdoing or improprieties through the appropriate channels.

RE-APPOINTMENT OF EXTERNAL AUDITORS – MESSRS. KPMG, CHARTERED ACCOUNTANTS

The Committee reviewed all transactions with the External Auditors and confirmed that no material transactions existed between the Auditors and Group companies, and that they do not hold any shares in the Group. Written assurance was obtained from the Auditors confirming their independence in accordance with professional and regulatory requirements. Considering the absence of significant transactions, the lack of shareholding, and the periodic rotation of the Audit Partner, the Committee is satisfied that Messrs. KPMG, Chartered Accountants, remain independent and eligible for re-appointment. Although the firm has served as External Auditor since 1992, the current Audit Partner has been in place for less than one year. Accordingly, the Committee recommends the re-appointment of Messrs. KPMG, Chartered Accountants, as External Auditors of the Group for the financial year, subject to shareholder approval at the forthcoming Annual General Meeting.

THE YEAR AHEAD

Looking ahead to the financial year 2025/2026, the Committee's key priorities will include overseeing the Group's risk management and internal control processes, monitoring the impacts of sustainability and climate change, and taking a proactive approach to anticipate and prepare for any legislative or regulatory changes.



A. Goonesekere
Chairman

22nd August 2025
Colombo.

REMUNERATION COMMITTEE REPORT

The Remuneration Committee is established to assist the Board in overseeing the remuneration of the Company's Directors, Senior Executives,

and Key Management Personnel. The Committee is empowered by the Board to recommend remuneration policies, frameworks, and practices that are

aligned with the Company's strategic objectives, regulatory requirements, and best practice standards.

COMPOSITION OF THE COMMITTEE

Composition up to 30.09.2024	Composition from 01.10.2024 to 09.02.2025	Composition from 10.02.2025
<ul style="list-style-type: none"> ● Dr. A. N. Balasuriya - Chairman ● Mr. N. J. De S. Deva Aditya ● Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> ● Dr. R. A. Fernando - Chairman ● Mr. A. Goonesekere ● Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> ● Dr. R. A. Fernando - Chairman ● Mr. A. Goonesekere ● Ms. D.S.T.Jayawardena

● Independent Non-Executive ● Non-Independent Non-Executive

COMMITTEE MEETINGS

The Board Remuneration Committee met Two (2) times during the year. The attendance of the members at these meetings is as follows:

Name of Director	Attendance
Dr. A. N. Balasuriya	2/2
Mr. D. Hasitha S. Jayawardena	2/2
Mr. N. J. De. S Deva Aditya	2/2

INDEPENDENCE OF THE COMMITTEE

At the end of the financial year, the Committee comprised two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. All members are independent of management and free from business, personal, or other relationships that could impair their objectivity. Members do not participate in decisions regarding their own remuneration. The Committee meets the independence requirements set out in Section 9.2 of the Colombo Stock Exchange Listing Rules.

THE REMUNERATION POLICY

The Company adopts a formal and transparent process in determining remuneration packages for individual Directors, Key Management Personnel (KMPs), and Executives. The Committee recognizes the importance of designing remuneration structures that effectively motivate, attract, and retain Directors, KMPs, and Executives, while taking into consideration the employment conditions and prevailing industry standards. The Company's remuneration policy, which was reviewed by the Committee, remained unchanged during the year under review.

RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee supports the Board in overseeing the remuneration of the Chairman, Executive Directors, Non-Executive Directors, and Key Management Personnel (KMP). Its key responsibilities include:

- ⊙ Developing and overseeing the Group's remuneration policy to align with strategic objectives, sustainable value creation, and shareholder interests.
- ⊙ Reviewing and recommending remuneration packages and incentive structures for the Chairman, Executive Directors, and KMP, ensuring competitiveness, fairness, performance linkage, and alignment with governance standards.
- ⊙ Assessing the performance of the CEO and Executive Directors, monitoring senior management evaluation processes, and supporting talent retention and succession planning.
- ⊙ Reviewing service contracts and terms for Executive Directors and KMP to ensure compliance with governance principles.
- ⊙ Periodically benchmarking remuneration against industry standards and making recommendations to the Board on Non-Executive Directors' fees.

KEY FUNCTIONS OF THE COMMITTEE

The Remuneration Committee assists the Board in ensuring that the Company's remuneration framework is fair, competitive, and aligned with strategic objectives. The Committee's key functions include:

- ⊙ Guiding the Company's overall compensation approach in line with strategy and shareholder interests.
- ⊙ Recommending remuneration packages for the Chairman, Executive Directors, and Key Management Personnel.
- ⊙ Evaluating incentive plans, including bonuses, equity awards, and long-term reward schemes.
- ⊙ Overseeing performance appraisal processes for leadership and linking outcomes to rewards.
- ⊙ Supporting succession planning, talent development, and retention strategies for key roles.
- ⊙ Monitoring market trends, reviewing contracts, and ensuring transparent disclosure of remuneration policies and outcomes.

AGGREGATE REMUNERATION OF THE EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Aggregate-remuneration paid to the Executive Directors and Non-Executive Directors for the financial year 2024/2025 has been disclosed under Note 08 on Page 94 of the Annual Report.



Dr. R. A. Fernando
Chairman

22nd August 2025
Colombo.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

COMMITTEE

The role of the Related Party Transactions Review (RPTR) Committee is to advise the Board on transactions with related parties, as defined by Sri Lanka Accounting Standard LKAS 24 and the Listing Rules of the Colombo Stock Exchange. In line with Rule 9.14 of the updated CSE Listing

Rules, the Committee ensures that the Company conducts all related party transactions with due regard to the collective interests of its shareholders.

COMPOSITION OF THE COMMITTEE

In accordance with the Listing Rules of the Colombo Stock Exchange, the Related

Party Transactions Review (RPTR) Committee of the Parent Company served as the RPTR Committee for subsidiaries that had not appointed a separate committee until 30th September 2024. With effect from 1st October 2024, a dedicated RPTR Committee was constituted for DCSL.

Composition up to 30.09.2024	Composition from 01.10.2024 to 09.02.2025	Composition from 10.02.2025
<ul style="list-style-type: none"> Mr. M. R. Mihular - Chairman Dr. A. N. Balasuriya Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Ms. D.S.T.Jayawardena
<ul style="list-style-type: none"> Independent Non-Executive Non-Independent Non-Executive 		

MEETING

The Board Related Party Transactions Review (RPTR) Committee met four (4) times during the year. The attendance of the members at these meetings is as follows:

Name of Director	Attendance
Mr. M. Reyaz Mihular	2/2
Dr. A. N. Balasuriya
Mr. D. Hasitha S. Jayawardena	2/3
Mr. N.J. de S. Deva Aditya
Mr. A. Goonesekere	2/2
Dr. R. A. Fernando	2/2
Ms. D.S.T.Jayawardena	1/1

RESPONSIBILITIES OF THE COMMITTEE

The Committee's primary focus is to review all proposed Related Party Transactions before their execution or completion, in accordance with the procedures set out in Rule 9.14 of the Colombo Stock Exchange Listing Rules. The key responsibilities of the Committee include:

- Evaluating all proposed Related Party Transactions on a quarterly basis and recommending to management and the Board the appropriate course of action to ensure compliance with the Listing Rules of the Colombo Stock Exchange.
- Reviewing any post-quarter confirmations on Related Party Transactions.

- Assessing the thresholds for Related Party Transactions that require either shareholders' approval or immediate market disclosure, as applicable.
- Reviewing and determining the criteria for identifying Key Management Personnel.
- Regularly reporting to the Board on the Committee's activities and findings.

ACTIVITIES DURING THE FINANCIAL YEAR 2024/2025

Policies and Procedures

- Quarterly disclosures of any proposed Related Party Transactions, as well as confirmations of post-quarter transactions, were obtained from all Group companies. All such disclosures were tabled at each Related Party Transactions Review Committee meeting.
- Non-recurrent Related Party Transactions with an aggregate value exceeding the lower of 10% of the Group's equity or 5% of its total assets, based on the previous year's audited financial statements, were communicated to the Committee through the respective Group Company Secretaries.
- Recurrent Related Party Transactions exceeding 10% of the Group's gross revenue, as per the previous year's audited financial statements, were similarly communicated to the Committee via Group Company Secretaries.

Review of Related Party Transactions

- The Committee reviewed all proposed transactions and post-quarter confirmations.
- The Committee's activities were communicated to the Board by tabling the minutes of each Related Party Transactions Review Committee meeting.
- Thresholds for Related Party Transactions requiring either shareholders' approval or immediate market disclosure were reviewed based on the financial statements for the year ended 31st March 2025.
- The Committee confirmed that no events occurred that required disclosure under Sections 9.14.7(1) and 9.14.8(1) of the Colombo Stock Exchange Listing Rules.

DECLARATION BY THE BOARD

The Annual Report of the Board of Directors embodies a declaration confirming the compliance with the requirements stipulated in Section 9.14.8(4) of the Listing Rules of the Colombo Stock Exchange.



A. Goonesekere
Chairman

22nd August 2025
Colombo.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations Committee of the Company was formed in compliance with Rule 9.11.1 of the Listing Rules of the Colombo Stock Exchange.

COMPOSITION OF THE COMMITTEE

Composition from 01.10.2024 to 31.12.2024	Composition from 01.01.2025
<ul style="list-style-type: none"> ● Dr. R. A. Fernando - Chairman ● Mr. A. Goonesekere ● Ms. D.S.T.Jayawardena 	<ul style="list-style-type: none"> ● Dr. R. A. Fernando - Chairman ● Mr. A. Goonesekere ● Ms. D.S.T.Jayawardena ● Mr L H. A. L. Silva
<ul style="list-style-type: none"> ● Independent Non-Executive ● Non-Independent Non-Executive 	

COMMITTEE MEETINGS

The Committee had deliberations online and has transacted business through Circular Resolutions.

RESPONSIBILITIES OF THE COMMITTEE

The Terms of Reference of the Committee sets out its authority, composition, scope, and responsibilities, taking into consideration the Corporate Governance requirements under the Listing Rules of the Colombo Stock Exchange. The Committee is responsible for:

- ⊙ Evaluating the structure, size, and composition of the Board of Melstacorp PLC and its key subsidiaries to ensure Boards remain balanced, effective, and diverse, and recommending suitable candidates for appointment with the requisite knowledge, experience, integrity, and entrepreneurial skills.
- ⊙ Reviewing policies on the appointment, re-appointment, re-election, and retirement of Directors across the Group, and ensuring succession planning for the Board and Key Management Personnel to maintain leadership continuity and safeguard long-term sustainability.
- ⊙ Overseeing the annual evaluation of the Board, its Committees, and individual Directors to ensure responsibilities are effectively discharged and governance standards are consistently upheld.
- ⊙ Periodically reviewing the governance framework, policies, and practices to ensure alignment with regulatory

requirements, CSE Listing Rules, the SEC Act, and global best practices, and recommending improvements where required.

- ⊙ Promoting diversity in skills, experience, age, and gender within the Board to enhance decision-making, governance, and stakeholder confidence.
- ⊙ Ensuring appropriate disclosure of Committee responsibilities, activities, and outcomes in the Annual Report to reinforce accountability and transparency.

KEY FUNCTIONS OF THE COMMITTEE

The Committee ensures that all recommendations are objective, transparent, and aligned with the long-term interests of the Company and its stakeholders. It supports the Board in maintaining the highest standards of governance by overseeing nominations, succession planning, and corporate governance practices. During the financial year 2024/25, the Committee carried out the following key functions:

- ⊙ Evaluated and recommended the appointment, re-appointment, and re-election of Directors to the Board and its Committees, considering performance, contribution, and external commitments.
- ⊙ Maintained a formal and transparent procedure for the selection and appointment of Directors, based on professional qualifications, skills, experience, and strategic needs of the Group.

- ⊙ Facilitated the periodic evaluation of the performance of the Board, its Committees, and the CEO to ensure responsibilities are effectively discharged.

- ⊙ Reviewed and developed succession plans for the Board and Key Management Personnel to ensure continuity of leadership and effective governance.

- ⊙ Assessed the structure, size, and composition of the Board and Committees, ensuring a balance of skills, knowledge, experience, and diversity in line with the Group's strategic direction.

- ⊙ Reviewed and recommended updates to the corporate governance framework, policies, and practices, ensuring compliance with the Colombo Stock Exchange Listing Rules, SEC Act, and evolving best practices.

- ⊙ Monitored management reports on compliance with governance requirements and ensured corrective actions were implemented where necessary.

- ⊙ Facilitated induction programs for newly appointed Directors and provided annual updates for existing Directors on governance, regulatory, and legal developments,

INDEPENDENCE OF DIRECTORS

The Committee evaluated the independence of the current Board of Directors based on the declarations submitted by the respective Directors in accordance with the requirements of the revised Listing Rules of the Colombo

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Stock Exchange. The Committee determined that three out of ten Directors were Independent as per the criteria set out on the Listing Rules of the Colombo Stock Exchange.

RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Articles of Association of the Company require that Directors, other than the Chairman, Chief Executive, Managing or Joint Managing Director, retire by rotation and, being eligible, submit themselves for re-election at the Annual General Meeting. Accordingly, Dr.R. A. Fernando has offered himself for re-election.

Mr. C. R. Jansz and Mr. N.J. de S. Deva Aditya, who retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007, have offered themselves for re-appointment. The said Directors were last re-appointed at the Annual General Meeting held on 19th September 2024.

Further, in terms of Article 90 of the Articles of Association, Mr. L. H. A. Lakshman Silva and Mr. Ashoka Goonesekere, who were appointed to the Board on 01st October 2024, retire and offer themselves for re-election at the forthcoming Annual General Meeting.

None of the Directors who are being proposed for appointment or re-election, nor their family members, have any relationship with the other Directors of the Company or with shareholders holding more than 10% of the shares of the Company.

Having given due consideration to each Director's performance and contribution, the Board recommends that the said Directors are eligible for re-appointment and re-election, as the case may be.

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own reappointments. For further information on the aforementioned Directors please refer the Annual Report of the Board of Directors on pages 26-29 and the Corporate Governance report on pages 36-52.



Dr. R. A. Fernando
Chairman

22nd August 2025
Colombo.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

GENERAL

The Board of Directors of Distilleries Company of Sri Lanka PLC has the pleasure of presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March 2025. The details set out herein provide the pertinent information requested under Section 168 of the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance, 2017 as amended in 2023 and issued by the Institute of Chartered Accountants of Sri Lanka and the best accounting practices.

PRINCIPAL BUSINESS ACTIVITIES

The principal activities of Distilleries Company of Sri Lanka PLC are distillation, manufacture and distribution of liquor products. There were no significant changes to the principal activities of the Company during the year.

REVIEW OF BUSINESS

A review of the Group and Company's business, providing a comprehensive analysis of the financial and operational performance along with future outlook and business development activities are described in the 'Chairman's Statement' and Management Discussion and Analysis of the Annual Report. These reports together with the Audited Financial Statements of the Company and the Group reflect the state of affairs of the Company.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs). There were no changes to the accounting policies used by the Company and the Group during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company are given on pages 82-92 and under the respective notes to the Financial Statements given on pages 93 to 131 of this Report.

REVENUE

The gross revenue generated by the company during the year amounted to Rs. 138,940 Mn (2023/24 – Rs. 115,396 Mn). The Group revenue was Rs. 141,297 Mn. An analysis of gross revenue based on the revenue stream are disclosed in Note 5 to the Financial Statements.

PROFITS AND APPROPRIATIONS

The profit after tax was Rs. 17,596 Mn (2023/24 – Rs. 14,340 Mn). The Group reported a profit after tax of Rs. 14,675 Mn. The Board of Directors declared three interim dividends totalling Rs. 3 per share for the year ending 31st March 2025 (2023/24 - Rs. 2.83 per share).

The Directors were satisfied that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the payment the dividends.

DONATIONS

Total donations made by the company and Group during the year amounted to Rs. 0.6 Mn (2023/24 – Rs. 1.3 Mn)

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Group for the year ended 31st March 2025 approved by the Board of Directors on 22nd August 2025 are given on pages 74-81.

AUDIT REPORT

The Auditor's Report on the Financial Statements of the Company and Group is given on pages 69-73.

INVESTMENTS

Total investments of the Company amounted to Rs. 4,359 Mn (2023/24 – Rs. 2,556 Mn). The details of the investments are given in Note 16 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment of the Company and the Group as at 31st March 2025 was Rs. 5,214 Mn (2023/24 – Rs. 5,797Mn) and Rs. 7,462

Mn (2023/24 – Rs. 8,077 Mn). Total capital expenditure during the year for acquisition of property, plant and equipment by the Company and the Group amounted to Rs. 36 Mn (2023/24 – Rs. 73 Mn) and Rs. 352 Mn (2023/24 – Rs.73 Mn). The details of property, plant and equipment are given in Note 11 to the Financial Statements.

MARKET VALUE OF FREEHOLD LANDS AND BUILDINGS

All freehold lands and buildings of the company were revalued by a professionally qualified independent valuer as at 31st March 2024 and brought into the Financial Statements.

The directors are of the opinion that the re-valued amounts are not significantly different from the market values as at 31st March 2025. Information in respect of extent, location, valuation of land and building held by the Company are detailed in Note 11.3 to the Financial Statements.

STATED CAPITAL AND RESERVES

The Stated Capital of the Company as at 31st March 2025 was Rs. 3,000 Mn consisting of 4,600 Mn Ordinary Shares. The total Company Reserves as at 31st March 2025 amounted to Rs. 14,332 Mn (2023/24 – Rs. 7,621 Mn) comprising of Capital Reserves of Rs. 2,708 Mn (2023/24 – Rs. 2,934 Mn) and Revenue Reserves & Retained Earnings of Rs. 11,624 Mn (2023/24- Rs. 4,687 Mn).

The total Group Reserves as at 31st March 2025 amounted to Rs. 11,406 Mn, (2023/24 - Rs. 7,621 Mn) comprising Capital Reserves of Rs. 2,686 Mn (2023/24 - Rs. 2,934 Mn), Revenue Reserves and Retained Earnings of Rs. 8,720 Mn (2023/24 - Rs. 4,687 Mn) the movement of which is disclosed in the Statement of Changes in Equity.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Directors acknowledge their responsibility for the Company's system of internal control. The systems are designed to provide reasonable

ANNUAL REPORT OF THE BOARD OF DIRECTORS

assurance that the assets of the Group are safeguarded and to ensure that proper accounting records are maintained. The Board, having reviewed the system of internal control is satisfied with the systems and measures in effect at the date of signing this report. Through the Enterprise Risk Management process of the Group, risks faced by the Group are identified, evaluated and mitigation strategies adapted by the company. Enterprise Risk Management Report of The Company is on pages 53-58 of this Annual Report.

CAPITAL AND OTHER COMMITMENTS

Contingent liabilities and capital commitments are disclosed in Notes 30 to 31 to the Financial Statements of the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no material events or circumstances that have arisen since the reporting date that would require adjustment, other than the information disclosed in Note 33 to the Financial Statements.

GOING CONCERN

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements. Basis of conclusion on the going concern for the Company and Group is further described in Note 2.8 to the Financial Statements.

EMPLOYEES

The number of persons employed by the Company and the Group as at 31st March 2025 was 953 (2023/24 – 921) and 1,196 (2023/24 – 1,148) respectively.

There were no material issues pertaining to employees or industrial relations during the year.

BOARD OF DIRECTORS

The names of the Directors who held office during the Financial Year 2024/2025 are given below. The brief profiles of the Board of Directors are given on pages 26 to 29 of this Annual Report.

Executive Directors

- ⊙ Mr. D. Hasitha S. Jayawardena- (Appointed as the Chairman w.e.f. 06th February 2025)
- ⊙ Mr. C. R. Jansz
- ⊙ Capt. K.J. Kahanda (Retd.)
- ⊙ Mr. M. A. N. S. Perera
- ⊙ Mr. L. U. D. Fernando (Appointed w.e.f. 19th February 2025)

Non-Independent Non-Executive Directors

- ⊙ Deshamanya D.H.S. Jayawardena (Deceased on 03rd February 2025)
- ⊙ Mr. D. Hasitha S. Jayawardena (Re-designated as an Executive Director and appointed as Chairman w.e.f. 06th February 2025)
- ⊙ Ms. D. S. T. Jayawardena
- ⊙ Mr. N. J. de S. Deva Aditya (Re-designated w.e.f. 01st January 2025)

Independent Non-Executive Directors

- ⊙ Dr. A. N. Balasuriya (Resigned w.e.f. 30th September 2024)
- ⊙ Dr. R. A. Fernando
- ⊙ Mr. A. Goonesekere (Appointed w.e.f. 30th September 2024)

- ⊙ Mr. L.H.A.L Silva (Appointed w.e.f. 01th October 2024 and appointed as Senior Independent Director w.e.f. 07th February 2025)

All of the above Directors held office during the entire year, with the exceptions of Deshamanya D.H.S. Jayawardena, Mr. L. U. D. Fernando, Mr. A. Goonesekere and Mr. L.H.A.L Silva.

With profound sadness, the Board reports the demise of Deshamanya D.H.S. Jayawardena on 03rd February 2025.

Mr. D. Hasitha S. Jayawardena was appointed as the Chairman of the Company, in Executive Director capacity with effect from 06th February 2025.

Mr. N. J. de S. Deva Aditya was an Independent Director until re-designation as Non-Independent Non-Executive Director with effect from 01st January 2025.

Mr. L. U. D. Fernando was appointed as an Executive Director on 19th February 2025. Mr. A. Goonesekere and Mr. L.H.A.L Silva was appointed as Non-Independent Non-Executive Directors on 30th September 2024 and 01st October 2024 respectively. In keeping with the Rule 9.6.3 of the Listing Rules of the CSE, Mr.L.H.A.L Silva was appointed as the Senior Independent Director w.e.f 07th February 2025.

Dr. A. N. Balasuriya who served as Director resigned from the Board with effect from 30th September 2024.

The basis on which Directors are classified as Independent Non- Executive Directors is discussed on page 46 of the Corporate Governance Report. All the Directors have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the year under review and as at the date of such confirmation.

BOARD COMMITTEES

The following Directors served as members of the Audit, the Related Party Transactions Review Committee, the Remuneration Committee and the Nominations and Governance Committee.

Committee	Composition up to 30.09.2024	Composition from 01.10.2024 to 09.02.2025	Composition from 10.02.2025
Audit Committee	<ul style="list-style-type: none"> Mr. M. R. Mihular - Chairman Dr. A. N. Balasuriya Mr. N.J. de S. Deva Aditya Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Ms. D.S.T Jayawardena
Remuneration Committee	<ul style="list-style-type: none"> Dr. A. N. Balasuriya - Chairman Mr. N.J. de S. Deva Aditya Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Dr. R. A. Fernando - Chairman Mr. A. Goonesekere Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Dr. R. A. Fernando - Chairman Mr. A. Goonesekere Ms. D.S.T Jayawardena
Related Party Transactions Review Committee	<ul style="list-style-type: none"> Mr. M. R. Mihular - Chairman Dr. A. N. Balasuriya Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Mr. D. Hasitha S. Jayawardena 	<ul style="list-style-type: none"> Mr. A. Goonesekere - Chairman Dr. R. A. Fernando Ms. D.S.T Jayawardena
Nominations and Governance Committee		<ul style="list-style-type: none"> Dr. R. A. Fernando - Chairman Mr. A. Goonesekere Ms. D.S.T. Jayawardena 	<ul style="list-style-type: none"> Dr. R. A. Fernando - Chairman Mr. A. Goonesekere Ms. D.S.T. Jayawardena Mr L.H. A. L. Silva

RE-APPOINTMENT & RE-ELECTION OF DIRECTORS

In term of section 211 of the Companies Act No.07 of 2007 an ordinary Resolution will be put before the shareholders for the re-appointment of Mr. C. R. Jansz and Mr. N.J. de S. Deva Aditya who are over 70 years of age, notwithstanding the age limit of seventy years stipulated by Section 210 of the Companies Act.

Dr. Ravindra Ajith Fernando retired by rotation and being eligible offered himself for re- election at the Annual General Meeting as notified in of Article 30 of the Articles of Association, as a Director of the Company.

Mr. Lintotage Udaya Damien Fernando was appointed on 19th February 2025, Mr. L. H. A. Lakshman Silva was appointed on 01st October 2024 and Mr. Ashoka Goonesekere was appointed on 30th September 2024; they will come up for re-election by the shareholders at the Annual General Meeting as in the terms of Article 32(ii) of the Articles of Association, as Directors of the Company.

DIRECTORS' SHAREHOLDINGS

The shareholdings of Directors of the Company as defined under the Colombo Stock Exchange Rules are as follows:

As at 31st March	2025	2024
Late Mr. D. H. S. Jayawardena (Deceased on 03rd February 2025)	Nil	Nil
Mr. D. Hasitha S. Jayawardena (Appointed as Chairman w.e.f. 06th February 2025)	2,231,505	2,231,505
Mr. C. R. Jansz	Nil	Nil
Capt. K. J. Kahanda (Retd.)	Nil	Nil
Mr. N. J. De S. Deva Aditya	Nil	Nil
Dr. A. N. Balasuriya (Resigned w.e.f. 30th September 2024)	Nil	Nil
Ms. D. S. T. Jayawardena	11,437	11,437
Mr. M. A. N. S. Perera	Nil	Nil
Dr. R. A. Fernando	Nil	Nil
Mr. A. Goonesekere (Appointed w.e.f. 30th September 2024)	Nil	Nil
Mr. L. H. A. L. Silva (Appointed w.e.f. 01th October 2024)	2,370	Nil
Mr. L. U. D. Fernando (Appointed w.e.f. 19th February 2025)*	Nil	Nil

* Mr. L. U. D. Fernando held 200 shares as a joint holder of Mr. L. K. M. Fernando

ANNUAL REPORT OF THE BOARD OF DIRECTORS

INTEREST REGISTER

An Interest Register is maintained by the Company as per the Companies Act No. 7 of 2007. Any interest in transactions disclosed to the Board by a Director in accordance with Sections 192 and 200 of the Companies Act No.7 of 2007 are duly recorded in the Interest Register.

DIRECTORS' REMUNERATION

The Directors' remuneration and fees in respect of the Company and the Group for the Financial Year ended 31st March 2025 are disclosed in Note 08 to the Financial Statements.

RELATED PARTY TRANSACTIONS

Related Party Transactions of the Company are disclosed in Note 29.2 to the Financial Statements. These are Recurrent and Non- Recurrent Related Party Transactions, which required disclosures in the Annual Report in accordance with the Sri Lanka Accounting Standard No. 24 – Related Party Disclosures. However there were Recurrent Related Party Transactions which in aggregate value exceeded 10% of the consolidated revenue of the Group as per the Audited Financial Statements as at 31st March 2025. There were no Non- Recurrent Related Party Transactions which in aggregate value exceeded lower of 10% of the equity or 5% of the total assets of the Company as per the Audited Financial Statements as at 31st March

2025, which required additional disclosures in the Annual Report under Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

CORPORATE GOVERNANCE

The Company complies with the Corporate Governance Rules contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2017, as amended in 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Section and the Code are given on pages 36-52 of the Corporate Governance Report of this Annual Report.

SHARE INFORMATION

Information relating to Earnings, Dividends, Net Assets and Market Value per Share is given on page 3. The shareholding details of the Company are given on page 135 of the Annual Report.

SUSTAINABILITY PRINCIPLES

The Company carries out its business adherence to the best sustainable practices and has not engaged in any activity that was detrimental to the environment and has been in due compliance with all applicable laws and regulations of the country to the best of its ability.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory obligations due to the government and its employees have been duly paid or adequately provided for in the Financial Statements as confirmed by the Statement of Directors' Responsibility.

AUDITORS

Messrs. KPMG, Chartered Accountants are deemed reappointed, in terms of Section 158 of the Companies Act No. 07 of 2007, as Auditors of the Company for the year ending 31st March 2025. A resolution to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting. Total audit fees paid to Messrs. KPMG are disclosed in Note 08 to the Financial Statements. The Auditors of the Company have confirmed that they do not have any relationship with the Company (other than that of Auditor) that would have an impact on their independence.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a virtual meeting at the "Mini Auditorium", Distilleries Company of Sri Lanka PLC, No 110, Norris Canal Road, Colombo 10, Sri Lanka on 17th September 2025 at 10.00 a.m. The Notice of Meeting appears on page 139 of the Annual Report.

For and on behalf of the Board of Directors,



D. Hasitha S. Jayawardena
Chairman



C. R. Jansz
Director



Ms. V. J. Senarathne
Company Secretary

22nd August 2025
Colombo.

FINANCIAL REPORTS

FINANCIAL REPORTS

68	Statement of Directors' Responsibility
69	Independent Auditor's Report
74	Statement of Profit or Loss and Other Comprehensive Income
75	Statement of Financial Position
76	Statement of Changes In Equity-Group
78	Statement of Changes In Equity-Company
80	Statement of Cash Flows
82	Notes To The Financial Statements

SUPPLEMENTARY INFORMATION

132	Ten Year Summery
133	Statement of Value Added
134	Shareholder information
136	DCSL Management Team and Unit Management Team
139	Notice of Meeting
141	Form of Proxy
IBC	Corporate Information

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible under the Companies Act No.07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of the affairs of the Company as at the Reporting date and the profit of the Company for the financial year. The Directors are also responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts the responsibility for the integrity and the objectivity of the Financial Statements presented. The Directors confirm that proper accounting records have been maintained and appropriate accounting policies have been selected and applied consistently in the preparation of such Financial Statements which have been prepared and presented in accordance with the Sri Lanka Accounting Standards and provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

Further, the Directors confirm that the Financial Statements have been prepared on a going concern basis and are of the view that sufficient funds and other resources are available within the Company to continue its operations and facilitate planned future expansions and

capital commitments. The Directors have taken adequate measures to safeguard the assets of the Company and in this regard have established appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. The External Auditors were provided with all information and explanations necessary to enable them to form their opinion on the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge and the belief that all statutory payments in relation to regulatory and statutory authorities that were due in respect of the Company as at the reporting date have been paid or where relevant, provided for.

By Order of the Board,



Ms. V. J. Senaratne
Company Secretary

22nd August 2025
Colombo.

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
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF DISTILLERIES COMPANY OF SRI LANKA PLC

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Distilleries Company of Sri Lanka PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss 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 as set at on pages 74 to 131 of this annual report.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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. G. H. Raddella ACA,

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), Ms. D Coreia Dharmaratne

INDEPENDENT AUDITOR'S REPORT



Revenue Recognition

Refer Note 3.14 (Material Accounting Policies) and Note 5 to the Financial statements.

Risk Description	Our responses
<p>The Group recorded revenues of Rs. 141,297 Mn and the Company recorded revenue of Rs. 138,940 Mn for the year ended 31 March 2025.</p> <p>Revenue is a key performance indicator used to evaluate the performance of the Group and the Company. Given the significance of the total value, the number of transactions, geographical locations and the dependence on IT Systems over recognition of revenue, the recognition of revenue was considered as a key audit matter for the year ended 31 March 2025.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ⊙ Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sales transactions. ⊙ Testing the operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the general IT control environment with the assistance of IT specialists. ⊙ Agreeing the monthly sales system reports to the general ledger to ensure that the revenue is accounted accurately and completely in the general ledger. ⊙ Comparing revenue transactions recorded during the current year, on a sample basis, with invoices, underlying goods delivery and acceptance notes, where appropriate, to assess whether the related revenue was recognized in accordance with the revenue recognition accounting policies. ⊙ Testing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the underlying goods delivery notes and/or invoices to assess whether the related revenue had been recognised in the correct financial period. ⊙ Assessing the adequacy of the disclosures made in the financial statements in accordance with the relevant accounting standards.

Impairment of Investment in subsidiaries and goodwill

Refer Note 3.1 (Material Accounting Policies) and Notes 14 & 15 to the Financial statements.

Risk Description	Our responses
<p>The Company holds investment in subsidiaries amounting to Rs.5,169Mn as at 31 March 2025. Further, the group holds goodwill amounting to Rs.143Mn as at 31 March 2025.</p> <p>The Management performed the impairment assessment for subsidiary with indicators of impairment and determined their recoverable amounts based on value-in-use calculations. The identification of impairment events and the determination of the impairment charge require the application of significant judgment by management.</p> <p>Accordingly, the management performed an impairment assessment on the cash generating units ("CGUs") relating to the investment in subsidiaries, which had an indication of impairment as individual Cash Generating Units and management allocated goodwill to the respective CGU and the recoverable amounts of the identified CGUs have been determined based on value-in-use calculation.</p> <p>We considered the audit of management's impairment assessment of goodwill, and investment in subsidiaries to be a key audit matter due to the magnitude of the carrying value and use of significant judgments and estimates.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ⊙ Assessing the impairment indication relates to this asset and obtaining the management's judgement and estimates assessment. And test if those assessment involve any management bias. ⊙ Obtaining an understanding of management's impairment assessment process. ⊙ Obtaining assessment from management and see whether it is complied with relevant standards. ⊙ Evaluating the reasonableness of the Group's key assumptions for its revised cash flow projections such as discount rates, cost inflation and business growth with reference to the internally and externally derived sources including the Group budgetary process and reasonableness of historical forecasts. ⊙ Reviewing of value in use computations for recoverable amounts with impairment indications and discussion with management of the Group. ⊙ Assessing the disclosure in the financial statements in line with the requirements of relevant accounting standards.



Measurement of carrying value of inventories

Refer Note 18 to the Financial statements.

Risk Description	Our responses
<p>The Group recorded inventory of Rs. 7,894 Mn and the Company recorded inventory of Rs. 7,200 Mn as at 31 March 2025.</p> <p>Given the level of judgement, estimates and significance of inventory to the financial statements as well as the risk associated with the Inaccurate inventory costing, measurement of carrying value of the inventories considered as significant risk.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ⊙ Testing the design, implementation, and operating effectiveness of the key controls management establishes for provision computation and to ensure the accuracy of the inventory provision. ⊙ Attending inventory verification at the year-end to ensure the existence of the inventory. ⊙ Assessing the results of other cyclical counts performed by management and third parties throughout the period to determine the level of count variances, which are adjusted periodically. ⊙ Performing the required substantive test for NRV on a sample basis by comparing the selling price of finished goods after the reporting date with their carrying value at the financial year-end. ⊙ Vouching, on a sample basis, the purchase prices and quantities of inventories recorded by the Group with supplier invoices, goods delivery notes, and goods receipt notes. ⊙ Evaluating the inventory costing methodology and valuation policy established by management, including compliance with the applicable financial reporting standard and Verify controls over inventory costing and recompute the Weighted Average Cost (WAC) for a sample of inventory items.

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.

INDEPENDENT AUDITOR'S REPORT



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:

- ① 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.

- ② 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.
- ③ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ④ 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.

- ⑤ 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.

- ⑥ 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 3707.

A handwritten signature in black ink, consisting of a vertical line followed by a large, stylized 'S' shape.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

22nd August 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Notes	GROUP	COMPANY	
		2025 Rs. 000	2025 Rs. 000	2024 Rs. 000
Revenue	5	141,297,164	138,939,989	115,396,167
Direct Taxes		(89,176,064)	(85,257,072)	(69,142,005)
Cost of Sales		(19,718,615)	(22,000,259)	(20,066,852)
Gross Profit		32,402,485	31,682,658	26,187,310
Other Operating Income	6	395,860	358,049	79,879
Distribution Expenses		(2,822,047)	(1,305,991)	(1,175,044)
Administrative Expenses		(2,887,769)	(2,198,992)	(2,234,024)
Other Operating Expenses		(1,453,777)	-	-
Results from Operating Activities		25,634,752	28,535,724	22,858,121
Finance Income	7.1	558,870	547,091	1,041,216
Finance Costs	7.2	(108,535)	(66,423)	(145,554)
Net Finance Income		450,335	480,668	895,662
Profit Before Income Tax Expense	8	26,085,087	29,016,392	23,753,783
Taxation	9	(11,410,394)	(11,420,339)	(9,413,742)
Profit for the Year		14,674,693	17,596,053	14,340,041
Other Comprehensive Income				
Items that will never be Reclassified to Profit or Loss				
Actuarial (Loss)/ Gain on Retirement Benefit Obligations	24	(60,586)	(69,773)	74,079
Revaluation Surplus on Property Plant and Equipment	11	-	-	1,786,196
Deferred tax on Other Comprehensive Income	17	(216,775)	(194,602)	(744,110)
		(277,361)	(264,375)	1,116,165
Items that are or may be Reclassified to Profit or Loss				
Net Change in Fair Value of Financial Assets Measured as FVOCI	16.1.3	1,799,244	1,799,244	764,953
		1,799,244	1,799,244	764,953
Total Other Comprehensive Income/ (Expense) for the Year		1,521,883	1,534,869	1,881,118
Total Comprehensive income for the year		16,196,576	19,130,922	16,221,159
Profit attributable to:				
Equity holders of parent		14,682,905	17,596,053	14,340,041
Non-controlling interest		(8,212)	-	-
		14,674,693	17,596,053	14,340,041
Total comprehensive income attributable to:				
Equity holders of parent		16,204,863	19,130,922	16,221,159
Non-controlling interest		(8,287)	-	-
		16,196,576	19,130,922	16,221,159
Basic Earnings per Share	10.1	3.19	3.83	3.12

Figures in brackets indicate deductions

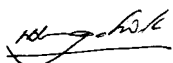
The Notes to the Financial Statements from Pages 82 to 131 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	GROUP		COMPANY	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Assets					
Non -Current Assets					
Property, Plant and Equipment	11	7,462,388	8,077,045	5,214,418	5,796,799
Right-of-use Asset	12	154,627	578,604	130,994	523,580
Net Investment in Sub Lease	13	-	-	-	-
Intangible Assets	14	28,594	55,084	-	-
Goodwill	14.2	143,627	143,627	-	-
Investment in Subsidiaries	15	-	-	5,169,978	4,169,978
Other Non-Current Financial Investments	16.1	4,264,682	2,465,438	4,264,682	2,465,438
		12,053,918	11,319,798	14,780,072	12,955,795
Current Assets					
Inventories	18	7,894,057	7,612,127	7,200,194	6,628,705
Trade and Other Receivables	19	14,066,037	11,821,960	13,482,950	10,028,167
Net Investment in Sub Lease	13	-	20,116	-	20,116
Amounts Due From Related Companies	29.1.1	843,949	716,895	915,035	717,009
Other Current Financial Investments	16.2	94,668	90,771	94,668	90,771
Short Term Investments	20	2,252,713	-	2,252,713	-
Cash and Cash Equivalents	21	1,615,592	553,744	610,598	539,131
		26,767,016	20,815,613	24,556,158	18,023,899
Total Assets		38,820,934	32,135,411	39,336,230	30,979,694
Equity And Liabilities					
Share Capital And Reserves					
Stated Capital	22	3,000,000	3,000,000	3,000,000	3,000,000
Reserves	23	5,723,119	4,172,048	5,745,292	4,172,048
Retained Earnings		5,682,610	3,448,776	8,586,454	3,448,776
Equity attributable to parent		14,405,729	10,620,824	17,331,746	10,620,824
Non Controlling Interest	15.2	(226,825)	23,489	-	-
Total Equity		14,178,904	10,644,313	17,331,746	10,620,824
Non - Current Liabilities					
Interest Bearing Loans and Borrowings	28	320,962	-	-	-
Deferred Tax Liabilities	17	2,357,944	1,977,912	1,816,425	1,800,533
Retirement Benefit Obligation	24	440,623	357,969	380,947	290,924
Lease Liability	25	83,028	178,227	75,311	143,411
		3,202,557	2,514,108	2,272,683	2,234,868
Current Liabilities					
Trade and Other Payables	26	7,179,227	5,760,482	5,976,452	5,214,965
Amount due to Related Companies	29.1.2	875,317	484,449	2,046,299	484,449
Lease Liability	25	91,859	608,795	67,784	577,003
Taxes Payable	27	11,772,702	9,392,355	11,638,766	9,132,052
Interest Bearing Loans and Borrowings	28	722,531	2,715,533	2,500	2,715,533
Bank Overdrafts	21	797,837	15,376	-	-
		21,439,473	18,976,990	19,731,801	18,124,002
Total Liabilities		24,642,030	21,491,098	22,004,484	20,358,870
Total Equity and Liabilities		38,820,934	32,135,411	39,336,230	30,979,694
Net Assets per Share (Rs.)		3.13	2.31	3.77	2.31

The notes from pages 82 to 131 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

I certified that the Financial Statements are prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007.



N. N. Nagahawatte

Senior Vice President-Finance

The Board of directors is responsible for the preparation and presentation of these Financial Statements.

Approved for and on behalf of the Board of Directors



D. Hasitha S Jayawardena

Chairman

22nd August 2025

Colombo



C. R Jansz

Director

STATEMENT OF CHANGES IN EQUITY-GROUP

	Notes	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital reserve Rs.'000	
Balance as at 1st April 2023		3,000,000	1,754,636	107,882	
Total comprehensive income for the period					
Profit for the year		-	-	-	
Other comprehensive income		-	-	-	
Net change in fair value of financial assets measured at FVOCI		-	-	-	
Actuarial loss on retirement benefit obligations		-	-	-	
Revaluation surplus on Property Plant and Equipment		-	1,786,196	-	
Deferred tax on Other Comprehensive Income		-	(714,478)	-	
Acquisition through business combination		-	-	-	
Total other comprehensive income for the year		-	1,071,718	-	
Total comprehensive income for the year		-	1,071,718	-	
Transactions with Owners directly recorded in the Equity					
Dividends paid during the period	10.3	-	-	-	
Total contributions by and distributions to owners		-	-	-	
Balance as at 31st March 2024		3,000,000	2,826,354	107,882	
Balance as at 1st April 2024		3,000,000	2,826,354	107,882	
Total comprehensive income for the period					
Profit for the year		-	-	-	
Other comprehensive income		-	-	-	
Net change in fair value of financial assets measured at FVOCI		-	-	-	
Actuarial loss on retirement benefit obligations		-	-	-	
Deferred tax on Other comprehensive income		-	(248,173)	-	
Acquisition through business combination		-	-	-	
Total other comprehensive income for the year		-	(248,173)	-	
Total comprehensive income for the year		-	(248,173)	-	
Transactions with Owners directly recorded in the Equity					
Dividends paid during the period	10.3	-	-	-	
Total contributions by and distributions to owners		-	-	-	
Changes in ownership interests					
Acquisition of NCI without a change in control	15.3	-	-	-	
Balance as at 31st March 2025		3,000,000	2,578,181	107,882	

Figures in brackets indicate deductions

The Notes to the Financial Statements from Pages 82 to 131 form an integral part of the Financial Statements.

	General reserve Rs.'000	FVOCI Reserve Rs.'000	Retained earnings Rs.'000	Equity attributable to parent Rs.'000	Non controlling interest Rs.'000	Total Rs.'000
	10,000	462,859	6,912,288	12,247,665	-	12,247,665
	-	-	14,340,041	14,340,041	-	14,340,041
	-	-	-	-	-	-
	-	764,953	-	764,953	-	764,953
	-	-	74,079	74,079	-	74,079
	-	-	-	1,786,196	-	1,786,196
	-	-	(29,632)	(744,110)	-	(744,110)
	-	-	-	-	23,489	23,489
	-	764,953	44,447	1,881,118	23,489	1,904,607
	-	764,953	14,384,488	16,221,159	23,489	16,244,648
	-	-	(17,848,000)	(17,848,000)	-	(17,848,000)
	-	-	(17,848,000)	(17,848,000)	-	(17,848,000)
	10,000	1,227,812	3,448,776	10,620,824	23,489	10,644,313
	10,000	1,227,812	3,448,776	10,620,824	23,489	10,644,313
	-	-	14,682,905	14,682,905	(8,212)	14,674,693
	-	-	-	-	-	-
	-	1,799,244	-	1,799,244	-	1,799,244
	-	-	(60,586)	(60,586)	-	(60,586)
	-	-	31,473	(216,700)	(75)	(216,775)
	-	-	-	-	(241,985)	(241,985)
	-	1,799,244	(29,113)	1,521,958	(242,060)	1,279,898
	-	1,799,244	14,653,792	16,204,863	(250,272)	15,954,591
	-	-	(12,420,000)	(12,420,000)	-	(12,420,000)
	-	-	(12,420,000)	(12,420,000)	-	(12,420,000)
	-	-	42	42	(42)	-
	10,000	3,027,056	5,682,610	14,405,729	(226,825)	14,178,904

STATEMENT OF CHANGES IN EQUITY-COMPANY

	Notes	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital reserve Rs.'000	
Balance as at 1st April 2023		3,000,000	1,754,636	107,882	
Total comprehensive income for the period					
Profit for the year		-	-	-	
Other comprehensive income					
Net change in fair value of financial assets measured at FVOCI		-	-	-	
Actuarial loss on retirement benefit obligations		-	-	-	
Revaluation surplus on Property, Plant and Equipment		-	1,786,196	-	
Deferred tax on Other Comprehensive Income		-	(714,478)	-	
Total other comprehensive income for the year		-	1,071,718	-	
Total comprehensive income for the year		-	1,071,718	-	
Transactions with Owners directly recorded in the Equity					
Dividends paid during the period	10.3	-	-	-	
Total contributions by and distributions to owners		-	-	-	
Balance as at 31st March 2024		3,000,000	2,826,354	107,882	
Balance as at 1st April 2024		3,000,000	2,826,354	107,882	
Total comprehensive income for the period					
Profit for the year		-	-	-	
Other comprehensive income					
Net change in fair value of financial assets measured at FVOCI		-	-	-	
Actuarial loss on retirement benefit obligations		-	-	-	
Deferred tax on Other Comprehensive Income		-	(226,000)	-	
Total other comprehensive income for the year		-	(226,000)	-	
Total comprehensive income for the year		-	(226,000)	-	
Transactions with Owners directly recorded in the Equity					
Dividends paid during the period (Note 10.3)		-	-	-	
Total contributions by and distributions to owners		-	-	-	
Balance as at 31st March 2025		3,000,000	2,600,354	107,882	

Figures in brackets indicate deductions

The Notes to the Financial Statements from Pages 82 to 131 form an integral part of the Financial Statements.

	General reserve Rs.'000	FVOCI Reserve Rs.'000	Retained earnings Rs.'000	Total Rs.'000
	10,000	462,859	6,912,288	12,247,665
	-	-	14,340,041	14,340,041
	-	764,953	-	764,953
	-	-	74,079	74,079
	-	-	-	1,786,196
	-	-	(29,632)	(744,110)
	-	764,953	44,447	1,881,118
	-	764,953	14,384,488	16,221,159
	-	-	(17,848,000)	(17,848,000)
	-	-	(17,848,000)	(17,848,000)
	10,000	1,227,812	3,448,776	10,620,824
	10,000	1,227,812	3,448,776	10,620,824
	-	-	17,596,053	17,596,053
	-	1,799,244	-	1,799,244
	-	-	(69,773)	(69,773)
	-	-	31,398	(194,602)
	-	1,799,244	(38,376)	1,534,869
	-	1,799,244	17,557,678	19,130,922
	-	-	(12,420,000)	(12,420,000)
	-	-	(12,420,000)	(12,420,000)
	10,000	3,027,056	8,586,454	17,331,746

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	GROUP		COMPANY	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Cash Flows from Operating Activities					
Profit Before Tax Expenses		26,085,087	23,753,783	29,016,392	23,753,783
Adjustment for:					
(Gain)/loss on Sale of Property, Plant and Equipment		262,521	(4,600)	(24,629)	(4,600)
(Gain)/loss disposal of investment at FVTPL		-	(1,035)	-	(1,035)
Depreciation and Amortization of PPE, Intangible Assets	11 & 14	1,141,418	523,191	618,821	523,191
Amortization of right-of-use asset	12	444,092	415,344	412,701	415,344
Provision for Retirement Benefits Obligations	24	76,274	77,957	61,179	77,957
Provision for slow moving and obsolete inventory	18.1	25,468	175,802	5,199	175,802
Provision for impairment of other receivables	19.2	127,240	15,600	-	15,600
Provision for impairment of trade receivables	19.1	248,413	-	-	-
Unrealised exchange loss / (gain)		(6,431)	-	-	-
Impairment charge on goodwill during the year	15.1.3.1	1,453,776	-	-	-
Provision for impairment of amounts due from related companies		-	21,946	-	21,946
Loss on Revaluation of Property, Plant and Equipment		-	21,178	-	21,178
Gain on Change in Fair Value of Financial Assets Measured at FVTPL	6	(3,897)	1,953	(3,897)	1,953
Interest Income	7.1	(558,870)	(1,041,216)	(547,091)	(1,041,216)
Dividend Income	6	(231,162)	(2)	(231,162)	(2)
Interest Expenses	7.2	108,535	145,554	66,423	145,554
Operating Profit Before Working Capital Changes		29,172,464	24,105,455	29,373,936	24,105,455
Working Capital Changes					
(Increase)/Decrease in Trade and Other Receivables		(4,118,006)	(472,678)	(3,454,299)	(472,678)
(Increase)/Decrease in Inventories		(307,393)	18,304	(576,688)	18,304
(Increase)/Decrease in Amounts Due from Related Companies		(207,683)	3,748,609	(198,510)	3,748,609
Increase/(Decrease) in Trade and Other Payables		2,202,909	581,628	2,064,479	581,628
Increase/(Decrease) in Due to Related Companies		1,681,689	459,735	1,561,850	459,735
Cash Generated from/ (used in) Operations		28,423,980	28,441,053	28,770,768	28,441,053
Taxes Paid		(10,400,066)	(10,507,703)	(10,399,879)	(10,507,703)
Retiring Gratuity Paid	24	(54,206)	(26,122)	(40,929)	(26,122)
Loan Interest Paid	28	(46,138)	(9,330)	(7,878)	(9,330)
Lease Interest Paid	25	(65,420)	(133,191)	(61,571)	(133,191)
Net Cash Generated from / (used in) Operating Activities		17,858,150	17,764,707	18,260,511	17,764,707
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	11	(352,983)	(73,244)	(36,438)	(73,244)
Proceeds from the Sale of Property, Plant and Equipment		24,629	4,600	24,629	4,600
Proceeds on Sale of Investments		-	7,724	-	7,724
Sub lease rental income	13	-	20,701	-	20,701
Net acquisitions of Other Financial Investments		-	(76,953)	-	(76,953)
Proceeds from Debenture Investment		-	200,000	-	200,000
Consideration paid on additional interest in subsidiary	15	-	-	(1,000,000)	(4,169,978)
Acquisition of subsidiary, net of cash acquired	15	(50,135)	(4,170,741)	-	-
Interest Received on Short Term Investment	7	558,870	1,037,173	547,091	1,037,173
Dividend Received		231,162	2	231,162	2
Net Cash Generated from/ (used in) Investing Activities		411,543	(3,050,738)	(233,556)	(3,049,975)

For the year ended 31st March	Notes	GROUP		COMPANY	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Cash Flows from Financing Activities					
Loans obtained during the year	28	3,130,000	12,422,000	3,130,000	12,422,000
Loans paid during the year	28	(5,840,000)	(9,714,105)	(5,840,000)	(9,714,105)
Lease Paid during the year	25	(612,134)	(499,613)	(577,318)	(499,613)
Dividend Paid		(12,415,456)	(17,835,095)	(12,415,456)	(17,835,095)
Net Cash From/ (Used in) Financing Activities		(15,737,590)	(15,626,813)	(15,702,774)	(15,626,813)
Net Increase/(Decrease) in Cash and Cash Equivalents During the Year		2,532,102	(912,844)	2,324,180	(912,081)
Cash and Cash Equivalents at the Beginning of the year		538,366	1,451,212	539,131	1,451,212
Cash and Cash Equivalents at the End of the Year		3,070,468	538,368	2,863,311	539,131
Analysis of Cash and Cash Equivalents at the End of the Year					
Cash in Hand	21	13,494	9,066	13,494	9,066
Cash in Bank	21	1,557,505	470,992	552,511	456,379
Cash in Transit	21	44,593	73,686	44,593	73,686
Short Term Investments	20	2,252,713	-	2,252,713	-
Bank Overdraft	21	(797,837)	(15,376)	-	-
		3,070,468	538,368	2,863,311	539,131

Figures in brackets indicate deductions

The Notes to the Financial Statements from Pages 82 to 131 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Domicile & Legal Form

Distilleries Company of Sri Lanka PLC (the "Company/ DCSL") is a quoted public limited liability Company incorporated and domiciled in Sri Lanka. The Company has been registered under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007. The registered office and principal place of business of the Company are located at No.110, Norris Canal Road, Colombo 10.

The Consolidated Financial Statements of Distilleries Company of Sri Lanka PLC as at and for the year ended 31st March 2025 comprise the Company and its Subsidiaries DCSL Breweries Lanka Limited (previously known as Heineken Lanka Limited), Texpro Industries Limited and DCSL Group Marketing limited (together referred to as the "Group").

1.2 Principal Activities and Nature of Operation

1.2.1 Company

The principal activity of the Company is distillation, manufacture and distribution of liquor products.

There were no significant changes in the nature of the principal business activities of the Company during the financial year under review.

1.3 Subsidiaries

DCSL Breweries Lanka Limited (Previously known as Heineken Lanka Limited - "the Company") is a limited liability Company incorporated and domiciled in Sri Lanka. The parent Company is Distilleries Company of Sri Lanka PLC, and the ultimate parent is Milford Exports Ceylon (Private) Limited (Parent and ultimate parent before the transfer of shareholding were Heineken Asia Pacific Pte. Limited and Heineken N.V. which are incorporated in Singapore and Netherlands respectively). The 99.42% of the shareholding of the Company has been transferred from Heineken Asia Pacific Pte. Ltd to Distilleries Company of Sri Lanka PLC (DCSL) on 10th January 2024. The registered office of the Company is situated at No.116/10, Rosmead Place, Colombo 07 and the head office is situated at 7th Floor, Aitken Spence Tower 2 - 315, Vauxhall Street, Colombo 02.

The subsidiary Company was incorporated on 17th May 1994 and re-registered on 5th March 2009 under the Companies Act No. 7 of 2007. The Company is primarily involved in the brewing and selling of beer.

DCSL Group Marketing (Private) Limited is a private limited liability company incorporated in Sri Lanka. The Company is a wholly owned subsidiary of Distilleries Company of Sri Lanka PLC, and the ultimate parent is Milford Exports Ceylon (Private) Limited. The registered office of the Company is located at No.110, Norris Canal Road, Colombo 10 and principal place of business of the Company are located at 7th Floor, Aitken Spence Tower 2 - 315, Vauxhall Street, Colombo 02.

The Company was incorporated on 23rd March 2024 under the Companies Act No. 7 of 2007.

Texpro Industries Limited is a limited liability company incorporated and domiciled in Sri Lanka. The Company was incorporated on 17th June 1993 as a Board of Investment (BOI)-approved enterprise and the Company ceased its operations in 2024.

On 25th March 2025, 85.73% of the shareholding of the Company was transferred from Melstacorp PLC and Timpex (Private) Limited to Distilleries Company of Sri Lanka PLC (DCSL), which became the immediate parent and the ultimate parent is Milford Exports Ceylon (Private) Limited.

1.4 Parent Enterprise and Ultimate Parent Enterprise

The immediate parent of the Group is Melstacorp PLC and ultimate parent entity is Milford Exports Ceylon (Private) Limited.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Consolidated financial Statements of the Group and the separate financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (referred "SLFRS/LKAS") as laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL).

Details of the Company's and Group's accounting policies and changes there to, are included in Note 3 to these financial statements.

2.2. Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at each reporting date.

Property, Plant and Equipment- Land and Buildings	Fair value	Note 11
Retirement Benefit Obligation	Present value of the defined benefit obligation	Note 24
Financial Assets Measured at Fair Value Through Other Comprehensive Income	Fair value	Note 16.1
Financial Assets Measured at Fair Value Through Profit or Loss	Fair value	Note 16.2

2.3. Functional and Presentation Currency

The functional currency is the currency of the primary economic environment in which the entities of the Group operates. These Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Group's functional currency and the presentation currency. All financial information has been rounded to the nearest thousand unless stated otherwise.

2.4. Materiality and Aggregation

As per LKAS – 1 “Presentation of Financial Statements”, each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Group. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.5. Use of Judgments and Estimates

The preparation of the Consolidated financial statements in conformity with SLFRSs/LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

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 and in any future periods affected.

Information about critical judgments, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes.

Critical accounting estimate/judgment	Disclosure reference
Recognition of deferred tax assets/liabilities	Note 17
Recognition and measurement of provisions for impairment	Note 18.1 / 19.1
Measurement of retirement benefit obligations; key actuarial assumptions.	Note 24.2
Recognition and measurement of provisions for contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.	Note 30
Revenue Recognition	Note 5
Impairment Assessment	Note 14 / 15

2.6. Approval of Financial Statements

The Consolidated Financial Statements for the year ended 31st March 2025 were approved and authorized for issue by

the Board of Directors in accordance with Resolution of the Directors on 22nd August 2025.

2.7. Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.8. Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has resources to continue in business for the foreseeable future. Furthermore, the Management is not aware any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

2.9. Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards (SLFRSs/ LKASs) and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the “Annual Report of the Board of Directors on the Affairs of the Group” and “Director's Responsibility for Financial Reporting”.

These Financial Statements include the following components

- ⊙ The Statement of Financial Position providing information on the financial position of the Company and the Group as at the year-end.
- ⊙ The Statement of Profit or Loss and other comprehensive income providing information on the financial performance of the Company and the Group for the year under review;
- ⊙ The Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Company and the Group;
- ⊙ The Statement of Cash Flows providing the information to the users, on the ability of the Company and the Group to generate cash and cash equivalents and utilize those cash flows, and

NOTES TO THE FINANCIAL STATEMENTS

- Ⓞ Notes to the Financial Statements comprising material Accounting Policies and other explanatory information.

2.10. Events after the Reporting Date

Events after the Reporting Date are those events, favourable and unfavourable, that occur between the Reporting date and the date when the Financial Statements are authorised for issue. In this regard, all material and important events that occurred after the reporting period are considered and appropriate disclosures are made where necessary.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

There have been no significant changes in the accounting policies adopted by the Group and the Company during the year under review and consistently applied all periods up to and including the year ended 31 March 2025.

3.1 Basis of consolidation

The financial statements of the Company and Group comprise the Financial Statements of the Company for the year ended 31st March 2025 and its subsidiary whose financial year-end on 31st December. The difference between the reporting date of the subsidiary and that of the parent does not exceed three months but adjustments are made for any significant transactions or events up to 31st March.

3.1.1 Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets 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 assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except for related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent

consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and 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), then all or a 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 measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

3.1.3 Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Loss of Controls

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated.

3.2 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currency (Sri Lankan Rupees-LKR) at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items are the difference between amortized cost in the functional currency

at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on retranslation are recognized in Statement of Profit or Loss.

3.3 Financial Instruments

3.3.1 Recognition and initial measurement

The Group initially recognizes receivables and deposits on the date they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not an FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.3.2 Classification and subsequent measurement

3.3.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at; amortized cost; FVOCI –debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequently to their 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 change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- ⊙ It is held within a business model whose objective is to hold assets 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.
- ⊙ A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;
- ⊙ It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ⊙ Its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

On the initial recognition of an 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.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

a)

Business Model Assessment

The Group makes an assessment of the objectives of the business model in which a financial asset is held as a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes;

- ⊙ 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 interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- ⊙ How the performance of the portfolio is evaluated and reported to the Group's management.
- ⊙ The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- ⊙ How managers of the business are compensated – e.g. whether compensation is based on the fair value of the asset 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 sale and expectation about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

b) Assessment whether contractual cash flows are solely payment 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 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 costs (e.g. liquidity risk and administrative cost), as well as a profit margin.

In assessing whether the contractual cash flows are solely payment of principal and interest, the Group considers the

NOTES TO THE FINANCIAL STATEMENTS

contractual terms of the instrument. This includes assessing whether the financial asset 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 this assessment, the group considers;

- ⊙ Contingent events that would change the amount or timing of cash flows
- ⊙ Terms that may adjust the contractual coupon rate, including variable rate features
- ⊙ Prepayment and extension features; and
- ⊙ Terms that limits the Group's claim to cash flows from specific assets (e.g. non-recourse features)

The prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable addition compensation for early termination of the contract.

c) Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
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 and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments 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.

3.3.2.2 Financial Liabilities

i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost. Other financial liabilities are subsequently measured at amortized cost using effective interest method.

Interest expense 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.

3.3.3 Derecognition

3.3.3.1 Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset 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 asset.

3.3.3.2 Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises 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 recognised at fair value. On derecognition 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 recognised in profit or loss.

3.3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.4 Property, Plant and Equipment

3.4.1 Freehold Assets

3.4.1.1 Recognition

Property, plant and equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used during more than one period. Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be measured.

3.4.1.2 Measurement

Items of property, plant and equipment are measured at cost or at fair value in the case of land and buildings less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.4.1.3 Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in the profit or loss.

3.4.1.4 De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is de-recognized.

3.4.1.5 Revaluation

The Group revalues its land and buildings at least once in every five years which is measured at its fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses. On revaluation of land and buildings, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognized in the profit or loss. A decrease in value is recognized in the profit or loss where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

3.4.1.6 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated values using straight-line basis over the estimated useful lives, and is generally recognized in profit or loss. Freehold land is not depreciated. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows;

Freehold Buildings	10 - 20 years
Plant, Machinery and Other Equipment	10 – 30 years
Furniture and Fittings, Office Equipment and Fire Fighting Equipment	5 - 10 years
Vats and Casks	10 years
Oil Storage Tanks	10 years
Computers	03 years

Motor Vehicles	04 – 05 years
Drums	02 years
Returnable packing materials	02 – 06 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4.1.7 Capital Work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery, awaiting capitalization.

3.5 Leases

3.5.1 Group acting as a lessee

At commencement or modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its stand-alone price.

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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements 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 analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of the lease asset.

- ⊙ Lease payments included in the measurement of lease liability includes
- ⊙ Fixed payments
- ⊙ Variable lease payments that depend on an index or rate
- ⊙ Amount expected to be payable under residual value guarantee
- ⊙ The exercise price under a purchase option that the Group is reasonably certain to exercise

NOTES TO THE FINANCIAL STATEMENTS

Lease liability is measured at amortized 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 or if there is a fixed in substance lease payment.

When the lease liability is remeasured as such, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the profit or loss if the carrying amount of the right of-use asset has been reduced to zero.

The Group presents the right-of-use asset and the lease liability as separate line items in the Statement of Financial Position.

Short term leases and leases of low value assets

The Group elected not to recognize right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on the straight-line basis.

3.5.2 The Group acting as a lessor

When the Group acts as the lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of risks and rewards incidental to ownership of the underlying asset. If this is the case, lease is a finance lease; if not it is an operating lease.

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the underlying asset.

The Group applies derecognition and impairment requirements in SLFRS 9 to the net investment in the lease.

3.6 Intangible Asset

3.6.1 Recognition and Measurement

An intangible asset is recognized if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 "Intangible Assets". Intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

3.6.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3.6.3 Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using straight-line basis over the estimated useful lives from the date that they are available for use and is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Computer Software - 3 years

3.6.4 Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.7 Inventories

Inventories are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The general basis on which cost is determined is: all inventory items, except manufactured inventories and work-in progress are measured at weighted average directly attributable cost. Manufactured inventories and work-in-progress are measured at weighted average factory cost which includes all direct expenditure and appropriate shares of production overhead based on normal operating capacity.

3.8 Impairment

3.8.1 Financial assets

Non-derivative financial assets

The Group recognizes loss allowances for Expected Credit Loss (ECL) on:

⊙ Financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk has not increased significantly since initial recognition which are measured at 12-month ECLs:

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when:

- ⊙ The debtors is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising 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 default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (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).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset occurred.

Evidence that a financial asset is credit-impaired includes the following observable data;

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Group initially makes an assessment with respect to the timing and amount to write off based on whether there is a reasonable expectation of recovery.

3.8.2 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, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in Profit or Loss. Impairment losses recognized in respect of CGUs are allocated reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.9 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.10 Liabilities and provisions

All material liabilities as at the reporting date have been included in the statement of financial position and adequate provisions have been made for liabilities which are known to exist but the amount of which cannot be determined accurately.

Liabilities classified as current liabilities in the statement of financial position are those which will fall due for payment on demand or within one year from the reporting date. Items classified as non-current liabilities will be due for payment after one year from the reporting date.

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, were appropriate, the risk specific to the liability.

3.11 Employee Benefits

3.11.1 Defined Contribution Plans

Defined contribution plan is a post-employment benefit plan under which contributions are made into a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognized as an employee benefit expense in profit or loss in the periods during services is rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3.11.1.1 Employees' Provident Fund (EPF)

The Group and employees contribute in the range of 12% - 15% and 8% - 10% respectively on the basic salary of each employee to the above-mentioned fund.

NOTES TO THE FINANCIAL STATEMENTS

3.11.1.2 Employees' Trust Fund (ETF)

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

3.12 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation 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.

The valuation is performed annually by a qualified actuary using the projected unit credit method. When the valuation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

The Group recognizes all actuarial gains and losses arising from defined benefit plans directly in the other comprehensive income and all expenses related to defined benefit plan in profit or loss.

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 in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.12.1 Short-term Employee 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 company 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 estimated reliably.

3.13 Provisions, Contingent Assets and Contingent Liabilities

Provisions are made for all obligations (legal or constructive) existing as at the reporting date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow. The amount recognized is the best estimate of the consideration required to settle the present obligation at the

reporting date, taking into account the risks and uncertainties surrounding the obligation at that date.

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

Statement of Profit or Loss and Other Comprehensive Income

3.14 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

3.14.1 Sale of Goods

Revenue from the sale of goods is recognized when the identified performance obligations are satisfied i.e. the Group transfers control over a good or service to a contract. Revenue is measured based on the consideration specified in a contract with a customer.

Disaggregation of revenue

SLFRS 15 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Group's revenue represent amount received and receivable for goods supplied to the customers and no disaggregation is required.

3.15 Other Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Rental Income is recognized in profit and loss as it accrues. Gains and losses on the disposal of investments held by the Group have been accounted for in the Statement of profit or loss.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the net sales proceeds with carrying amount. These are included in profit and loss.

3.16 Expenditure recognition

Expenses, including cost of sales, distribution expenses, administrative expenses, finance costs and foreign exchange losses on transactions, are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or

when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

3.17 Finance Income and Expenses

Finance income comprises interest income on debenture investment, interest on loans and receivables and interest on lease receivables. Interest income is recognized as it accrues in the profit or loss, using the effective interest method. Finance cost comprise interest expenses on borrowings and overdrafts and interest expenses on lease liabilities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest rate method.

3.18 Taxation

Income tax expense comprises current, deferred tax and other statutory taxes. Income tax expense and deferred tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity or in statement of other comprehensive income.

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.

a) Current Income Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Current tax payable also includes any tax liability arising from the tax on dividend income.

Current tax assets and liabilities are offset only if certain criteria are met.

b) Deferred Tax

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

Deferred tax assets and liabilities are recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to Income Taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.19 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the 'Indirect Method' of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard - LKAS 7 'Statement of Cash Flows.' 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.

Cash and cash equivalents comprise of cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

3.20 Subsequent Events

All material post reporting events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

3.21 Earnings Per Share

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the Profit or Loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

3.22 Commitments and contingent liabilities

Contingent Liabilities are possible obligations whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of the Group or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital Commitment and Contingent Liabilities of the Group are disclosed in the respective notes to the Financial Statements.

3.23 Fair Value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

When one is available, the Group measures the fair value of an investment using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

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 observable inputs are judged to be measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, the difference is recognized 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.

3.24 Segmental Reporting

An operating segment is a component of the Group that engages in the business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. No separate reportable segment has been identified. Hence, performance of the Group is reported together.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/ improvements to existing standards effective from 1 April 2025. These new standards are set to become effective in the coming years. Early application of these standards is allowed, but the Group has not early adopted any of the new or amended standards in the preparation of these financial statements

- ⊙ Lack of Exchangeability (Amendments to LKAS 21)
- ⊙ Classification and Measurement of Financial Instruments (Amendments to SLFRS 9 and SLFRS 7)

- ⊙ SLFRS S1 General requirements for disclosure of sustainability related financial information

SLFRS S1 General Requirements for disclosure of sustainability related financial information requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

- ⊙ SLFRS S2 Climate-related disclosures

SLFRS S2 Climate-related Disclosures Climate-related disclosures is to requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

5 REVENUE

For the year ended 31st March	GROUP	COMPANY	
	2025 Rs. 000	2025 Rs. 000	2024 Rs. 000
5.1 Revenue Streams			
Revenue from contracts with customers			
Sales of goods	141,297,164	138,939,989	115,396,167
Total gross revenue (Note 5.2)	141,297,164	138,939,989	115,396,167
5.2 Major Products			
Liquor/beer bottles	141,297,164	138,939,989	115,396,167
Total Gross Revenue	141,297,164	138,939,989	115,396,167
Region			
Domestic sales	141,272,236	138,927,979	115,357,927
Export Sales	24,928	12,010	38,240
Total Gross Revenue	141,297,164	138,939,989	115,396,167
Timing of revenue recognition			
Products transferred at a point in time	141,297,164	138,939,989	115,396,167
Total Gross Revenue	141,297,164	138,939,989	115,396,167

6 OTHER OPERATING INCOME

For the year ended 31st March	GROUP	COMPANY	
	2025 Rs. 000	2025 Rs. 000	2024 Rs. 000
Gain on sale of Property, Plant and Equipment	24,629	24,629	4,600
Profit on Sales of Shares	-	-	1,035
Rent Income	9,000	9,000	7,609
Other Sundry Income	127,172	89,361	68,586
Dividend Income	231,162	231,162	2
Change in Fair Value of Financial Assets at Fair Value Through Profit or Loss (Note 16.2)	3,897	3,897	(1,953)
	395,860	358,049	79,879

7 FINANCE INCOME AND FINANCE COST

For the year ended 31st March	Notes	GROUP	COMPANY	
		2025 Rs. 000	2025 Rs. 000	2024 Rs. 000
7.1 Finance Income				
Interest Income on Debentures		-	-	25,500
Interest Income on Lease Receivables	13	-	-	4,043
Interest income on Short Term Investments		546,005	547,091	1,011,673
Exchange gain		12,865	-	-
		558,870	547,091	1,041,216
7.2 Finance Cost				
Interest Expense on Bank Loan and Overdrafts		(43,115)	(4,852)	(12,363)
Interest Expense on Lease Liability	25	(65,420)	(61,571)	(133,191)
		(108,535)	(66,423)	(145,554)
Net Finance Income		450,335	480,668	895,662

NOTES TO THE FINANCIAL STATEMENTS

8 PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is stated after charging all expenses including the following;

For the year ended 31st March	Notes	GROUP	COMPANY	
		2025 Rs. 000	2025 Rs. 000	2024 Rs. 000
Remuneration to Directors		17,480	17,480	133,447
Auditor's Remuneration - Audit		10,792	8,982	8,355
- Non - audit		224	224	4,854
Personnel Costs	8.1	4,293,409	3,745,328	3,421,294
Depreciation and Amortization				
Depreciation of Property, Plant and Equipment	11	1,114,743	618,821	523,191
Amortization of Right of Use Asset	12	444,093	412,701	415,344
Loss on Revaluation of Property, Plant and Equipment		-	-	21,178
Donations		550	550	1,337
Legal Expenses		21,328	21,328	27,334
8.1 Personnel Costs				
Salaries, Wages and Other Benefits		4,027,828	3,527,330	3,194,585
Defined Contribution Plans - EPF and ETF		189,307	156,819	148,751
Retirement Benefit Obligations	24.1	76,274	61,179	77,957
		4,293,409	3,745,328	3,421,293

9 INCOME TAX EXPENSE

For the year ended 31st March	Notes	GROUP	COMPANY	
		2025 Rs. 000	2025 Rs. 000	2024 Rs. 000
Current Tax Expense	9.1	11,599,049	11,599,049	9,589,393
Deferred Tax Reversal	17	(188,655)	(178,710)	(175,651)
		11,410,394	11,420,339	9,413,742

9.1 Reconciliation of Accounting Profits to Income Tax Expense

For the year ended 31st March	GROUP	COMPANY	
	2025 Rs. 000	2025 Rs. 000	2024 Rs. 000
Profit Before Income Tax Expense	26,085,087	29,016,392	23,753,783
(-) Other Income/ Exempt Income	(942,952)	(905,141)	(1,054,462)
(+) Disallowable Expenses	2,192,596	1,175,124	1,365,080
(-) Allowable Expenses	(1,349,403)	(772,844)	(877,538)
Taxable Business Profit	25,985,328	28,513,531	23,186,863
Profit from Trade or Business	25,985,328	28,513,531	23,186,863
Taxable Other Income	683,264	645,453	1,048,825
Tax losses of subsidiaries	984,570	-	-
Consolidation adjustments	1,505,822	-	-
Taxable Income	29,158,984	29,158,984	24,235,688
Income Tax at, 40% (2024:40%)	11,405,412	11,405,412	9,274,745
30% (2024:30%)	193,637	193,637	314,648
Total Current Tax Charge	11,599,049	11,599,049	9,589,393
Effective Tax Rate (%)	39.78%	39.78%	39.57%

The Inland Revenue (Amendment) Act No.45 of 2022 was certified by the speaker on 19th December 2022. As per the Amendment Act, the Company is liable to pay tax at the rate of 40% on its taxable profits and company is liable to pay tax at the rate of 30% on its investment income.

9.2 Accumulated tax losses

For the year ended 31st March	GROUP	
	2025 Rs. 000	2024 Rs. 000
Tax losses brought forward	6,930,922	-
Acquisition through business combination	-	6,930,922
Adjustment to brought forward tax losses	(1,374,943)	-
Tax losses utilized during the year	984,570	-
Closing balance as at the reporting date	6,540,549	6,930,922

10 EARNINGS PER SHARE

10.1 Basic Earnings Per Share

Basic Earning Per Share has been calculated by dividing profit for the year attributable to Ordinary Shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the year.

For the year ended 31st March	GROUP	COMPANY	
	2025 Rs. 000	2025 Rs. 000	2024 Rs. 000
Profit for the year (Rs.'000)	14,674,693	17,596,053	14,340,041
Weighted Average Numbers of Ordinary Shares (No'000)	4,600,000	4,600,000	4,600,000
Basic Earnings per Share (Rs.)	3.19	3.83	3.12

10.2 Diluted Earnings per Share

There was no dilution of ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is same as basic earnings per share.

10.3 Dividend per Share

Equity dividend on ordinary shares declared and paid during the year.

For the year ended 31st March	COMPANY			
	2025		2024	
	Per Share	Total Rs. 000	Per Share	Total Rs. 000
Third Interim Dividend 2023/24	0.70	3,220,000	1.75	8,050,000
First Interim Dividend 2024/25	1.00	4,600,000	1.43	6,578,000
Second Interim Dividend 2024/25	1.00	4,600,000	0.70	3,220,000
		12,420,000		17,848,000

On 22nd August 2025, the Board of Directors approved a third interim dividend of Rs. 1.0 per share for the financial year ended 31st March 2025. The Board has confirmed compliance with the solvency test requirements under Sections 56 and 57 of the Companies Act No. 7 of 2007. For the purpose of computing dividend per share, this dividend has been taken into consideration.

NOTES TO THE FINANCIAL STATEMENTS

11 PROPERTY, PLANT AND EQUIPMENT

11.1 Group

(a) For the year ended 31st March 2025

		At the Beginning of the Year	Acquisition through business combination	Additions During the Year	Capitalization During the year	Cost or Revaluation	
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Adjustment on revaluation	Revaluation Surplus
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Land	11.3	2,560,376	434,250	-	-	-	-
Buildings	11.3	3,420,641	-	754	-	-	-
Buildings Constructed on Leasehold Lands	11.3	136,813	-	-	-	-	-
Plant, Machinery & Other Equipment		6,917,519	-	29,937	66,857	-	-
Motor Vehicles		658,241	-	4,615	-	-	-
Furniture, Fittings & Office Equipment		547,902	-	34,579	-	-	-
Computer Equipment		64,379	-	1,334	-	-	-
Fire Fighting Equipment		4,883	-	-	-	-	-
Oil Storage Tanks		315	-	-	-	-	-
Vats & Casks		72,918	-	-	-	-	-
Drums		80	-	-	-	-	-
Equipment/ Commercial Assets		-	-	-	-	-	-
Returnable Packing Materials		1,415,037	-	261,684	88,128	-	-
Total Freehold Property, Plant & Equipment		15,799,104	434,250	332,904	154,985	-	-
Capital Work In Progress		167,295	-	20,079	(154,985)	-	-
Total Property, Plant & Equipment		15,966,399	434,250	352,983	-	-	-

(b) For the year ended 31st March 2024

		At the Beginning of the Year	Acquisition through business combination	Additions During the Year	Cost or Revaluation	
	Notes	Rs.'000	Rs.'000	Rs.'000	Adjustment on revaluation	Revaluation Surplus
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Land	11.3	2,000,317	5,200	-	-	554,859
Buildings	11.3	2,023,737	501,000	-	(598,878)	1,155,183
Buildings Constructed on Leasehold Lands	11.3	115,932	-	-	(34,098)	54,976
Plant, Machinery & Other Equipment		3,846,862	3,004,101	66,556	-	-
Motor Vehicles		619,886	35,555	5,000	-	-
Furniture, Fittings & Office Equipment		69,974	254,752	-	-	-
Computer Equipment		62,692	-	1,688	-	-
Fire Fighting Equipment		4,883	-	-	-	-
Oil Storage Tanks		315	-	-	-	-
Vats & Casks		72,918	-	-	-	-
Drums		80	-	-	-	-
Equipment/ Commercial Assets		-	223,175	-	-	-
Returnable Packing Materials		-	1,415,037	-	-	-
Total Freehold Property, Plant & Equipment		8,817,596	5,438,820	73,244	(632,976)	1,765,018
Capital Work In Progress		-	167,295	-	-	-
Total Property, Plant & Equipment		8,817,596	5,606,115	73,244	(632,976)	1,765,018

	Accumulated Depreciation and Impairment									Carrying Value
	Disposals/ Write Offs	At the End of the Year	At the Beginning of the Year	Charge for the Year	Transfers to Cost	Acquisition through Business Combination	Adjustment on revaluation	Disposals	At the End of the Year	As at 31st March 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	-	2,994,626	-	-	-	-	-	-	-	2,994,626
	-	3,421,395	339,600	265,505	-	-	-	-	605,105	2,816,290
	-	136,813	-	11,401	-	-	-	-	11,401	125,412
	-	7,014,314	5,413,776	414,702	-	-	-	-	5,828,478	1,185,836
	(31,760)	631,097	527,892	58,594	-	-	-	(31,760)	554,727	76,370
	-	582,482	380,902	56,667	-	-	-	-	437,568	144,913
	-	65,714	62,317	860	-	-	-	-	63,177	2,537
	-	4,883	4,820	62	-	-	-	-	4,883	-
	-	315	315	-	-	-	-	-	315	-
	-	72,918	70,502	334	-	-	-	-	70,836	2,082
	-	80	80	-	-	-	-	-	80	-
	-	-	-	-	-	-	-	-	-	-
	(254,761)	1,510,088	1,089,148	306,618	-	-	-	-	1,395,766	114,322
	(286,521)	16,434,722	7,889,352	1,114,743	-	-	-	(31,760)	8,972,335	7,462,388
	(32,389)	-	-	-	-	-	-	-	-	-
	(318,910)	16,434,722	7,889,352	1,114,743	-	-	-	(31,760)	8,972,335	7,462,388

	Accumulated Depreciation and Impairment									Carrying Value
	Disposals/ Write Offs	At the End of the Year	At the Beginning of the Year	Charge for the Year	Transfers to Cost	Acquisition through Business Combination	Adjustment on revaluation	Disposals	At the End of the Year	As at 31st March 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	-	2,560,376	-	-	-	-	-	-	-	2,560,376
	-	3,081,042	478,620	120,258	-	-	(598,878)	-	-	3,081,042
	-	136,810	27,279	6,819	-	-	(34,098)	-	-	136,810
	-	6,917,519	3,207,206	320,682	-	1,885,889	-	-	5,413,777	1,503,742
	(2,200)	658,241	422,553	71,983	-	35,555	-	(2,200)	527,891	130,350
	-	324,726	63,636	1,989	-	191,502	-	-	257,127	67,599
	-	64,380	61,259	1,058	-	-	-	-	62,317	2,063
	-	4,883	4,753	68	-	-	-	-	4,821	62
	-	315	315	-	-	-	-	-	315	-
	-	72,918	70,167	334	-	-	-	-	70,501	2,417
	-	80	80	-	-	-	-	-	80	-
	-	223,175	-	-	-	123,775	-	-	123,775	99,400
	-	1,415,037	-	-	-	1,089,148	-	-	1,089,148	325,889
	(2,200)	15,459,502	4,335,868	523,191	-	3,325,869	(632,976)	(2,200)	7,549,752	7,909,750
	-	167,295	-	-	-	-	-	-	-	167,295
	(2,200)	15,626,797	4,335,868	523,191	-	3,325,869	(632,976)	(2,200)	7,549,752	8,077,045

NOTES TO THE FINANCIAL STATEMENTS

11 PROPERTY, PLANT AND EQUIPMENT

11.2 Company

(a) For the year ended 31st March 2025

			Cost or Revaluation				
		At the Beginning of the Year	Acquisition through business combination	Additions During the Year	Adjustment on revaluation	Revaluation Surplus	
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Land	11.3	2,555,176	-	-	-	-	
Buildings	11.3	2,580,041	-	-	-	-	
Buildings Constructed on Leasehold Lands	11.3	136,813	-	-	-	-	
Plant, Machinery & Other Equipment		3,913,418	-	29,363	-	-	
Motor Vehicles		622,686	-	4,615	-	-	
Furniture, Fittings & Office Equipment		69,974	-	1,125	-	-	
Computer Equipment		64,379	-	1,334	-	-	
Fire Fighting Equipment		4,883	-	-	-	-	
Oil Storage Tanks		315	-	-	-	-	
Vats & Casks		72,918	-	-	-	-	
Drums		80	-	-	-	-	
Total Freehold Property, Plant & Equipment		10,020,683	-	36,438	-	-	
Capital Work In Progress		-	-	-	-	-	
Total Property, Plant & Equipment		10,020,683	-	36,438	-	-	

(b) For the year ended 31st March 2024

			Cost or Revaluation				
		At the Beginning of the Year	Acquisition through business combination	Additions During the Year	Adjustment on revaluation	Revaluation Surplus	
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Land	11.3	2,000,317	-	-	-	554,859	
Buildings	11.3	2,023,737	-	-	(598,878)	1,155,183	
Buildings Constructed on Leasehold Lands	11.3	115,932	-	-	(34,098)	54,976	
Plant, Machinery & Other Equipment		3,846,862	-	66,556	-	-	
Motor Vehicles		619,886	-	5,000	-	-	
Furniture, Fittings & Office Equipment		69,974	-	-	-	-	
Computer Equipment		62,692	-	1,688	-	-	
Fire Fighting Equipment		4,883	-	-	-	-	
Oil Storage Tanks		315	-	-	-	-	
Vats & Casks		72,918	-	-	-	-	
Drums		80	-	-	-	-	
Total Freehold Property, Plant & Equipment		8,817,596	-	73,244	(632,976)	1,765,018	
Capital Work In Progress		-	-	-	-	-	
Total Property, Plant & Equipment		8,817,596	-	73,244	(632,976)	1,765,018	

	Accumulated Depreciation and Impairment									Carrying Value
	Disposals/ Write Offs	At the End of the Year	At the Beginning of the Year	Charge for the Year	Transfers to Cost	Acquisition through Business Combination	Adjustment on revaluation	Disposals	At the End of the Year	As at 31st March 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	-	2,555,176	-	-	-	-	-	-	-	2,555,176
	-	2,580,041	-	231,904	-	-	-	-	231,904	2,348,137
	-	136,813	-	11,401	-	-	-	-	11,401	125,412
	-	3,942,782	3,527,887	313,957	-	-	-	-	3,841,844	100,938
	31,760	595,542	492,337	58,594	-	-	-	31,760	519,172	76,370
	-	71,100	65,625	1,709	-	-	-	-	67,333	3,766
	-	65,714	62,317	860	-	-	-	-	63,177	2,537
	-	4,883	4,820	62	-	-	-	-	4,883	-
	-	315	315	-	-	-	-	-	315	-
	-	72,918	70,502	334	-	-	-	-	70,836	2,082
	-	80	80	-	-	-	-	-	80	-
	31,760	10,025,361	4,223,883	618,821	-	-	-	31,760	4,810,944	5,214,418
	-	-	-	-	-	-	-	-	-	-
	31,760	10,025,361	4,223,883	618,821	-	-	-	31,760	4,810,944	5,214,418

	Accumulated Depreciation and Impairment									Carrying Value
	Disposals/ Write Offs	At the End of the Year	At the Beginning of the Year	Charge for the Year	Transfers to Cost	Acquisition through Business Combination	Adjustment on revaluation	Disposals	At the End of the Year	As at 31st March 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	-	2,555,176	-	-	-	-	-	-	-	2,555,176
	-	2,580,042	478,620	120,258	-	-	(598,878)	-	-	2,580,042
	-	136,810	27,279	6,819	-	-	(34,098)	-	-	136,810
	-	3,913,418	3,207,206	320,682	-	-	-	-	3,527,888	385,530
	(2,200)	622,686	422,553	71,983	-	-	-	(2,200)	492,336	130,350
	-	69,974	63,636	1,989	-	-	-	-	65,625	4,349
	-	64,380	61,259	1,058	-	-	-	-	62,317	2,063
	-	4,883	4,753	68	-	-	-	-	4,821	62
	-	315	315	-	-	-	-	-	315	-
	-	72,918	70,167	334	-	-	-	-	70,501	2,417
	-	80	80	-	-	-	-	-	80	-
	(2,200)	10,020,682	4,335,868	523,191	-	-	(632,976)	(2,200)	4,223,883	5,796,799
	-	-	-	-	-	-	-	-	-	-
	(2,200)	10,020,682	4,335,868	523,191	-	-	(632,976)	(2,200)	4,223,883	5,796,799

NOTES TO THE FINANCIAL STATEMENTS

11.3 Revaluation of Lands and Buildings

11.3.1 Details of Lands and Buildings stated at Valuation

A Valuation of freehold Lands and Buildings of Distilleries Company of Sri Lanka PLC was carried out by incorporated valuer Mr. S. Sivaskanthan as at 31st March 2024 using "Comparable market value" method and "Depreciated Replacement Cost" method incorporated in the financial statements of the Group. The surplus on revaluation of Land and Buildings has been credited to the revaluation reserve while loss been charged to Profit and Loss.

Location	Land Extent	Building Area Sq.Ft.	Number of Buildings	Revalued Amount	
				Land Rs. 000	Building Rs. 000
Hatton - Norwood Road, Dickoya	-	18,286	4	-	136,811
No. 18, Sri Saddatissa Road, Kalutara North , Kalutara	01A 00R 23P	-	-	56,730	-
No. 375, Dutugemunu Mawatha, Mawilmada, Kandy	02A 00R 00P	-	-	67,340	-
No. 375/1-2, Dutugemunu Mawatha, Mawilmada, Kandy	00A 01R 20P	-	-	21,000	-
1st Lane, Off New Nuge Road, Peliyagoda	-	15,406	4	-	57,500
No. 35/12, Bandarawaththa Road, Seeduwa	15A 02R 17.09P	192,069	18	1,785,419	2,230,854
No. 35/13, Distillery Road, Seeduwa	00A 00R 16.70P	-	-	13,336	-
No. 35/13B, Distillery Road, Seeduwa	00A 00R 16.70P	-	-	13,336	-
No. 37/8A, Distillery Road, Seeduwa	00A 00R 13.25P	-	-	10,600	-
No. 37/20A, Distillery Road, Seeduwa	00A 00R 08P	-	-	5,600	-
No. 65/84, Distillery Road, Seeduwa	05A 02R 15.10P	101,611	22	581,815	291,689
				2,555,176	2,716,854

DCSL Breweries Company Limited

A Valuation of freehold Lands and Buildings of DCSL Breweries Company Limited was carried out by incorporated valuer Mr. S. Sivaskanthan as at 31st March 2024 using "Comparable market value" method and incorporated in the financial statements of the Group. The surplus on revaluation of Land and Buildings has been credited to the revaluation reserve.

Location	Land Extent	Building Area Sq.Ft.	Number of Buildings	Revalued Amount	
				Land Rs. 000	Building Rs. 000
Arankele - Doluwa Road, Hakirilla, Wewalagama	01A 02R 20P	-	-	2,400	-
Millawa, Kurunegala	00A 00R 28.00P	-	-	2,800	-
Kandy road, Kottikapola, Mawathagama	05A 02R 28.14P	98,214	10	-	501,000
				5,200	501,000

11.3.2 Measurement of Fair Values

(i) Fair value hierarchy

The fair value of lands and buildings of the group and company were determined by external, independent property valuer (Mr. S. Sivaskantha, F.I.V (Sri Lanka), having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all lands and buildings have been categorised as level 3 fair value based on the inputs to the valuation techniques used.

(ii) Valuation technique and significant unobservable inputs

The market value has been used as the fair value of property. In determining the revalued amounts, the condition of the properties and future usability have been considered. Valuer has also made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size, usage and location. Accordingly, the lands and buildings have been valued on an open market value on existing use basis.

Sensitivity of the Company's lands and buildings stated at valuation are indicated below:

	Total Lands sensitivity on per perch value		Total Buildings sensitivity on per square feet		
	Value as stands Rs.'000	-5% Rs.'000	+5% Rs.'000	Value as stands Rs.'000	-5% Rs.'000
Company	2,555,176	2,427,417	2,852,697	2,716,854	2,581,011
Group	2,560,376	2,432,357	3,735,327	3,557,454	3,379,581

Distilleries Company of Sri Lanka PLC

Location	Effective date of Valuation	Significant unobservable inputs		Sensitivity of fair value to unobservable inputs
		Lands	Buildings	
Hatton - Norwood Road, Dickoya	31st March 2024	-	Estimated price per Square feet - Rs. 4,000 - Rs. 10,000	Positively correlated sensitivity
No.18, Sri Saddatissa Road, Kalutara North , Kalutara	31st March 2024	Estimated price per perch - Rs. 310,000	-	Positively correlated sensitivity
No.375,Dutugemunu Mawatha, Mawilmada, Kandy	31st March 2024	Estimated price per perch - Rs. 210,438	-	Positively correlated sensitivity
No.375/1-2, Dutugemunu Mawatha, Mawilmada, Kandy	31st March 2024	Estimated price per perch - Rs. 350,000	-	Positively correlated sensitivity
1st Lane Off New Nuge Road, Peliyagoda	31st March 2024	-	Estimated price per Square feet - Rs. 4,250 - Rs. 6,500	Positively correlated sensitivity
No.35/12, Bandarawaththa Road, Seeduwa	31st March 2024	Estimated price per perch - Rs. 714,768	Estimated price per Square feet - Rs. 3,250 - Rs. 17,000	Positively correlated sensitivity
No.35/13, Distillery Road, Seeduwa	31st March 2024	Estimated price per perch - Rs. 798,563	-	Positively correlated sensitivity
No.35/13B, Distillery Road, Seeduwa	31st March 2024	Estimated price per perch - Rs. 798,563	-	Positively correlated sensitivity
No.37/8A, Distillery Road, Seeduwa	31st March 2024	Estimated price per perch - Rs. 800,000	-	Positively correlated sensitivity
No.37/20A, Distillery Road, Seeduwa	31st March 2024	Estimated price per perch - Rs. 700,000	-	Positively correlated sensitivity
No.65/84, Distillery Road, Seeduwa.	31st March 2024	Estimated price per perch - Rs. 650,000	Estimated price per Square feet - Rs. 3,000 - Rs. 6,250	Positively correlated sensitivity

DCSL Breweries Company Limited

Location	Effective date of Valuation	Significant unobservable inputs		Sensitivity of fair value to unobservable inputs
		Lands	Buildings	
Arankele- Doluwa road, hakirilla. Wewalagama.	31st March 2024	Estimated price per perch - Rs. 9,375	-	Positively correlated sensitivity
Millawa, Kurunegala.	31st March 2024	Estimated price per perch - Rs. 100,000	-	Positively correlated sensitivity
Kandy road, Kottikapola. Mawathagama.	31st March 2024	-	Estimated price per square feet Rs.4,000- Rs. 17,500	Positively correlated sensitivity

NOTES TO THE FINANCIAL STATEMENTS

11.4 The carrying amount of revalued land and buildings if they were carried at cost less depreciation would be as follows;

(a) Group

For the year ended 31st March	2025		2024	
	Lands Rs.000	Buildings Rs.000	Lands Rs.000	Buildings Rs.000
Cost	1,463,851	2,041,359	1,463,851	2,040,606
Accumulated Depreciation	-	(1,122,941)	-	(1,033,829)
Carrying Value	1,463,851	918,418	1,463,851	1,006,777

(b) Company

For the year ended 31st March	2025		2024	
	Lands Rs.000	Buildings Rs.000	Lands Rs.000	Buildings Rs.000
Cost	1,460,109	1,641,995	1,460,109	1,641,995
Accumulated Depreciation	-	(771,839)	-	(694,229)
Carrying Value	1,460,109	870,156	1,460,109	947,766

11.5 Gross Carrying Value of Fully Depreciated Assets

The cost of the fully depreciated assets of the Group and Company amounting to Rs.6,317 Mn and Rs.4,339 Mn (2024 - Group Rs. 3,109 Mn and Company Rs. 1,193 Mn) respectively.

11.6 Property, Plant and Equipment that have been Pledged

There were no items of Property, Plant and Equipment pledged as security as at 31st March 2025. (2024 - None)

11.7 Temporary idle assets

There were no idle Property, Plant and Equipment during the year ended 31st March 2025 and 31st March 2024.

12 RIGHT OF USE ASSETS

12.1 Group

For the year ended 31st March	2025			2024
	Land and Building Rs.'000	Motor vehicles Rs.'000	Total Rs.'000	Total Rs.'000
Cost				
Balance as at 1st April	1,564,309	1,260,338	2,824,647	2,824,647
Remeasurement during the year	20,116	-	20,116	-
Balance at 31st March	1,584,425	1,260,338	2,844,763	2,824,647
Accumulated Amortisation				
Balance as at 1st April	1,116,357	1,129,686	2,246,043	1,717,431
Charge for the year	313,441	130,652	444,093	415,344
Acquisition through business combination	-	-	-	113,268
Balance at 31st March	1,429,798	1,260,338	2,690,136	2,246,043
Net Carrying Value	154,627	-	154,627	578,604

12.2 Company

For the year ended 31st March	2025			2024
	Land and Building Rs.'000	Motor vehicles Rs.'000	Total Rs.'000	Total Rs.'000
Cost				
Balance as at 1st April	1,456,292	1,200,063	2,656,355	2,656,355
Reclassification during the year	20,116	-	20,116	-
Balance at 31st March	1,476,408	1,200,063	2,676,471	2,656,355
Accumulated Amortisation				
Balance as at 1st April	1,050,096	1,082,680	2,132,776	1,717,431
Charge for the year	295,318	117,383	412,701	415,344
Balance at 31st March	1,345,414	1,200,063	2,545,477	2,132,775
Net Carrying Value	130,994	-	130,994	523,580

Land and Buildings

The Company has presented the right of use assets arising from lands and buildings together since the lease agreements are related to both assets.

13 NET INVESTMENT IN SUB LEASE

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April	20,116	36,774	20,116	36,774
Interest Income on net lease receivables	-	4,043	-	4,043
Settlements during the year	-	(20,701)	-	(20,701)
Reclassification during the year	(20,116)	-	(20,116)	-
Balance as at 31st March	-	20,116	-	20,116
13.1 Lease receivables				
Non Current Assets	-	-	-	-
Current Assets	-	20,116	-	20,116
	-	20,116	-	20,116

The Company has sub leased a warehouse building that it obtained on lease for a term of 6 years. This sub lease is classified as a finance lease because the sub lease is for the entire term of the head lease and the sub lease agreement was ended as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

14 INTANGIBLE ASSETS (GROUP)

As at 31st March	2025 Rs. 000	2024 Rs. 000
Cost		
Balance at the beginning of the year	508,899	465,154
Additions during the year	185	43,745
Disposal during the year	(480,490)	-
Balance at the end of the year	28,594	508,899
Amortisation		
Balance at the beginning of the year	189,196	145,833
Amortisation for the year	26,675	43,363
Disposal during the year	(215,871)	-
Balance at the end of the year	-	189,196
Less: Provision for impairment of intangible assets (Note 14.1)	-	(264,619)
Carrying amount	28,594	55,084
Capital WIP (included in the cost)		
Balance at the beginning of the year	167,295	-
Acquisition through business combination	-	167,295
Additions during the year	20,079	-
Capitalized during the year	(154,985)	-
Less: Disposal/write off	(32,389)	-
Balance at the end of the year	-	167,295

Intangible assets include software which is not an integral part of the related hardware.

During the period, the Group (DBL) wrote off IT system assets amounting to Rs. 480 Mn, in line with the Transition Service Agreement dated 8th January 2024. A provision of Rs. 264,619,392/- was made in the previous year, and the balance amount has been recognised as an expense in the current period.

The management has decided to make a provision of Rs. 264,619,392/- for the IT system (DBL) effective in the year 2024, as DBL ceasing to be a subsidiary of Heineken, as per the Transition Service Agreement dated 8th January 2024. The cost of these assets amounted to Rs. 403,091,157/-.

14.1 Provision for impairment of intangible assets

As at 31st March	2025 Rs. 000	2024 Rs. 000
Balance as at 01st April	264,619	-
Charge during the year	-	264,619
Write-off during the year	(264,619)	-
Balance at the end of the year	-	264,619

14.2 Goodwill (Group)

As at 31st March	2025 Rs. 000	2024 Rs. 000
Balance as at 01 April	143,627	-
Goodwill recognised through business combination during the year (Note 15.1.3)	1,453,776	143,627
Impairment charged during the year (Note 15.1.3.1)	(1,453,776)	-
Balance as at 31st March	143,627	143,627

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it may be impaired. For the purpose of impairment testing, goodwill acquired through business combinations has been allocated to individual cash-generating units (CGUs), which represent the lowest level at which goodwill is monitored for internal management purposes. An impairment loss is

recognised when the carrying amount of a CGU, including the allocated goodwill, exceeds its recoverable amount. The recoverable amount is determined as the higher of the CGU's fair value less costs of disposal and its value in use (VIU), based on management's best estimates of future cash flows and appropriate discount rates

Key assumptions used in the value in use ("VIU") calculations

The value in use calculations for the CGUs are most sensitive to the following assumptions: Pre-tax discount rates - Discount rates applied reflect the current market assessment of the time value of money and the risks specific to each CGU, incorporated in to the cash flow projections. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity.

Sensitivity to changes in assumptions

DCSL Breweries Lanka Limited

The estimated value in use (VIU) of the CGUs exceeds their carrying amounts by Rs. 1,317,407,000/- as at 31st March 2025.

For the VIU computation the discount rate of 12%, revenue growth rate range of 9% to 10% and terminal growth rate of 4.5% were used by the Management and the 10 year cashflow projection has been prepared based on the approved budget of DCSL Breweries Lanka Limited.

Below table summarises the sensitivity of the assumptions used in the VIU assessment as at 31st March 2025 in relation to the goodwill recognized through the acquisition of DCSL breweries Limited.

Movement 1 %	2025	
	Increase	Decrease
Company		
Discount Rate	(323,307)	373,843
Revenue Growth rate	166,651	(162,778)

15 INVESTMENTS IN SUBSIDIARIES

As at 31st March	2025			2024		
	Number of Shares	Effective Holding %	Cost Rs.'000	Number of Shares	Effective Holding %	Cost Rs.'000
DCSL Breweries Lanka Limited (Note 15.3)	1,991,585,000	99.58%	5,169,978	1,446,476,178	99.42%	4,169,978.00
AION SG Residencies (Private) Limited	2,500,000	100%	25,000	2,500,000	100%	25,000
Provision for Impairment	-	-	(25,000)	-	-	(25,000)
DCSL Group Marketing	1	100%	-	-	-	-
Texpro Industries Ltd (Note 15.1)	49,086,528	85.73%	-	-	-	-
			5,169,978			4,169,978

15.1 Acquisition of Subsidiary

On 25th of March 2025, Distilleries Company of Sri Lanka PLC acquired 85.73% of the shares and voting interest in Texpro Industries Limited. This acquisition resulted in granting control of Texpro Industries Limited.

On 23rd March 2024, the Company namely DCSL Group Marketing Limited was incorporated by the Group.

15.1.1 Consideration Transferred

The acquisition of Texpro Industries Limited was carried out with no consideration being transferred.

NOTES TO THE FINANCIAL STATEMENTS

15.1.2 Identifiable assets acquired and liabilities assumed

As at 31st March	Notes	2025 Amount Rs.'000
Property, Plant and Equipment	11	434,250
Cash and Cash Equivalents		1,031
Interest Bearing Loans & Borrowings		(1,040,993)
Deferred Tax Liabilities	17	(351,912)
Employee Benefits		-
Trade and Other Payables		(277,258)
Amounts Due to Related Companies		(409,120)
Taxes Payable		(593)
Bank Overdrafts		(51,166)
Total identifiable net assets acquired		(1,695,761)

The management considered the carrying amount of the property, plant and equipment as the fair value as the management was in the view that there are no significant deviation between the carrying amount and the fair value as at the acquisition date.

15.1.3 Goodwill on acquisition

Goodwill arising from acquisition has been recognized as follows.

As at 31st March	Notes	2025 Amount Rs.'000
Consideration transferred	15.1.1	-
NCI based on their proportionate interest in the recognized amounts the assets and liabilities		(241,985)
Fair Value of Identifiable net assets	15.1.2	1,695,761
Goodwill		1,453,776

15.1.3.1 Impairment of Goodwill on acquisition

As required by LKAS 36 - "Impairment of Assets", the Group assessed the impairment of goodwill on acquisition of the subsidiary as at 31st March 2025 and Goodwill from the acquisition of Texpro Industries Limited amounting to Rs. 1.45 bn has been fully impaired as the operations of the Texpro Industries Limited was discontinued as at the reporting date.

15.2 Non Controlling Interest (NCI)

The Group maintained control over all of its subsidiaries throughout the year without the need to apply significant judgement or assumptions in assessing control.

15.2.1 Movement in NCI

As at 31st March	GROUP	
	2025 Rs. 000	2024 Rs. 000
Balance as at 01st April	23,489	-
Acquisition of subsidiary with NCI (Note 15.1.3)	(241,985)	23,489
Share of total comprehensive income attributable to NCI	(8,287)	-
Changes in ownership interests in subsidiaries	(42)	-
Balance as at 31st March	(226,825)	23,489

15.2.2 Non Controlling Interest

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

As at 31st March	2025				
	Amount Rs. '000 DCSL Breweries Lanka Limited	Amount Rs. '000 Texpro Industries Limited	Amount Rs. '000 Total	Amount Rs. '000 Intra-group eliminations	Amount Rs. '000 Amount adjusted for intra-group elimination
NCI Percentage	0.42%	14.27%			
Non-current assets	1,444,413	434,250	1,878,663	443,447	2,322,110
Current assets	3,779,512	1,031	3,780,543	(29,943)	3,750,600
Non-current liabilities	(67,393)	(672,874)	(740,267)	(199,551)	(939,818)
Current liabilities	(1,757,319)	(1,458,168)	(3,215,487)	-	(3,215,487)
Net Assets	3,399,213	(1,695,761)	1,703,452	213,953	1,917,405
Net assets attributable to NCI	14,277	(241,985)	(227,708)	883	(226,825)
Revenue	7,047,772	-	7,047,772	(4,660,654)	11,708,426
Profit	(1,363,804)	-	(1,363,804)	(52,042)	(1,311,762)
OCI (Other Comprehensive Income)	9,187	-	9,187	(22,172)	31,359
Total comprehensive income	5,693,155	-	5,693,155	(4,734,868)	10,428,023
Profit allocated to NCI	(7,910)	-	(7,910)	(302)	(8,212)
OCI allocated to NCI	53	-	53	(129)	(75)

On 25th March 2025, the Group acquired 85.73% of the shareholding and voting rights in Texpro Industries Limited, thereby obtaining control over the company. As the acquisition took place near the end of the financial year, only the statement of financial position of Texpro Industries Limited has been consolidated with the Group's financial statements as at the reporting date using the Financial statements prepared by the Management.

As at 31st March	2024			
	Amount Rs. '000 DCSL Breweries Lanka Limited	Amount Rs. '000 Total	Amount Rs. '000 Intra-group eliminations	Amount Rs. '000 Total
NCI Percentage	0.58%			
Non-current assets	2,390,354	2,390,354	-	2,390,354
Current assets	2,791,715	2,791,715	-	2,791,715
Non-current liabilities	(311,032)	(311,032)	-	(311,032)
Current liabilities	(821,197)	(821,197)	-	(821,197)
Net Assets	4,049,840	4,049,840	-	4,049,840
Net assets attributable to NCI	23,489	23,489	-	23,489

NOTES TO THE FINANCIAL STATEMENTS

15.3 Acquisition of NCI

In March 2025, the Group acquired an additional 0.16% percent interest in DCSL Breweries Lanka Limited, increasing its ownership from 99.42% to 99.58%.

	Amount Rs. '000
Carrying amount of NCI acquired	42
Consideration paid to NCI	-
Increase in equity attributable to owners of the Company	42

16 OTHER FINANCIAL INVESTMENTS

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Non Current Investments				
Financial assets measured at Fair Value Through Other Comprehensive Income (Note 16.1)	4,264,682	2,465,438	4,264,682	2,465,438
	4,264,682	2,465,438	4,264,682	2,465,438
Current Investments				
Financial assets measured at Fair Value Through Profit or Loss (Note 16.2)	94,668	90,771	94,668	90,771
	94,668	90,771	94,668	90,771

16.1 Financial Assets measured at Fair Value Through Other Comprehensive Income

The Company designated the investments shown below as Financial Assets measured at Fair Value Through Other Comprehensive Income because these investments represent instruments that the Company intends to hold for the long term for strategic purposes.

	Notes	2025 Rs. 000	2024 Rs. 000
Quoted Equity Securities	16.1.1	4,264,675	2,465,431
Unquoted Equity Securities	16.1.2	7	7
		4,264,682	2,465,438

16.1.1 Quoted Equity Securities

As at 31st March	2025			2024		
	No. of shares/ Units	Cost Rs. 000	Fair value Rs. 000	No. of shares/ Units	Cost Rs. 000	Fair value Rs. 000
Bank, Finance and Insurance						
Hatton National Bank PLC	13,982,540	1,234,895	4,264,675	13,696,840	1,234,895	2,465,431
Total Quoted Equity Securities	13,982,540	1,234,895	4,264,675	13,696,840	1,234,895	2,465,431

The fair value of quoted investments are calculated based on the market prices as at 31st March 2025.

16.1.2 Unquoted Equity Securities

As at 31st March	2025			2024		
	No. of shares/ Units	Cost Rs. 000	Fair value Rs. 000	No. of shares/ Units	Cost	Fair value Rs. 000
Amethyst Leisure Limited	214,080,600	271,489	-	214,080,600	271,489	-
International Distilleries Lanka Limited	100	3	3	100	3	3
W.M.Mendis & Co., Limited	200	4	4	200	4	4
		271,496	7		271,496	7

No strategic investments were disposed during the reporting period, and these were no transfers of any cumulative gain or loss within equity relating to these investments.

Investments valued at Level 3 fair value inputs (Unquoted Equity Securities)

(a) Fair value hierarchy

The fair value measurement of unquoted equity securities were measured at level 3 fair value based assumptions.

b) Valuation technique and significant unobservable inputs

Following table shows the valuation techniques used in measuring Level 3 fair value of equity securities as well as the significant unobservable inputs used for the valuation as at 31st March 2025.

Type	Valuation Technique used	Significant Unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted Equity Securities			
Amethyst Leisure Limited	Net asset basis	Book values of net assets	Positively correlated sensitivity
International Distilleries Lanka Limited	Net asset basis	Book values of net assets	Positively correlated sensitivity
W.M. Mendis & Co., Limited	Net asset basis	Book values of net assets	Positively correlated sensitivity

The fair value is calculated using the net book value of net assets using the most recent financial statements.

16.1.3 Movement of Financial Investments

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Opening balance	2,465,438	1,900,485	2,465,438	1,900,485
Additions/ (Disposals) during the year	-	(200,000)	-	(200,000)
Fair value changes	1,799,244	764,953	1,799,244	764,953
Closing balance	4,264,682	2,465,438	4,264,682	2,465,438

16.2 Financial Assets measured at fair value through profit or loss (FVTPL)

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April	90,771	92,724	90,771	92,724
Additions during the year	-	-	-	-
Fair value gain/(loss)	3,897	(1,953)	3,897	(1,953)
Balance as at 31st March	94,668	90,771	94,668	90,771

NOTES TO THE FINANCIAL STATEMENTS

16.2.1 Quoted Equity Securities

As at 31st March	2025		2024	
	No. of Shares	Fair Value Rs. 000	No. of Shares	Fair Value Rs. 000
Hotel and Travels				
The Kingsbury Hotels PLC	1,237,200	14,723	1,237,200	13,362
Diversified Investments				
Softlogic Holdings PLC	180,000	1,278	180,000	1,620
Bank & Finance				
Cargills Bank PLC	9,593,555	78,667	9,593,555	75,789
Total Quoted Equity Securities -Fair Value Through Profit or Loss		94,668		90,771

The fair value of quoted investments are calculated based on the market prices as at 31st March 2025.

17 NET DEFERRED TAX LIABILITIES

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April	1,977,912	1,232,074	1,800,533	1,232,074
Recognised through profit or loss- originated during the year	(178,193)	(175,651)	(168,248)	(175,651)
Recognised through OCI- originated during the year	(40,927)	744,110	(40,927)	744,110
Recognised through profit or loss- due to tax rate changes	(10,462)	-	(10,462)	-
Recognised through OCI- due to tax rate changes	257,702	-	235,529	-
Acquisition through business combination	351,912	177,379	-	-
Balance as at 31st March 2025	2,357,944	1,977,912	1,816,425	1,800,533

17.1 Movement in Recognized Deferred Tax Assets and Liabilities

Group	2025				
	Balance as at 1st April 2024	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Acquisition through business combination	Balance as at 31st March 2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
On Property, Plant and Equipment	407,349	(205,950)	-	351,912	553,311
On Revaluation Surplus on Lands	1,716,345	-	133,754	-	1,850,099
On Revaluation Surplus on Buildings	345,270	-	114,419	-	459,689
On net investment in Sublease	30,056	(8,046)	-	-	22,010
On Right of Use Asset	182,614	(150,485)	-	-	32,129
On Retirement Benefit Obligations	(116,370)	(23,658)	(31,398)	-	(171,426)
On Provision for slow moving inventory	(202,242)	(24,289)	-	-	(226,531)
On Lease Liability	(385,110)	223,773	-	-	(161,337)
	1,977,912	(188,655)	216,775	351,912	2,357,944

Group	2024				
	Balance as at 1st April 2023	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Acquisition through business combination	Balance as at 31st March 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
On Property, Plant and Equipment	390,592	(111,638)	-	128,395	407,349
On Revaluation Surplus on Lands	824,488	-	714,478	177,379	1,716,345
On Revaluation Surplus on Buildings	345,270	-	-	-	345,270
On net investment in Sublease	14,710	(6,664)	-	22,010	30,056
On Right of Use Asset	375,570	(166,138)	-	(26,818)	182,614
On Retirement Benefit Obligations	(125,267)	(20,735)	29,632	-	(116,370)
On Provision for slow moving inventory	(105,278)	(70,321)	-	(26,643)	(202,242)
On Lease Liability	(488,011)	199,845	-	(96,944)	(385,110)
	1,232,074	(175,651)	744,110	177,379	1,977,912

Company	2025			
	Balance as at 1st April 2024	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Balance as at 31st March 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
On Property, Plant and Equipment	278,954	(196,005)	-	82,949
On Revaluation Surplus on Lands	1,043,554	-	133,681	1,177,235
On Revaluation Surplus on Buildings	840,682	-	92,319	933,001
On net investment in Sublease	8,046	(8,046)	-	-
On Right of Use Asset	209,432	(150,485)	-	58,947
On Retirement Benefit Obligations	(116,370)	(23,658)	(31,398)	(171,426)
On Provision for slow moving inventory	(175,599)	(24,289)	-	(199,888)
On Lease Liability	(288,166)	223,773	-	(64,393)
	1,800,533	(178,710)	194,602	1,816,425

Company	2024			
	Balance as at 1st April 2023	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Balance as at 31st March 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
On Property, Plant and Equipment	390,592	(111,638)	-	278,954
On Revaluation Surplus on Lands	824,488	-	219,066	1,043,554
On Revaluation Surplus on Buildings	345,270	-	495,412	840,682
On net investment in Sublease	14,710	(6,664)	-	8,046
On Right of Use Asset	375,570	(166,138)	-	209,432
On Retirement Benefit Obligations	(125,267)	(20,735)	29,632	(116,370)
On Provision for slow moving inventory	(105,278)	(70,321)	-	(175,599)
On Lease Liability	(488,011)	199,845	-	(288,166)
	1,232,074	(175,651)	744,110	1,800,533

NOTES TO THE FINANCIAL STATEMENTS

17.2 The recognized deferred tax (assets)/liabilities of the company is attributable to the following

Company	2025		2024	
	Taxable / (Deductible) Temporary Difference Rs.'000	Tax effect Rs.'000	Taxable / (Deductible) Temporary Difference Rs.'000	Tax effect Rs.'000
On Property Plant and Equipment	184,331	82,949	697,385	278,954
On Revaluation Surplus on Lands & Buildings	4,689,413	2,110,236	4,710,590	1,884,236
On net investment in Sublease	-	-	20,115	8,046
Right of use asset	130,994	58,947	523,580	209,432
On Retirement Benefit Obligation	(380,947)	(171,426)	(290,924)	(116,370)
On Provision for slow moving inventory	(444,196)	(199,888)	(438,997)	(175,599)
On Lease Liability	(143,096)	(64,393)	(720,414)	(288,166)
	4,036,500	1,816,425	4,501,335	1,800,533

Based on the Inland Revenue Act No 2 of 2025 which is certified on 20th March 2025, the tax rate on gains and profits from the manufacture and sale or import and sale of any liquor or tobacco product other than the export of such products are liable at 45%. Deferred taxation is computed at 45% as at 31st March 2025 (2024: 40%).

Unrecognised Deferred tax assets: DCSL Breweries Lanka Limited

The deferred tax asset is attributable to the following:

For the year ended 31st March	2025		2024	
	Temporary Difference Rs. 000	Tax effect Rs. 000	Temporary Difference Rs. 000	Tax effect Rs. 000
Property, Plant and equipment	425,633	127,690	320,989	128,396
Retirement Benefit Obligation	(59,676)	(17,903)	(67,045)	(26,818)
ROU and Lease liability	(8,159)	(2,448)	(11,584)	(4,633)
On tax loss carried forward	(6,540,549)	(1,962,165)	(6,930,922)	(2,772,369)
Unrealized foreign exchange gain	6,431	1,929	-	-
Provision	(1,397,406)	(419,222)	-	-
	(7,573,726)	(2,272,119)	(6,688,562)	(2,675,424)

Deferred tax asset has not been recognised on the unused tax losses of Rs.6,540,549,034/- as at 31st December 2024 and 6,930,921,972/- as at 31st December 2023 considering the carry forward time bar of 6 years. Deferred tax assets has been recognised to the extent of deferred tax liability as at the reporting date.

18 INVENTORIES

As at 31st March	Notes	GROUP		COMPANY	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Raw Materials		2,934,311	3,469,951	2,795,171	3,112,188
Packing Material		1,870,752	1,931,563	1,575,430	1,642,745
Work in Progress		1,497,959	636,209	1,381,026	510,639
Finished Goods		1,303,847	1,283,687	1,139,112	1,090,821
Input Materials, Consumables and Spares		939,061	919,491	753,651	711,309
Good in transit		2,369	-	-	-
		8,548,299	8,240,901	7,644,390	7,067,702
Less: Provision for Slow Moving and Obsolete Inventories	18.1	(654,242)	(628,774)	(444,196)	(438,997)
		7,894,057	7,612,127	7,200,194	6,628,705

18.1 Provision for slow moving inventories

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April	628,774	263,195	438,997	263,195
Provision made during the year	25,468	175,802	5,199	175,802
Acquisition through business combination	-	189,777	-	-
Balance as at 31st March	654,242	628,774	444,196	438,997

19 TRADE AND OTHER RECEIVABLES

As at 31st March	Notes	GROUP		COMPANY	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Trade Receivables		10,081,553	7,700,571	9,320,011	6,258,021
Less: Provision for impairment of Trade Receivable	19.1	(699,152)	(450,739)	-	-
		9,382,401	7,249,832	9,320,011	6,258,021
Other Financial Receivables		182,436	229,445	-	-
Refundable Deposits		7,246	52,172	7,246	7,426
Prepayments and Advances		4,467,623	4,179,632	4,001,910	3,816,178
Accrued Income		183,032	233,307	183,032	70
Other Non Financial Receivables		123,480	99,201	123,480	99,201
Other receivable		84,868	16,180	-	-
		14,431,086	12,059,769	13,635,679	10,180,896
Less: Provision for impairment of Other Receivables	19.2	(365,049)	(237,809)	(152,729)	(152,729)
		14,066,037	11,821,960	13,482,950	10,028,167

19.1 Provision for impairment of Trade Receivable

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April	450,739	-	-	-
Provision made during the year	248,413	-	-	-
Acquisition through business combination	-	450,739	-	-
Balance as at 31st March	699,152	450,739	-	-

19.2 Provision for impairment of Other Receivables

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April	237,809	137,129	152,729	137,129
Provision made during the year	127,240	15,600	-	15,600
Acquisition through business combination	-	85,080	-	-
Balance as at 31st March	365,049	237,809	152,729	152,729

NOTES TO THE FINANCIAL STATEMENTS

20 SHORT TERM INVESTMENT

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Opening Balance	-	4,645,000	-	4,645,000
Additions during the year	195,834,000	145,340,000	195,834,000	145,340,000
Interest amortized during the year	373,676	790,042	373,676	790,042
Matured during the year	(193,954,963)	(150,775,042)	(193,954,963)	(150,775,042)
	2,252,713	-	2,252,713	-

The short term investment balances as at 31st March 2025 consist of REPO investments which are less than 3 Months in maturity period. These balances have been considered as cash equivalents for the Statement of Cash Flows.

21 CASH AND CASH EQUIVALENTS

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Favourable Balances				
Cash at Bank	1,557,505	470,992	552,511	456,379
Cash in Hand	13,494	9,066	13,494	9,066
Cash in Transit	44,593	73,686	44,593	73,686
	1,615,592	553,744	610,598	539,131
Unfavourable Balances				
Bank Overdraft	797,837	15,376	-	-
	797,837	15,376	-	-
Cash and Cash Equivalents for Cash Flows purpose	817,755	538,368	610,598	539,131

22 STATED CAPITAL

As at 31st March	2025		2024	
	No. of Shares Rs. 000	Value of shares Rs. 000	No. of Shares Rs. 000	Value of shares Rs. 000
Balance as at 1st April	4,600,000,000	3,000,000	4,600,000,000	3,000,000
Balance at the 31st March	4,600,000,000	3,000,000	4,600,000,000	3,000,000

The Company's Stated Capital consists with fully paid Ordinary Shares which provides entitlement to its holders to receive dividends as declared from time to time and to vote per share at a meeting of the Company.

23 RESERVES

As at 31st March	Note	GROUP		COMPANY	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Capital Reserves					
Capital Reserves	23.1	107,882	107,882	107,882	107,882
Revaluation Reserve	23.2	2,578,181	2,826,354	2,600,354	2,826,354
Total Capital Reserves		2,686,063	2,934,236	2,708,236	2,934,236
Revenue Reserves					
General Reserve	23.3	10,000	10,000	10,000	10,000
FVOCI Reserve	23.4	3,027,056	1,227,812	3,027,056	1,227,812
Total Revenue Reserves		3,037,056	1,237,812	3,037,056	1,237,812
Total Reserves		5,723,119	4,172,048	5,745,292	4,172,048

23.1 Capital Reserves

Capital reserve comprises profits retained in order to utilize for the capital commitments.

23.2 Revaluation Reserve

The Revaluation Reserve comprises of the gain arisen from the revaluation of Property, Plant and Equipment. This reserve is realized upon the derecognition of the revalued Property, Plant and Equipment.

23.3 General Reserve

General reserve reflects the amount the Company has reserved over the years from its earnings.

23.4 FVOCI Reserve

This represents the cumulative net change in the fair value of Financial Assets Measured at FVOCI financial assets until the investments are derecognised.

24 RETIREMENT BENEFIT OBLIGATIONS

As at 31st March	Note	GROUP		COMPANY	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April		357,969	313,168	290,924	313,168
Expense Recognized in the Statement of Profit or Loss	24.1	76,274	77,957	61,179	77,957
Actuarial Loss/(Gain) Recognized in Other Comprehensive Income		60,586	(74,079)	69,773	(74,079)
Benefits Paid by the Plan		(54,206)	(26,122)	(40,929)	(26,122)
Acquisition through business combination		-	67,045	-	-
Balance as at 31st March		440,623	357,969	380,947	290,924
24.1 Expense Recognized in the Income Statement					
Current Service Costs		32,144	21,587	26,268	21,587
Interest Costs		44,130	56,370	34,911	56,370
		76,274	77,957	61,179	77,957

LKAS 19 - Employee Benefit requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit as per Projected Unit Credit Method in order to determine the present value of the retirement benefit obligation as at the reporting date. The following key assumptions were made in computing the retirement gratuity obligation as at the reporting date. The Company has made payments in accordance with Gratuity Act No.12 of 1983.

Distilleries Company of Sri Lanka PLC

Distilleries Company of Sri Lanka PLC The Company engaged an external independent valuer, Actuarial & Management Consultants (Private) Limited to estimate the retirement benefit obligation as at 31st March 2025.

NOTES TO THE FINANCIAL STATEMENTS

DCSL Breweries Lanka Limited

DCSL Breweries Lanka Limited The Company engaged an external independent valuer, Smiles Global (Private) Limited to estimate the retirement benefit obligation as at 31st December 2024.

A long-term Treasury Bond rate has been used to discount future liabilities taking into consideration remaining working life of eligible employees.

In addition to the above, demographic assumptions such as materiality, withdrawal and disability, and retirement age were considered for the actuarial valuation. A 1967/70 materiality table issued by Institute of Actuaries, London was used to estimate the retirement benefit obligation of the company.

Following key assumptions were met in the valuation of retirement benefit obligation of the company

24.2 Actuarial Assumptions

	GROUP		COMPANY	
	2025	2024	2025	2024
Principal actuarial assumptions at the reporting date				
Discount Rate (%)	8.5% - 10.5%	12% - 13.75%	10.50%	12.00%
Future Salary Increases (%)	8%	7% - 12%	8%	7%
Retirement Age (years)	60 years	57 - 60 years	60 years	60 years
Staff Turnover Rate	8% - 30%	8% - 21%	9%	8%
Weighted Average Duration of Defined Benefit Obligation	5 to 7,5 years	4.56 - 5.4 years	7.5 years	5.4 years

24.3 Sensitivity of Assumptions Used

The calculation of the retirement benefit obligation is sensitive to the assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percent.

Effect on Define Benefit Obligation Liability,

	2025		2024	
	Discount Rate Rs. 000	Salary Increment Rs. 000	Discount Rate Rs. 000	Salary Increment Rs. 000
Increase by 1 %	(17,424)	19,361	(13,507)	15,252
Decrease by 1 %	19,099	(17,945)	14,793	(14,127)

Effect on Comprehensive Income

	2025		2024	
	Discount Rate Rs. 000	Salary Increment Rs. 000	Discount Rate Rs. 000	Salary Increment Rs. 000
Increase by 1 %	17,424	(19,361)	13,507	(15,252)
Decrease by 1 %	(19,099)	17,945	(14,793)	14,127

24.4 The following payments are expected from the Retirement Benefit Obligation in future years.

	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
As at 31st March				
Within the next 12 months	40,452	34,010	40,258	34,010
Between 1- 5 years	224,430	230,488	221,421	163,443
Between 5 – 10 years	131,795	59,834	75,322	59,834
Beyond 10 years	43,946	33,637	43,946	33,637
Total	440,623	357,969	380,947	290,924

25 LEASE LIABILITY GROUP

As at 31st March	2025			2024
	Land and Building Rs. 000	Motor vehicles Rs. 000	Total Rs. 000	Total Rs. 000
Balance as at 1st April	521,312	265,710	787,022	1,220,027
Remeasurement of Right of use assets	-	-	-	-
Interest expense for the year	42,218	23,202	65,420	133,191
Repayment during the year	(388,643)	(288,912)	(677,554)	(632,804)
Acquired Thorough Business Combination	-	-	-	66,608
Balance as at 31st March	174,887	-	174,887	787,022

LEASE LIABILITY - COMPANY

As at 31st March	2025			2024
	Land and Building Rs. 000	Motor vehicles Rs. 000	Total Rs. 000	Total Rs. 000
Balance as at 1st April	454,704	265,710	720,414	1,220,027
Remeasurement of Right of use assets	-	-	-	-
Interest expense for the year	38,369	23,202	61,571	133,191
Repayment during the year	(349,978)	(288,912)	(638,889)	(632,804)
Balance as at 31st March	143,095	-	143,095	720,414

25.1 Analysis by maturity

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Current liabilities	91,859	608,795	67,784	577,003
Non current liabilities	83,028	178,227	75,311	143,411
	174,887	787,022	143,095	720,414

25.2 The Company leases lands, buildings and motor vehicles for its operational purposes. Lease of lands and buildings typically run for a period ranging from 5 to 7 years. Motor vehicles leases are extends for 5 years.

Below note shows the contractual undiscounted future cash flows of lease liabilities.

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Less than one year	105,707	603,054	80,209	564,389
One to five years	88,012	193,719	80,209	160,418
Total undiscounted lease liabilities as at 31st March	193,719	796,773	160,418	724,807

25.3 Amount recognised in statement of profit or loss

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Lease under SLFRS 16				
Interest on lease liabilities	65,420	133,191	61,571	133,191
Amortisation of Right-of-use asset	444,093	415,344	412,701	415,344
Expenses relating to leases of low value assets	1,440	443	1,440	443
	510,953	548,978	475,712	548,978

NOTES TO THE FINANCIAL STATEMENTS

25.4 Amount recognised in statement of cash flows

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Lease interest paid during the year	65,420	133,191	61,571	133,191
Lease rentals paid during the year	612,134	499,613	577,318	499,613
	677,554	632,804	638,889	632,804

26 TRADE AND OTHER PAYABLES

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Trade Payables	955,906	309,105	158,831	124,820
Other Financial Liabilities	903,892	1,148,008	650,967	786,776
Unclaimed Dividends	195,053	190,509	195,053	190,509
Other Non Financial Liabilities	5,124,376	4,112,860	4,971,601	4,112,860
	7,179,227	5,760,482	5,976,452	5,214,965

27 TAXES PAYABLES

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Income Tax Payable	4,242,816	3,032,381	4,236,103	3,032,381
Excise Duty Payable	5,454,715	4,010,130	5,454,715	3,838,533
Value Added Tax (VAT) Payable	1,743,813	1,599,943	1,634,094	1,525,080
WHT Payable	5,765	495,663	5,392	495,075
SSCL Payable	325,482	254,146	308,367	240,891
Stamp Duty Payable	111	92	95	92
	11,772,702	9,392,355	11,638,766	9,132,052

28 INTEREST BEARING LOANS AND BORROWINGS

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April	2,715,533	4,605	2,715,533	4,605
Loans obtained during the year	3,130,000	12,422,000	3,130,000	12,422,000
Interest for the year	4,845	12,363	4,845	12,363
Repayments during the year	(5,840,000)	(9,714,105)	(5,840,000)	(9,714,105)
Interest payments during the year	(7,878)	(9,330)	(7,878)	(9,330)
Acquisition through business combination	1,040,993	-	-	-
Balance as at 31st March	1,043,493	2,715,533	2,500	2,715,533

28.1 Sources of finance

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Hatton National Bank PLC	136,245	2,713,033	-	2,713,033
Bank of Ceylon	103,006	-	-	-
Peoples Bank	81,711	-	-	-
Preference shares	12,646	-	-	-
Medical Scheme Loan	2,500	2,500	2,500	2,500
Short term loans	707,385	-	-	-
	1,043,493	2,715,533	2,500	2,715,533

28.2 Analysis by maturity

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Current liabilities	722,531	2,715,533	2,500	2,715,533
Non-current liabilities	320,962	-	-	-
	1,043,493	2,715,533	2,500	2,715,533

28.3 Analysed by credit terms and security details of Term Loans

Company	Bank/Financial Institution/ Lender	Interest Rate	Loan Amount Rs. '000	Repayment Terms	Secured
Distilleries Company of Sri Lanka PLC	DCSL medical scheme	10.24%	2,500	No specific term	No
Texpro Industries (Pvt) Ltd	Hatton National Bank	Linked to LIBO	121,995	59 Equal monthly instalments of USD 8,400 + USD 4,400 in 60th Month	Yes
Texpro Industries (Pvt) Ltd	Bank of Ceylon	Linked to LIBO	113,377	First 24 Months - \$ 3000 and 25- 60 months at \$ 9,223	Yes
Texpro Industries (Pvt) Ltd	Peoples's Bank	Linked to LIBO	85,590	47 Equal monthly instalments of USD 8,330 + USD 8,490 in 48th Month	Yes

NOTES TO THE FINANCIAL STATEMENTS

29 RELATED PARTY DISCLOSURES

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures", the details of which are reported below.

29.1 Balances with Related Parties

29.1.1 Amounts Due from Related Companies

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Aion SG Residencies (Private) Limited	11,920	11,920	11,920	11,920
Continental Insurance Lanka Limited	2,224	1,505	2,224	1,505
Melstacorp PLC - Current Account	596,132	535,151	596,132	535,151
Madulsima Plantations PLC	46,929	87,430	46,929	87,430
DCSL Group Marketting (Pvt) Limited	-	-	71,086	-
Balangoda Plantations PLC	-	3,456	-	3,456
Melsta Health (Private) Limited	359	-	359	-
Melsta Properties (Private) Limited	195,260	86,530	195,260	86,530
DCSL Breweries Lanka Limited	-	-	-	114
Pattipola Livestock Company Limited	8	-	8	-
Melsta Hospital Ragama (Private) Limited	125	134	125	134
Melsta Laboratories (Private) Limited	740	1,397	740	1,397
Formula World (Private) Limited	17,174	15,491	17,174	15,491
Stassens Foods (Private) Limited	174	10	174	10
Aitken Spence Hotel Holdings PLC	5,469	4,384	5,469	4,384
Browns Beach Hotels PLC	847	2,416	847	2,416
Lanka Milk Foods (CWE) PLC	81	-	81	-
Stassen Exports (Private) Limited	374	937	374	937
	877,816	750,761	948,902	750,875
Provision for Impairment	(33,867)	(33,866)	(33,867)	(33,866)
	843,949	716,895	915,035	717,009

29.1.2 Amounts Due to Related Companies

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Bellvantage (Private) Limited	3,584	1,562	3,584	1,562
Melstacorp PLC	34,500	-	-	-
Melsta Logistics (Private) Limited	33,059	25,053	33,059	25,053
Lanka Bell Limited	-	4,806	-	4,806
DCSL Breweries Lanka Limited	-	-	1,580,072	-
Melsta Pharmaceuticals (Private) Limited	30	-	30	-
Periceyl (Private) Limited	419,384	441,870	419,384	441,870
Lanka Milk Foods (CWE) PLC	-	1,613	-	1,613
Lanka Dairies (Private) Limited	22	28	22	28
Lanka Aluminium Industries PLC	10,608	-	-	-
Stassens Exports (Private) Limited	363,982	-	-	-
Melsta Technologies (Private) Limited	10,148	9,517	10,148	9,517
	875,317	484,449	2,046,299	484,449

29.1.3 The Group pays or recovers interest on the balances with the following related companies as per the basis explained below;

Company Name	Account type	Interest Rate
Melstacorp PLC	Current Account	3 Months Average of last published Average Weighted Prime Lending Rate (AWPLR) + 1% p.a. on the average monthly balance outstanding as at the last date of each month.
Melstacorp PLC	Advance Account	Weekly interest rate calculate at the average rate of Average Weighted Prime Lending Rate (AWPLR) and Average Weighted New Deposit Rate (AWNDR) on the balance remaining at the each day.
Madulsima Plantations PLC	Current Account	3 Months Average of last published Average Weighted Prime Lending Rate (AWPLR) + 1% p.a. on the average monthly balance outstanding as at the last date of each month.

29.2 Transactions with Related Companies

Description	Nature of Relationship	Nature of transaction	Transaction during the year Rs.'000	Closing balance as at 31st March 2024 Rs.'000	Closing balance as at 31st March 2025 Rs.'000
Transactions with Parent Company	Parent Company	RPT Current A/C Interest	58,185	535,151	596,132
		Supply of Goods & Services	36,364		
		Transfer of Funds	112,919,000		
		Rent Expense	(211,255)		
		Settlement of Funds	(112,919,000)		
		Payment of Rent	216,500		
		Interest Charged on Fund Transfers	265,665		
		Payment Received for Supply of Goods & Services	(38,813)		
Transactions with Subsidiaries	Subsidiaries	Interest Received for Fund Transfers	(265,665)		
		Supply of Goods & Services	86,419	114	(1,508,986)
		Purchase of Goods & Services	(7,912,892)		
		Receipt for Supply of Goods & Services	(15,288)		
		Payment for Goods & Services	6,268,055		
		Transfer of Funds	70,000		
		Interest Charged on Transfer of Funds	1,086		
		Purchase of Materials	(6,480)		
Transactions with other Related Companies	Common Directorship	Debtor Collections	(5,364,869)	(268,839)	(218,410)
		Payment for Goods & Services	110,325		
		Supply of Goods & Services	552,346		
		Purchase of Goods & Services	(109,531)		
		Receipt for Supply of Goods & Services	(485,034)		
		Rent Expense	(92,370)		
		Software Maintenance Charges	(170,579)		
		Telephone Bill Expenses	(4,182)		
		Vehicle Hiring Charges	(448,699)		
		Payment of Rent	92,370		
		Payment of Vehicle Hiring Charges	445,312		
		Rent Income	3,812		
		RPT Current A/C Interest	6,623		
		Settlement of Telephone Bill Expenses	9,198		
		Transfer of Funds	5,374,224		
		Payment for Software Maintenance Charges	167,919		
		Payment Received for Rent Income	(2,568)		

29.3 Transactions with Key Management Personnel

29.3.1 Key Management Personnel

Key Management Personnel include all the members of the Board of Directors (Executive and Non Executive) of the Company having authority and responsibility for planning, directing and controlling the activities of the Company.

NOTES TO THE FINANCIAL STATEMENTS

29.3.2 Compensations to Key Management Personnel

As at 31st March	COMPANY	
	2025 Rs. 000	2024 Rs. 000
Short Term Employee Benefits	697,060	796,006

29.4 Transactions, Arrangements and Agreements Involving KMP and their Close Family Members (CFM)

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include;

- (a) the individual's domestic partner and children;
- (b) children of the individual's domestic partner; and
- (c) dependants of the individual or the individual's domestic partner

There were no transactions with CFM during the year

29.5 Loans to Directors

There were no loans given to Directors during the year.

29.6 Recurrent Transactions

Related party transactions exceeding 10% of gross revenue of the entity as per audited financial statements (CSE Ruling)

Name of Related Party	Relationship	Nature of Transaction	Aggregate Value of Related Party Transactions entered into during the financial year (Rs.'000)	Aggregate Value of Related Party Transactions as a percentage of Gross Revenue Income	Terms and Conditions of the Related Party Transactions
Melstacorp PLC	Parent Co.	Short term loans given during the period	112,919,000	98%	Commercial Transaction
		Funds Settlement	112,919,000	98%	Commercial Transaction

29.7 Recurrent Transactions

There are no non-recurrent related party transactions exceeding 10% of equity and the 5% of the total assets of the entity as per audited financial statements, whichever is lower (CSE Ruling).

30 CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting date, which require adjustment to or disclosure in the financial statements other than disclosed below.

Supreme court case No. SC/Appeal 31/2009 (Commercial high court of Colombo Case No. 147/2005) (1) . A pliant filed by the Censtar International (Pvt) Ltd against the company claiming a sum of Rs. 17,982,358.38 with interest and cost. A claim in reconvention filed for Rs. 500,000,000/- and the matter was argued on 24th October 2023 and delivery of the Judgment has been reserved with no further date.

Income Tax Assessment

The Company has received an income tax assessment dated 09th August 2022 from the Commissioner General of Inland Revenue imposing an additional income tax liability of Rs.4.1 Bn and a penalty of Rs.2.0 Bn against the Company for the year of assessment 2016/17 in relation to the Group's restructuring transactions.

The Company field a Writ Application in the court of Appeal challenging the legality of the assessment(s). Following the completion of oral and written submission by the parties, the Court of Appeal issued an interim order on 28th June 2023, restraining the Commissioner General of Inland Revenue from taking any further steps pursuant to the Letter of Intimation, the Notice of Assessment , the Penalty Notice, and the Tax in Default Notice until a final determination is made on this petition.

Subsequently, on 28th July 2023, the Hon. Attorney General applied for Special Leave to appeal to the Supreme Court against the interim order. The interim order, delivered on 28th June 2023, was set aside, and in the Supreme Court case bearing No.SC/SPL/LA205/23, the Hon. Attorney General has Undertaken to inform the Inland Revenue Department not to take action until the application for interim relief is supported afresh. The Case is now due to be called on 17th September 2025.

Having considered the procedural and substantive grounds against the assessment raised, the Company is of the view that this assessment is not likely to result in any tax liability to the Company.

31 CAPITAL COMMITMENTS

There were no material capital commitments which require disclosure in the Financial Statements as at reporting date.

32 ASSETS PLEDGED

There are no assets pledged as securities for liabilities as at the reporting date.

33 EVENTS AFTER THE REPORTING DATE

There were no material events occurring after the reporting date that requires adjustments to or disclosure in the Financial Statements except below;

Subsequent to the reporting date, The Company acquired the remaining minority shareholding of 8,170,297 shares of Texpro Industries Limited for a consideration of Rs.1/-. Subsequent to this transaction, the ownership percentage of Texpro Industries Limited increased to 99.9%.

On 13th June 2025, Distilleries Company of Sri Lanka PLC provided corporate guarantee amounting to Rs. 5 billion in respect of banking facilities obtained by Melstacorp PLC.

The Board of Directors of the Company has approved the third interim dividend of Rs. 1.0 per share for the year 2024/2025. Details of the dividend is disclosed in note 10.3 to the financial statements.

34 FINANCIAL RISK MANAGEMENT

The Group has adopted practices to mitigate risks arising from adverse market conditions (prices, rates and volatile markets) by hedging (or not) using financial instruments. Financial risk derives from economic uncertainty. The inability to forecast with certainty would either erode profitability (e.g. adverse exchange rate) or could jeopardize the ability of the Group to raise finance from markets (e.g. volatile interest rates). The Group core business of beverage is essentially a cash business hence has a short cash cycle. This results in low financial risk adding to greater degree of control of finance.

Financial Instruments

The Group's financial instruments consist of Assets - its portfolio of equity investments, deposits in banks Government securities debentures and accounts receivable. Liabilities - Loan obligations, accounts payable and accrued liabilities such as excise duty, taxes, payroll and pension account.

34.1 Financial Risk Management Objectives and Policies

Whilst 'risk management' is ingrained in the business from the Board down to operational level, financial risk management at the Group is entrusted to a niche of in-house financial professionals ably supported by external economists, financial consultants, legal counsel, tax experts, banks and auditors.

In the normal course of business, the Group is exposed to financial risks that have the potential to negatively impact its financial performance. The Group does not use derivative financial instruments to manage these risks, as management believes that the risks arising from the financial instruments are already at an acceptable level. This is further accredited by the AAA (Ika) Stable rating assigned by Fitch this year.

The Group has exposure to following financial instruments.

34.1.1 Credit Risk

This is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group's credit risk arises primarily from credit exposure to customers, including outstanding receivable from select retail chains. The Group assesses the credit quality of its counter-parties, taking into account their financial position, past experience and seasonal factors. The Group trades only with recognized, credit worthy third parties. It is a Group policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

Maximum Credit Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows,

As at 31st March	Note	GROUP				COMPANY			
		2025 Rs.'000	% from Total Exposure	2024 Rs.'000	% from Total Exposure	2025 Rs.'000	% from Total Exposure	2024 Rs.'000	% from Total Exposure
Trade and Other Receivables	19	10,532,819	61%	8,231,675	69%	9,510,289	62%	6,265,517	62%
Amounts Due From Related Companies	29.1.1	877,816	5%	750,761	6%	948,902	6%	750,875	7%
Financial Assets measured at FVOCI	16.1	4,264,682	25%	2,465,438	21%	4,264,682	28%	2,465,438	25%
Financial Assets measured at FVTPL	16.2	94,668	1%	90,771	1%	94,668	1%	90,771	1%
Cash at Bank	21	1,557,505	9%	470,992	4%	552,511	4%	456,379	5%
		17,327,490	100%	12,009,637	100%	15,371,052	100%	10,028,980	100%

Impairment losses on financial assets recognised in profit or loss were as follows,

The maximum exposure to credit risk for trade and other receivables at the end of the reporting period by type of counterparty.

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Loss allowance - trade receivables	699,152	450,739	-	-
Loss allowance - Other Receivables	365,049	237,809	152,729	152,729
	1,064,201	688,548	152,729	152,729

The aging of trade receivables as at the reporting date is as follows;

As at 31st March	GROUP				COMPANY			
	2025 Gross Carrying Amount Rs.'000	Loss Allowance Rs.'000	2024 Gross Carrying Amount Rs.'000	Loss Allowance Rs.'000	2025 Gross Carrying Amount Rs.'000	Loss Allowance Rs.'000	2024 Gross Carrying Amount Rs.'000	Loss Allowance Rs.'000
Past due 1 - 30 days	8,735,846	-	6,780,166	-	8,735,846	-	6,237,984	-
Past Due 31- 60 days	328,943	-	203,675	-	328,943	-	10,548	-
Past Due 61- 90 days	149,352	-	258,250	-	121,842	-	5,329	-
Past Due 91- 120 days	40,734	-	67,563	(59,823)	40,734	-	598	-
Past Due 120- 360 days	154,507	(28,537)	32,972	(32,972)	91,090	-	276	-
Over 365 days	672,171	(670,615)	357,945	(357,944)	1,556	-	3,286	-
	10,081,553	(699,152)	7,700,571	(450,739)	9,320,011	-	6,258,021	-

34.1.1.1 Trade and Other Receivables

The impairment allowance made for trade receivables of the Group as at 31st March 2025 relates to outstanding debt from the logistic service providers who ceased operations with the transition from the Heineken Lanka Limited to Distilleries Company of Sri Lanka PLC. The Group believes that the unimpaired amounts due which are past due by more than 30 days are still collectible based on historical payment behaviour and extensive analysis of the customers' credit ratings.

As at 31st March	GROUP	
	2025 Rs. 000	2024 Rs. 000
At the beginning of the year	450,739	-
Acquisition through Business Combination	-	450,739
Charge during the year	248,413	-
At the end of the year	699,152	450,739

34.1.1.2 Amounts Due From Related Companies

The amounts due from related parties mainly consist of receivables from related companies including parent and subsidiaries and are closely monitored by the Group.

34.1.1.3 Cash at Bank

Cash at bank is mainly consist of favourable balances in Savings and current accounts of private and government commercial banks.

The Group has selected its bankers by considering the credit ratings of the rating agencies, the reputation in the economy, efficiency in transaction processing by minimising the transaction costs.

The financial institutions in which the deposits and cash at bank is existed are guaranteed by local and foreign credit rating agencies as AA- or Better.

34.1.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations on time. Group's sources of liquidity are its short term deposits in banks and its cash generated by operating activities. The Group's total contractual maturities are represented by its accounts payable and accrued liabilities, and are mostly due to be paid within one year.

The Group believes that its deposits in cash management pools, ready bank lines (ODs, loans), debt with rollover options, combined with its historically strong and consistent operational cash flows, are more than sufficient to fund its operations, investing activities and commitments for the foreseeable future.

Group does not have any investments in asset-backed commercial papers and, therefore, has no exposure to this type of liquidity risk.

Maturity Analysis

The table below summarises the maturity profile of the Group's and Company's financial liabilities as at 31st March 2025 and 31st March 2024.

Group	Carrying amount Rs.'000	Contractual cashflow Rs.'000	Within 1 year Rs.'000	Between 1 -3 years Rs.'000	Between 3 - 5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
31st March 2025							
Lease Liabilities	174,887	193,719	105,707	88,012	-	-	193,719
Interest Bearing Loans and Borrowings	1,043,493	1,111,891	791,177	320,714	-	-	1,111,891
Trade and Other Payables	2,054,851	2,054,851	2,054,851	-	-	-	2,054,851
Amounts due to Related Companies	875,317	875,317	875,317	-	-	-	875,317
Bank Overdraft	797,837	797,837	797,837	-	-	-	797,837
	4,946,385	5,033,615	4,624,889	408,726	-	-	5,033,615
31st March 2024							
Lease Liabilities	787,022	796,773	603,054	193,719	-	-	796,773
Interest Bearing Loans and Borrowings	2,715,533	2,715,533	2,715,533	-	-	-	2,715,533
Trade and Other Payables	1,647,622	1,647,622	1,647,622	-	-	-	1,647,622
Amounts due to Related Companies	484,449	484,449	484,449	-	-	-	484,449
Bank Overdraft	15,376	15,376	15,376	-	-	-	15,376
	5,650,002	5,659,753	5,466,034	193,719	-	-	5,659,753

NOTES TO THE FINANCIAL STATEMENTS

Company	Carrying amount Rs.'000	Contractual cashflow Rs.'000	Within 1 year Rs.'000	Between 1-3 years Rs.'000	Between 3-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
31st March 2025							
Lease Liabilities	143,095	160,418	80,209	80,209	-	-	160,418
Interest Bearing Loans and Borrowings	2,500	2,500	2,500	-	-	-	2,500
Trade and Other Payables	1,004,851	1,004,851	1,004,851	-	-	-	1,004,851
Amounts due to Related Companies	2,046,299	2,046,299	2,046,299	-	-	-	2,046,299
	3,196,745	3,214,068	3,133,859	80,209	-	-	3,214,068
31st March 2024							
Lease Liabilities	720,414	724,807	564,389	160,418	-	-	724,807
Interest Bearing Loans and Borrowings	2,715,533	2,715,533	2,715,533	-	-	-	2,715,533
Trade and Other Payables	1,102,105	1,102,105	1,102,105	-	-	-	1,102,105
Amounts due to Related Companies	484,563	484,563	484,563	-	-	-	484,563
	5,022,615	5,027,008	4,866,590	160,418	-	-	5,027,008

34.1.3 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk; equity price risk, interest rate risk, currency risk (or foreign exchange risk), and other price risks such as commodity price risk. Financial instruments at Company level affected by market risk include loans and borrowings, deposits, letters of credit and available for sale investments. The objective of market risk management is to manage and to control market risk exposures within acceptable parameters while optimising the return.

Equity Price Risk

Group has its major equity investment portfolios held on a long term basis; hence immune to daily fluctuations. Those are classified as FVOCI. Further, a small trading portfolio is managed by a Unit Trust company licensed by the SEC and individual companies manage their own short term portfolio as well. These investments are held by compiling with company's investment policies.

The Group manages the equity price risk through diversification of its investments to each sector. Further the Management daily monitors the reports of the equity portfolios.

The extend of diversification of short term equity investments are analysed below.

As at 31st March	GROUP/ COMPANY			
	2025		2024	
	Rs.'000	%	Rs.'000	%
Financial Assets Measured at FVOCI				
Beverage Food and Tobacco	7	-	7	-
Hotel and Travels	-	-	-	-
Bank, Finance and insurance	4,264,675	100%	2,465,431	100%
	4,264,682	100%	2,465,438	100%
Financial Assets Measured at FVTPL				
Diversified Investments	1,278	1%	1,620	2%
Hotel and Travels	14,723	16%	13,362	15%
Bank, Finance and insurance	78,667	83%	75,789	83%
	94,668	100%	90,771	100%

The sensitivity analysis of the share trading portfolio at the shock level of 10% as at 31st March 2025 and 2024 are as follows.

As at 31st March	2025			2024	
	Shock level	Impact on Income Statement due to fall in market value	Effect on Portfolio	Impact on Income Statement due to fall in market value	Effect on Portfolio
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets Measured at FVOCI					
Beverage Food and Tobacco	-10%	(1)	6	(1)	6
Bank, Finance and insurance	-10%	(426,468)	3,838,207	(246,543)	2,218,888
Hotel and Travels	-10%	-	-	-	-
		(426,469)	3,838,213	(246,544)	2,218,894
Financial Assets Measured at FVTPL					
Diversified Investments	-10%	(128)	1,150	(162)	1,458
Hotel and Travels	-10%	(1,472)	13,251	(1,336)	12,026
Bank, Finance and insurance	-10%	(7,867)	70,800	(7,579)	68,210
		(9,467)	85,201	(9,077)	81,694

As at 31st March	2025			2024	
	Shock level	Impact on Income Statement due to fall in market value	Effect on Portfolio	Impact on Income Statement due to fall in market value	Effect on Portfolio
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets Measured at FVOCI					
Beverage Food and Tobacco	-10%	1	8	1	8
Bank, Finance and insurance	-10%	426,468	4,691,143	246,543	2,711,974
Hotel and Travels	-10%	-	-	-	-
		426,469	4,691,151	246,544	2,711,982
Financial Assets Measured at FVTPL					
Diversified Investments	-10%	128	1,406	162	1,782
Hotel and Travels	-10%	1,472	16,195	1,336	14,698
Bank, Finance and insurance	-10%	7,867	86,534	7,579	83,368
		9,467	104,135	9,077	99,848

NOTES TO THE FINANCIAL STATEMENTS

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has short and long-term debt facilities. Interest rate risk exists as Group earns market rates of interest on its deposits in cash management pools.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group as follows;

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Financial Assets				
Fixed rate instruments				
Short term investments	2,252,713	-	2,252,713	-
Cash at Bank	1,557,505	470,992	552,511	456,379
	1,557,505	470,992	552,511	456,379
Variable rate instruments				
Amount Due From Related Company	596,132	535,151	596,132	535,151
	596,132	535,151	596,132	535,151
Financial Liabilities				
Variable rate instruments				
Interest Bearing Loans and Borrowings	1,043,493	2,715,533	2,500	2,715,533
Bank Overdraft	797,837	15,376	-	-
	1,841,330	2,730,909	2,500	2,715,533

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates as at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

As at 31st March	GROUP			COMPANY		
	Basis points	31st March 2025 Rs.000	31st March 2024 Rs.000	Basis points	31st March 2025 Rs.000	31st March 2024 Rs.000
Increase	+100	18,413	27,309	+100	25	27,155
Decrease	-100	(18,413)	(27,309)	-100	(25)	(27,155)

Foreign Currency Risk

The Group has exposure to foreign currency risk as it conducts business in a select few foreign currencies; however, its exposure is primarily limited to the US dollar. Group does not utilise derivative instruments to manage this risk. Subject to competitive conditions, changes in foreign currency rates may be passed on to consumers through pricing over the long term.

The beverage sector demand for USD has traditionally outpaced its supply, due to USD sourcing of production inputs (imported spirits and machinery) exceeding that of the sector's USD sales. Therefore, decreases in the value of the Sri Lankan Rupee (LKR) relative to the USD will have an unfavourable impact on the sector earnings.

Finance Risk

The Group has a very strong Financial Position and is among the most preferred among local providers of finance. This was further cemented by the high credit rating assigned by Fitch negating any doubts of Group's ability to secure funding at cheaper rates. Often the Group has access to bank lines sans security. However, the management as a policy maintains a healthy gearing ratio and a Debt Service Coverage Ratio always in par with the industry without overstretching the Financial Position. Since of late foreign funding lines too have been cautiously approached to benefit from low interest rates globally.

35 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly – i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments

Fair values versus the Carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follow;

As at 31st March	GROUP				COMPANY			
	2025		2024		2025		2024	
	Carrying Value Rs.'000	Fair Value Rs.'000	Carrying Value Rs.'000	Fair Value Rs.'000	Carrying Value Rs.'000	Fair Value Rs.'000	Carrying Value Rs.'000	Fair Value Rs.'000
Non Current Assets								
Financial Assets Measured at Fair Value through Other Comprehensive Income								
Quoted Equity Securities	4,264,675	4,264,675	2,465,431	2,465,431	4,264,675	4,264,675	2,465,431	2,465,431
Unquoted Equity Securities	7	7	7	7	7	7	7	7
	4,264,682	4,264,682	2,465,438	2,465,438	4,264,682	4,264,682	2,465,438	2,465,438
Financial Assets Measured at Fair Value through Profit or Loss								
Quoted Equity Securities	94,668	94,668	90,771	90,771	94,668	94,668	90,771	90,771
	94,668	94,668	90,771	90,771	94,668	94,668	90,771	90,771
Assets Carried at Amortised cost								
Trade and other receivables	10,532,819	10,532,819	8,231,675	8,231,675	9,510,289	9,510,289	6,265,517	6,265,517
Amount due from related Companies	877,816	877,816	750,761	750,761	948,902	948,902	750,875	750,875
Short term investments	2,252,713	2,252,713	-	-	2,252,713	2,252,713	-	-
Cash and cash equivalents	1,615,592	1,615,592	553,744	553,744	610,598	610,598	539,131	539,131
	15,285,256	15,285,256	9,536,181	9,536,181	13,322,502	13,322,502	7,555,524	7,555,524
Current Liabilities								
Liabilities carried at amortised cost								
Lease Liabilities	174,887	174,887	787,022	787,022	143,095	143,095	720,414	720,414
Trade and Other Payables	2,054,851	2,054,851	1,647,622	1,647,622	1,004,851	1,004,851	1,102,105	1,102,105
Amount Due to Related Companies	875,317	875,317	484,449	484,449	2,046,299	2,046,299	484,449	484,449
Interest Bearing Borrowings	1,043,493	1,043,493	2,715,533	2,715,533	2,500	2,500	2,715,533	2,715,533
Bank Overdrafts	797,837	797,837	15,376	15,376	-	-	-	-
	4,946,385	4,946,385	5,650,002	5,650,002	3,196,745	3,196,745	5,022,501	5,022,501

NOTES TO THE FINANCIAL STATEMENTS

Financial instruments and valuation bases

The table below analyse financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised: The financial asset and liabilities not measured at the fair value as the carrying amount is a reasonable approximation of fair value other than below.

Group

As at 31st March	2025				2024			
	Level I Rs.'000	Level II Rs.'000	Level III Rs.'000	Total Rs.'000	Level I Rs.'000	Level II Rs.'000	Level III Rs.'000	Total Rs.'000
Non Current Assets								
Financial Assets Measured at Fair Value through Other Comprehensive Income								
Quoted Equity Securities	4,264,675	-	-	4,264,675	2,465,431	-	-	2,465,431
Unquoted Equity Securities	-	-	7	7	-	-	7	7
	4,264,675	-	7	4,264,682	2,465,431	-	7	2,465,438
Financial Assets Measured at Fair Value through Profit or Loss								
Quoted Equity Securities	94,668	-	-	94,668	90,771	-	-	90,771
	94,668	-	-	94,668	90,771	-	-	90,771

Company

As at 31st March	2025				2024			
	Level I Rs.'000	Level II Rs.'000	Level III Rs.'000	Total Rs.'000	Level I Rs.'000	Level II Rs.'000	Level III Rs.'000	Total Rs.'000
Non Current Assets								
Financial Assets Measured at Fair Value through Other Comprehensive Income								
Quoted Equity Securities	4,264,675	-	-	4,264,675	2,465,431	-	-	2,465,431
Unquoted Equity Securities	-	-	7	7	-	-	7	7
	4,264,675	-	7	4,264,682	2,465,431	-	7	2,465,438
Financial Assets Measured at Fair Value through Profit or Loss								
Quoted Equity Securities	94,668	-	-	94,668	90,771	-	-	90,771
	94,668	-	-	94,668	90,771	-	-	90,771

Transfers between Level 1 and Level 2

There have been no transfers between level 1 and level 2 during the year.

Level 3 recurring fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

As at 31st March	GROUP/COMPANY	
	Unquoted equity securities	
	2025 Rs. 000	2024 Rs. 000
Balance as at 1st April	7	7
Loss included in OCI		
- Net change in fair value (Unrealised)	-	-
Purchases	-	-
Balance as at 31st March	7	7

36 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may or may not make dividend payments to shareholders, return capital to shareholders or issue new shares or other instruments.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings by total equity. Total borrowings including non-current and current interest bearing borrowings excluding lease liabilities as shown in the statements of financial position.

The Group's Debt to Equity ratio at the end of the reporting periods is as follows:

As at 31st March	GROUP		COMPANY	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Total Borrowings	1,043,493	2,715,533	2,500	2,715,533
Total Equity	14,178,903	10,644,313	17,331,746	10,620,824
Debt to Equity ratio(Gearing Ratio)	7.36%	25.51%	0.01%	25.57%

TEN YEAR SUMMERY

In Rs Million-Company	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
RESULTS										
Gross Turnover	138,940	115,396	123,358	107,057	92,830	81,648	81,673	90,387	90,273	72,114
Excise Duty	85,257	69,142	66,399	73,989	63,592	53,752	53,957	61,204	63,254	50,573
NET TURNOVER	53,683	46,254	56,959	33,069	29,238	27,895	27,716	29,183	27,019	21,541
Profit/(Loss) Before Tax	29,016	23,754	31,068	13,185	11,934	9,492	8,969	7,325	8,064	8,223
Income Tax	11,420	9,414	12,225	5,199	4,666	3,731	3,574	2,975	3,089	2,921
Profit/(Loss) After Tax	17,596	14,340	18,843	7,986	7,268	5,761	5,395	4,349	4,975	5,302
FUNDS EMPLOYED										
Stated Capital	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	300	300
Capital Reserves	2,708	2,934	1,863	1,863	1,863	1,863	1,863	1,209	1,805	1,805
Revenue Reserves & Retained Earnings	11,624	4,687	7,375	1,510	4,219	2,033	2,960	1,504	130	50,951
SHAREHOLDERS FUNDS	17,332	10,621	12,248	6,372	9,081	6,896	7,822	5,713	2,235	53,056
Total Borrowings	3	2,716	5	10	13	5,188	5,187	5,300	7,339	5,197
Non current Liabilities Net of Borrowings	2,273	2,235	2,269	2,918	3,184	3,662	2,201	1,903	1,386	1,113
Current Liabilities Net of Borrowings	19,729	15,408	15,192	15,662	10,794	5,132	10,574	11,171	11,893	10,051
	22,005	20,359	29,713	24,962	23,072	20,878	25,785	24,121	22,853	69,416
ASSET EMPLOYED										
Non-current Assets	14,780	12,956	7,341	7,886	8,644	10,054	8,855	9,111	10,447	57,440
Current Assets	24,556	18,024	22,372	17,077	14,428	10,824	16,930	15,010	12,406	11,977
	39,336	30,980	29,713	24,962	23,072	20,878	25,785	24,121	22,853	69,416
CASH FLOW										
Net cash flow from Operating Activities	18,261	17,907	7,054	12,274	11,949	6,387	3,774	2,246	6,918	1,570
Net cash flow from Investing Activities	(234)	(3,050)	1,531	419	113	341	437	1,208	(27,820)	726
Net cash flow from Financing Activities	(15,703)	(15,769)	(13,964)	(7,797)	(10,370)	(6,944)	(2,998)	(2,751)	18,789	(970)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,324	(912)	(5,379)	4,896	1,692	(216)	1,213	703	(2,113)	1,325
KEY INDICATORS										
Earnings per share (Rs)	3.8	3.1	4.1	1.7	1.6	1.3	1.2	5.6	-233.4	17.7
Net assets per share (Rs)	3.8	2.3	2.7	1.4	2.0	1.5	1.7	1.2	7.5	176.9
Market Value per share (Rs) Yer End	36.4	26.9	19.6	19.3	19.9	13.0	14.5	0.0	0.0	206.2
Return on Shareholder's Funds	101.59%	135%	154.1%	125.2%	80.0%	83.5%	68.8%	76.6%	222.6%	10%
Dividends per share (Rs)	2.7	3.9	2.2	1.6	1.1	1.2	0.8	0.7	1.8	3.4
Dividend payout	70.5%	124%	54%	89.7%	70.9%	96%	68%	70.5%	-1%	19%
Dividend Yield	7.42%	14%	11%	8.1%	5.6%	9.2%	5.5%	-	-	1.6%

STATEMENT OF VALUE ADDED

VALUE ADDED

For the year ended 31st March	2025		2024
	Group Rs. 000	Company Rs. 000	Company Rs. 000
Gross Turnover	141,297,164	138,939,989	115,396,167
Other Operating Income	395,860	358,049	79,879
Finance Income	558,870	547,091	1,041,216
	142,251,894	139,845,129	116,517,262

VALUE DISTRIBUTED

	2025				2024	
	Group		Company		Company	
	Rs. 000	As % of Total	Rs. 000	As % of Total	Rs.'000	As % of Total
To the state as Taxes	100,586,458	70.71%	96,677,411	69.13%	78,555,747	67.42%
Operating Expenses	21,029,963	14.78%	20,760,152	14.85%	19,116,092	16.41%
To the Employees	4,293,409	3.02%	3,745,328	2.68%	3,421,293	2.94%
To Providers of Debt Capital	108,535	0.08%	66,423	0.05%	145,554	0.12%
To the Shareholders as Dividends	12,420,000	8.73%	12,420,000	8.88%	17,848,000	15.32%
Retained with the Business						
As Depreciation	1,558,836	1.10%	999,762	0.71%	938,537	0.81%
As Retained Earnings	2,254,693	1.59%	5,176,053	3.70%	(3,507,961)	-3.01%
	142,251,894	100%	139,845,129	100%	116,517,262	100%

DETAILS OF REAL ESTATE 2024/2025

Location		Land Extent			Buildings		Revalued Land Amount	Revalued Building Amount	Total
		A	R	P	No of Units	Extent in (Sq. Ft.)	Rs.'000	Rs.'000	Rs.'000
Seeduwa	Seeduwa No: 03, New Bottling Plant Complex & Housing Complex	15	2	17.09	18	192,069	1,785,419	2,230,855	4,016,274
Seeduwa	No: 65/84, Distillery Road, Seeduwa	5	2	15.10	22	101,611	581,815	291,689	873,502
Seeduwa	35/13B, Distilleries Rd	-	-	16.70	-	-	13,336	-	13,336
Seeduwa	35/13, Distilleries Rd	-	-	16.70	-	-	13,336	-	13,336
Seeduwa	37/20A, Distilleries Rd	-	-	8.00	-	-	5,600	-	5,600
Seeduwa	37/8A, Distilleries Rd	-	-	13.25	-	-	10,600	-	10,600
Kandy	375, Dutugemunu Mw,Mawilmada	2	-	-	-	-	67,340	-	67,340
Kandy	375/1-2, Dutugemunu Mw,Mawilmada	-	1	20.00	-	-	21,000	-	21,000
Kalutara	No.18, Sri Saddatissa Road, Kalutara North, Kalutara	1	-	23.00	-	-	56,730	-	56,730
Dickoya	Hatton-Norwood Road, Dickoya	-	-	-	4	18,286	-	136,810	136,810
Peliyagoda	1st Lane Off New Nuge Road, Peliyagoda.	-	-	-	4	15,406	-	57,500	57,500
							2,555,176	2,716,854	5,272,028

SHAREHOLDER INFORMATION

1 STOCK EXCHANGE LISTING

The Issued Ordinary Shares of the Company are listed with the Colombo Stock Exchange.

Ticker Symbol : DIST.N0000

ISIN : LK0191N00003

Market Sector : Beverage, Food & Tobacco

2 NON FINANCIAL INFORMATION

	31-Mar-25	31-Mar-24
Last Trade	36.40	26.90
Highest	40.40	29.00
Lowest	24.90	17.10

3 DISTRIBUTION OF SHAREHOLDING

As at Holding	31st March 2025			31st March 2024		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
1 - 1,000	9,331	2,442,782	0.05%	8,869	2,333,813	0.05%
1,001 - 10,000	3,055	8,439,946	0.18%	2,768	7,497,151	0.16%
10,001 - 100,000	622	18,707,212	0.41%	122	38,046,494	0.83%
100,001 - 1,000,000	113	35,564,532	0.77%	557	17,691,659	0.38%
1,000,001 & over	35	4,534,845,528	98.59%	32	4,534,430,883	98.58%
	13,156	4,600,000,000	100.00%	12,348	4,600,000,000	100.00%

4 ANALYSIS OF SHAREHOLDING

As at Holding	31st March 2025			31st March 2024		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
Individuals	12,908	83,090,797	1.81%	12,086	72,786,027	1.58%
Institutions	248	4,516,909,203	98.19%	262	4,527,213,973	98.42%
	13,156	4,600,000,000	100.00%	12,348	4,600,000,000	100.00%

As at Holding	31st March 2025			31st March 2024		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
Resident	13,063	4,593,661,157	99.86%	12,252	4,590,489,622	99.79%
Non-Resident	93	6,338,843	0.14%	96	9,510,378	0.21%
	13,156	4,600,000,000	100.00%	12,348	4,600,000,000	100.00%

5 TOP THIRTY SHAREHOLDERS OF THE COMPANY

Rank	Name	31st March 2025		31st March 2024	
		Number of Shares	%	Number of Shares	%
1	Melstacorp PLC	4,252,264,664	92.44	4,252,264,664	92.44
2	Milford Exports (Ceylon) (Pvt) Limited	147,520,592	3.21	147,520,592	3.21
3	Lanka Milk Foods (CWE) PLC	44,991,407	0.98	44,991,407	0.98
4	Perera and Sons Bakers (Pvt) Limited	9,550,010	0.21	5,500,000	0.12
5	Ceylon Guardian Investment Trust PLC A/C #02	6,944,799	0.15	6,944,799	0.15
6	Ceylon Investment PLC A/C # 02	6,868,923	0.15	6,868,923	0.15
7	Rubber Investment Trust Ltd A/C N0.01	6,466,301	0.14	8,466,301	0.18
8	Mrs. L.E.M. Yaseen	5,525,639	0.12	4,000,000	0.09
9	Mr. K. Balendra & Mrs. S. Balendra	4,800,773	0.10	4,826,023	0.10
10	Mrs. S.M. Chrysostom	3,874,814	0.08	3,874,814	0.08
11	Mr. M.H. Raouf	3,737,399	0.08	3,477,899	0.08
12	Mr. A.J.D. Selvanayagam	3,100,000	0.07	500,000	0.01
13	Mr. A.D. Gunewardene	2,796,488	0.06	-	0.00
14	Jafferjee Brothers Exports (Private) Limited	2,680,000	0.06	2,680,000	0.06
15	AIA Insurance Lanka Limited A/C No.07	2,506,095	0.05	1,835,995	0.04
16	Stassen Exports (Pvt) Limited	2,505,718	0.05	2,505,718	0.05
17	DFCC Bank PLC A/C No.02	2,233,267	0.05	-	0.00
18	Mr. D. Hasitha S. Jayawardena	2,231,505	0.05	2,231,505	0.05
19	Odyssey Capital Partners (Private) Limited	2,050,000	0.04	2,050,000	0.04
20	Mr. S.R. Samarasinha	2,000,000	0.04	-	0.00
21	Mr. K.N.J. Balendra	1,797,460	0.04	4,021,157	0.09
22	People's Bank	1,700,000	0.04	1,700,000	0.04
23	Mcsen Range (Private) Limited	1,617,737	0.04	1,617,737	0.04
24	Bank of Ceylon A/C Ceybank Unit Trust	1,595,939	0.03	555,939	0.01
25	People's Leasing and Finance PLC / L.P. Hapangama	1,513,139	0.03	1,838,476	0.04
26	Mr. A.M. Weerasinghe	1,500,000	0.03	1,500,000	0.03
27	GF Capital Global Limited	1,400,000	0.03	1,400,000	0.03
28	Seylan Bank PLC / Sarath Kumara Wijekoon	1,399,843	0.03	-	0.00
29	Mr. Y.S.H.R.S. Silva	1,250,000	0.03	-	0.00
30	Seylan Bank PLC / Arrc Capital (Pvt) Ltd	1,129,250	0.02	9,497,774	0.21
	Sub Total	4,529,551,762	98.47	4,522,669,723	98.32
	Other Shareholders	70,448,238	1.53	77,330,277	1.68
	Total	4,600,000,000	100.00	4,600,000,000	100.00
	Percentage of Shares held by the public	3.27%		3.27%	
	Total No. of share holders who hold the public holding*	13,146		12,338	

* The public holding of the company as at 31st March 2025 was 3.27% Comprising of 13,146 Shareholders and a float adjusted market Capitalisation as at 31st March 2025 was Rs.5,476,962,400.00. The Company is not compliant with Rule 7.13.1.(a) of the Listing Rules of the Colombo Stock Exchange on minimum public holding.

DCSL MANAGEMENT TEAM AND UNIT MANAGEMENT TEAM

HEAD OFFICE

FINANCE DIVISION

Senior Vice President - Finance

Nimal Nagahawatte B.Sc.

Vice President - Finance

Justin Algama B.Sc., Dip. Acc.

Vice President - IT

Ms. P. Gamagedara Dip. (NIBM), AACIS

Asst. Manager - Finance

Ms. Surani Samarasinghe CBA, MAAT

Asst. Manager - Finance

Tharanga Palamakumbura
ACMA (UK), CGMA (UK)

SUPPLIES DIVISION

Vice President - Procurement

Cdr. K. Kapila N. Pushpakumara
SLN (Retd.) USP, psc, MSc (ws) (Maritime), Msc (D&SS)
Mgt, MMS (LM) BSc (DS)Mgt., ADSMM, MISMM, LLMC

Assistant Manager - Procurement

M. K. Srinath Sanjeeewa

INTERNAL AUDIT DIVISION

Senior Vice President - Internal Audit

Chandana Bandara FCA, FCMA,
BSc. Acct.(Sp.) – First class (SJP) MBA (UoC).

COMPANY SECRETARIAL & LEGAL DIVISION

Senior Vice President - Legal

/ Company Secretary

Ms. V.J. Senaratne,
Attorney-At-Law & N.P., Solicitor (Eng. & Wales)

HUMAN RESOURCES DIVISION

Senior Vice President - Human Resources

Ms. Gayathri Chakravarthy
LLB, Attorney-At-Law

Vice President - Human Resources

Ms. Ishara Wickramathilake MBA, BBA

Vice President - HR Administration & Compliance

Sqn. Ldr. Lakshini Gunathilaka (Retd.)
B.Sc. (DS) in Aero. Eng., ANDHRM

Manager – Performance Management

Ms. Dhanushika Jayewardene
CQHRM (CIPM)

Assistant Manager – HR Analytics

M Dinesh Sanjeeewa MBM, EDHRM

Assistant Manager – HR

Ms. Kishani Perera MLRHRM, PgD LRHRM

TRANSPORT DIVISION

Senior Vice President - Transport & Logistics

Roshanth Kumar Perera

STOCK CONTROL DIVISION

Senior Vice President - Inventory Management

Lalith Ratnayake B.Sc. (B.Ad) Sp, MBA

EXTRA SPECIAL HERITAGE ARENA

Senior Vice President - Extra Special Heritage Arena

Col. D.J.Ranjith Rupasinghe (Retd.) RSP, IG

Vice President - Extra Special Heritage Arena

Maj. Gen. B. V. D. Padmachula Abeynayaka
(Retd.) USP, VSV, Advanced Dip (D&SS)

Vice President - Security & Risk

Management Maj. Gen. Samantha
Amaranath Hettige (Retd.) RSP, psc, MHRM (UoK),
MBA (UoC)

Assistant Vice President – Processing

Capt. K.G.N. Shyren Senanayake
SLN (Retd.) psc, MSc (DS), B.Sc. (DS) in EE Eng.

Assistant Vice President – Engineering

J. Vivegananthan
B.Tech (Hons) in Eng. (OUSL), PgD in
Electronics and Automation

Brand Manager

Sivalingam Krishanth
Dip in Digital Marketing

Manager – Production

Cdr. Anuruddha.S. Galabadage
SLN (Retd.) psc, B.Sc. (DS) Mgt, M.Sc (WS) (Maritime),
PgD in Mgt., MISMM, CMILT

Manager – No.03 W/H

R.M.Buddhi Lakshantha
A.IChemC, Grad Chem

Manager – Security & Fire

Maj. A.M.Mahinda Abeysinghe (Retd.) RSP

Manager – IT

R. Aravinth B.Sc.(Hons)

Manager – Stores

Maj. Ranga Juwandarage (Retd.)
RWP RSP, PgD LRHRM (UoC)

Senior Engineer -Civil

R.W.D.M.Neville Senadhira, NCT (Civil)

Manager – Distribution

H.D.A.Chamindra Herath BA (Hons)

Engineer –Electrical

I.M.Sajith Milinda Rajarathna
BEng Electrical & Electronics (UWE),
NDT Electrical Engineering (UoM)

Engineer - Mechatronics

A M Chathuranga Bandara Abeykoon
BSc Eng. (Honours) in Mechatronics, Nat.Dip. in Tech (in
Mechanical Eng. Tech.)

Engineer - Electrical

D N Maduranga Panditha
BEng (Hons). in EE Eng. Nat. Dip.in Tech. (in EE
Technology)

Assistant Manager –Logistics

Major W M Manjula R K Wickramasinghe
(Retd) RWP RSP USP psc IG, Dip (SUSL)

Assistant Manager - Security & Fire

D Nimantha Ranasinghe
Dip. in Information Tech., Higher Dip.in Electronic Eng.
Tech.

NORTHERN REGION -SEEDUWA

Senior Vice President - Northern Region

Maj. Roshan Mark Cabraal (Retd.)

Vice President - Northern Region

Brig.Thushara Fernando (Retd.)

RSP USP MBA (Logistics Mgt.), Nat. Dip in Sports Strength & Conditioning (SLF), Dip in Movement Science & Injury Prevention in Sports (UoP), Dip in Advanced Sports Mgt (NOC), Grand Knight of CISM

Vice President - Quality/Research & Development

G. Chandana Kumara

B.Sc. (Hons), Dip in HRM

Vice President - Engineering

M.Neville Perera

Assistant Vice President-Production

H P T Shehan Wijerathna

BSc, PgD (Manufacturing Mgt)

Manager -Transport

Lt. Col. Indaka Yakandawela (Retd.)

B.Sc. (DS), MPM, MIM (SL)

Manager -Operations

Capt. K.V.G.Hishantha Harischandra (Retd.)

Assistant Manager -Empty Bottle Unit

T D Sirisoma USP

Assistant Manager - Security

K L S Thilakarathna

Assistant Manager -Logistics

J A Upali

Zonal Manager -Peliyagoda (W)

F.H.Dinesh.M. Silva

Nat Dip (Sales Mgt) PgD Marketing (SLIM), PgD in professional Marketing(CIM,UK)

Zonal Manager - Peliyagoda (S)

Athula D. Mallikaarachchi *Nat Dip (Sales Mgt)*

Zonal Manager - Rajakadaluwa

K. P. Nishantha *Degree of AA (USA)*

Zonal Manager - Negombo

P. H. R. Indika

Zonal Manager - Kurunegala

Maj. L.S.A.Saman P.K. Siriwardhana (Retd.)

MHRM, BA (DS)

Distillery

Seeduwa

Warehouses

New Warehouse, Old Warehouse

Sales and Distribution Arenas

Peliyagoda (W), Peliyagoda (S), Rajakadaluwa, Negombo, Kurunegala

SOUTHERN REGION – KALUTARA

Senior Vice President - Southern Region

Lt. Col. M.W. Susantha Marapana (Retd.) *RSP*

Assistant Vice President - Operations

D.H.L. Nissanka *B.Sc., ADMM, TPM-C*

Assistant Vice President - Production & Administration

Maj. K B Manoj Indika Jayasena (Retd.)

USP, psc, Dip.(SUSL),Diploma In Comp. Studies

Manager Warehouse

K. Bhathiya Benthota Arachchi *B.Sc.*

Chemist

Dhanuka N Manawaduge *B.Sc.*

Asst. Engineer

H.P.D.P. Mangala Gunasekara

Zonal Manager - Kalutara

A.D.C. Krishantha

Zonal Manager - Ratmalana

Maj. S T Anjula Silva (Retd.)

B.Sc.(Military Studies), Dip. in IT

Zonal Manager - Ambalantota

M.A. Chandana Mandanayake

Zonal Manager - Galle

Maj. R. Nalaka Sooriyarachchi (Retd.)

RSP USP psc MPA&M (UoC), B.Sc.(SUSL)

Zonal Manager - Kuruwita

P.Sriyan Heman Kumar

Manager Warehouse - Mirishena Warehouse

(In addition, overseeing the functions at- No 02 Warehouse, Kalutara)

W.V.B.L Asanka Deshapriya

Manager Warehouse

- Teak Stores Warehouse

L. Madushan D. Silva

Manager - Distillery

F.H. Manjula S. Silva

Chemist

K. Hiroshan Krishantha Perera

B.Sc.(Sp.) Environmental Science and Natural Resources Management, Grad Chem.

Assistant Manager - Distillery

H.A.D.I. Umayanga

B.Sc. (Sp.) (Food Tech. Mgt), Dip. (Food Business)

Distillery

Beruwala

Warehouses

Kalutara No 02, Teak Stores, Mirishena

Sales and Distribution Arenas

Kalutara, Ratmalana, Ambalantota, Galle, Kuruwita

DCSL MANAGEMENT TEAM AND UNIT MANAGEMENT TEAM

CENTRAL REGION – KANDY

Senior Vice President - Central Region

Capt. Chula Ranasinghe SLN (Retd.) USP

Vice President - Central Region

V. Jeiyachandiran B.Sc. (Hons)

Vice President - Central Region

Maj. Gen. Lakruwan Pathirana (Retd.)
RSP Hdmc IG MMS (IND), MSc (Military Tech.-IND), BA (DS), HDip on Psychology (UoP), Dip in HRM

Vice President - North Central Region

Lt.Col. W C Lasantha Ratnapala (Retd.)
psc, MSc (D&SS) MSc (A&SW)

Assistant Vice President - Engineering

Shanaka N. Ulpathakumbura
B.Sc. (Applied Sciences), Advanced Technician Dip. in EE Eng. (City & Guilds), AMIIESL

Assistant Vice President – Operations

M.R.Irosha K. Bandara B.Sc. (Hons)

Assistant Vice President - Production

M K Samantha Kumara BSc., Dip. in Comp. Programming, Dip.in Comp Hardware Eng.

Civil Engineer

A.M.A.J.Bandara Abeykoon, NCT (Civil)

Senior Manager – Operations (Production/Stores & Laboratory)

Cdr. J M Prageeth Jayawardana
SLN (Retd.) RSP & Bar, USP, psc MHRM, BNavalSt, CQHRM

Manager -Stores

A.R .Nishantha Atapattu

Territory Manager - Sales

Shirantha M.N. Manickam

Manager - Administration (Finance)

Ms. W. Menaka P. Perera

Manager - Distribution

R W M Neranjan B Kumburegedara

Manager - Empty Bottle Unit

G W D Sanjaya B Abeyrathne
Dip. in Comp.Application

Engineer - CRC Workshop Kandy

A M Dilan T Abeysinghe, BSc (DS) in EE Eng.

Zonal Manager - Nawayalatenna

Cdr. D.K.S.Dilruk Perera SLN (Retd.)
RSP & Bar

Zonal Manager - Gampola

L R M D Madusanka MDP, BSc

Zonal Manager - Vavuniya

N. Narenthiran
B.Sc. in Computation & Mgt

Zonal Manager - Batticaloa

S. Sureshkumar
Dip. In Strategic Mgt. and Leadership

Zonal Manager - Dickoya

K. Kingsley Gunaratne
Dip. in Mgt, Passed finalist - AAT Sri Lanka

Manager Wholesale Outlet- Trincomalee

K.D.P. Pushpa Kumara

Zonal Manager – Jaffna

B. Sivasuthan
B.Sc., Dip. in Computer programming,
Dip.in Microsoft Office

Zonal Manager - Anuradhapura

Maj. K.A.C.Thisara Kalansooriya (Retd.)

Zonal Manager -Badulla

W. M. Dayananda

Warehouse

Nawayalatenna

Sales and Distribution Arenas -

Nawayalatenna, Gampola, Vavuniya,
Batticaloa, Dickoya, Trincomalee, Jaffna,
Anuradhapura, Badulla, KDY- 095 (M)

GROUP MANAGEMENT DIVISION

Senior Vice President - Information Technology

Prasanna Karunanayake
B.Sc. (Eng), MBCS, ACMA, CGMA

CORPORATE RISK MANAGEMENT & COMPLIANCE DIVISION

Senior Vice President - Corporate Risk Management

Deshabandu R.M.L.N. Bandara
SSP (Retd.), MBA (Major) USA ,UNMIT, UNTAIT, ONUMAZ

Vice President - Compliance

Upali Vithanage SSP (Retd.)

Assistant Director - Compliance

P K Serasinghe SSP (Retd.)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the THIRTY FIFTH ANNUAL GENERAL MEETING OF DISTILLERIES COMPANY OF SRI LANKA PLC will be held as a virtual meeting at the "Mini Auditorium" Distilleries Company of Sri Lanka PLC, No. 110, Norris Canal Road, Colombo 10. Sri Lanka on 17th September 2025 at 10.00 a.m. for the following purposes.

1. To receive and consider the Annual Report of the Directors and the Financial Statements of the Company for the year ended 31st March 2025.
2. To re-elect as a Director, Mr. C.R. Jansz, who is over 70 years as a Director by passing the following resolution.
"That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. C. R. Jansz who has attained the age of 72 and that he be re-elected a Director of the company."
3. To re-elect as a Director, Mr. N. J. de S. Deva Aditya who is over 70 years by passing the following resolution.
"That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. N. J. de S. Deva Aditya who has attained the age of 77 and that he be re-elected a Director of the company."
4. To re-elect Dr. R. A. Fernando who retires in terms of Articles 32(ii) of the Articles of Association, as a Director of the Company
5. To elect Mr. A. Goonesekere in terms of Articles 32(ii) of the Articles of Association, as a Director of the Company.
6. To elect Mr. L. H. A. L Silva in terms of Articles 32(ii) of the Articles of Association, as a Director of the Company.
7. To elect Mr. L. U. D. Fernando in terms of Articles 32(ii) of the Articles of Association, as a Director of the Company.
8. To re-appoint M/s. KPMG, Chartered Accountants, as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2026 in terms of S. 158 of Companies Act No. 07 of 2007.
9. To approve the donations and contributions made by the Directors during the year under review, and to authorise the Directors to determine contributions to charities for the ensuing year.

Notes:

1. The Thirty Fifth (35th) Annual General Meeting of Distilleries Company of Sri Lanka PLC will be held as a virtual meeting by participants joining in person or by proxy, through audio or audio, visual means in the manner specified below.

I. Shareholder Participation

- a. The shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.
- b. The shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate in the meeting through audio or audio visual means only.
- c. The shareholders who wish to participate at the meeting will be able to join the meeting through audio or audio visual means. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxy holder, if any, by perfecting Annexure II to the circular to shareholders and forward same to vyjayanthi.corp@melsta.com or facsimile +94 112698718 by post to reach the Secretary not less than five (05) days before the date of the meeting so that the meeting login information could be forwarded to the email address as provided. The circular to the shareholders will be posted to all the shareholders along with the Notice of meeting and the Form of Proxy.
- d. To facilitate the appointment of proxies, the Form of Proxy is attached hereto and the duly filled Form of Proxy should be sent to reach the Company Secretary via e mail vyjayanthi.corp@melsta.com or by post to the registered address of the company No. 110, Norris Canal Road, Colombo 10. Sri Lanka, not less than twenty-four (24) hours before the time fixed for the meeting.

II. Shareholder's queries

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretary, via e-mail to vyjayanthi.corp@melsta.com or by post to the registered address of the company No 110, Norris Canal Road, Colombo 10. Sri Lanka not less than five (5) days before the date of the meeting. This is in order to enable the Company Secretary to compile the queries and forward same to the attention of the Board of Directors so that same could be addressed at the meeting.

2. The Annual Report of the Company for the financial year ended 31st March 2025 will be available for perusal of the Company website www.dcsigroup.com and the Colombo Stock Exchange website on www.cse.lk. Shareholder may also access the Annual Report on their electronic devices by scanning the below QR code.

By Order of the Board,



Ms. V. J. Senaratne
Company Secretary

Colombo, on this 25th day of August 2025

NOTES

FORM OF PROXY

Folio No.

I/We.....

of

being a shareholder/ shareholders of Distilleries Company of Sri Lanka PLC hereby appoint Don Hasitha Stassen Jayawardena* or failing him Cedric Royle Jansz* or failing him Niranjana Joseph de Silva Deva Aditya* or failing him Kolitha Jagath Kahanda* or failing him Don Stasshani Therese Jayawardena* or failing her Mellawatantrige Anton Niroshan Sampath Perera* or failing him Ravindra Ajith Fernando* or failing him Ashoka Goonesekere* or failing him Lakshman Silva* or failing him Lintotage Udaya Damien Fernando* or failing him or

.....

of As my /our* Proxy to attend, vote and speak at the Thirty Fifth (35th) Annual General Meeting of the Company will be held as a "Virtual Meeting" on 17th day of September 2025, at the "Mini Auditorium" DC SL, 110, Norris Canal Road, Colombo 10, Sri Lanka and at any adjournment thereof.

	For	Against
1. To receive and consider the Annual Report of the Directors and the Financial Statements of the Company for the year ended 31st March 2025.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director, Mr. C.R. Jansz, who is over 70 years as a Director by passing the following resolution. "That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. C. R. Jansz who has attained the age of 72 and that he be re- elected a Director of the company."	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director, Mr. N. J. de S. Deva Aditya who is over 70 years by passing the following resolution. "That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. N. J. de S. Deva Aditya who has attained the age of 77 and that he be re-elected a Director of the company."	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect Dr. R. A. Fernando who retires "in terms of Articles 32(ii)" of the Articles of Association, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect Mr. A. Goonesekere "in terms of Articles 32 (ii)" of the Articles of Association, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
6. To elect Mr. L. H. A. L. Silva "in terms of Articles 32 (ii)" of the Articles of Association, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
7. To elect Mr. L. U. D. Fernando in terms of Articles 32 (ii) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorise the Directors to determine the remuneration of the Auditors, Messrs. KPMG who are deemed to have been reappointed as Auditors for year ended 31st March 2026 in terms of section 158 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
9. To approve the donations and contributions made by the Directors during the year under review, and to authorize the Directors to determine contributions to charities for the ensuing year	<input type="checkbox"/>	<input type="checkbox"/>

* Please delete the inappropriate words.

* Please write your Folio Number which is given on the top left of the address sticker

.....
Signature of Shareholder

Dated this.....day of.....2025.

FORM OF PROXY

Notes:

1. Proxy need not to be a member of the company.
2. In terms of the Articles 20(III) of the Articles of Association of the Company A proxy shall be appointed by notice in writing signed
 - a) In the case of an individual, by the appointer or his attorney
 - b) In the case of a corporation, either under its common seal or by its attorney or by an officer on behalf of the corporation; and shall be addressed to the Chairman or the secretary. The notice of appointment shall state whether the appointment is for a particular meeting, or for a specified term.
3. In terms of the Articles 20(IV) of the Articles of Association of the Company

No proxy is effective in relation to a meeting, unless a copy of the instrument which contained the notice of appointment together with the duly executed power of attorney (if any) is submitted to the secretary not less than twenty-four (24) hours before the start of the meeting.
4. In terms of the Articles 22 of the Articles of Association of the Company

Where two (02) or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter shall be accepted to the exclusion of the votes of the other joint holders. Where there are several executors or administrators of a deceased shareholder in whose sole name any shares are registered, any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote. In such an event, a vote in relation to such shares on any a matter shall not be accepted unless all such executors or administrators agree thereto.
5. Instructions as to completion are noted overleaf.

Instructions as to Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filing in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company / Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association.
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion exercising the vote on behalf of this appointer.
5. Duly filled forms of proxy should be sent to reach the Company Secretary via e – mail to vyjayanthi.corp@melsta.com, or by post to the registered address of the Company No. 110, Norris Canal Road, Colombo 10, Sri Lanka, not less than twenty-four (24) hours before the time appointed for the holding of the meeting.

මෙම වාර්තාව සම්පූර්ණයෙන්ම පිළියෙල කර ඇත්තේ ඉංග්‍රීසි භාෂාවෙනි. ඔබට සහාපතිතුමාගේ පණිවුඩය, අධ්‍යක්ෂවරුන්ගේ වාර්ෂික වාර්තාව සහ විගණක වාර්තාව සිංහල හෝ දෙමළ භාෂාවෙන් සකසන ලද පරිවර්තනයක් අවශ්‍ය නම්, ඒ බව සමාගම් ලේකම්, ඩිස්ටිලරිස් කොම්පැනි ඔෆ් ශ්‍රී ලංකා පීඑල්සී අංක 110, නොර්ස් කැනල් පාර, කොළඹ 10 යන ලිපිනයට 2025, සැප්තැම්බර් මස 10 වෙනි දිනට ප්‍රථම දන්වන්න.

இவ்வறிக்கை முழுமையாக ஆங்கிலத்தில் உள்ளது. தலைவரின் செய்தி, பணிப்பாளர் சபையின் வருடாந்த அறிக்கை, கணக்காய்வாளரின் அறிக்கை, ஆகியவற்றின் சிங்களம் அல்லது தமிழ் மொழிபெயர்ப்பு வேண்டுமாயின், தயவுசெய்து கடிதம் மூலம் பின்வரும் விலாசத்திற்கு, 2025 செப்டெம்பர் மாதம் 10ஆம் திகதிக்கு முன் அறிவிக்கவும்.
கம்பனி செயலாளர், டிஸ்டிலரீஸ் கம்பனி ஒப் ஸ்ரீலங்கா பி.எல்.சி,
இலக்கம் 110, நொரிஸ் கெனல் வீதி, கொழும்பு 10.

This report is entirely in English. If you require a translated copy of The Chairman's Message, Annual Report of the Board of Directors and The Auditor's Report in Sinhala or Tamil, please make a request by letter addressed to the Company Secretary, Distilleries Company of Sri Lanka PLC, No. 110, Norris Canal Road, Colombo 10, before 10th day of September 2025.

CORPORATE INFORMATION

COMPANY NAME

Distilleries Company of Sri Lanka PLC

LEGAL FORM OF THE COMPANY

Public Limited Liability Company Incorporated in Sri Lanka and Listed on the Colombo Stock Exchange

REGISTRATION NO.

PQ 112

ULTIMATE PARENT COMPANY

Milford Exports (Ceylon) (Pvt) Ltd.

REGISTERED OFFICE

No.110, Norris Canal Road,
Colombo 10, Sri Lanka.
Tel: 011-2695295-7, 011-5507000
Fax: 011-2696360
Web: www.dcsigroup.com

SUBSIDIARY COMPANIES

DCSL Breweries Lanka Limited
DCSL Brewery (Private) Limited
DCSL Group Marketing (Private) Limited
Texpro Industries Limited

BOARD OF DIRECTORS

Late Mr. D. H. S. Jayawardena (Deceased on 03.02.2025)
Mr. D. Hasitha S. Jayawardena
(Appointed as Chairman w.e.f. 06.02.2025)
Mr. C. R. Jansz
Capt .K. J. Kahanda (Retd.) - Managing Director
Mr. N. J. De S. Deva Aditya
Dr. A. N. Balasuriya (Resigned w.e.f 30.09.2024)
Ms. D. S. T. Jayawardena
Mr. M .A. N. S. Perera
Dr. R. A. Fernando
Mr. A. Goonesekere (Appointed w.e.f 30.09.2024)
Mr. L. H. A. L. Silva (Appointed w.e.f 01.10.2024)
Mr. L. U. D. Fernando (Appointed w.e.f 19.02.2025)

AUDIT AND RISK COMMITTEE

Mr. A. Goonesekere - Chairman
Dr. R. A. Fernando
Ms. D. S. T. Jayawardena

REMUNERATION COMMITTEE

Dr. R. A. Fernando-Chairman
Mr. A. Goonesekere
Ms. D. S. T. Jayawardena

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. A. Goonesekere - Chairman
Dr. R. A. Fernando
Ms. D. S. T. Jayawardena

NOMINATIONS AND GOVERNANCE COMMITTEE

Dr. R. A. Fernando-Chairman
Mr. A. Goonesekere
Ms. D. S. T. Jayawardena
Mr. L. H. A. L. Silva

COMPANY SECRETARY

Ms. V.J. Senaratne

AUDITORS

Messrs KPMG (Chartered Accountants)
No.32A, Sir Mohamed Macan Marker Mawatha,
Colombo 03, Sri Lanka.

REGISTRARS

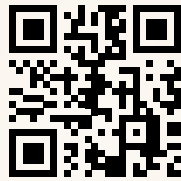
Central Depository Systems (Private) Limited
Registrar Services and Corporate Actions Unit
No.341/5, M &M Center,
Kotte Road, Rajagiriya, Sri Lanka.
Tel: +94 11 235 6456
Fax: +94 11 244 0396

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
Hong Kong & Shanghai Banking Corporation
Nation's Trust Bank PLC
People's Bank
Seylan Bank PLC
Standard Chartered Bank

CREDIT RATING

The Company has been assigned 'AAA (lka)'
National Long Term Rating with a Stable
Outlook by Fitch Ratings Lanka Limited.



dcsigroup.com

DISTILLERIES COMPANY OF SRI LANKA PLC

110, Norris Canal Road, Colombo 10, Sri Lanka.
Tel +94 11 269 5295-7 Fax +94 11 2696360