THE ORIGINAL DCSL ESTD 1913

STANDING THE TEST OF TIME
"GAL" ARRACK

EXTRA SPECIAL ARRACK
SRI LANKA'S BEST SELLER

STANDING THE TEST OF TIME

Every iconic brand has a defining origin story. For Sri Lanka's best-selling spirit, that story began decades ago during the era of the State Distillery Corporation.

In those early days, it was the consumers who gave the product its identity. Whether ordering a bottle from the wine store or drink at the bar people used simple, vivid nicknames to demand their drink of choice: Pure coconut arrack was called as "Pol", and the distinct blend of neutral spirit and coconut spirit became "Gal". These short and sweet definitions between pure and blended coconut arracks became an instant cultural staple coined directly by the people, establishing a deep-rooted legacy of trust and affinity with the manufacturer.

As the decades passed and the State Distillery Corporation transitioned into DCSL, these local favourites underwent a massive evolution. We preserved the soul of the original heritage while aggressively investing in research and development to elevate the spirit to international standards.

Today, every bottle of DCSL Extra Special Arrack contains a precise, premium formulation: aged coconut spirit balanced with the highest quality neutral spirit, sourced responsibly from local producers.

To match this internal refinement, we modernised our production from the ground up. Today, the spirit is bottled under the most stringent hygienic conditions in a state-of-the-art automated plant,
ensuring absolute consistency in every drop, in every bottle every time.

THE ORIGINAL DCSL ESTD 1913

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FINANCIAL HIGHLIGHTS

		2026	2025
Gross Turnover	Rs. Mn	164,380	138,940
Excise Duty	Rs. Mn	102,898	85,257
Net Turnover	Rs. Mn	61,482	53,683
Profit After Tax	Rs. Mn	16,844	17,596
Shareholders Fund	Rs. Mn	21,791	17,332
Working Capital	Rs. Mn	5,488	4,824
Total Assets	Rs. Mn	49,201	39,336
Staff Cost	Rs. Mn	4,242	3,745
No. of Employees		983	953
PER SHARE			
Basic Earnings	Rs.	3.66	3.83
Net Assets	Rs.	4.74	3.77
Dividends	Rs.	3.00	2.70
Market Price			
High	Rs.	67.50	40.40
Low	Rs.	34.00	24.90
Year End	Rs.	54.50	36.40
RATIOS			
Price Earnings	times	15	9.50
Return on Shareholder Funds	%	77.30	101.59
Current Ratio	times	1.23	1.24
Interest Cover	times	191	429.61
Stock Turnover (Finish Goods)	days	29	19
Debt to Equity	%	0.01	0.02
Debt to Total Assets	%	0.01	0.01
Dividend Payout	%	81.97	70.50
Dividend Yield	%	5.50	7.42

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
EVERY SIP
TELLS STORY
AGED 20 YEARS
THE ORIGINAL
DCSL
EST 1913
argente
AGED 20 YEARS
PURE COCONUT ARRACK MATURED IN HALMILLA VATS
750ml
40% v/v
Manufactured and bottled by Distilleries Company of Sri Lanka PLC
A TALE OF PETALS AND TIME
RY BENEATH THE SURFACE
PURE COCONUT ARRACK MATURED IN HALMILLA VATS

THE ORIGINAL
ESTD 1913
WHITE LABEL
ARRACK
NO.1 WHITE LABEL ARRACK IN SRI LANKA
The Finest Blend of
COCONUT ARRACK & NEUTRAL SPIRITS
SMOOTH ENOUGH TO SIP,
BRIGHT ENOUGH TO
REMEMBER
MANUFACTURED & BOTTLED BY
DISTILLERIES COMPANY OF SRI LANKA PLC


Periceyl
THREE DECADES OF
CRAFTED EXCELLENCE
1996 - 2026
HOUSE OF TILBURY
PREMIUM WHISKY
Special Selection
TILLSIDER
WHISKY
Special Selection
A BLEND OF ISLAY MALT, BLENDED SCOTCH WHISKY AND FINEST GRAIN SPIRITS
BLACK JACK
LONDON DRY
GIN
BLACK JACK
LEMON
GIN


COMMANDING RESPECT
WITH EVERY SIP.
INSPIRING MOMENTS WORTHY OF
A KING.
ALIYA
අලියා அலியா
ALIYA
අලියා அலියா
ALIYA
LAGER
4.8%
ALIYA
STRONG
8.8%


THE
TRUE
KING

DISTILLED TO PERFECTION.
ENJOYED WITHOUT RESERVATION.

ARGENTE

Unique blend of strong arrack made from pure coconut spirits distilled and matured in 'Halmilla' wooden vats, the youngest spirit of which is 20 years, produced in a limited edition of 10,000 bottles & serially numbered, to commemorate the centenary of DCSL. To experience most wonderful smoothness of natural coconut arrack on the planet.

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.

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.

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.

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.

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.

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.

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.

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.

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.

GRAND CHAIS DE FRANCE

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

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.

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.

PASSION POP

There is nothing serious about this little number!

Passion Pop is low in alcohol and loaded with soft, approachable passion fruit sweetness.

THE DEFINITIVE COLLECTION OF INTERNATIONAL BESTSELLERS.

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.

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.

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.

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.

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.

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.

SOMERTON

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

MARCEL MARTIN ROSE D'ANJOU

Composed of Grolleau and Cabernet Franc, this Rosé d'Anjou La Jaglerie has a pink pale colour. 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.

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

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.

TILLSIDER 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.

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.

HOUSE OF TILBURY PREMIUM WHISKEY

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.

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 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.

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.

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.

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.

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.

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!

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.

ALIYA

Introduced in mid December 2025, the Aliya beer portfolio was created with a clear vision of celebrating strength, authenticity and Sri Lankan heritage through exceptional brewing craftsmanship. The name "Aliya", meaning "Elephant" in Sinhala, was strategically chosen to establish a meaningful connection with consumers while reflecting one of Sri Lanka's most enduring national symbols. Deeply woven into the country's history, culture and heritage, the elephant represents strength, resilience, confidence and nobility. In the Sri Lankan context, the elephant is often regarded as the true king, embodying qualities that resonate with the character and spirit of the Aliya brand.

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

DCSL is a brand that has stood the test of time, not by resisting change, but by embracing it while staying true to the brand promise that earned it the trust of a nation. Over the years, we preserved our brand equity while continually refining the product and modernising production to international standards.

Rs.**164,380** Mn
GROSS TURNOVER

Rs.**116,569** Mn
TAXES PAID

Rs.**16,844** Mn
PROFIT AFTER TAX

Standing the Test of Time

Dear Shareholder,

DCSL's flagship arrack brand traces its identity back to the era of the State Distillery Corporation, when consumers themselves coined the affectionate, everyday shorthand by which they asked for our pure and blended coconut arracks — organic pieces of brand vernacular, created by the market itself, that endure in consumer recall to this day. Over the decades, as the State Distillery Corporation became DCSL, we preserved that brand equity while continually refining the product and modernising production to international standards. It is a brand that has stood the test of time, not by resisting change, but by embracing it while staying true to the brand promise that earned it the trust of a nation. That same ethos — heritage-anchored, yet always evolving — guided the Group through another year of transformation and disciplined execution.

MACROECONOMIC ENVIRONMENT

The year under review was shaped by gradual improvement in Sri Lanka's macroeconomic conditions, supported by easing inflation, greater exchange rate stability, and firming investor confidence under the continuing IMF-supported reform agenda. However, these improvements at the macro level did not fully translate into higher disposable incomes for many households. Consumer spending remained cautious, weighed down by a continued high cost of living and successive tax adjustments. For a discretionary, price-sensitive category such as ours, this created a complex operating environment in which consumers sought familiar, trusted brands and value for money, even as their capacity to spend remained constrained.

Against this backdrop, DCSL's diversified portfolio across spirits and beer — spanning multiple price points and consumption occasions — proved instrumental in preserving our market position and supporting stable volumes. It was, in many ways, brand equity doing its work: even as affordability came under pressure, consumers continued to place their trust in names they already knew, rather than trading down to the unknown.

THE BEVERAGE INDUSTRY

The beverage industry continued to operate in a challenging fiscal environment during the year, following the increase in the corporate income tax rate applicable to the alcoholic beverage industry. The higher tax burden placed additional pressure on profitability and cash flows across the sector, requiring legitimate manufacturers to further strengthen operational efficiencies while continuing to meet their fiscal obligations.

Despite these challenges, the industry continues to face the persistent threat of the illicit alcohol market. Illicit products, which operate outside the regulatory and tax framework, not only deprive the Government of significant tax revenue and undermine fair competition, but also pose serious public health risks to consumers who unknowingly resort to unregulated alternatives. A well-established, trusted brand remains one of the strongest defenses against this threat: consumers who have built a genuine, lasting relationship with our brands over generations are far less likely to gamble on unbranded, unregulated substitutes.

DCSL remains firmly committed to engaging constructively with policymakers and regulators to promote a balanced and sustainable fiscal and regulatory framework — one that supports the legitimate industry, safeguards government revenue, and protects consumers from the dangers associated with illicit alcohol. We believe the long-term sustainability of the industry depends on collaborative policy measures that foster responsible growth while ensuring an equitable operating environment for all legitimate participants.

OPERATIONAL EXCELLENCE THROUGH INTEGRATION

During the year, we continued to advance the integration of DCSL Breweries Lanka Ltd. into the wider Group, translating the strategic rationale behind our entry into the brewing segment into tangible operational and commercial benefits. Our focus remained on optimising the supply chain to unlock scale-driven efficiencies, while integrating distribution channels to ensure our expanded portfolio reaches both retail and on-trade customers through a unified and more efficient route-to-market.

These integration initiatives enhanced operational efficiency across the enlarged Group, improved resource utilisation, and helped mitigate the impact of cost pressures in a challenging operating environment. Just as importantly, they ensured that the same brand promise of consistency and quality that has defined our arrack heritage now extends seamlessly across a broader portfolio, strengthening DCSL's position as Sri Lanka's leading integrated alcoholic beverage company — one with the capability to serve consumers across multiple categories, price points and consumption occasions through a common operational platform, and a stronger foundation for sustainable growth and long-term value creation.

INNOVATION ACROSS OUR PORTFOLIO

During the financial year 2025/26, the Group continued to advance its innovation agenda through the rebranding of its flagship White Label Arrack. The introduction of direct screen printing, replacing the traditional label, enhanced the product's visual appeal, strengthened its shelf presence, and reinforced its premium positioning, while also improving packaging efficiency. It is brand stewardship in practice: honoring the equity built up over generations while continuously refreshing brand expression to stay relevant to today's consumer.

In the beer category, the launch of the Aliya beer range further diversified our portfolio, enabling the Group to cater to changing consumer tastes and emerging market opportunities while strengthening our position within the sector. Together, these initiatives reflect the same balance that has defined our heritage brands: honoring what our consumers know and trust, while continuously refining how we deliver it.

GROUP PERFORMANCE

The Group continued to create value for shareholders during the year, delivering another year of strong financial performance despite a challenging operating environment. Revenue increased by 16% to Rs. 164.4 billion, driven by sustained demand across the portfolio and the continued execution of our growth strategy, while Profit Before Income Tax grew by 17% to Rs. 30.6 billion, reflecting disciplined cost management and the benefits of operational synergies across the Group. Despite the higher income tax burden applicable to the alcoholic beverage industry, Profit for the Year increased by 16% to Rs. 17.1 billion — a performance that speaks to the enduring strength of our brand portfolio and the trust it continues to command among consumers.

This performance translated into continued value creation for shareholders, with the market capitalisation of DCSL reaching Rs. 250 billion as at 31st March 2026. The Company's share price closed at Rs. 54.50, and Earnings per Share improved to Rs. 3.71, reflecting the Group's sustained profitability and operational strength. This financial strength was further affirmed with Fitch Ratings assigning DCSL a National Long-Term Rating of AAA(lka), with a Stable Outlook, underscoring the Group's robust credit profile and prudent financial management.

REWARDING OUR SHAREHOLDERS

During the financial year 2025/26, the Group continued to demonstrate its commitment to creating value for shareholders through consistent returns and responsible capital management. Reflecting the Group's financial resilience and confidence in its future prospects, the Board declared dividends on three occasions during the year, amounting to a total dividend of Rs. 3 per share.

STRENGTHENING GOVERNANCE AND RISK MANAGEMENT

During the financial year 2025/26, the Group continued to strengthen its corporate governance framework and risk management practices, reinforcing sustainable growth, greater accountability and effective decision-making across the organisation. A key milestone during the year was the establishment of the Board Sustainability Sub-Committee, underscoring the Group's commitment to embedding sustainability considerations at the core of its strategic priorities and strengthening its readiness for the implementation of the Sri Lanka Sustainability Disclosure Standards (SLFRS S1 and S2).

On the Board, I record with appreciation the resignation of Mr. M. A. N. S. Perera as Director of DCSL during the year, and place on record my sincere gratitude for his valuable contribution to the Group.

DCSL remains steadfast in its commitment to upholding the highest standards of transparency, integrity and ethical conduct across all areas of its operations. During the year under review, the Group continued to give effect to Anti-Bribery and Corruption Policy by promoting ethical business conduct, strengthening awareness among employees, and reinforcing compliance with applicable laws, regulations and internal governance requirements. This Policy remains an integral part of the Group's broader corporate governance framework, reflecting our unwavering commitment to conducting business responsibly, maintaining stakeholder trust, and safeguarding the brand equity and reputation the Group has built over decades.

INVESTING IN OUR PEOPLE

Key initiatives undertaken during the year included strengthening learning and development programs to enhance technical, leadership and functional capabilities across

With the market capitalisation of DCSL reaching Rs. 250 billion as at 31st March 2026. The Company's share price closed at Rs. 54.50, and Earnings per Share improved to Rs. 3.71, reflecting the Group's sustained profitability and operational strength.

the Group. Employees were provided with opportunities to develop their skills and adapt to evolving business requirements, supporting the creation of a future-ready workforce. Our people remain the custodians of our brand promise, and it is through their commitment that the trust our brands have earned over generations continues to be delivered, consistently, to every consumer.

Alongside this, the Group made further headway in succession planning and talent management, mapping critical roles across the business, nurturing internal talent pipelines, and giving high-potential employees the exposure needed to grow into future leadership positions. These efforts are helping build the depth and continuity of capability the Group will need to navigate what lies ahead. As DCSL progresses through its transition journey, we remain focused on shaping a workforce that is skilled, diverse and empowered — one equipped to carry forward our innovation agenda, operational discipline and long-term value creation.

LOOKING AHEAD: 2027 AND BEYOND

DCSL remains positive about the future, underpinned by a strong portfolio of market-leading brands, a diversified product offering, and evolving consumer preferences. The Group will continue to focus on expanding its portfolio, strengthening premium and innovative product offerings, enhancing production capabilities through advanced technologies, and improving operational efficiencies to drive sustainable growth and long-term competitiveness.

We remain committed to investing in consumer insights, research and development, product innovation, and responsible manufacturing practices to meet changing market demands while maintaining the highest standards of quality and safety. Continued investment in employee development will further strengthen our organisational capabilities and support a culture of innovation and operational excellence.

We will also seek to strengthen our presence in both domestic and international markets by leveraging our brand equity, extensive distribution network, and deep industry expertise. Supported by a disciplined approach to governance, sustainability and value creation, the Group is well positioned to capitalise on emerging opportunities and deliver sustainable, long-term returns to all stakeholders. Like our flagship brand, we intend to keep standing the test of time.

ACKNOWLEDGEMENT

I extend my sincere gratitude to our shareholders for their continued trust, confidence and support as we advance through our transition journey. Your continued belief in our strategy and long-term vision remains a source of strength as we pursue sustainable growth opportunities.

To our employees across all business sectors, thank you for your dedication, commitment and resilience. Your professionalism, teamwork and willingness to embrace change have been instrumental in driving our performance and enabling the Group to navigate a dynamic operating environment.

To our customers, business partners, suppliers and other stakeholders, thank you for your continued confidence and valued partnerships, which have enabled us to strengthen our businesses, deliver value, and build lasting relationships.

I also thank the Board of Directors, Board Committees and management teams across the Group for their strategic guidance, leadership and commitment to maintaining the highest standards of governance and excellence, and I acknowledge our regulators, government institutions and all other stakeholders who have supported the Group's continued progress. Together, we look forward to advancing our journey and creating sustainable value in the years ahead.

D. Hasitha S. Jayawardena
Chairman

19th August 2026
Colombo.

BOARD OF DIRECTORS

MR. D. HASITHA S. JAYAWARDENA
Chairman

MR. C. R. JANSZ
Executive Director

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

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

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

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

MR. A. GOONESEKERE
Independent Non-Executive Director

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

MR. L. U. D. FERNANDO
Executive Director

MS. V. J. SENARATNE
Company Secretary - Legal Support Consultant

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 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 and the Deputy Chairman of Melstacorp Group. He is also a Director of Stassen Group and several other companies.

CAPT. K.J. KAHANDA (RETD.)

EXECUTIVE DIRECTOR – MANAGING DIRECTOR

Captain Kahanda joined Distilleries Company of Sri Lanka PLC 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 Melstacorp Group.

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 Loughbourough 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 Lieutenantancy 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 http://www.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, Aitken Spence PLC, Browns Beach Hotels PLC, Aitken Spence Hotel Holdings PLC and the Kingsbury PLC.

MS. D.S.T. JAYAWARDENA

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Stasshani 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.

Appointed to the Board of Distilleries Company of Sri Lanka PLC in 2022, Ms. Jayawardena is also the first female Chairperson in the Aitken Spence Group's 158-year history, and the youngest and first female appointed to the Board of Aitken Spence PLC, Aitken Spence Hotel Holdings PLC and Browns Beach Hotels Limited.

With a career spanning over 15 years at Aitken Spence, she leads and anchors a number of key strategic teams as the Interim Managing Director of Aitken Spence PLC, the Chairperson of Aitken Spence Hotel Managements (Pvt) Ltd., the Deputy Chairperson of Lanka Milk Foods (CWE) PLC., and a Member of the Board of Directors of Stassen Group, Melstacorp PLC, Elpitiya Plantations PLC, and CINEC Campus (Pvt) Ltd.

Appointed to the Executive Board of The Hotel Association of Sri Lanka (THASL), Ms. Stasshani Jayawardena represented THASL at the Ceylon Chamber of Commerce Committee from 2019-2025. She is an Executive Committee Member at the International Chamber of Commerce in Sri Lanka and currently serves as Vice Chairman and a Steering Committee Member of the Ceylon Chamber of Commerce, Tourism Sector.

Ms. Jayawardena has served as the Chairperson of the Employers' Federation of Ceylon (EFC) Hotels and Tourism Employers Group, 2020/21, represented Aitken Spence PLC at the Target Gender Equality initiative of the UN Global Compact, and was appointed to the Board of Directors of the Colombo International Arbitration Centre, Sri Lanka in January 2025.

Throughout her career, she has been recognised with numerous awards, including the Gold Award in the Hotel & Hospitality at The Top 50 Professional & Career Women Awards in Sri Lanka in 2017, the Expatriate Contribution Award – Gold Category – Women in Management Maldives in 2022, the Global CEO Leadership Excellence Awards in 2024 and 2025, the Top50 Professional and Career Women Global Awards 2025, LMD's Emerging Businessperson of the Year for 2025, and for Trailblazing Leadership and Transformational Corporate Stewardship at the CEO of the Year Awards 2025.

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 a 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, Aitken Spence PLC, Madulsima Plantations PLC, Balangoda Plantations PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, UN Global Compact, Ceylon Asset Management Ltd. 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. Ashok Goonesekere brings a distinguished background in financial reporting, financial management, taxation, financial operations and risk management. Holding an MBA from the University of Sri Jayewardenepura (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.

Mr. Ashok 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 extended to board positions at Acuity Partners (Pvt) Ltd, Acuity Stockbrokers (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, he has chaired and actively participated in various board sub-committees. Currently he is on the Board of HNB Life PLC as the Senior Director, on the Board of Pan Asia Banking Corporation PLC as an Independent Non-Executive Director and on the Board of 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 31/12/ 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 at LankaPay (Pvt) Ltd., an Independent Non-Executive Director at Melstacorp PLC and Seylan Bank PLC, an Independent Non-Executive Director at FinTech Consultancy (Pvt) Ltd, Independent Non-Executive Director at HNB Life PLC, R-E-D Capital Asia (Pvt) Ltd. and a Non-Executive Director at HNB General Insurance Limited whilst serving as Chairman of Panasian Power PLC & it's subsidiary companies. He also serves as a member of the Stakeholder Engagement Committee of Central Bank of Sri Lanka. He holds a B.Com. 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 Jayawardenapura. 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 Jayewardenepura, in 1992. Mr. Fernando is an Non Independent Executive Director of Melstacorp PLC. Independent Non-Executive Director of HNB Life PLC, and several other subsidiary entities 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 - LEGAL SUPPORT CONSULTANT

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.V.J. SENARATNE
Company Secretary - Legal Support Consultant

NIMAL NAGAHAWATTE
Senior Vice President - Finance

MS. GAYATHRI CHAKRAVARTHY
Senior Vice President - Human Resources

CAPT. CHULA RANASINGHE (RETD.)
Senior Executive Vice President

BRIG. NALAKA MALSINGHE (RETD.)
Executive Vice President

COL. RANJITH RUPASINGHE (RETD.)
Senior Vice President - Operations

LT. COL. SUSANTHA MARAPANA (RETD.)
Senior Vice President - Southern Region

MAJ.GEN. CHULA ABEYNAYAKA (RETD.) USP
Senior Vice President - Extra Special Heritage Arena

BRIG. THUSHARA FERNANDO (RETD.)
Vice President - Northern Region

ROSHANTH PERERA
Senior Vice President - Transport & Logistics

LALITH RATNAYAKE
Senior Vice President - Inventory Management

DESHABANDU LAKSHMAN BANDARA SSP (RETD.)
Senior Vice President- Corporate Risk Management

CHANDANA BANDARA
Senior Vice President - Internal Audit

CDR. KAPILA PUSHPAKUMARA (RETD.)
Vice President - Procurement

PRASANNA KARUNANAYAKA
Senior Vice President - Information Technology

KAVINDA PIYASEKARA SSP (RETD.)
Vice President – Investigation & Surveillance

MANAGEMENT DISCUSSION & ANALYSIS

Operationally, the year's priority was consolidation. With DCSL Breweries Lanka Ltd (DBL) now a full financial year into the Group, Management focused on merging its warehousing, logistics and sales-force footprint with DCSL's existing network, reducing duplicated overheads and giving the combined portfolio a single route to both modern trade and traditional on-trade outlets.

Standing the Test of Time

The global alcoholic beverage industry continued to navigate a period of structural change in FY 2025/26, shaped by enduring trends such as premiumisation, the steady rise of low- and no-alcohol alternatives, and a consumer base that increasingly prizes heritage, authenticity and provenance over novelty alone. Established brands with genuine, long-standing consumer trust continued to outperform newer entrants, particularly in markets where cost-of-living pressures made consumers more discerning about where they placed their loyalty. At the same time, producers globally contended with elevated input and logistics costs, tightening regulatory and taxation regimes, and growing scrutiny of responsible consumption, prompting continued investment in operational efficiency, portfolio diversification and brand stewardship.

Locally, the operating environment was defined by a step-up in the corporate income tax rate applicable to the alcoholic beverage sector, layered on top of an already elevated excise duty base built up over successive fiscal years. Combined, these two levers now account for a substantially larger share of the industry's cost structure than they did five years ago, compressing net margins even where gross turnover continues to grow. A modest recovery in macro fundamentals — lower inflation and a steadier rupee — has yet to filter through to household spending power, so volume growth in the category has come mainly from holding share and defending price points rather than from category expansion. The unregulated segment of the market remains a structural drag on the legitimate industry: every litre sold outside the excise net is a litre that returns no revenue to the state and undercuts compliant producers on price, which continues to shape how DCSL prioritises distribution reach and price-point coverage across its portfolio.

Operationally, the year's priority was consolidation rather than expansion. With DCSL Breweries Lanka Ltd (DBL) now a full financial year into the Group, management focused on merging its warehousing, logistics and sales-force footprint with DCSL's existing network, reducing duplicated overheads and giving the combined portfolio a single route to both modern trade and traditional on-trade outlets. A second beer brand, Aliya, was added to the range in December 2025, positioned at a different price and occasion than the existing Heineken, Tiger and Bison labels, broadening category coverage rather than competing internally for the same consumer. On the spirits side, the main portfolio action was a packaging change to White Label Arrack — moving to direct screen printing on the bottle — which was primarily a cost and production-efficiency decision, with the shelf-presentation improvement a secondary benefit. Fitch Ratings affirmed DCSL's National Long-Term Rating at AAA(lka), consistent with the Group's low leverage (gearing of 0.01%) and stable cash generation. On the governance side, the Board formed a dedicated Sustainability Sub-Committee during the year, giving climate and sustainability reporting — including preparation for SLFRS S1 and S2 — a standing forum separate from general risk oversight.

DCSL's standalone performance reflected these cross-currents. Gross Turnover increased by 18.3% to Rs. 164.4 billion (FY

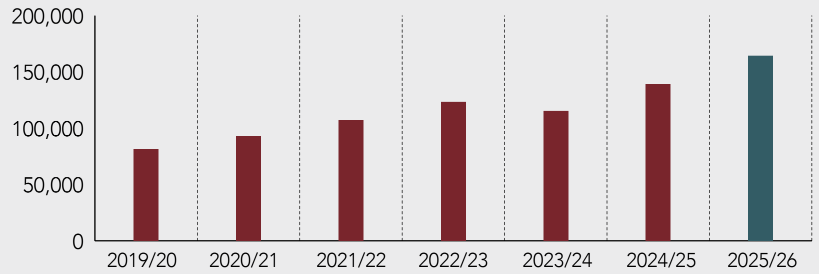
2024/25: Rs. 138.9 billion), while Profit Before Tax rose 4.6% to Rs. 30.3 billion. However, the higher corporate income tax burden applicable to the industry meant income tax expense increased by 18.2% to Rs. 13.5 billion, resulting in Profit After Tax for the Company declining by 4.3% to Rs. 16.8 billion (FY 2024/25: Rs. 17.6 billion). At the Group level, the fuller-year contribution and continued integration of DBL supported a stronger consolidated outcome, with Group Profit Before Tax increasing by 17.1% to Rs. 30.6 billion and Group Profit After Tax increasing by 16.3% to Rs. 17.1 billion, equivalent to basic earnings per share of Rs. 3.71. The Company's total equity rose to Rs. 21.8 billion from Rs. 17.3 billion, and with total borrowings of just Rs. 2.5 million against that equity base, gearing remained close to zero. Three interim dividend payments during the year took total distributions to Rs. 3.00 per share (FY 2024/25: Rs. 2.70), a payout ratio of 81.97% of Company profit. The shares closed the financial year at Rs. 54.50, up from Rs. 36.40 a year earlier, taking market capitalisation to approximately Rs. 250 billion and the trailing price-earnings multiple to 15 times, against 9.50 times at the start of the year.

For FY 2026/27, the key operational swing factors are a full twelve-month run-rate from DBL (versus a partial first year of consolidation) and the initial volume contribution from Aliya, both of which should support top-line growth independent of any pricing action. Management's stated priorities are: completing the remaining integration work between DCSL's and DBL's distribution networks to remove residual cost duplication; continued automation investment at the Seeduwa facility to hold unit production costs down as excise and tax burdens rise; and further work on data-led supply chain planning to reduce inventory days, which stood at 29 days at the 2025/26 year-end. Management has flagged that further movement in the corporate tax or excise regime remains the single largest variable outside the Group's control, and that pricing and portfolio-mix decisions for FY 2026/27 will be calibrated once any such changes are confirmed.

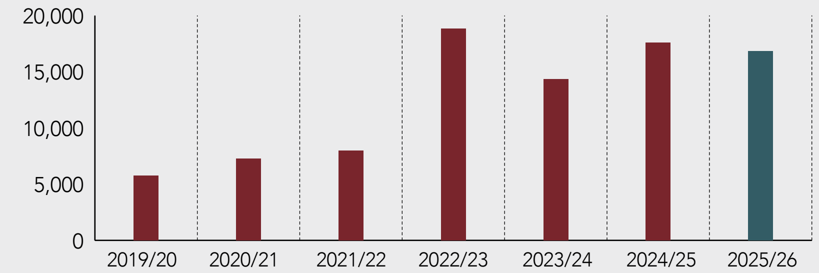
Seven-Year Financial Summary (Company)

Rs.Mn	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Gross Turnover	81,648	92,830	107,057	123,358	115,396	138,940	164,380
Profit After Tax	5,761	7,268	7,986	18,843	14,340	17,596	16,844
Taxes Paid to the State	57,482	68,258	79,279	78,874	78,555	96,856	116,569

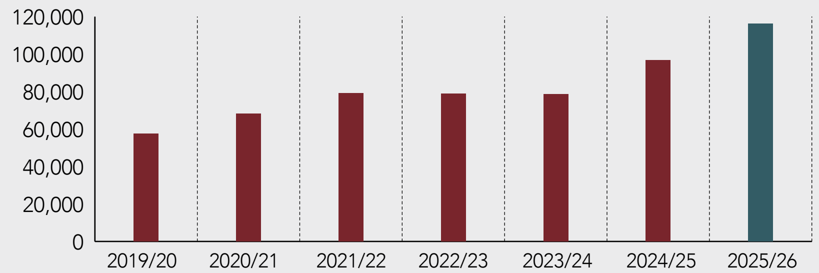
Gross Turnover (Rs. Mn)



Profit After Tax (Rs. Mn)



Taxes Paid to the State (Rs. Mn)



A TAPESTRY OF PRECIOUS MEMORIES

Embarking on a new journey this year

Stronger Together Through Sport – DCSL Sports Tournament 2025

Victory through Teamwork – DCSL Quiz 2025


DCSL Quiz 2025 – Winners – Unicorn

DCSL Quiz 2025 – Runners -up – Central Heroes

"Give to Gain" - International Women's Day - 2026

Learning fuels growth...

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	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. 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.
Role of the Chairman	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.
Role of the Managing Director	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.
Role of the Senior Independent Director	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.
Company Secretary	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 organisation 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.

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 26-31, and their respective roles are outlined below.

Board of Directors	Directorship Status	Attendance at Meetings					
		Board Meetings	Audit and Risk Committee Meetings	Related Party Transactions Review Committee	Nominations and Governance Committee	Remuneration Committee Meetings	Sustainable Committee Meetings
Mr. D. Hasitha S. Jayawardena -Chairman	Executive Director (ED)	4/4	-	-	-	-	-
Mr. C. R. Jansz	Executive Director (ED)	4/4	-	-	-	-	-
Capt.K. J. Kahanda (Retd.) - Managing Director	Executive Director (ED)	3/4	-	-	-	-	-
Mr. N.J. de S. Deva Aditya	Non-Independent Non-Executive Director (NED)	4/4	-	-	-	-	-
Ms. D. S. T. Jayawardena	Non-Independent Non-Executive Director(NED)	4/4	4/4	4/4	3/3	2/2	1/1
Dr. R. A. Fernando	Independent Non-Executive Director (INED)	4/4	4/4	4/4	3/3	2/2	1/1
Mr. A Goonesekere	Independent Non-Executive Director (INED)	4/4	4/4	4/4	3/3	2/2	1/1
Mr. L.H.A.L Silva	Senior Independent Non-Executive Director (SID)	3/4	-	-	3/3	-	1/1
Mr. L.U.D Fernando	Executive Director (ED)	4/4	-	-	-	-	-

** 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 2025/2026. 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.

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

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

The Board is of the view that Mr. Silva's independence is not impaired as per the criteria of CSE rules.

BOARD SUB-COMMITTEES

The Board has delegated certain responsibilities requiring greater attention to Five 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	» Mr. A. Goonesekere - Chairman » Ms. D. S. T. Jayawardena » Dr. R. A. Fernando	» External Audit » Internal Audit » Financial Reporting » Internal Controls and Risk Management » Regulatory Compliance and Ethics
Remuneration Committee	» Dr. R. A. Fernando - Chairman » Ms. D. S. T. Jayawardena » Mr. A. Goonesekere	» Remuneration Policy Development » Compensation Frameworks and Incentives » Performance Evaluation » Service Contracts and Termination Provisions: » Market Benchmarking
Related Party Transactions Review Committee	» Mr. A. Goonesekere - Chairman » Ms. D. S. T. Jayawardena » Dr. R. A. Fernando	» 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	» Dr. R. A. Fernando - Chairman » Ms. D. S. T. Jayawardena » Mr. A. Goonesekere » Mr. L. H. A. L. Silva	» Board Appointments and Re-appointments » Board Structure and Composition » Board and CEO Evaluation » Corporate Governance Framework » Director Independence and Conflicts of Interest
Sustainable Committee	» Ms. D. S. T. Jayawardena - Chairman » Dr. R. A. Fernando » Mr. A. Goonesekere » Mr. L. H. A. L. Silva	» Performance, and stakeholder engagement, » Ensuring compliance and promoting best » practices within the Group

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.

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.
- Mels Automobiles (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
- Milford Holdings (Pvt) Ltd.
- Melsta Hospitals Colombo North (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.
- DSCL 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.

Deputy Chairman

- Melstacorp PLC

Executive Director

- Lanka Power Projects (Pvt) Ltd
- Milford Holdings (Pvt) Ltd.

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
- Mels Automobiles (Pvt) Ltd.
- Periceyl (Pvt) Limited
- DCSL Brewery (Pvt) Ltd.
- Bogo Power (Pvt) Ltd
- DCSL Breweries Lanka Limited
- Balangoda Plantations PLC
- Madulsima Plantations PLC

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 (Private) 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
- Aitken Spence Hotel Managements (Private) Limited
- Aitken Spence Travels (Private) Limited
- A.D.S Resorts Private Limited
- The Galle Heritage (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
- 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.
- Melstacorp PLC
- Aitken Spence Plantation (Fiji) Pte Limited
- Elpitiya Plantations PLC
- Vauxhall Investments (Private) Limited
- Aitken Spence Plantation Managements Limited
- Crest Start (B.V.I) Ltd.
- The Dunsinane Valley Company (Private) Limited
- Aitken Spence Property Developments (Private) Limited
- Vauxhall Property Developments (Private) Limited
- Mels Automobiles (Private) Limited

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

Senior Independent Non-Executive Director

- HNB Life PLC

Independent Non-Executive Director

- Pan Asia Banking Corporation PLC
- Melstacorp PLC

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 Life PLC
- R-E-D Capital Asia (Pvt) Ltd
- Melstacorp PLC
- Manelwala Hydropower (Pvt) Ltd
- Padiyapelella Hydropower Limited
- Panasian Investments (Pvt) Ltd
- Panasian Solar (Pvt) Ltd
- Lower Kothmaleoya Power Two (Pvt) Ltd
- Powergen One (Pvt) Ltd
- Panasian Power Zambia Limited

Non-Executive Director

- HNB General Insurance Ltd.

MR. L. U. D. FERNANDO

Independent Non-Executive Director

- HNB Life PLC

Non Independent Non-Executive Director

- HNB General Insurance Limited

Executive Director

- Melstacorp PLC

Director

- DCSL Breweries Lanka Limited
- DCSL Brewery (Private) Limited
- 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
- Mels Automobile (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 11.1(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 28.3 to the Financial Statements	Compliant

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 polices 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 and Risk Committee (d) Related Party Transactions Review Committee (e) Sustainable 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

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 2026
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 9 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	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 (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 (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	Compliant	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. Refer 'Board Composition' in the Corporate Governance Report of this Annual Report.
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	However, the Articles of Association of the Company were amended to incorporate the requirements set out under Rule 9.9 of the Listing Rules.
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	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: a brief resume of such Director; his/her capacity of directorship; and, Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	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.

CSE Rule	Requirement	Status of Compliance	How We Comply
9.10.4	Directors' details a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members have any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director 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 f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) attendance of board committee meetings i) terms of Reference and powers of Senior Independent Directors	Compliant	a), b) and d) - Refer Board of Directors of this Annual Report 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 e), f), g) and h) - refer in the Corporate Governance Report of this Annual Report h) - Refer Committee Reports of this Annual Report i) – Refer report of the Senior Independent Director
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	(1) The members of the Nominations and Governance 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. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company	Compliant	Refer 'Composition of the Committee' in the Nominations and Governance Committee Repor
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	The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson Nominations and Governance Committee Report shall include the following: (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 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
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

CSE Rule	Requirement	Status of Compliance	How We Comply
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
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

CSE Rule	Requirement	Status of Compliance	How We Comply
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 Committe	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
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

CSE Rule	Requirement	Status of Compliance	How We Comply
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

Enterprise risk management is an integral component of Distilleries Company of Sri Lanka PLC's ("DCSL" or "the Company") governance framework, enabling informed decision-making, safeguarding its licence to operate, and supporting the creation of sustainable long-term value for all stakeholders.

The 2025/26 financial year was characterised by a gradually improving domestic macroeconomic environment, tempered by an increasingly complex and volatile global landscape. Geopolitical tensions, including the resurgence of conflict in the Middle East, contributed to heightened energy prices and disruptions to global supply chains and shipping costs. At the same time, the emergence of El Niño posed significant risks to agricultural productivity and water availability, while persistent currency volatility and inflationary pressures continued to influence operating costs and consumer demand. The rapid and largely unregulated advancement of artificial intelligence also introduced new opportunities alongside evolving cyber, governance and regulatory risks. Against this backdrop, the Company maintained a proactive and resilient approach to risk management, enabling it to respond effectively to emerging challenges while pursuing its strategic objectives.

Embedded within the Company's corporate governance structure, DCSL's Enterprise Risk Management (ERM) framework is closely aligned with its strategic objectives and fosters a culture of risk awareness across every business unit —spirits manufacturing, distribution and brewing. Through continuous monitoring, active Board oversight, and targeted mitigation strategies, DCSL continues to build organisational resilience, positioning the Company to manage uncertainty while pursuing sustainable, long-term growth.

DCSL undertakes continuous horizon scanning of global economic, geopolitical, environmental and technological trends to inform its risk identification process. This draws on the Company's own operating experience, engagement with industry bodies and regulators, and ongoing monitoring of developments across the markets and sectors relevant to its business. The global operating environment during the year was marked by intensifying geopolitical and geoeconomic competition, deepening societal polarisation, accelerating technological disruption, and mounting environmental pressure.

Over the near term, the risks of greatest relevance to DCSL's horizon scanning include geoeconomic confrontation between major trading blocs, the spread of misinformation and disinformation, societal polarisation, extreme weather events, and state-based armed conflict. Cyber insecurity, widening inequality, erosion of human rights and civic freedoms, pollution, and involuntary migration or displacement also remain prominent concerns. Economic risks such as an economic downturn, persistent inflation, and the possibility of asset bubbles bursting have grown in significance, reflecting renewed concern over the stability of global financial conditions.

Over a longer horizon, environmental risks are expected to dominate global concern, with extreme weather events, biodiversity loss and ecosystem collapse, and critical changes to Earth systems presenting the most significant long-term challenges. Misinformation and disinformation, together with the adverse outcomes of artificial intelligence technologies, are also expected to remain prominent, reflecting the growing weight placed on the long-term, largely unchecked trajectory of artificial intelligence.

Several of these global themes translate directly into DCSL's own risk environment. Geopolitical fragmentation and geoeconomic confrontation influence the Company's exposure to energy costs, shipping routes, and the cost of imported raw materials such as malt, hops, glass, and packaging. Environmental and climate-related risks are increasingly relevant to agricultural inputs and water-dependent production processes. The accelerating adoption of artificial intelligence presents opportunities to enhance efficiency and decision-making across the business, while simultaneously widening the Company's exposure to cybersecurity, data governance, and misinformation-related risks. These global signals are actively incorporated into DCSL's risk identification and scenario planning processes.

RISK MANAGEMENT FRAMEWORK

DCSL's Enterprise Risk Management (ERM) framework is the foundation for safeguarding the 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 the Company plans, operates, and makes decisions. The framework continues to be benchmarked against the COSO Enterprise Risk Management framework and reflects the Company's evolving reporting obligations under SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures).

1. Risk Identification and Assessment

DCSL employs 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 — including horizon scanning and continuous monitoring of global risk trends and industry intelligence — enabling the Company to recognise early warning signs before risks escalate. 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, DCSL develops targeted strategies to avoid, transfer, mitigate, or, where appropriate, accept the risk in line with its 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. Mitigation plans are designed to be adaptive, enabling swift adjustments when circumstances change.

3. Risk Monitoring and Reporting

Ongoing vigilance is essential to effective risk management. DCSL maintains robust monitoring mechanisms, including key risk indicators, scenario analyses, and internal audit reviews, to detect emerging threats at an early stage. Results are regularly consolidated and presented to the Audit Committee, the Board, and, where material, escalated to the Melstacorp Group Board Sub-Committee on Risk Management, providing a current, accurate, and forward-looking view of the Company's risk profile.

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 DCSL's ERM framework is regularly reviewed and refined to remain relevant. The Company benchmarks its practices against global standards and industry best practice, drawing on lessons learned from both internal experience and Group-wide experience across Melstacorp's other segments. This commitment to continuous improvement ensures that DCSL's risk management capabilities evolve in step with new challenges, emerging threats, and regulatory developments, enabling the Company to protect and enhance stakeholder value over the long term.

PRINCIPAL RISKS OF 2025/26

The table below provides an at-a-glance, Company-level view of DCSL's principal risks and how the Board's assessment of severity has moved since the prior year. Detailed descriptions and mitigation strategies follow.

Principal Risk	2025/26	2024/25
Regulatory and Taxation Risk	High	High
Market, Currency and Inflation Risk	High	High
Extreme Weather, Climate Change & El Niño Risk	High	Moderate
Misinformation & Disinformation Risk	High	High
Geopolitical & Energy Risk	Moderate	Low
Legal, Compliance & ESG Risk	Moderate	High
Cybersecurity, Technology & AI Risk	Moderate	High
Operational & Supply Chain Risk	Moderate	Moderate
Counterfeiting & Unethical Competition	Moderate	Moderate
Organisational & People Risk	Moderate	Moderate
Financial Risk	Moderate	Low

High Moderate Low

PRINCIPAL RISKS — DETAILED ASSESSMENT

Risk & Impact	Risk Level (2025/26 vs 2024/25)	Mitigation Strategies
Regulatory and Taxation Risk 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. Government fiscal policy under the IMF-supported reform programme continues to prioritise revenue mobilisation, keeping the taxation environment for alcohol under close review. Such changes also risk expanding the illicit alcohol market, diverting sales away from the regulated sector. Growing ESG and sustainability disclosure obligations under SLFRS S1 and S2 add a further compliance dimension.	2025/26: 2024/25:	» 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. » Work with law enforcement and industry bodies to curb illicit and unregulated alcohol trade. » Embed SLFRS S1 and S2 disclosure readiness into Company-wide sustainability reporting processes.
Market, Currency and Inflation Risk Persistent inflation, a higher-for-longer interest rate regime, and currency volatility continue to reduce consumers' disposable income and alter purchasing patterns. Currency depreciation raises the cost of foreign-currency-denominated inputs — including malt, hops, glass, and packaging materials — while revenues remain largely local-currency denominated, placing sustained pressure on margins. Economic slowdowns or shifts in consumption trends can directly impact sales volumes, particularly in discretionary and premium product categories.	2025/26: 2024/25:	» Maintain a balanced and diversified product portfolio to appeal to multiple market segments, from value-driven to premium consumers. » Close monitoring of foreign exchange markets by Group treasury to identify factors affecting exchange rate movements and trends. » Use hedging instruments, where available, to minimise the impact of adverse currency movements. » Diversify the currency composition of input procurement and strengthen supplier relationships to buffer against import cost volatility. » Regularly perform stress tests and scenario analyses to understand resilience to economic shocks and inform capital allocation.
Extreme Weather, Climate Change and El Niño Risk Sri Lanka's Department of Meteorology and international forecasters project a transition to a moderate-strength El Niño event during 2026, with a weaker-than-normal south-west monsoon expected. This directly threatens the availability and cost of locally sourced agricultural inputs, increases pressure on water availability at production facilities, and raises the risk of hydropower-linked electricity supply constraints and tariff increases. More broadly, rising frequency and severity of floods, droughts, and other extreme weather events can disrupt raw material supplies, damage infrastructure, and interrupt production, while triggering stricter environmental regulations and compliance costs.	2025/26: 2024/25:	» Monitor seasonal forecasts from the Department of Meteorology and international agencies to inform sourcing, production, and inventory decisions. » Invest in climate-resilient infrastructure and water management systems across production facilities. » Adopt sustainable and diversified sourcing practices to reduce sensitivity to any single input or supplier. » Maintain compliance with environmental regulations and participate in industry-led sustainability initiatives. » Develop contingency plans for extreme weather scenarios, including buffer stocks of key agricultural inputs.

High Moderate Low

ENTERPRISE RISK MANAGEMENT

Risk & Impact	Risk Level (2025/26 vs 2024/25)	Mitigation Strategies
Misinformation and Disinformation Risk False or misleading information spread through digital platforms can damage brand reputation, erode consumer trust, and reduce market confidence. Misinformation and disinformation remain among the most significant risks facing businesses and institutions globally, underscoring the scale of the challenge. Inaccurate narratives about product quality or company conduct can spread rapidly, creating a need for immediate and credible responses, a risk of particular relevance given the social sensitivity of the alcohol beverage industry.	2025/26: ○ 2024/25: ○	» 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 consumers through transparent, fact-based communication and responsible-consumption campaigns. » Maintain ready-to-deploy crisis communication plans for transparent, timely responses.
Geopolitical and Energy Risk Political instability, sanctions, cross-border trade restrictions, and diplomatic tensions can disrupt supply chains, delay shipments, and restrict market access. The Middle East conflict's spillover into global energy and shipping markets has raised fuel and freight costs, with direct implications for the cost of importing glass, malt, hops, and other packaging and production inputs, as well as for domestic electricity tariffs. While DCSL's direct exposure to geopolitical shocks is more indirect than segments such as Tourism or Logistics, the cost pass-through effects remain material.	2025/26: ○ 2024/25: ○	» Closely monitor geopolitical developments and assess their potential operational and cost impact. » Diversify sourcing channels and establish alternative suppliers to reduce dependency on single markets or shipping routes. » Maintain adequate input stock levels and real-time monitoring of price movements and supply availability. » Develop contingency plans to ensure operational continuity, including alternative freight routing. » Maintain regular dialogue with government agencies to anticipate and address policy changes.
Legal, Compliance and ESG Risk 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, alongside growing ESG and sustainability disclosure obligations under SLFRS S1 and S2 that require enhanced governance, data collection, and reporting capability across the Company.	2025/26: ○ 2024/25: ○	» Enforce strong compliance programmes 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. » Embed ESG accountability across the Company, ensuring policies are consistently applied and monitored ahead of SLFRS S1/S2 reporting timelines.
Cybersecurity, Technology and AI Risk Increasing dependence on digital systems exposes DCSL 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. The rapid, largely unchecked global adoption of artificial intelligence is amplifying these risks further while also raising new governance and ethical considerations around automated decision-making.	2025/26: ○ 2024/25: ○	» 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. » Establish clear AI governance protocols and ensure strict compliance with Sri Lanka's Data Protection Act.

○ High ○ Moderate ○ Low

Risk & Impact	Risk Level (2025/26 vs 2024/25)	Mitigation Strategies
Operational and Supply Chain Risk 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. Instability in global energy markets, driven in part by geopolitical tensions in the Middle East, constrains the availability and cost of fuel and energy, while dependence on global procurement and shipping networks exposes DCSL to delays, shortages, and increased freight costs. Unexpected equipment failures or process bottlenecks can further impact performance.	2025/26: Moderate 2024/25: Moderate	» Establish long-term supplier agreements to secure consistent material supply and pricing stability. » Build a resilient, multi-sourced supplier and carrier network with alternative sourcing options. » Continuously optimise operations through technology upgrades and process improvements. » Invest in automation to improve productivity and reduce reliance on manual processes. » Reduce dependency on vulnerable energy sources by adopting renewable and energy-efficient alternatives.
Counterfeiting and 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, compounding the risks posed by the illicit alcohol trade referenced under Regulatory and Taxation Risk.	2025/26: Moderate 2024/25: 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.
Organisational and People Risk 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, particularly across specialised manufacturing and technical roles.	2025/26: Moderate 2024/25: Moderate	» Offer competitive remuneration and benefits to attract top talent. » Implement leadership development programmes and succession planning frameworks. » Promote employee engagement through recognition programmes, career growth opportunities, and inclusive workplace policies. » Invest in continuous training, upskilling, and cross-training programmes to build a flexible, competent workforce.
Financial Risk 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, particularly for planned investments in capacity, automation, and sustainability initiatives.	2025/26: Moderate 2024/25: 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. » Regularly perform stress tests and scenario analyses to inform capital allocation decisions.

High Moderate Low

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. 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.

During the financial year 2025/26, the Company complied with the requirements relating to separate meetings of Directors. Meetings of the Independent Directors were held separately, without the presence of other Directors, to facilitate independent discussion on matters relevant to their roles and responsibilities. In addition, separate meetings of the Non-Executive Directors were also convened without the presence of Executive Directors, in accordance with the requirements of Rule 9.6.3(b) of the Listing Rules.

L. H. A. Lakshman Silva
Senior Independent Director

19th August 2026
Colombo.

AUDIT & RISK COMMITTEE REPORT

The Audit Committee is responsible for assisting the Board in its oversight of the integrity of the Group's financial reporting, internal control systems, internal and external audit functions, and compliance with legal and regulatory requirements.

COMPOSITION OF THE COMMITTEE

Mr. A. Goonesekere – Chairman . . . . ○
Ms. D.S.T. Jayawardena. . . . . ○
Dr. R. A. Fernando . . . . ○

○ *Independent non-executive*
○ *Non-Independent non-executive*

COMMITTEE MEETINGS

The Audit Committee functioned throughout the financial year and held four meetings, all of which were conducted physically. Committee members attended the meetings either physically or virtually. Attending the meetings of the Audit Committee by invitation were several Executive Directors, the Group Chief Executive Officer (w.e.f. 1st December 2025), the Group Financial Controller, the Senior Vice President – Finance, and the Senior Vice President – Internal Audit of the Company. 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. The attendance of members at the Audit Committee meetings during the year under review is set out on page 40 of the Corporate Governance Report.

RESPONSIBILITIES OF THE COMMITTEE

» Ensuring the integrity and accuracy of the financial statements by reviewing significant accounting policies, complex transactions, and management judgments. The Committee ensures that the quarterly and annual financial statements comply with Sri Lanka Accounting Standards, the Companies Act, SEC regulations, and other applicable requirements.

» Overseeing the internal audit function, including approval of the audit charter, annual plans, and resources. The Committee assesses the effectiveness of internal controls and risk management processes, reviews significant findings, and ensures management implements timely corrective actions.

» Evaluating the independence, objectivity, and performance of external auditors, recommending appointments or removal, approving remuneration, and monitoring coordination with the Internal Audit function. The Committee reviews policies on non-audit services to safeguard auditor independence.

» Reviewing the Company's risk management framework and internal controls to ensure significant risks and deficiencies are identified and addressed. The Committee monitors compliance with laws, regulations, and the Company's code of conduct, including procedures relating to whistleblowing, fraud detection, and reporting of non-compliance.

» Keeping the Board regularly informed of Committee activities, maintaining open communication with auditors, and preparing the Audit Committee Report for inclusion in the Annual Report, summarising how responsibilities were discharged and assurances received from management and auditors.

» Undertaking additional duties as assigned by the Board, including special investigations, reviewing internal controls to prevent the leakage of material information, evaluating its own performance, and annually reviewing and updating its Terms of Reference to ensure alignment with governance best practices and regulatory requirements.

ACTIVITIES DURING THE FINANCIAL YEAR 2025/2026

Financial Reporting and Financial Control

» Reviewed the Group's quarterly and annual financial statements, focusing on the following aspects:

 – Adequacy of disclosures.

 – Consistency and appropriateness of the accounting policies adopted.

 – Major areas involving management judgement to ensure compliance with the Companies Act No. 7 of 2007.

 – Adherence to applicable Sri Lanka Accounting Standards and other accounting standards in jurisdictions where each subsidiary operates, compliance with the Listing Rules of the Colombo Stock Exchange.

 – Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

 – Meeting requirements of other regulatory bodies applicable to the Group.

 – Discussion with management on future accounting developments likely to affect the financial statements.

» Reviewed the integrity of the Group's published financial information, including all significant financial judgements made by management.

External Audit

» Reviewed and monitored the relationship with the External Auditors, including their appointment, independence, remuneration, tenure, rotation of the engagement partner, and engagement for non-audit services.

» Assessed the effectiveness and progress of the External Auditors and the overall audit process.

AUDIT & RISK COMMITTEE REPORT

- The Committee met with the External Auditors without management present.
- Discussed the audited financial statements with the External Auditors and ensured that they were prepared in conformity with Sri Lanka Accounting Standards and other applicable regulatory requirements.
- Reviewed and discussed the External Auditor's findings and directed management to take appropriate follow-up actions on the matters highlighted therein.

Internal Audit

- Reviewed and approved the annual audit plan, considering its depth and coverage.
- Assessed the operation and effectiveness of the Group Internal Audit function in terms of independence, competency, performance, and adequacy of resources.
- Ensured ongoing coordination between the Group Internal Audit department and the External Auditors.
- Reviewed and discussed audit reports submitted by the Internal Audit department, including management responses, covering financial and operational audits, information security, and risk assessments conducted in accordance with the approved annual audit plan.

Reporting

- The Chairman of the Audit Committee reports to the Board at each Board meeting on the Committee's activities. Minutes of the Committee meetings are also tabled at the Board meetings.
- The Annual Report includes the Audit & Risk Committee Report.
- The Chairman of the Audit & Risk Committee attends the Annual General Meeting.
- The Committee has obtained assurances from the Group Chief Executive Officer, Senior Vice President-Finance, and other senior management personnel that the financial records have been properly maintained and that the 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 appropriate channels.

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

The Committee reviewed all transactions with the External Auditors and ensured that no significant or material transactions existed between the External Auditors and any company within the Group. Furthermore, the Committee confirmed that the External Auditors do not hold any shares in the Group.

The Committee also obtained written assurance from the External Auditors, confirming that they have remained independent throughout the conduct of the audit engagement in accordance with all relevant professional and regulatory requirements.

Having considered the absence of significant transactions between the External Auditors and the Group companies, the lack of shareholding by the External Auditors, and the periodic rotation of the Audit Partner, the Committee noted that Messrs. KPMG, Chartered Accountants, are independent and eligible for re-appointment as the External Auditors of the Group.

Although the External Auditor has been engaged since the Company's inception, the Audit Partner overseeing the audit has changed.

In light of the above, the Committee recommends to the Board that Messrs. KPMG, Chartered Accountants, be re-appointed as the External Auditors of the Group for the current financial year, subject to the approval of shareholders at the forthcoming Annual General Meeting.

THE YEAR AHEAD

Looking forward to the financial year 2026/2027, the Committee's key priorities will include overseeing the Group's internal control processes, continuing to monitoring the impacts of sustainability-related matters and climate change, and adopting a proactive approach to anticipate and prepare for any legislative or regulatory changes.

A. Goonesekere
Chairman

19th August 2026
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

Dr. R. A. Fernando - Chairman

Ms. D.S.T. Jayawardena

Mr. A. Goonesekere

Independent non-executive

Non-Independent non-executive

COMMITTEE MEETINGS

The Remuneration Committee functioned throughout the financial year and held two meetings, which were held physically at the Company offices. The attendance of the members at the Remuneration Committee meetings during the year under review is in page 40 of the Corporate Governance Report.

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.

RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee assists the Board in fulfilling its responsibilities relating to the remuneration of the Chairman, Executive Directors, Non-Executive Directors, and Key Management Personnel (KMP).In executing its mandate, the Committee is responsible for:

» Developing, recommending, and overseeing the Company's remuneration policy, ensuring it supports the Group's strategic objectives, promotes sustainable long-term value creation, and aligns the interests of shareholders.

» Reviewing and recommending remuneration packages for the Chairman, Executive Directors, and KMP, ensuring fairness, competitiveness, performance-linkage, and alignment with market benchmarks and governance requirements.

» Reviewing and recommending incentive structures, including performance bonuses, equity-based awards, pension rights, and other long-term incentive plans, to ensure that rewards align with sustained performance and prudent risk management.

» Reviewing the performance of the CEO and Executive Directors in consultation with the Board, and monitoring senior management evaluation processes to ensure consistency, fairness, and transparency.

» Overseeing senior management succession planning and development programs, and monitoring policies that support the retention of high-calibre talent across the Group.

» Reviewing and recommending terms of service contracts for Executive Directors and KMP, including provisions for early termination, ensuring alignment with governance principles and shareholder interests.

» Periodically reviewing remuneration levels against comparable companies and industry benchmarks, at least once every three years or sooner if market conditions warrant.

» Making recommendations to the Board on the remuneration of Non-Executive Directors, which is ultimately determined by the Board collectively.

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.

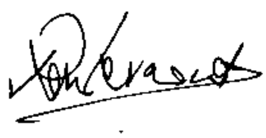
» Overseeing performance appraisal processes for leadership and linking outcomes to rewards.

» 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 NONEXECUTIVE DIRECTORS

Aggregate remuneration paid to the Executive Directors and Non-Executive Directors for the financial year 2025/2026 has been disclosed under Note 8 on page 106 of the Annual Report.



Dr. R. A. Fernando
Chairman

19th August 2026
Colombo.

RELATED PARTY TRANSACTIONS REVIEW 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

Mr. A. Goonesekere – Chairman . . . .

Ms. D.S.T. Jayawardena. . . . .

Dr. R. A. Fernando . . . .

Independent non-executive

Non-Independent non-executive

COMMITTEE MEETINGS

The Related Party Transactions Review functioned throughout the financial year and held four meetings, all of which were conducted physically. Committee members attended the meetings either physically or virtually. The attendance of the members at the Committee meetings during the year under review is in page 40 of the Corporate Governance Report.

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:

» Evaluate all proposed Related Party Transactions on a quarterly basis and recommend to management and the Board the appropriate course of action to ensure compliance with the Listing Rules of the Colombo Stock Exchange.

» Review any post-quarter confirmations on Related Party Transactions.

» Assess the thresholds for Related Party Transactions that require either shareholders' approval or immediate market disclosure, as applicable.

» Review and determine the criteria for identifying Key Management Personnel.

» Regularly report to the Board on the Committee's activities and findings.

ACTIVITIES DURING THE FINANCIAL YEAR 2025/2026

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. No such transactions exceeded the prescribed threshold during the year under review.

» 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. No such transactions exceeded the prescribed threshold during the year under review.

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 2026.

» 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

19th August 2026
Colombo.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations Committee of the Company was renamed as the Nominations and Governance in compliance with Rule 9.11.1 of the Listing Rules of the Colombo Stock Exchange.

COMPOSITION OF THE COMMITTEE

Dr. R. A. Fernando - Chairman ⭘ (Independent non-executive)
Ms. D.S.T. Jayawardena ⭘ (Non-Independent non-executive)
Mr. A. Goonesekere ⭘ (Independent non-executive)
Mr. L.H.A.L. Silva ⭘ (Independent non-executive)

Independent non-executive
Non-Independent non-executive

COMMITTEE MEETINGS

The Nominations and Governance Committee functioned throughout the financial year and held two meetings, which were held physically at the Company offices. The attendance of the members at the Committee meetings during the year under review is in page 40 of the Corporate Governance Report.

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 Distilleries Company of Sri Lanka 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 2025/26, 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 Stock Exchange. The Committee determined that three out of its ten members of the Board of 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 one-third of the Directors, excluding the Managing Director or Director appointed to any executive office or nominee Director retire by rotation and, upon being

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

eligible, submit themselves for re-election at the Annual General Meeting. Accordingly, Mr. A. Goonesekere 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 15th September 2026.

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 to 31 and the Corporate Governance report on pages 38 to 54.

Dr. R. A. Fernando
Chairman

19th August 2026
Colombo.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

GENERAL

The Board of Directors of Distilleries Company of Sri Lanka PLC is pleased to present the Annual Report and Audited Financial Statements of the Company for the financial year ended 31st March 2026. This Report has been prepared in accordance with the applicable requirements of the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka, together with relevant accounting and reporting practices. It provides stakeholders with comprehensive information on the Company's financial performance, governance, operations and other matters relevant to the year under review.

PRINCIPAL BUSINESS ACTIVITIES

The principal activities of Distilleries Company of Sri Lanka PLC are distillation, manufacture, brewing 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 94 to 104 and under the respective notes to the Financial Statements given on pages 86 to 93 of this Report.

REVENUE

The gross revenue generated by the company during the year amounted to Rs. 164,380 Mn (2024/25 – Rs. 138,940 Mn). The Group revenue was Rs. 164,419 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. 16,844 Mn (2024/25 – Rs. 17,596 Mn). The Group reported a profit after tax of Rs. 17,065 Mn. The Board of Directors declared three interim dividends totalling Rs. 3 per share for the year ending 31st March 2026 (2024/25 - Rs. 3.00 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. 1.9 Mn (2024/25 – Rs. 0.6 Mn)

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Group for the year ended 31st March 2026 approved by the Board of Directors on 19th August 2026 are given on pages 86 to 93.

AUDIT REPORT

The Auditor's Report on the Financial Statements of the Company and Group is given on pages 81 to 85.

INVESTMENTS

Total investments of the Company amounted to Rs. 5,511 Mn (2024/25 – Rs. 4,359 Mn). The details of the investments are given in Note 15 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 2026 was Rs. 6,987 Mn (2024/25 – Rs. 5,214Mn) and Rs. 9,635 Mn (2024/25 – Rs. 7,462 Mn). Total capital expenditure during the year for acquisition of property, plant and equipment by the Company and the Group amounted to Rs. 852 Mn (2024/25 – Rs. 36 Mn) and Rs. 1,440 Mn (2024/25 – Rs.352 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 2026. 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 2026 was Rs. 3,000 Mn consisting of 4,600 Mn Ordinary Shares. The total Company Reserves as at 31st March 2026 amounted to Rs. 18,791 Mn (2024/25 – Rs. 14,332 Mn) comprising of Capital Reserves of Rs. 2,708 Mn (2024/25 – Rs. 2,708 Mn) and Revenue Reserves & Retained Earnings of Rs. 16,083 Mn (2024/25- Rs. 11,624 Mn). The total Group Reserves as at 31st March 2026 amounted to Rs. 15,822 Mn, (2024/25 - Rs. 11,406 Mn) comprising Capital Reserves of Rs. 2,686 Mn (2024/25 - Rs. 2,686 Mn), Revenue Reserves and Retained Earnings of Rs. 13,136 Mn (2024/25 - Rs. 8,720 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 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 controls, is satisfied that appropriate systems and measures were in place and operating effectively as 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 61 to 62 of this Annual Report.

CAPITAL AND OTHER COMMITMENTS

Contingent liabilities and capital commitments are disclosed in Notes 29 to 30 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 32 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 2026 was 983 (2024/25 – 953) and 1200 (2024/25 – 1,196) 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 2025/2026 are given below. The brief profiles of the Board of Directors are given on pages 26 to 31 of this Annual Report.

Executive Directors

- Mr. D. Hasitha S. Jayawardena
- Mr. C. R. Jansz
- Capt. K. J. Kahanda (Retd.)
- Mr. M. A. N. S. Perera (Resigned w.e.f. 18th September 2025)
- Mr. L. U. D. Fernando

Non-Independent Non-Executive Directors

- Mr. N. J. de S. Deva Aditya
- Ms. D. S. T. Jayawardena

Independent Non-Executive Directors

- Dr. R. A. Fernando
- Mr. A. Goonesekere
- Mr. L. H. A. L. Silva

All of the above Directors held office during the entire year.

The basis on which Directors are classified as Independent Non- Executive Directors is discussed on page 48 of the Corporate Governance Report. The company continues to have a Senior Independent Director in compliance with Section 9.6.3 of the Governance rules of the Colombo Stock Exchange. The roles and responsibilities of the Senior Independent Director are given in the statement by the Senior Independent Director on page 60.

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
Audit Committee	» Mr. A. Goonesekere – Chairman » Ms. D. S. T. Jayawardena » Dr. R. A. Fernando
Remuneration Committee	» Dr. R. A. Fernando – Chairman » Ms. D. S. T. Jayawardena » Mr. A. Goonesekere
Related Party Transactions Review Committee	» Mr. A. Goonesekere – Chairman » Ms. D. S. T. Jayawardena » Dr. R. A. Fernando
Nominations and Governance Committee	» Dr. R. A. Fernando – Chairman » Ms. D. S. T. Jayawardena » Mr. A. Goonesekere » Mr. L. H. A. L. Silva
Sustainable Committee	» Ms. D. S. T. Jayawardena – Chairman » Dr. R. A. Fernando » Mr. A. Goonesekere » 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 reappointment 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.

Mr. Ashok Goonesekere 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.

DIRECTORS' SHAREHOLDINGS

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

As at 31st March	2026	2025
Mr. D. Hasitha S. Jayawardena	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
Ms. D. S. T. Jayawardena	11,437	11,437
Mr. M. A. N. S. Perera (Resigned w.e.f. 18th September 2025)	Nil	Nil
Dr. R. A. Fernando	Nil	Nil
Mr. A. Goonesekere	Nil	Nil
Mr. L. H. A. L. Silva	2,370	2,370
Mr. L. U. D. Fernando	Nil	Nil

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

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 2026 are disclosed in Note 08 to the Financial Statements.

RELATED PARTY TRANSACTIONS

Related Party Transactions of the Company are disclosed in Note 28.3 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 no 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 2026. There were no Non- Recurrent Related Party Transactions which in aggregate value exceeding 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 2026, which not 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 38 to 54 of the Corporate Governance Report of this Annual Report.

SUSTAINABILITY REPORTING

The Group has prepared its inaugural sustainability-related financial disclosures for the year ended 31st March 2026 in accordance with SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures. The disclosures provide information on the Group's governance, strategy, risk management, climate-related risks and opportunities,

ANNUAL REPORT OF THE BOARD OF DIRECTORS

and relevant metrics and targets. The Board remains committed to strengthening the Group's sustainability reporting practices and progressively enhancing the quality and scope of sustainability-related information in line with the requirements of the Standards.

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 148 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 2027. 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 15th September 2026 at 10.00 a.m. The Notice of Meeting appears on page 154 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. Senaratne
Company Secretary

19th August 2026
Colombo.

SLFRS S1 & SLFRS S2 SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

1. BASIS OF PREPARATION OF THE SLFRS S1 AND SLFRS S2 SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Distilleries Company of Sri Lanka PLC ("DCSL" or "the Company") has prepared this, its inaugural set of sustainability-related financial disclosures, in accordance with SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures, as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and aligned to the IFRS Sustainability Disclosure Standards issued by the ISSB.

Reporting Entity

The reporting entity is Distilleries Company of Sri Lanka PLC and its subsidiaries ("the DCSL Group" or "the Group"), consistent with the reporting entity used in DCSL's consolidated financial statements. DCSL is Sri Lanka's leading alcoholic beverage company, listed on the CSE (DIST.N0000), and holds an AAA(lka) national long-term rating from Fitch Ratings. DCSL is a 92.44% owned subsidiary of Melstacorp PLC and constitutes Melstacorp Group's flagship Beverages sector, historically its single largest revenue and profit contributor.

DCSL's principal operations comprise:

Distilled Spirits - manufacture and distribution of arrack (e.g. Extra Special, White Label, Old Arrack, Double Distilled, Coconut Arrack ranges) and other hard liquor, produced principally at DCSL's automated Seeduwa manufacturing facility, and Sri Lanka's foremost market leader in this category

International Wines & Spirits - distribution/ agency representation of international brands including Chivas Regal and Jameson Irish Whiskey (via the Pernod Ricard partnership through Periceyl (Pvt) Ltd), and a wine and spirits portfolio including Grand Chais de France, Buronga Hill, Taittinger, Old Pulteney and Speyburn

Beer - DCSL Breweries Lanka Limited ("DBL"), formerly Heineken Lanka Limited, acquired (99.4%) from Heineken Asia Pacific Pte Ltd in 2024, marketing Heineken, Tiger, Anchor and Bison under trademark licence, together with DCSL's own brewed range (DCSL Lager, DCSL Strong, DCSL Stout)

For FY2025/26 the DCSL Group reported consolidated revenue of Rs. 164.4 billion (Rs. 141.3 billion in FY2024/25) and profit after tax of Rs. 17.1 billion. At Company level, gross turnover was Rs. 164.4 billion, excise duty Rs. 102.9 billion (net turnover Rs. 61.5 billion), profit before tax Rs. 30.3 billion, profit after tax Rs. 16.8 billion, total assets Rs. 49.2 billion, shareholders' funds Rs. 21.8 billion and 983 employees. These figures underpin the materiality thresholds set out below and will be superseded by DCSL's FY2025/26 audited results.

Organisation Boundary

The organisation boundary for sustainability-related disclosures (excluding GHG emissions) is consistent with DCSL's financial consolidation boundary and covers DCSL PLC and all subsidiaries and operations it controls, principally DCSL Breweries Lanka Limited, Periceyl (Pvt) Ltd and DCSL Brewery (Pvt) Ltd. The boundary for GHG emissions is defined separately under an operational control approach, consistent with SLFRS S2 and the GHG Protocol: Scope 1 and Scope 2 emissions are reported for operations over which DCSL can implement operating and environmental management policies (principally the Seeduwa manufacturing plant, DBL's brewing operations, distribution fleet and warehousing), while Scope 3 emissions are reported for relevant material value-chain categories, including upstream agricultural inputs, packaging materials, and downstream distribution and retail.

Value Chain

DCSL's value chain spans upstream suppliers (coconut toddy/treacle and molasses for arrack production, malt, hops and grain for beer, imported bulk spirits and finished wine/spirits for the international portfolio, glass bottles, PET and packaging materials, and energy and water utilities), DCSL's own manufacturing and blending operations (principally at Seeduwa) and DBL's brewing operations, and downstream distributors, retail and on-trade outlets, and consumers across Sri Lanka. A smaller export component exists through the international wine and spirits agency arrangements.

Materiality

Consistent with the Group-wide approach adopted across Melstacorp Group and endorsed by the DCSL Board Sustainability Sub-Committee, DCSL applies financial materiality in accordance with SLFRS when preparing its sustainability-related financial disclosures. Information is treated as material where its omission, misstatement or obscuring could reasonably be expected to influence the decisions that primary users of general-purpose financial reports make on the basis of those reports.

The Board of Directors of DCSL, on the recommendation of the Board Sustainability Sub-Committee (Board Paper of 21st June 2026), has approved the following financial materiality thresholds, assessed on Profit Before Tax ("PBT") and Total Assets:

Description	Financial Impact Threshold	Approximate Value (LKR)
Severe	7.5% impact to PBT / Total Assets	PBT: Rs 2.3 Bn / Assets: Rs 3.7 Bn
Significant (material threshold)	5.0% impact to PBT / Total Assets	PBT: Rs 1 5 Bn / Assets: Rs 2.5 Bn
Moderate	3.0% impact to PBT / Total Assets	PBT: Rs 0.9 Bn / Assets: Rs 1.5 Bn
Minor	1.0% impact to PBT / Total Assets	PBT: Rs 0 3 Bn / Assets: Rs 0 5 Bn
Negligible	Below 1.0% impact	Not Material

SLFRS S1 & SLFRS S2 SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

5% of average PBT (preceding three financial years) is approximately Rs. 1.4 billion, and 5% of Total Assets as at 31st March 2026 is approximately Rs. 2.46 billion (both consistent with DCSL Company-level financial data; DCSL Company total assets were Rs. 49.2 billion at 31st March 2026). Sustainability-related and climate-related risks and opportunities assessed as "Significant" or above are treated as material for reporting and governance purposes under SLFRS S1 and S2.

In addition to these quantitative thresholds, the Board considers qualitative factors including regulatory, legal and compliance implications (particularly excise and tax policy, a dominant driver of DCSL's operating environment), impact on reputation, brand value and stakeholder confidence, alignment with strategic objectives, impact on employees, customers, suppliers and communities, and matters identified through stakeholder engagement and industry benchmarking. A risk or opportunity may be treated as material even where quantitative thresholds are not met, if its qualitative impact is assessed as significant by Management and the Board Sustainability Sub-Committee.

Judgments and Measurement Uncertainties

In preparing these disclosures, DCSL exercises significant judgement in identifying climate-related risks and opportunities, determining materiality, and selecting appropriate metrics and methodologies. DCSL applies the concept of proportionality, using reasonable and supportable information available without undue cost or effort. Estimates and assumptions - particularly those relating to climate impacts and greenhouse gas emissions from DCSL's manufacturing, brewing, and distribution operations - remain subject to uncertainty due to data limitations, evolving methodologies and forward-looking assumptions, and will be refined in future reporting periods as DCSL builds out its own emissions inventory.

Assessment Criteria

Climate-related risks and opportunities are assessed using a five-point likelihood scale (Negligible to Very High) and a seven-category impact assessment (inventory, equipment, buildings, people, data, business operations and supply chain), producing a combined risk score used to classify risks as Low, Moderate, High or Very High/Ultra-high, consistent with DCSL's Enterprise Risk Management (ERM) framework.

Description	Probability of Occurrence
Very Likely	81% – 100%
Likely	61% – 80%
Possible	41% – 60%
Unlikely	21% – 40%
Very Unlikely	0% – 20%

Sources of Guidance

- In applying SLFRS S1 and SLFRS S2, DCSL has had regard to:
- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- SLFRS S2 – Climate-related Disclosures
- Relevant SASB industry standards (e.g., Alcoholic Beverages, Non-Alcoholic Beverages, Meat, Poultry & Dairy / Processed Foods supply-chain guidance as applicable to agricultural inputs)
- The Preparers' Guide to SLFRS S1 & S2 issued by CA Sri Lanka
- IPCC Sixth Assessment Report (AR6),
- Global Reporting Initiative (GRI) Standards and the Gender Reporting Framework issued by CA Sri Lanka
- Hazard and disaster data issued by the Disaster Management Centre, Sri Lanka

Reporting Period

This report covers the 12-month period ending 31st March 2026, consistent with DCSL's financial year end and that of its ultimate parent, Melstacorp PLC.

Time Horizon

Time Horizon	Period	Definition
Short Term (S)	1 Year	Financial Year 2026/27
Medium Term (M)	2–5 Years	Financial Years 2027/28 to 2030/31
Long Term (L)	Beyond 5 Years	Financial Year 2031/32 onwards

The short-term horizon aligns with DCSL's annual budgeting cycle; the medium-term horizon corresponds with strategic planning, capital investment (including brewing capacity) and funding decisions; the long-term horizon supports assessment of emerging risks and opportunities beyond the current strategic planning cycle, consistent with the time horizons approved by the Melstacorp Group Board for Group-wide application.

Functional Currency

All financial materiality assessments for sustainability-related risks and opportunities are evaluated and presented in Sri Lankan Rupees (LKR), DCSL's functional and reporting currency.

2. TRANSITION RELIEFS APPLIED

As this is the first year of adoption of the SLFRS Sustainability Disclosure Standards, DCSL applies the following transitional reliefs, consistent with the Group-wide approach adopted by Melstacorp PLC and by early-adopting fellow Group companies such as Aitken Spence PLC:

SLFRS S1 – Transitional Reliefs

- Date of initial application set as 1st April 2025, being the beginning of the annual reporting period ending 31st March 2026
- Comparative information relief (SLFRS S1:E3) - no comparative sustainability-related financial information presented for the preceding reporting period
- Relief from disclosing comparative information for climate-related risks and opportunities in the first annual reporting period (SLFRS S1:E5/E6)
- Climate-only disclosure transition relief - in its first year, DCSL limits sustainability-related financial disclosures beyond climate to what is required under SLFRS S2
- Use of reasonable and supportable information without undue cost or effort (SLFRS S1:37, B8–B10)

SLFRS S2 – Transitional Reliefs

- Two-year relief period for climate resilience disclosures, including scenario analysis (SLFRS S2:22) - DCSL has not yet completed a full quantitative climate scenario analysis and will progressively build this capability, drawing on methodology and lessons from Aitken Spence PLC's Group-wide SBTi-validated approach
- Comparative information relief (SLFRS S2:C3) - climate-related disclosures relate solely to the current reporting period
- Transition relief on anticipated financial effects (SLFRS S2:15(b)) - disclosure of anticipated (forward-looking) financial effects of climate-related risks and opportunities is deferred for a two-year period following initial application; disclosures for the current period focus on current-year financial effects (SLFRS S2:15(a))

At the reporting date, no climate-related risks or opportunities are expected to have resulted in material adjustments to the carrying values of DCSL's assets or liabilities. This should be confirmed against DCSL's own impairment and going-concern assessments for FY2025/26.

3. SUSTAINABILITY GOVERNANCE FRAMEWORK

i. Board Oversight of Climate-Related Risks and Opportunities (CRROs)

The DCSL Board of Directors holds ultimate authority and responsibility for climate-related risks, opportunities and their alignment with the Company's risk appetite. DCSL's governance structure comprises the Board of Directors, which is supported by four Board Sub-Committees (Audit & Risk Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee), and a Board Sustainability Sub-Committee established to oversee the implementation of SLFRS S1 and S2. The roles of Chairman and Managing Director are segregated, and a Senior Independent Director has been appointed given the Chairman's executive role, in line with CSE Listing Rule 9.6.3.

The Board is informed of climate-related issues through DCSL's Enterprise Risk Management (ERM) framework, management reporting, and Board/Audit & Risk Committee reviews. The Board considers climate-related issues when reviewing and guiding strategy, major plans of action (including the 2024 acquisition of Heineken Lanka/DBL), risk management policies, annual budgets and business plans, and when overseeing major capital expenditure such as investment in the Seeduwa manufacturing facility and brewing capacity.

ii. Management's Role in Assessing and Managing CRROs

Implementation responsibility is delegated to DCSL's Senior Management team, led by the Managing Director and supported by the Senior Vice President – Finance, the Senior Vice President – Corporate Risk Management, and regional/functional Senior Vice Presidents (covering manufacturing regions, transport & logistics, inventory management, human resources, and internal audit). This team is accountable for integrating sustainability-related considerations into day-to-day decision-making, supported by DCSL's five-pillar ERM framework (risk identification and assessment, mitigation strategies, monitoring and reporting, integration and accountability, and continuous improvement).

- *Inform:* The Board and Audit & Risk Committee are kept informed through ERM reporting, management reviews and Board Sustainability Sub-Committee updates
- *Address:* Sustainability-related risks and opportunities are addressed through integration into strategy, business planning, capital allocation and operational management
- *Monitor:* Performance is monitored through governance reviews, key risk indicators, scenario analyses and internal audit reviews, with escalation to the Board where performance trends or control gaps warrant further attention

Climate-related performance is not currently linked directly to remuneration structures; sustainability priorities, including climate considerations, are instead institutionalised as part of core management and operational practice.

4. RISK MANAGEMENT FRAMEWORK

i. Processes for Identifying and Assessing Climate-Related Risks

DCSL identifies climate-related risks using a structured process combining internal assessments (ERM registers, operational experience at the Seeduwa facility and DBL's brewing operations) with external reference points (IPCC guidance, national hazard data from the Disaster

Management Centre, regulatory developments - particularly excise and environmental regulation - market trends and stakeholder insights). Identified risks are classified as:

- *Physical risks* - acute (event-driven, e.g., extreme weather and flooding affecting manufacturing sites, supply routes and agricultural input supply) and chronic (long-term shifts in climatic patterns affecting water availability and input crop yields)
- *Transition risks* - policy/political/ governance (excise duty and environmental regulation), legal/ compliance, technology, market and reputation-related risks

Each identified risk is assessed on a five-point likelihood scale (Negligible to Very High) and a potential-impact scale evaluated across seven asset categories (inventory, equipment, buildings, people, data, business operations and supply chain), producing a combined risk score used for prioritisation, consistent with DCSL's existing ERM risk-level classifications (currently applied to regulatory/taxation and market/economic risks, which DCSL's FY2025/26 Annual Report rates as "High").

ii. Processes for Managing Climate-Related Risks

Climate-related risks are managed through integration into strategy, business planning, capital allocation and operational management. Responses include business continuity planning, investment in operational efficiency and automation at the Seeduwa plant, diversification of the product portfolio (spirits, beer and international wines/ spirits) and of packaging and input sourcing, and proactive engagement with policymakers and regulators. Material matters are reviewed by the Board Sustainability Sub-Committee and escalated through the governance structure where broader strategic consideration or Board oversight is required.

iii. Integration with Overall Risk Management

DCSL's climate-related risk and opportunity processes are aligned with, and embedded within, its overall Enterprise Risk Management (ERM) framework - built around five interdependent pillars: risk identification and assessment; risk mitigation strategies; risk monitoring and reporting; integration and accountability; and continuous improvement - leveraging existing risk registers, Audit & Risk Committee reviews and internal audit. This ensures consistent identification, escalation, evaluation and incorporation of climate-related risks into financial, operational and strategic decision-making, while maintaining alignment with SLFRS SDS requirements and the wider Melstacorp Group methodology.

5. STRATEGY: CLIMATE-RELATED RISKS AND OPPORTUNITIES (CRROS)

DCSL's strategy focuses on building long-term resilience, protecting its market-leading position and creating value in an operating environment increasingly shaped by sustainability, climate-related and regulatory factors (notably excise duty policy). The following CRROs have been identified as most likely to be material to DCSL and should be validated and refined through DCSL's own detailed risk assessment process:

- *CRRO 1* – Extreme weather-related risks affecting the Seeduwa manufacturing facility, DBL's brewing operations, distribution/logistics network and agricultural input supply (coconut toddy/treacle, molasses, grain)
- *CRRO 2* – Increases in operational costs arising from climate-related impacts, energy price volatility, and policy/regulatory change (including potential future carbon or environmental levies)
- *CRRO 3* – Water scarcity and water-quality risk affecting manufacturing and brewing operations, both of which are water-intensive processes
- *CRRO 4* – Agricultural input risk - climate impacts on the yield, quality and price of coconut-based inputs and imported grain/hops/malt for brewing
- *CRRO 5* – Regulatory and taxation risk, including the interaction between excise policy, climate/ environmental policy and the growth of the illicit alcohol market, which DCSL's FY2024/25 Annual Report already identifies as a "High" risk
- *CRRO 6 (Opportunity)* – Energy efficiency, renewable energy sourcing and water-use reduction at the Seeduwa facility and DBL's brewing operations, supporting cost resilience and brand reputation
- *CRRO 7 (Opportunity)* – Portfolio diversification (spirits, beer, international wines) and packaging innovation (e.g., lighter-weight glass, recyclable materials) strengthening resilience to both climate and regulatory shocks

i. Impact of CRROs on Operations, Strategy and Financial Planning

More frequent and severe extreme weather events, and longer-term shifts in water availability, may increase operational downtime and costs at DCSL's manufacturing and brewing sites, affect the cost and availability of agricultural inputs, disrupt distribution and logistics, and increase insurance and capital requirements. These considerations increasingly inform DCSL's capital allocation, investment appraisal (including the ongoing integration of DBL) and business continuity planning.

ii. Resilience of Strategy Under Different Climate Scenarios (including 1.5°C or lower)

In this first year of reporting, DCSL has not yet completed a full quantitative climate resilience scenario analysis and applies the transitional relief available under SLFRS S2 in this respect. Climate-related projections from the IPCC (Regional Synthesis, AR6) are used as an analytical reference to inform risk identification and management judgement. DCSL intends to strengthen formal scenario-analysis capabilities, including assessment against a 1.5°C/2°C-or-lower pathway, progressively over the two-year relief period.

Detailed CRRO Profile - Illustrative Example (CRRO 1: Extreme Weather Risk)

The following illustrates the level of detail expected for this CRRO. DCSL should complete this profile, and equivalent profiles for each material CRRO, using its own site-level and supply-chain data once collected.

Field	Indicative Content (to be completed with DCSL-specific data)
Description of risk	Increased frequency and severity of extreme weather events (floods, droughts) affecting the Seeduwa manufacturing facility, DBL's brewing operations, distribution network and agricultural input supply [MP1.1]
Risk type	Acute physical risk (with a chronic component via water availability and input crop yields) [MP2.1]
Time horizon	Short term: Moderate risk (distribution/logistics disruption); Medium/long term: potentially High risk (manufacturing site and water availability), subject to DCSL's own assessment [MP3.1]
Current year effect on business model[MP4.1]	Not yet quantified - to be assessed through DCSL's FY2025/26 data collection
Current year effect on value chain	Potential disruption to agricultural input supply (coconut, sugarcane/molasses) and imported brewing inputs; to be assessed [MP5.1]
Concentration	Seeduwa manufacturing facility, DBL brewing operations, and key distribution routes/warehouses
Strategies & adaptation decisions	Business continuity planning, operational efficiency investment, supply and packaging diversification [MP6.1]
Resource planning & progress	Financial (resilience capex, insurance), human (risk management team), technological (monitoring, automation at Seeduwa) [MP7.1]
Current year financial effect	To be quantified using DCSL's own FY2025/26 data; no Group-comparable figure is available for DCSL specifically at this time [MP8.1]
Material adjustment risk (next reporting period)	No specific material adjustment to carrying values identified at reporting date; to be confirmed at DCSL's own year-end assessment [MP9.1]
Anticipated financial effect	Deferred under SLFRS S2:15(b) transition relief
Climate resilience	To be assessed through DCSL's planned scenario-analysis work over the two-year relief perio d[MP10.1]
Significant judgements & uncertainties	Timing/severity of future events, magnitude of financial impact, effectiveness of adaptation measures, evolving excise/environmental regulation[M

6. METRICS AND TARGETS

i. Metrics Used to Assess CRROs

Consistent with the Group-wide approach, DCSL uses the following categories of metrics to assess climate-related risks and opportunities in line with its strategy and risk management process: GHG emissions (Scope 1 and 2, tCO_2e), energy consumption and intensity (GJ per litre of alcohol produced/brewed), water withdrawal and consumption (a material metric given the water intensity of distilling and brewing), waste generated/recycled/diverted from landfill (including glass and packaging waste), and financial-effect metrics (impact on operating profit, cash flow and financial position from identified climate risks).

ii. Scope 1 and 2 GHG Emissions and Related Risks

DCSL has not yet completed its own Scope 1 and 2 GHG emissions inventory. Unlike Melstacorp Group's Tourism, Maritime & Freight Logistics, Strategic Investments and Services sectors (for which Aitken Spence PLC's published Group emissions provide an indicative reference), there is no directly comparable listed peer within the Group for DCSL's distilling and brewing. DCSL should commission its own emissions inventory at the Seeduwa facility and DBL's brewing operations (covering fuel/electricity use in distillation, brewing, bottling and refrigeration, the Company's distribution fleet, and purchased goods and packaging in Scope 3) as a priority for FY2025/26 reporting, engaging EY or a suitably qualified provider consistent with the Group-wide methodology.

SLFRS S1 & SLFRS S2 SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Metric	FY 2025/26	FY 2024/25
Scope 1 emissions (tCO2e)	Data collection in progress	Not available
Scope 2 emissions (tCO2e)	Data collection in progress	Not available
Total Scope 1 + 2 (tCO2e)	Data collection in progress	Not available
Total Scope 3 emissions (tCO2e)	Data collection in progress	Not available
Total emissions (Scopes 1, 2 & 3) (tCO2e) [MP1.1]	Data collection in progress	Not available

Related risks: rising energy and water costs linked to manufacturing and brewing operations, potential exposure to future carbon pricing or emissions-linked regulation (particularly relevant given the excise-tax-intensive nature of the industry), and reputational/market-access risk relative to increasingly sustainability-conscious consumers, investors, financiers and international brand-licensing partners (Pernod Ricard, Heineken).

iii. Targets Used to Manage CRROs and Performance Against Targets

DCSL has not yet set formal quantitative emissions-reduction, energy, water or waste targets under SLFRS S2. Management proposes that DCSL adopt the following categories of target during FY2026/27, informed by the Group-wide methodology and the approach already validated by Aitken Spence PLC (the first Melstacorp Group company to secure Science Based Targets initiative (SBTi) validation):

Target Category (proposed)	Status
Scope 1 and 2 GHG emissions reduction target, with FY2025/26 as base year	To be established following completion of DCSL's emissions inventory
Renewable electricity sourcing target for the Seeduwa facility and DBL brewing operations	To be established
Water withdrawal/consumption intensity reduction target (litres per litre of product)	To be established
Effluent/wastewater treatment and safe disposal/reuse target	To be established; DCSL's existing environmental management practices to be documented and benchmarked
Supplier ESG/environmental screening coverage target	To be established, covering key agricultural and packaging suppliers

DCSL's near-term emissions-reduction ambitions are expected to be informed by the Group-wide Science Based Targets initiative (SBTi) framework, following the pathway established by Aitken Spence PLC, and by the Group's Enterprise Risk Management processes already embedded within DCSL.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Alcoholic Beverages Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
Energy Management	(1) Total energy consumed,	Quantitative	Gigajoules (GJ), Percentage (%)	FB-AB-130a.1	110,454
	(2) percentage grid electricity and				19.5%
	(3) percentage renewable				0%
Water Management	(1) Total water withdrawn,	Quantitative	Thousand cubic metres (m3), Percentage (%)	FB-AB-140a.1	151.43
	(2) Total water with High or Extremely High Baseline Water Stress				None
Responsible Drinking & Marketing	Percentage of total advertising impressions made on individuals at or above the legal drinking age	Quantitative	Percentage (%)	FB-AB-270a.1	100%
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes 1	Quantitative	Number	FB-AB-270a.2	None
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices 2	Quantitative	Presentation currency	FB-AB-270a.3	None
	Description of efforts to promote responsible consumption of alcohol	Discussion and Analysis	n/a	FB-AB-270a.4	Adherence to NATA Act.
Packaging Lifecycle Management	(1) Total weight of packaging,	Quantitative	Metric tonnes (t)	FB-AB-410a.1	20,000 - 25,000 MT
	(2) percentage made from recycled or renewable materials, and		Percentage (%)		60%
	(3) percentage that is recyclable, reusable, or compostable				98%
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	FB-AB-410a.2	Manufacture Capital Report
Environmental & Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non- conformances	Quantitative	Rate	FB-AB-430a.1	Not Reported Confidential

SLFRS S1 & SLFRS S2 SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Topic	Metrics	Category	Unit of measure	Code	Disclosure
Ingredient Sourcing	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-AB-440a.1	None
	List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations	Discussion and Analysis	n/a	FB-AB-440a.2	Social and Relationship Capital Report

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
Volume of products sold	Quantitative	Millions of hectolitres (Mhl)	FB-AB-000.A	0.4
Number of production facilities	Quantitative	Number	FB-AB-000.B	5
Total fleet road kilometres travelled	Quantitative	Kilometres (km)	FB-AB-000.C	Approx. 3,500,000

FINANCIAL REPORTS

FINANCIAL REPORTS

SUPPLEMENTARY 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

19th August 2026
Colombo.

INDEPENDENT AUDITOR'S REPORT

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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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 31st March 2026, 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 94 to 144 of this annual report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2026, 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

Revenue Recognition

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

Risk Description	Our responses
The Group recorded revenues of Rs. 164,419 Mn and the Company recorded revenue of Rs. 164,380 Mn for the year ended 31st March 2026. 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 31st March 2026.	Our audit procedures included: » 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 recognised 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 13 & 14 to the Financial statements.

Risk Description	Our responses
The Company holds investments in subsidiaries amounting to Rs. 5,282 Mn as at 31st March 2026. Further, the Group holds goodwill amounting to Rs.144 Mn as at 31st March 2026. 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. 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. 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.	Our audit procedures included: » 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 key assumptions for its 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 17 to the Financial statements.

Risk Description	Our responses
The Group recorded inventory of Rs. 10,606 Mn and the Company recorded inventory of Rs. 9,231 Mn as at 31st March 2026. 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.	Our audit procedures included: » 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.

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

KPMG

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

» Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

» Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

» Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

19th August 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Revenue	5	164,419,273	141,297,164	164,380,102	138,939,989
Direct Taxes		(108,863,460)	(89,176,064)	(102,897,676)	(85,257,072)
Cost of Sales		(20,574,737)	(19,718,615)	(27,898,771)	(22,000,259)
Gross Profit		34,981,076	32,402,485	33,583,655	31,682,658
Other Operating Income	6	693,314	395,860	247,355	358,049
Distribution Expenses		(2,899,004)	(2,822,047)	(1,710,262)	(1,305,991)
Administrative Expenses		(2,860,056)	(2,887,769)	(2,432,680)	(2,198,992)
Other Operating Expenses	13.2	-	(1,453,777)	-	-
Results from Operating Activities		29,915,330	25,634,752	29,688,068	28,535,724
Finance Income	7.1	823,459	558,870	813,583	547,091
Finance Costs	7.2	(181,604)	(108,535)	(155,431)	(66,423)
Net Finance Income		641,855	450,335	658,152	480,668
Profit Before Income Tax Expense	8	30,557,185	26,085,087	30,346,220	29,016,392
Taxation	9	(13,491,797)	(11,410,394)	(13,502,215)	(11,420,339)
Profit for the Year		17,065,388	14,674,693	16,844,005	17,596,053
Other Comprehensive Income					
Items that will never be Reclassified to Profit or Loss					
Actuarial (Loss)/ Gain on Retirement Benefit Obligations	23	25,519	(60,586)	19,979	(69,773)
Deferred tax on Other Comprehensive Income	16	(9,510)	(216,775)	(8,991)	(194,602)
		16,009	(277,361)	10,988	(264,375)
Items that are or may be Reclassified to Profit or Loss					
Net Change in Fair Value of Financial Assets Measured as FVOCI	15.1.3	1,404,171	1,799,244	1,404,171	1,799,244
		1,404,171	1,799,244	1,404,171	1,799,244
Total Other Comprehensive Income/ (Expense) for the Year		1,420,180	1,521,883	1,415,159	1,534,869
Total Comprehensive income for the year		18,485,568	16,196,576	18,259,164	19,130,922
Profit attributable to:					
Equity holders of parent		17,066,466	14,682,905	16,844,005	17,596,053
Non-controlling interest		(1,078)	(8,212)	-	-
		17,065,388	14,674,693	16,844,005	17,596,053
Total comprehensive income attributable to:					
Equity holders of parent		18,486,631	16,204,863	18,259,164	19,130,922
Non-controlling interest		(1,063)	(8,287)	-	-
		18,485,568	16,196,576	18,259,164	19,130,922
Basic Earnings per Share	10.1	3.71	3.19	3.66	3.83

Figures in brackets indicate deductions

The Notes to the Financial Statements from pages 94 to 144 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Assets					
Non -Current Assets					
Property, Plant and Equipment	11	9,635,094	7,462,388	6,987,435	5,214,418
Right-of-use Asset	12	2,004,980	154,627	2,004,000	130,994
Intangible Assets	13	30,269	28,594	-	-
Goodwill	13.2	143,627	143,627	-	-
Investment in Subsidiaries	14	-	-	5,282,053	5,169,978
Other Non-Current Financial Investments	15.1	5,509,176	4,264,682	5,509,176	4,264,682
		17,323,146	12,053,918	19,782,664	14,780,072
Current Assets					
Inventories	17	10,606,178	7,894,057	9,230,744	7,200,194
Trade and Other Receivables	18	16,911,827	14,066,037	15,275,551	13,482,950
Amounts Due From Related Companies	28.1.1	1,117,934	843,949	2,433,442	915,035
Other Current Financial Investments	15.2	1,800	94,668	1,800	94,668
Short Term Investments	19	2,120,519	2,252,713	2,120,519	2,252,713
Cash and Cash Equivalents	20	382,826	1,615,592	355,919	610,598
		31,141,084	26,767,016	29,417,975	24,556,158
Total Assets		48,464,230	38,820,934	49,200,639	39,336,230
Equity And Liabilities					
Share Capital And Reserves					
Stated Capital	21	3,000,000	3,000,000	3,000,000	3,000,000
Reserves	22	5,966,559	5,723,119	5,988,732	5,745,292
Retained Earnings		9,855,838	5,682,610	12,802,178	8,586,454
Equity attributable to parent		18,822,397	14,405,729	21,790,910	17,331,746
Non Controlling Interest	14.2	-	(226,825)	-	-
Total Equity		18,822,397	14,178,904	21,790,910	17,331,746
Non - Current Liabilities					
Interest Bearing Loans and Borrowings	27	-	320,962	-	-
Deferred Tax Liabilities	16	2,185,143	2,357,944	1,656,383	1,816,425
Retirement Benefit Obligation	23	465,313	440,623	404,404	380,947
Lease Liability	24	1,419,790	83,028	1,419,539	75,311
		4,070,246	3,202,557	3,480,326	2,272,683
Current Liabilities					
Trade and Other Payables	25	9,557,850	7,179,227	7,726,509	5,976,452
Amount due to Related Companies	28.1.2	150,800	875,317	1,568,220	2,046,299
Lease Liability	24	657,547	91,859	656,592	67,784
Taxes Payable	26	14,630,210	11,772,702	13,975,582	11,638,766
Interest Bearing Loans and Borrowings	27	2,500	722,531	2,500	2,500
Bank Overdrafts	20	572,680	797,837	-	-
		25,571,587	21,439,473	23,929,403	19,731,801
Total Liabilities		29,641,833	24,642,030	27,409,729	22,004,484
Total Equity and Liabilities		48,464,230	38,820,934	49,200,639	39,336,230
Net Assets per Share (Rs.)		4.09	3.13	4.74	3.77

The notes from pages 94 to 144 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

C. R Jansz
Director

19th August 2026
Colombo

STATEMENT OF CHANGES IN EQUITY-GROUP

	Notes	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital reserve Rs.'000
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 year	10.3	-	-	-
Total contributions by and distributions to owners		-	-	-
Changes in ownership interests				
Acquisition of NCI without a change in control				
Balance as at 31st March 2025		3,000,000	2,578,181	107,882
Balance as at 1st April 2025		3,000,000	2,578,181	107,882
Total comprehensive income for the period				
Profit for the year		-	-	-
Other comprehensive income				
Transferred to Retained Earnings				
Net change in fair value of financial assets measured at FVOCI		-	-	-
Revaluation during the year		-	-	-
Actuarial loss on retirement benefit obligations		-	-	-
Deferred tax on Other comprehensive income		-	-	-
Total other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	-	-
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	14.3	-	-	-
Balance as at 31st March 2026		3,000,000	2,578,181	107,882

Figures in brackets indicate deductions

The Notes to the Financial Statements from pages 94 to 144 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	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
	10,000	3,027,056	5,682,610	14,405,729	(226,825)	14,178,904
	-	-	17,066,466	17,066,466	(1,078)	17,065,388
		(1,160,731)	1,160,731			
	-	1,404,171	-	1,404,171	-	1,404,171
	-	-	-	-	-	-
	-	-	25,519	25,519	-	25,519
	-	-	(9,525)	(9,525)	15	(9,510)
	-	243,440	1,176,725	1,420,165	15	1,420,180
	-	243,440	18,243,191	18,486,631	(1,063)	18,485,568
	-	-	(13,800,000)	(13,800,000)	-	(13,800,000)
	-	-	(13,800,000)	(13,800,000)	-	(13,800,000)
	-	-	(269,963)	(269,963)	227,888	(42,075)
	10,000	3,270,496	9,855,838	18,822,396	-	18,822,397

STATEMENT OF CHANGES IN EQUITY-COMPANY

	Notes	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital reserve Rs.'000
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
Balance as at 1st April 2025		3,000,000	2,600,354	107,882
Total comprehensive income for the period				
Profit for the year		-	-	-
Other comprehensive income				
Transferred to Retained Earnings				
Net change in fair value of financial assets measured at FVOCI		-	-	-
Actuarial loss on retirement benefit obligations		-	-	-
Deferred tax on Other Comprehensive Income		-	-	-
Total other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	-	-
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 2026		3,000,000	2,600,354	107,882

Figures in brackets indicate deductions

The Notes to the Financial Statements from pages 94 to 144 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	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	(38,375)	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
10,000	3,027,056	8,586,454	17,331,746
-	-	16,844,005	16,844,005
	(1,160,731)	1,160,731	-
-	1,404,171	-	1,404,171
-	-	19,979	19,979
-	-	(8,991)	(8,991)
-	243,440	1,171,719	1,415,159
-	243,440	18,015,724	18,259,164
-	-	(13,800,000)	(13,800,000)
-	-	(13,800,000)	(13,800,000)
10,000	3,270,496	12,802,178	21,790,910

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Cash Flows from Operating Activities					
Profit Before Tax		30,557,185	26,085,087	30,346,220	29,016,392
Adjustment for:					
(Gain)/loss on Sale of Property, Plant and Equipment	6	(142,174)	(24,629)	(142,174)	(24,629)
Depreciation and Amortisation of PPE, Intangible Assets	11 & 13	761,394	1,141,418	382,178	618,821
Write-off of PPE		168,254	287,150	-	-
Amortisation of right-of-use asset	12	788,203	444,093	769,885	412,701
(Gain)/Loss on disposal of right-of-use asset		4,331	-	-	-
Provision for Retirement Benefits Obligations	23	93,054	76,274	71,233	61,179
Provision for slow moving and obsolete inventory	17.1	18,488	25,468	32,643	5,199
Provision for impairment of other receivables	18.2	(81,631)	127,240	-	-
Provision for impairment of trade receivables	18.1	(53,840)	248,413	-	-
Unrealised exchange loss / (gain)		(4,745)	(6,431)	-	-
Impairment charge on goodwill during the year	14.1.2	-	1,453,776	-	-
Gain on Change in Fair Value of Financial Assets Measured at FVTPL	6	(16,273)	(3,897)	(16,273)	(3,897)
Interest Income	7.1	(821,894)	(558,870)	(813,583)	(547,091)
(Gain) /Loss on Disposal of Share	6	826	-	826	-
Dividend Income	6	-	(231,162)	-	(231,162)
Interest Expenses	7.2	181,604	108,535	155,431	66,423
Operating Profit Before Working Capital Changes		31,452,781	29,172,464	30,786,386	29,373,936
Working Capital Changes					
(Increase)/Decrease in Trade and Other Receivables		(2,710,315)	(4,118,006)	(1,792,602)	(3,454,299)
(Increase)/Decrease in Inventories		(2,730,609)	(307,393)	(2,063,193)	(576,688)
(Increase)/Decrease in Amounts Due from Related Companies		(273,985)	(207,683)	(1,518,407)	(198,510)
Increase/(Decrease) in Trade and Other Payables		5,194,784	2,202,909	4,021,331	2,064,479
Increase/(Decrease) in Due to Related Companies		(786,329)	1,681,689	(478,079)	1,561,850
Cash Generated from/ (used in) Operations		30,146,328	28,423,980	28,955,436	28,770,768
Taxes Paid		(13,614,647)	(10,400,066)	(13,614,647)	(10,399,879)
Retiring Gratuity Paid	23	(42,845)	(54,206)	(27,797)	(40,929)
Loan Interest Paid	27	(24,933)	(46,138)	(210)	(7,878)
Lease Interest Paid	24	(156,671)	(65,420)	(155,221)	(61,571)
Net Cash Generated from / (used in) Operating Activities		16,307,231	17,858,150	15,157,561	18,260,511
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	11	(3,109,367)	(352,983)	(2,162,534)	(36,438)
Acquisition of intangible assets		(2,000)	-	-	-
Proceeds from the Sale of Property, Plant and Equipment		149,513	24,629	149,513	24,629
Acquisition of right-of-use asset		(21,324)	-	(21,324)	-
Proceeds on Sale of Investments		1,578,155	-	1,578,155	-
Net acquisitions of Other Financial Investments		(1,310,164)	-	(1,310,164)	-
Consideration paid on additional interest in subsidiary	15	-	-	(112,075)	(1,000,000)
Acquisition of subsidiary, net of cash acquired	15	-	(50,135)	-	-
Interest Received on Short Term Investment	7	821,894	558,870	813,583	547,091
Dividend Received		-	231,162	-	231,162
Net Cash Generated from/ (used in) Investing Activities		(1,893,293)	411,543	(1,064,846)	(233,556)

For the year ended 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Cash Flows from Financing Activities					
Loans obtained during the year	27	-	3,130,000	-	3,130,000
Loans paid during the year	27	(1,043,567)	(5,840,000)	-	(5,840,000)
Lease Paid during the year	24.4	(719,118)	(612,134)	(688,532)	(577,318)
Dividend Paid		(13,791,056)	(12,415,456)	(13,791,056)	(12,415,456)
Net Cash From/ (Used in) Financing Activities		(15,553,741)	(15,737,590)	(14,479,588)	(15,702,774)
Net Increase/(Decrease) in Cash and Cash Equivalents During the Year		(1,139,803)	2,532,102	(386,873)	2,324,180
Cash and Cash Equivalents at the Beginning of the year		3,070,468	538,366	2,863,311	539,131
Cash and Cash Equivalents at the End of the Year		1,930,665	3,070,468	2,476,438	2,863,311
Analysis of Cash and Cash Equivalents at the End of the Year					
Cash in Hand	20	16,216	13,494	16,259	13,494
Cash in Bank	20	305,906	1,557,505	278,956	552,511
Cash in Transit	20	60,704	44,593	60,704	44,593
Short Term Investments	19	2,120,519	2,252,713	2,120,519	2,252,713
Bank Overdraft	20	(572,680)	(797,837)	-	-
		1,930,665	3,070,468	2,476,438	2,863,311

Figures in brackets indicate deductions

The Notes to the Financial Statements from pages 94 to 144 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 2026 comprise the Company and its Subsidiaries DCSL Breweries 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 No 201, De Seram Place, Colombo 10

During the current financial year, DCSL acquired remaining shares of the Company. Accordingly, the Company became a fully owned subsidiary of DCSL.

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 No 201, De Seram Place, Colombo 10.

The Subsidiary 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 25 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.

During the financial year, DCSL acquired the balance share holding in Texpro Industries 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 Statement of Profit or Loss and Other Comprehensive income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows together with Material Accounting Policies and notes (Financial Statements), as at 31 March 2026 and for the year then ended, have been prepared in accordance with Sri Lanka Accounting Standards as issued by The Institute of Chartered Accountants of Sri Lanka.

The Accounting standards comprise:

» Sri Lanka Financial Reporting Standards ("SLFRS");
» Sri Lanka Accounting Standards ("LKAS");
» Statement of Recommended Practices ("SoRPs");
» Statements of Alternate Treatment ("SoATs") and
» Financial Reporting Guidelines Issued by CA Sri Lanka.

The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka www.casrilanka.com.

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 23
Financial Assets Measured at Fair Value Through Other Comprehensive Income	Fair value	Note 15.1
Financial Assets Measured at Fair Value Through Profit or Loss	Fair value	Note 15.2

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 is 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 comprised 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 recognised 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 recognised in the consolidated financial statements are included in the following notes.

Critical accounting estimate/judgment	Disclosure reference
Recognition of deferred tax assets/liabilities	Note 16
Recognition and measurement of provisions for impairment	Note 17.1 / 18.1
Measurement of retirement benefit obligations; key actuarial assumptions.	Note 23.2
Recognition and measurement of provisions for contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.	Note 29

Critical accounting estimate/judgment	Disclosure reference
Revenue recognition	Note 5
Impairment assessment	Note 13 / 14

2.6 **Approval of Financial Statements**

The Consolidated Financial Statements for the year ended 31st March 2026 were approved and authorised for issue by the Board of Directors in accordance with Resolution of the Directors on 19th August 2026.

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 of 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 utilise those cash flows, and
- 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 31st March 2026.

3.1 Basis of consolidation

In the previous financial year, subsidiaries reporting date was 31st December and it's financial information was consolidated for the year ended 31st December, with adjustments made for significant transactions or events up to 31st March. During the current year, the management obtained a financial statements prepared as at 31st March 2026 and accordingly, the financial information included in the consolidation of the subsidiary was prepared for a fifteen-month period ended 31st March 2026. As a result, the current year's consolidated financial information incorporates the results of a fifteen-month reporting period for the subsidiary, and therefore certain comparative information may not be directly comparable with the current year amounts.

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

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

3.3 Financial Instruments

3.3.1 Recognition and initial measurement

The Group initially recognises receivables and deposits on the date they are originated. All other financial assets are recognised 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 amortised 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 amortised 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 amortised 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 amortised 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 realising 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 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 recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised 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 recognised in profit or loss. Other net gains and losses are recognised 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 recognised 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 recognised 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 amortised cost. Other financial liabilities are subsequently measured at amortised cost using effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised 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 derecognised a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognised 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 realise 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 recognised 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 recognised 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 recognised in the profit or loss.

3.4.1.4 De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognising 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-recognised.

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 recognised in the profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised 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 recognised 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 Firefighting 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

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-recognised.

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 capitalisation.

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 recognises 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

Lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable 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 recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognises 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 and 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 de-recognition 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 recognised 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 amortisation and accumulated impairment losses.

3.6.2 Subsequent expenditure

Subsequent expenditure is capitalised 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 recognised in profit or loss as incurred.

3.6.3 Amortisation

Amortisation 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 recognised 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 recognises 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 amortised 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 reorganisation; 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 it's entirely 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 recognised 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 recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to 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 recognised.

3.9 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised 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 recognised 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 recognised as an employee benefit expense in profit or loss in the periods during services is rendered by employees. Prepaid contributions are recognised 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.

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 recognised 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 recognised 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 recognised immediately in profit or loss.

The Group recognises 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised when the shareholder's right to receive payment has been established.

Rental Income is recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in statement of profit or loss except to the extent that it relates to items recognised 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 recognised for all temporary differences. Deferred tax assets are recognised 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 utilised.

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 realised 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.

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 minimise 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 recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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 following new or amended standards and interpretations have been issued, but not yet effective, as at the reporting date of the Financial Statements. These are not expected to result in material impact to the Group on adoption.

» Sri Lanka Accounting Standard – SLFRS 18 on "Presentation and Disclosure in Financial Statements" (SLFRS 18)

SLFRS 18 is a new accounting standard for presentation and disclosure in Financial Statements with effect from 1 January 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements" and applies to the Company effective from 1 January 2027. The new accounting standard introduces the following key new requirements. Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit sub totals. Entities' net profit will not change. Management – defined Performance Measures (MPMs) are disclosed in a single note in the Financial Statements. Enhanced guidance is provided on how to combine and present information in the Financial Statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the Statement of Cash flows when presenting operating cash flows under indirect method. The Group is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Income Statement, the Statement of Cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is Companied in the Financial Statements including items currently labelled as 'other'.

» Sri Lanka Accounting Standard – SLFRS 19 on "Subsidiaries without Public Accountability" (SLFRS 19)

SLFRS 19 is a new accounting standard for subsidiaries to apply the recognition, measurement, and presentation requirements of full SLFRS Standards while applying a reduced set of disclosure requirements in Financial Statements with effect from January 1st, 2027. The Group does not expect this will result in a material impact on its Consolidated Financial Statements.

» Annual improvements to SLFRS Accounting Standards – Volume 11

The amendments apply for annual reporting periods beginning on or after 1st January 2026. These changes are not expected to have a significant impact on the Company's Financial Statements.

5 REVENUE

For the year ended 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
5.1 Revenue Streams					
Revenue from contracts with customers					
Sales of goods		164,419,273	141,297,164	164,380,102	138,939,989
Total gross revenue	5.2	164,419,273	141,297,164	164,380,102	138,939,989
5.2 Major Products					
Liquor/beer bottles		164,419,273	141,297,164	164,380,102	138,939,989
Total Gross Revenue		164,419,273	141,297,164	164,380,102	138,939,989
Region					
Domestic sales		164,340,268	141,272,236	164,359,065	138,927,979
Export Sales		79,005	24,928	21,037	12,010
Total Gross Revenue		164,419,273	141,297,164	164,380,102	138,939,989
Timing of revenue recognition					
Products transferred at a point in time		164,419,273	141,297,164	164,380,102	138,939,989
Total Gross Revenue		164,419,273	141,297,164	164,380,102	138,939,989

6 OTHER OPERATING INCOME

For the year ended 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Gain on sale of Property, Plant and Equipment		142,174	24,629	142,174	24,629
Profit/ (loss) on Sales of Shares		(826)	-	(826)	-
Rent Income		20,122	9,000	20,122	9,000
Other Sundry Income		515,571	127,172	69,612	89,361
Dividend Income		-	231,162	-	231,162
Change in Fair Value of Financial Assets at Fair Value Through Profit or Loss	15.2	16,273	3,897	16,273	3,897
		693,314	395,860	247,355	358,049

7 FINANCE INCOME AND FINANCE COST

For the year ended 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
7.1 Finance Income					
Interest income on Short Term Investments		821,894	546,005	813,583	547,091
Exchange gain		1,565	12,865	-	-
		823,459	558,870	813,583	547,091
7.2 Finance Cost					
Interest Expense on Bank Loan and Overdrafts		(24,933)	(43,115)	(210)	(4,852)
Interest Expense on Lease Liability	24	(156,671)	(65,420)	(155,221)	(61,571)
		(181,604)	(108,535)	(155,431)	(66,423)
Net Finance Income		641,855	450,335	658,152	480,668

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 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Remuneration to Directors		23,097	17,480	23,097	17,480
Auditor's Remuneration - Audit		12,825	10,792	9,520	8,982
- Non - audit		771	224	771	224
Personnel Costs	8.1	4,937,523	4,293,409	4,242,479	3,745,328
Depreciation and Amortisation					
Depreciation of Property, Plant and Equipment	11	761,069	1,114,743	382,178	618,821
Amortisation of intangible assets	13	325	26,675		
Amortisation of Right of Use Asset	12	788,204	444,093	769,885	412,701
Donations		1,920	550	1,920	550
Legal Expenses		27,954	21,328	15,885	21,328

8.1 Personnel Costs

Salaries, Wages and Other Benefits		4,626,222	4,027,828	4,001,480	3,527,330
Defined Contribution Plans - EPF and ETF		218,247	189,307	169,766	156,819
Retirement Benefit Obligations	23.1	93,054	76,274	71,233	61,179
		4,937,523	4,293,409	4,242,479	3,745,328

9 INCOME TAX EXPENSE

For the year ended 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Current Tax Expense	9.1	13,674,108	11,599,049	13,671,248	11,599,049
Deferred Tax Reversal	16	(182,311)	(188,655)	(169,033)	(178,710)
		13,491,797	11,410,394	13,502,215	11,420,339

9.1 Reconciliation of Accounting Profits to Income Tax Expense

For the year ended 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Profit Before Income Tax Expense	30,557,185	26,085,087	30,346,220	29,016,392
(-) Other Income/ Exempt Income	(1,090,896)	(942,952)	(1,061,764)	(905,141)
(+) Disallowable Expenses	2,147,166	2,192,596	1,413,081	1,175,124
(-) Allowable Expenses	(1,507,130)	(1,349,403)	(919,196)	(772,844)
Taxable Business Profit	30,106,325	25,985,328	29,778,341	28,513,531
Profit from Trade or Business	30,106,325	25,985,328	29,778,341	28,513,531
Taxable Other Income	903,317	683,264	903,317	645,453
Tax losses of subsidiaries	(463,316)	984,570	-	-
Consolidation adjustments	144,865	1,505,822	-	-
Taxable Income	30,685,881	29,158,984	30,681,658	29,158,984
Income Tax at, 45% (2025:40%)	13,400,252	11,405,412	13,400,252	11,405,412
30% (2025:30%)	273,856	193,637	270,996	193,637
Total Current Tax Charge	13,674,108	11,599,049	13,671,248	11,599,049
Effective Tax Rate (%)	44.56%	39.78%	44.56%	39.78%

The Inland Revenue (Amendment) Act No.45 of 2022 and subsequent amendments thereto, the Company is liable to pay tax at the rate of 45% on its taxable profits and liable to pay tax at the rate of 30% on its investment income.

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	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Profit for the year (Rs.'000)	17,065,388	14,674,693	16,844,005	17,596,053
Weighted Average Numbers of Ordinary Shares (No'000)	4,600,000	4,600,000	4,600,000	4,600,000
Basic Earnings per Share (Rs.)	3.71	3.19	3.66	3.83

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			
	2026		2025	
	Per Share	Total Rs. 000	Per Share	Total Rs. 000
Third Interim Dividend 2024/25	1.00	4,600,000	0.70	3,220,000
First Interim Dividend 2025/26	1.00	4,600,000	1.00	4,600,000
Second Interim Dividend 2025/26	1.00	4,600,000	1.00	4,600,000
		13,800,000		12,420,000

On 26th June 2026, the Board of Directors approved a third interim dividend of Rs. 1.00 per share for the financial year ended 31st March 2026. 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.

11 PROPERTY, PLANT AND EQUIPMENT

11.1 Group

(a) As at 31st March 2026

Freehold	Notes	Cost or Revaluation At the Beginning of the Year Rs.'000	Acquisition through business combination Rs.'000	Additions During the Year Rs.'000	Capitalisation During the year Rs.'000
Land	11.3	2,994,626	-	-	-
Buildings	11.3	3,421,394	-	21,124	-
Buildings Constructed on Leasehold Lands	11.3	136,813	-	-	-
Plant, Machinery & Other Equipment		7,014,313	-	24,404	350,237
Motor Vehicles		631,097	-	841,778	-
Furniture, Fittings & Office Equipment		582,482	-	22,784	-
Computer Equipment		65,714	-	-	-
Fire Fighting Equipment		4,883	-	-	-
Oil Storage Tanks		315	-	-	-
Vats & Casks		72,918	-	-	-
Drums		80	-	-	-
Returnable Packing Materials		1,510,088	-	530,862	-
Total Freehold Property, Plant & Equipment		16,434,722	-	1,440,952	350,237
Capital Work In Progress		-	-	1,668,415	(350,237)
Total Property, Plant & Equipment		16,434,722	-	3,109,367	-

(b) As at 31st March 2025

Freehold	Notes	Cost or Revaluation At the Beginning of the Year Rs.'000	Acquisition through business combination Rs.'000	Additions During the Year Rs.'000	Capitalisation During the year 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	-	-	-
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	-

		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	Disposals	At the End of the Year	As at 31st March 2026
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	2,994,626	-	-	-	-	2,994,626
-	3,442,518	605,105	269,275	-	874,380	2,568,138
-	136,813	11,401	11,401	-	22,802	114,011
-	7,388,954	5,828,478	141,247	-	5,969,725	1,419,229
(132,830)	1,340,045	554,727	120,405	(125,492)	549,640	790,405
-	605,266	437,567	66,315	-	503,882	101,384
-	65,714	63,177	1,170	-	64,347	1,367
-	4,883	4,883	-	-	4,883	-
-	315	315	-	-	315	-
-	72,918	70,836	334	-	71,170	1,748
-	80	80	-	-	80	-
(168,254)	1,872,696	1,395,766	150,922	-	1,546,688	326,008
(301,084)	17,924,827	8,972,335	761,069	(125,492)	9,607,911	8,316,916
-	1,318,178	-	-	-	-	1,318,178
(301,084)	19,243,005	8,972,335	761,069	(125,492)	9,607,911	9,635,094

		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	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
-	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

11 PROPERTY, PLANT AND EQUIPMENT

11.2 Company

(a) As at 31st March 2026

Freehold	Notes	Cost or Revaluation At the Beginning of the Year Rs.'000	Acquisition through business combination Rs.'000	Additions During the Year Rs.'000	Capitalisation During the Year 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		3,942,782	-	7,043	
Motor Vehicles		595,542	-	841,778	
Furniture, Fittings & Office Equipment		71,100	-	3,694	
Computer Equipment		65,714	-	-	
Fire Fighting Equipment		4,883	-	-	
Oil Storage Tanks		315	-	-	
Vats & Casks		72,918	-	-	
Drums		80	-	-	
Total Freehold Property, Plant & Equipment		10,025,362	-	852,515	
Capital Work In Progress		-	-	1,310,019	
Total Property, Plant & Equipment		10,025,362	-	2,162,534	

(b) As at 31st March 2025

Freehold	Notes	Cost or Revaluation At the Beginning of the Year Rs.'000	Acquisition through business combination Rs.'000	Additions During the Year Rs.'000	Capitalisation During the Year 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	-

		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	Disposals	At the End of the Year	As at 31st March 2026
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	-	463,808	2,116,233
-	136,813	11,401	11,401	-	22,802	114,011
-	3,949,825	3,841,844	15,455	-	3,857,299	92,526
(132,830)	1,304,490	519,172	120,405	(125,492)	514,085	790,405
-	74,794	67,333	1,509	-	68,842	5,952
-	65,714	63,177	1,170	-	64,347	1,367
-	4,883	4,883	-	-	4,883	-
-	315	315	-	-	315	-
-	72,918	70,836	334	-	71,170	1,748
-	80	80	-	-	80	-
(132,830)	10,745,047	4,810,945	382,178	(125,492)	5,067,631	5,677,416
-	1,310,019	-	-	-	-	1,310,019
(132,830)	12,055,066	4,810,945	382,178	(125,492)	5,067,631	6,987,435

		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	Disposals	At the End of the Year	As at 31st March 2026
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

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	Revalued Amount Building Rs. 000
Hatton - Norwood Road,Dickoya.	-	18,286	4	-	136,811
No.18, Sri Saddatissa Road, Kalutara North , Kalutara.	01A00R23P	-	-	56,730	-
No.375,Dutugemunu Mawatha, Mawilmada, Kandy.	02A00R00P	-	-	67,340	-
No.375/1-2,Dutugemunu Mawatha, Mawilmada, Kandy.	00A01R20P	-	-	21,000	-
1st Lane Off New Nuge Road, Peliyagoda.	-	15,406	4	-	57,500
No.35/12, Bandarawaththa Road, Seeduwa.	15A02R17.09P	192,069	18	1,785,419	2,230,854
No.35/13, Distillery Road, Seeduwa.	00A00R16.70P	-	-	13,336	-
No.35/13B, Distillery Road, Seeduwa.	00A00R16.70P	-	-	13,336	-
No.37/8A, Distillery Road, Seeduwa.	00A00R13.25P	-	-	10,600	-
No.37/20A, Distillery Road, Seeduwa.	00A00R08P	-	-	5,600	-
No.65/84, Distillery Road, Seeduwa.	05A02R15.10P	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	Revalued Amount Building Rs. 000
Arankele - Doluwa road, Hakirilla, Wewalagama.	01A02R20P	-	-	2,400	-
Millawa, Kurunegala.	00A00R28.00P	-	-	2,800	-
Kandy road, Kottikapola, Mawathagama.	05A02R28.14P	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 recognised 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	-5%	+5%	Value as stands	-5%
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Company	2,555,176	2,427,417	2,852,697	2,716,854	2,581,011

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

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	2026		2025	
	Lands Rs.000	Buildings Rs.000	Lands Rs.000	Buildings Rs.000
Cost	1,463,851	2,062,483	1,463,851	2,041,359
Accumulated Depreciation	-	(1,219,243)	-	(1,122,941)
Carrying Value	1,463,851	843,240	1,463,851	918,418

(b) Company

For the year ended 31st March	2026		2025	
	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	-	(849,448)	-	(771,839)
Carrying Value	1,460,109	792,547	1,460,109	870,156

11.5 Gross Carrying Value of Fully Depreciated Assets

The cost of the fully depreciated assets of the Group and Company amounting to Rs.6,559 Mn and Rs.4,356 Mn (2025 - Group Rs. 6,317 Mn and Company Rs. 4,339 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 2026. (2025 - None).

11.7 Temporary idle assets

There were no idle Property, Plant and Equipment during the year ended 31st March 2026 and 31st March 2025.

12 RIGHT OF USE ASSETS

12.1 Group

As at 31st March	2026			2025
	Land and Building Rs.'000	Motor vehicles Rs.'000	Total Rs.'000	Total Rs.'000
Cost				
Balance as at 1st April	1,564,425	1,260,339	2,844,764	2,824,648
Remeasurement during the year	796,111	1,846,780	2,642,891	20,116
Disposal During the Year	(86,689)	-	(86,689)	-
Balance at 31st March	2,293,846	3,107,120	5,400,966	2,844,764
Accumulated Amotisation				
Balance as at 1st April	1,429,799	1,260,337	2,690,136	2,246,043
Charge for the year	308,535	479,669	788,204	444,093
Disposal During the Year	(82,354)	-	(82,354)	-
Balance at 31st March	1,655,980	1,740,006	3,395,986	2,690,136
Net Carrying Value	637,866	1,367,114	2,004,980	154,627

12.2 Company

As at 31st March	2026			2025
	Land and Building	Motor vehicles	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost				
Balance as at 1st April	1,476,407	1,200,064	2,676,471	2,656,355
Reclassification during the year	796,111	1,846,780	2,642,891	20,116
Balance at 31st March	2,272,518	3,046,844	5,319,362	2,676,471
Accumulated Amotisation				
Balance as at 1st April	1,345,414	1,200,063	2,545,477	2,132,776
Charge for the year	290,216	479,669	769,885	412,701
Balance at 31st March	1,635,630	1,679,732	3,315,362	2,545,477
Net Carrying Value	636,888	1,367,112	2,004,000	130,994

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 INTANGIBLE ASSETS (GROUP)

As at 31st March	2026 Rs. 000	2025 Rs. 000
Cost		
Balance at the beginning of the year	28,594	508,899
Additions during the year	2,000	185
Disposal during the year	-	(480,490)
Balance at the end of the year	30,594	28,594
Amortisation		
Balance at the beginning of the year	-	189,196
Amortisation for the year	325	26,675
Disposal during the year	-	(215,871)
Balance at the end of the year	325	-
Carrying amount	30,269	28,594
Capital WIP (included in the cost)		
Balance at the beginning of the year	-	167,295
Additions during the year	-	20,079
Capitalised during the year	-	(154,985)
Less: Disposal/write off	-	(32,389)
Balance at the end of the year	-	-

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

13.1 Provision for impairment of intangible assets

As at 31st March	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April	-	264,619
Write-off during the year	-	(264,619)
Balance as at 31st March	-	-

13.2 Goodwill (Group)

As at 31st March	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April	143,627	143,627
Goodwill recognised through business combination during the year	-	1,453,776
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. 2,036Mn as at 31st March 2026.

For the VIU computation the discount rate of 9.1% (2025:12%), revenue growth rate range of 7% to 13% (2025: 9% to 10%) and terminal growth rate of 4% (2025: 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 2026 in relation to the goodwill recognised through the acquisition of DCSL breweries Limited.

	2026		2025	
Movement 1 %	Increase	Decrease	Increase	Decrease
Discount Rate	(964,268)	1,367,366	(323,307)	373,843
Revenue Growth rate	55,081	(52,921)	166,651	(162,778)

14 INVESTMENTS IN SUBSIDIARIES

As at 31st March	2026			2025		
	Number of Shares	Effective Holding %	Cost Rs.'000	Number of Shares	Effective Holding %	Cost Rs.'000
DCSL Breweries Lanka Limited (Note 14.4)	2,000,000,000	100%	5,212,053	1,991,585,000	99.58%	5,169,978
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 Limited	7,000,001	100%	70,000	1	100%	-
Texpro Industries Limited (Note 14.4)	57,256,826	100%	-	49,086,528	85.73%	-
			5,282,053			5,169,978

14.1 Acquisition of subsidiaries during the year ended 31st March 2025

On 25th 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.

14.1.1 Identifiable assets acquired and liabilities assumed

As at 31st March	Notes	2026 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	16	(351,912)
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)

Fair Value - Land and buildings

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.

14.1.1.1 Measurement of fair values

The Valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation Technique
Property Plant and Equipment	Market Comparison technique and cost technique. The valuation method considers market prices for similar items when they are available , and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolesces.

14.1.2 Goodwill on acquisition

Goodwill arising from acquisition has been recognised as follows.

As at 31st March	Notes	2026 Amount Rs.'000
Consideration transferred		-
NCI based on their proportionate interest in the recognised amounts the assets and liabilities		(241,985)
Fair Value of Identifiable net assets	14.1.1	1,695,761
Goodwill		1,453,776

14.1.2.1 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. 1.4 bn has been fully impaired as the operations of the Texpro Industries Limited was discontinued as at 31st March 2025.

14.2 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.

14.2.1 Movement in NCI

As at 31st March	GROUP	
	2026 Rs. 000	2025 Rs. 000
Balance as at 01st April	(226,825)	23,489
Acquisition of subsidiary with NCI	-	(241,985)
Share of total comprehensive income attributable to NCI	(1,063)	(8,287)
changes in ownership interests in subsidiaries	227,888	(42)
Balance as at 31st March	-	(226,825)

14.2.2 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)	227,883	(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.

14.3 Acquisition of Non-Controlling Interest during the year ended 31st March 2026

The Group acquired additional interest in DCSL Breweries Lanka Limited on 17th December 2025, increasing its interest from 99.58% to 100% and additional interest in Texpro Industries Limited on 19th May 2026, increasing its interest from 85.73% to 100%.

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

	2026 Rs.'000
Consideration paid	42,075
Carrying amount of NCI acquired	(227,888)
A decrease in equity attributable to owners of the Company	(269,963)

A decrease in equity attributable to owners of the Company comprised a decrease in retained earnings.

15 OTHER FINANCIAL INVESTMENTS

As at 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Non Current Investments				
Financial assets measured at Fair Value Through Other Comprehensive Income (Note 15.1)	5,509,176	4,264,682	5,509,176	4,264,682
	5,509,176	4,264,682	5,509,176	4,264,682
Current Investments				
Financial assets measured at Fair Value Through Profit or Loss (Note 15.2)	1,800	94,668	1,800	94,668
	1,800	94,668	1,800	94,668

15.1 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.

As at 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Quoted Equity Securities	15.1.1	5,326,953	4,264,675	5,326,953	4,264,675
Unquoted Equity Securities	15.1.2	182,223	7	182,223	7
		5,509,176	4,264,682	5,509,176	4,264,682

15.1.1 Quoted Equity Securities

As at 31st March	2026 No. of shares/ Units	2026 Cost Rs. 000	2026 Fair value Rs. 000	2025 No. of shares/ Units	2025 Cost	2025 Fair value Rs. 000
Bank, Finance and Insurance						
Hatton National Bank PLC	10,482,540	925,785	4,305,703	13,982,540	1,234,895	4,264,675
Commercial Bank of Ceylon PLC	5,000,000	1,127,948	1,021,250	-	-	-
Total Quoted Equity Securities	15,482,540	2,053,733	5,326,953	13,982,540	1,234,895	4,264,675

The fair value of quoted investments are calculated based on the market prices as at 31st March 2026.

15.1.2 Unquoted Equity Securities

As at 31st March	2026 No. of shares/ Units	2026 Cost Rs. 000	2026 Fair value Rs. 000	2025 No. of shares/ Units	2025 Cost	2025 Fair value Rs. 000
Amethyst Leisure Limited	214,080,600	271,489	-	214,080,600	271,489	-
Amethyst Leisure Limited - Non-Voting Shares	4,555,399,776	182,216	182,216	-	-	-
International Distilleries Lanka Limited	100	3	3	100	3	3
W.M.Mendis & Co., Limited	200	4	4	200	4	4
		453,712	182,223		271,496	7

(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 2026..

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.

15.1.3 Movement of Financial Investments

As at 31st March	GROUP/ COMPANY 2026 Rs. 000	GROUP/ COMPANY 2025 Rs. 000
Opening balance	4,264,682	2,465,438
Additions/ (Disposals) during the year	(159,677)	-
Fair value changes	1,404,171	1,799,244
Closing balance	5,509,176	4,264,682

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

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April	94,668	90,771	94,668	90,771
Additions during the year	(109,141)	-	(109,141)	-
Fair value gain/(loss)	16,273	3,897	16,273	3,897
Balance as at 31st March	1,800	94,668	1,800	94,668

15.2.1 Quoted Equity Securities

As at 31st March	2026		2025	
	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
Diversified Investments				
Softlogic Holdings PLC	180,000	1,800	180,000	1,278
Bank & Finance				
Cargills Bank PLC	-	-	9,593,555	78,667
Total Quoted Equity Securities -Fair Value Through Profit or Loss		1,800		94,668

The fair value of quoted investments are calculated based on the market prices as at 31st March 2026.

16 NET DEFERRED TAX LIABILITIES

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April	2,357,944	1,977,912	1,816,425	1,800,533
Recognised through profit or loss- originated during the year	(182,311)	(178,193)	(169,033)	(168,248)
Recognised through OCI- originated during the year	9,510	(40,927)	8,991	(40,927)
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	-	-
Balance as at 31st March 2026	2,185,143	2,357,944	1,656,383	1,816,425

16.1 Movement in Recognised Deferred Tax Assets and Liabilities

Group	2026				
	Balance as at 1st April 2025 Rs.'000	Recognised in Profit or Loss Rs.'000	Recognised in Other Comprehensive Income Rs.'000	Acquisition through business combination Rs.'000	Balance as at 31st March 2026 Rs.'000
On Property, Plant and Equipment	553,311	(117,730)	-	-	435,581
On Revaluation Surplus on Lands	1,850,099	-	-	-	1,850,099
On Revaluation Surplus on Buildings	459,689	-	-	-	459,689
On net investment in Sublease	22,010	-	-	-	22,010
On Right of Use Asset	32,129	842,853	-	-	874,982
On Retirement Benefit Obligations	(171,426)	(22,879)	9,510	-	(184,795)
On Provision for slow moving inventory	(226,531)	(14,689)	-	-	(241,220)
On Lease Liability	(161,337)	(869,866)	-	-	(1,031,203)
	2,357,944	(182,311)	9,510	-	2,185,143

Group	2025				
	Balance as at 1st April 2024 Rs.'000	Recognised in Profit or Loss Rs.'000	Recognised in Other Comprehensive Income Rs.'000	Acquisition through business combination Rs.'000	Balance as at 31st March 2025 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

Company	2026			
	Balance as at 1st April 2025	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Balance as at 31st March 2026
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
On Property, Plant and Equipment	82,949	(107,785)	-	(24,836)
On Revaluation Surplus on Lands	1,177,235	-	-	1,177,235
On Revaluation Surplus on Buildings	933,001	-	-	933,001
On net investment in Sublease	-	-	-	-
On Right of Use Asset	58,947	842,853	-	901,800
On Retirement Benefit Obligations	(171,426)	(19,546)	8,991	(181,981)
On Provision for slow moving inventory	(199,888)	(14,689)	-	(214,577)
On Lease Liability	(64,393)	(869,866)	-	(934,259)
	1,816,425	(169,033)	8,991	1,656,383

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

16.2 The recognised deferred tax (assets)/liabilities of the company is attributable to the following

Group	2026		2025	
	Taxable / (Deductible)		Taxable / (Deductible)	
	Temporary Difference	Tax effect	Temporary Difference	Tax effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
On Property Plant and Equipment	967,958	435,581	1,229,580	553,311
On Revaluation Surplus on Lands & Buildings	5,132,862	2,309,788	5,132,862	2,309,788
On net investment in Sublease	48,911	22,010	48,911	22,010
Right of use asset	1,944,404	874,982	71,398	32,129
On Retirement Benefit Obligation	(410,656)	(184,795)	(380,947)	(171,426)
On Provision for slow moving inventory	(536,044)	(241,220)	(503,402)	(226,531)
On Lease Liability	(2,291,562)	(1,031,203)	(358,527)	(161,337)
	4,855,873	2,185,143	5,239,876	2,357,944

Company	2026 Taxable / (Deductible) Temporary Difference Rs.'000	2026 Tax effect Rs.'000	2025 Taxable / (Deductible) Temporary Difference Rs.'000	2025 Tax effect Rs.'000
On Property Plant and Equipment	(55,186)	(24,834)	184,331	82,949
On Revaluation Surplus on Lands & Buildings	4,689,413	2,110,236	4,689,413	2,110,236
Right of use asset	2,004,000	901,800	130,994	58,947
On Retirement Benefit Obligation	(404,404)	(181,982)	(380,947)	(171,426)
On Provision for slow moving inventory	(476,839)	(214,578)	(444,196)	(199,888)
On Lease Liability	(2,076,131)	(934,259)	(143,096)	(64,393)
	3,680,852	1,656,383	4,036,500	1,816,425

Based on the Inland Revenue Act, 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 commutated at 45% as at 31st March 2026 (2025: 45%).

Unrecognised Deferred tax assets: DCSL Breweries Lanka Limited

The deferred tax asset is attributable to the following:

For the year ended 31st March	2026 Temporary Difference Rs. 000	2026 Tax effect Rs. 000	2025 Temporary Difference Rs. 000	2025 Tax effect Rs. 000
Property, plant and equipment	619,997	278,999	425,633	127,690
Retirement Benefit Obligation	(51,474)	(23,163)	(59,676)	(17,903)
ROU and Lease liability	(226)	(102)	(8,159)	(2,448)
On tax loss carried forward	(6,298,834)	(2,834,475)	(6,540,549)	(1,962,165)
Unrealised foreign exchange gain	(6,936)	(3,121)	6,431	1,929
Provision /(loss)	(879,553)	(395,799)	(1,397,406)	(419,222)
	(6,617,026)	(2,977,661)	(7,573,726)	(2,272,119)

Deferred tax asset has not been recognised on the unused tax losses of Rs.6,298,833,866 as at 31st March 2026 and Rs 6,540,549,034 as at 31st December 2025 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.

17 INVENTORIES

As at 31st March	Notes	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Raw Materials		3,786,089	2,934,311	3,396,131	2,795,171
Packing Material		2,657,944	1,870,752	2,022,161	1,575,430
Work in Progress		1,057,305	1,497,959	950,486	1,381,026
Finished Goods		2,364,999	1,303,847	2,203,509	1,139,112
Input Materials, Consumables and Spares		1,320,232	939,061	1,135,296	753,651
Good in transit		-	2,369	-	-
		11,186,569	8,548,299	9,707,583	7,644,390
Less: Provision for Slow Moving and Obsolete Inventories	17.1	(580,391)	(654,242)	(476,839)	(444,196)
		10,606,178	7,894,057	9,230,744	7,200,194

17.1 Provision for slow moving inventories

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April	654,242	628,774	444,196	438,997
Provision made/(Reversal) during the year	18,488	25,468	32,643	5,199
Written off during the year	(92,339)	-	-	-
Balance as at 31st March	580,391	654,242	476,839	444,196

18 TRADE AND OTHER RECEIVABLES

As at 31st March	Notes	GROUP		COMPANY	
		2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Trade Receivables		11,896,945	10,081,553	11,284,048	9,320,011
Less: Provision for impairment of Trade Receivable	18.1	(645,312)	(699,152)	-	-
		11,251,633	9,382,401	11,284,048	9,320,011
Other Financial Receivables		135,866	182,436	-	-
Refundable Deposits		6,856	7,246	6,856	7,246
Prepayments and Advances		5,687,267	4,467,623	4,023,753	4,001,910
Accrued Income		9,533	183,032	9,533	183,032
Other Non Financial Receivables		104,090	123,480	104,090	123,480
Other receivable		-	84,868	-	-
		17,195,245	14,431,086	15,428,280	13,635,679
Less: Provision for impairment of Other Receivables	18.2	(283,418)	(365,049)	(152,729)	(152,729)
		16,911,827	14,066,037	15,275,551	13,482,950

18.1 Provision for impairment of Trade Receivable

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April	699,152	450,739	-	-
Provision made during the year	(53,840)	248,413	-	-
Balance as at 31st March	645,312	699,152	-	-

18.2 Provision for impairment of Other Receivables

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April	365,049	237,809	152,729	152,729
Provision made during the year	(81,631)	127,240	-	-
Balance as at 31st March	283,418	365,049	152,729	152,729

19 SHORT TERM INVESTMENTS

As at 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Opening Balance	2,252,713	-	2,252,713	-
Additions during the year	282,290,000	195,834,000	282,290,000	195,834,000
Interest amortised during the year	631,472	373,676	631,472	373,676
Matured during the year	(283,053,666)	(193,954,963)	(283,053,666)	(193,954,963)
	2,120,519	2,252,713	2,120,519	2,252,713

The short term investment balances as at 31st March 2026 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.

20 CASH AND CASH EQUIVALENTS

As at 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Favourable Balances				
Cash at Bank	305,906	1,557,505	278,956	552,511
Cash in Hand	16,216	13,494	16,259	13,494
Cash in Transit	60,704	44,593	60,704	44,593
	382,826	1,615,592	355,919	610,598
Unfavourable Balances				
Bank Overdraft	572,680	797,837	-	-
	572,680	797,837	-	-
Cash and Cash Equivalents for Cash Flows purpose	(189,854)	817,755	355,919	610,598

21 STATED CAPITAL

As at 31st March	2026 No. of Shares Rs. 000	2026 Value of shares Rs. 000	2025 No. of Shares Rs. 000	2025 Value of shares Rs. 000
Balance as at 1st April	4,600,000	3,000,000	4,600,000	3,000,000
Balance at the 31st March	4,600,000	3,000,000	4,600,000	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.

22 RESERVES

As at 31st March	Note	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Capital Reserves					
Capital Reserves	22.1	107,882	107,882	107,882	107,882
Revaluation Reserve	22.2	2,578,181	2,578,181	2,600,354	2,600,354
Total Capital Reserves		2,686,063	2,686,063	2,708,236	2,708,236
Revenue Reserves					
General Reserve	22.3	10,000	10,000	10,000	10,000
FVOCI Reserve	22.4	3,270,496	3,027,056	3,270,496	3,027,056
Total Revenue Reserves		3,280,496	3,037,056	3,280,496	3,037,056
Total Reserves		5,966,559	5,723,119	5,988,732	5,745,292

22.1 Capital Reserves

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

22.2 Revaluation Reserve

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

22.3 General Reserve

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

22.4 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.

23 RETIREMENT BENEFIT OBLIGATIONS

As at 31st March	Note	GROUP		COMPANY	
		2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April		440,623	357,969	380,947	290,924
Expense Recognised in the Statement of Profit or Loss	23.1	93,054	76,274	71,233	61,179
Actuarial Loss/(Gain) Recognised in Other Comprehensive Income		(25,519)	60,586	(19,979)	69,773
Benefits Paid during the year		(42,845)	(54,206)	(27,797)	(40,929)
Balance as at 31st March		465,313	440,623	404,404	380,947
23.1 Expense Recognised in the Income Statement					
Current Service Costs		47,399	32,144	31,234	26,268
Interest Costs		45,655	44,130	39,999	34,911
		93,054	76,274	71,233	61,179

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 2026.

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 2025.

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.

23.2 Actuarial Assumptions

	GROUP		COMPANY	
	2026	2025	2026	2025
Principal actuarial assumptions at the reporting date				
Discount Rate (%)	8.5% - 10%	8.5% - 10.5%	10.00%	10.50%
Future Salary Increases (%)	5% - 7.5%	8%	7.5%	7.5%
Retirement Age (years)	60 years	60 years	60 years	60 years
Staff Turnover Rate	9% - 30%	8% - 30%	9%	9%
Weighted Average Duration of Defined Benefit Obligation	5.5 to 7.5 years	5 to 7.5 years	5.5 years	7.5 years

23.3 Sensitivity of Assumptions Used

The calculation of the retirement benefit obligation is sensitive to the assumptions set out above. The following table summarises 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,

	2026		2025	
	Discount Rate Rs. 000	Salary Increment Rs. 000	Discount Rate Rs. 000	Salary Increment Rs. 000
Increase by 1 %	(19,451)	22,286	(17,424)	19,361
Decrease by 1 %	21,344	(20,635)	19,099	(17,945)

Effect on Comprehensive Income

	2026		2025	
	Discount Rate Rs. 000	Salary Increment Rs. 000	Discount Rate Rs. 000	Salary Increment Rs. 000
Increase by 1 %	19,451	(22,286)	17,424	(19,361)
Decrease by 1 %	(21,344)	20,635	(19,099)	17,945

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

	GROUP		COMPANY	
As at 31st March	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Within the next 12 months	35,825	40,452	32,355	40,258
Between 1-5 years	287,610	224,430	239,375	221,421
Between 5-10 years	84,716	131,795	84,716	75,322
Beyond 10 years	47,958	43,946	47,958	43,946
Total	456,109	440,623	404,404	380,947

24 LEASE LIABILITY - GROUP

As at 31st March	2026 Land and Building Rs. 000	2026 Motor Vehicles Rs. 000	2026 Total Rs. 000	2025 Total Rs. 000
Balance as at 1st April	174,888	-	174,888	787,022
Additions of Right of use assets	774,787	1,846,780	2,621,567	-
Interest expense for the year	34,004	122,667	156,671	65,420
Repayment during the year	(313,674)	(562,115)	(875,789)	(677,554)
Balance as at 31st March	670,005	1,407,332	2,077,337	174,887

LEASE LIABILITY - COMPANY

As at 31st March	2026 Land and Building Rs. 000	2026 Motor Vehicles Rs. 000	2026 Total Rs. 000	2025 Total Rs. 000
Balance as at 1st April	143,096	-	143,096	720,414
Additions of Right of use assets	774,787	1,846,780	2,621,567	-
Interest expense for the year	32,554	122,667	155,221	61,571
Repayment during the year	(281,638)	(562,115)	(843,753)	(638,889)
Balance as at 31st March	668,799	1,407,332	2,076,131	143,096

24.1 Analysis by maturity

As at 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Current liabilities	657,547	91,859	656,592	67,784
Non current liabilities	1,419,790	83,028	1,419,539	75,311
	2,077,337	174,887	2,076,131	143,095

24.2 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 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Less than one year	887,599	105,707	886,644	80,209
One to five years	1,640,574	88,012	1,640,323	80,209
Total undiscounted lease liabilities as at 31st March	2,528,173	193,719	2,526,967	160,418

24.3 Amount recognised in statement of profit or loss

As at 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Lease under SLFRS 16				
Interest on lease liabilities	156,671	65,420	155,221	61,571
Amortisation of Right-of-use asset	788,204	444,093	769,885	412,701
Expenses relating to leases of low value assets	1,440	1,440	1,440	1440
	946,315	510,953	926,546	475,712

24.4 Amount recognised in statement of cash flows

For the year ended 31st March,	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Lease interest paid during the year	156,671	65,420	155,221	61,571
Lease rentals paid during the year	719,118	612,134	688,532	577,318
	875,789	677,554	843,753	638,889

25 TRADE AND OTHER PAYABLES

As at 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Trade Payables	1,037,883	955,906	288,663	158,831
Other Financial Liabilities	2,081,799	903,892	1,927,080	650,967
Unclaimed Dividends	203,997	195,053	203,997	195,053
Other Non Financial Liabilities	6,234,171	5,124,376	5,306,769	4,971,601
	9,557,850	7,179,227	7,726,509	5,976,452

26 TAXES PAYABLES

As at 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Income Tax Payable	4,295,317	4,242,816	4,292,700	4,236,103
Excise Duty Payable	7,231,695	5,454,715	6,779,634	5,454,715
Value Added Tax (VAT) Payable	2,678,506	1,743,813	2,504,333	1,634,094
WHT Payable	9,256	5,765	9,256	5,392
SSCL Payable	415,279	325,482	389,562	308,367
Stamp Duty Payable	157	111	97	95
	14,630,210	11,772,702	13,975,582	11,638,766

27 INTEREST BEARING LOANS AND BORROWINGS

As at 31st March	GROUP 2026 Rs. 000	GROUP 2025 Rs. 000	COMPANY 2026 Rs. 000	COMPANY 2025 Rs. 000
Balance as at 1st April	1,043,493	2,715,533	2,500	2,715,533
Loans obtained during the year	-	3,130,000	-	3,130,000
Interest for the year	27,507	4,845	210	4,845
Repayments during the year	(1,043,567)	(5,840,000)	-	(5,840,000)
Interest payments during the year	(24,933)	(7,878)	(210)	(7,878)
Acquisition through business combination	-	1,040,993	-	-
Balance as at 31st March	2,500	1,043,493	2,500	2,500

27.1 Sources of finance

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Hatton National Bank PLC	-	136,245	-	-
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	-	-
	2,500	1,043,493	2,500	2,500

27.2 Analysis by maturity

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Current liabilities	2,500	722,531	2,500	2,500
Non-current liabilities	-	320,962	-	-
	2,500	1,043,493	2,500	2,500

27.3 Analysed by credit terms and security details of Term Loans

Company	Bank/Financial Institution/ Lender	Interest Rate	Loan Amount Rs. '000	Repayment Terms
Distilleries Company of Sri Lanka PLC	DCSL Medical Scheme	AWPLR	2,500	No specific term

28 RELATED PARTY DISCLOSURES

The Company 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.

28.1 Balances with Related Parties

28.1.1 Amounts Due from Related Companies

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Aion SG Residencies (Private) Limited	11,920	11,920	11,920	11,920
Continental Insurance Lanka Limited	1,123	2,224	1,123	2,224
Melstacorp PLC	652,125	596,132	652,125	596,132
Madulsima Plantation PLC	54,789	46,929	54,789	46,929
DCSL Group Marketting (Pvt) Ltd	-	-	-	71,086
Balangoda Plantation PLC	17,813	-	17,813	-
Melsta Health (Private) Limited	359	359	359	359
Melsta Properties (Private) Limited	382,569	195,260	382,569	195,260
Pattipola Livestock Company Limited	-	8	-	8
Ambewela Products Pvt Ltd	239	-	239	-
Melsta Hospital Ragama (Private) Limited	-	125	-	125
Melsta Laboratories (Private) Limited	270	740	270	740
Formula World (Private) Ltd	17,417	17,174	17,417	17,174
Texpro Industries (Pvt) Ltd	-	-	1,315,508	-
Stassens Food (Private) Limited	326	174	326	174
Aitken Spence Hotel Management Pvt Ltd	44	-	44	-
Ahungalle Resort (Pvt) Ltd	12	-	12	-
Aitken Spence Cargo Pvt Ltd	5,533	-	5,533	-
Aitken Spence Hotel Holdings PLC	2,602	5,469	2,602	5,469
Browns Beach Hotels PLC	1,184	847	1,184	847
Paradise Resort(Pvt) Ltd	23	-	23	-
Lanka Milk Foods (CWE) PLC	737	81	737	81
Stassen Natural Foods Pvt Ltd	2,716	374	2,716	374
	1,151,801	877,816	2,467,309	948,902
Provision for Impairment	(33,867)	(33,867)	(33,867)	(33,867)
	1,117,934	843,949	2,433,442	915,035

28.1.2 Amounts Due to Related Companies

As at 31st March	GROUP		COMPANY	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Bellvantage (Private) Limited	6,314	3,584	6,314	3,584
Melsta Logistics (Private) Limited	21,456	33,059	21,456	33,059
Melstacorp PLC	20,700	34,500	-	-
Lanka Bell Limited	100	-	100	-
ACE Containers	13,810	-	13,810	-
Aitken Spence Printing & Packaging PVT Ltd	9,265	-	9,265	-
DCSL Breweries (Private) Ltd	-	-	1,352,110	1,580,072
DCSL Group Marketing	-	-	96,618	-
Melsta Pharmacy (Private) Limited	-	30	-	30
Periceyl (Private) Limited	58,881	419,384	58,881	419,384
Lanka Aluminium Industries PLC	10,608	10,608	-	-
Lanka Dairies (Private) Limited	22	22	22	22
Stassens Exports (Private) Limited	338	363,982	338	-
Melsta Technologies (Private) Limited	9,306	10,148	9,306	10,148
	150,800	875,317	1,568,220	2,046,299

28.2 The Company 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.
Melsta Properties (Private) Limited	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.
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.

NOTES TO THE FINANCIAL STATEMENTS

28.3 Transactions with Related Companies

Description	Nature of Relationship	Nature of transaction	Transaction during the year ended 31st March 2026 Rs.'000	Transaction during the year ended 31st March 2025 Rs.'000	Closing balance as at 31st March 2026 Rs.'000	Closing balance as at 31st March 2025 Rs.'000
Transactions with Parent Company	Parent Company	RPT Current A/C Interest	60,380	58,185	652,125	596,132
		Supply of Goods & Services	19,288	36,364		
		Fund Transfer	-	112,919,000		
		Rent Expense	(232,737)	(211,255)		
		Funds Settlement	-	(112,919,000)		
		Payment for Goods & Services	1,679	-		
		Purchase of Goods & Services	(5,603)	-		
		Payment of Rent	230,946	216,500		
		Interest Charged on Fund Transfers	-	265,665		
		Payment Received for Supply of Goods & Services	(17,960)	(38,813)		
		Interest Received for Fund Transfers	-	(265,665)		
Transactions with Subsidiaries	Subsidiaries	Supply of Goods & Services	241,493	86,419	(133,220)	(1,508,986)
		Purchase of Goods & Services	(9,645,481)	(7,912,892)		
		Receipt for Supply of Goods & Services	(124,941)	(15,288)		
		Payment for Goods & Services	9,660,273	6,268,055		
		Transfer of Funds	1,315,508	70,000		
		Interest Charged on Transfers of Funds	1,656	1,086		
		Purchase of Shares	(70,000)	-		
		Interest Received on Transfers of Funds	(2,742)	-		
		Payment for Purchase of Materials	-	(6,480)		
Transactions with Other Related Companies	Common Directorship	Debtor Collections	(7,649,931)	(5,364,869)	352,631	(218,410)
		Payment for Goods & Services	598,452	110,325		
		Supply of goods & Services	889,830	552,346		
		Purchase of Goods & Services	(354,105)	(109,531)		
		Receipt for Supply of Goods & Services	(630,363)	(485,034)		
		Rent Expense	(99,473)	(92,370)		
		Software Maintenance Charges	(253,424)	(170,579)		
		Telephone Bill Expenses		(4,182)		
		Vehicle Hiring Charges	(865,173)	(448,699)		
		Payment of Rent	98,229	92,370		
		Payment of Vehicle Hiring Charges	821,113	445,312		
		Rent Income	2,989	3,812		
		RPT Current A/C Interest	29,338	6,623		
		Settlement of Telephone Bill Expenses	-	9,198		
		Transfer of Funds	7,986,597	5,374,224		
		Payment for Software Maintenance Charges	-	167,919		
		Payment received for Rent Income	(3,038)	(2,568)		

28.4 Transactions with Key Management Personnel

28.4.1 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.

28.4.2 Compensations to Key management Personnel

For the year ended 31st March	COMPANY	
	2026 Rs. 000	2025 Rs. 000
Short Term Employee Benefits	701,249	697,060

28.5 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) dependents of the individual or the individual's domestic partner

There were no transactions with CFM during the year

28.6 Loans to Directors

There were no loans given to Directors during the year.

28.7 Recurrent Transactions

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

There were no recurrent related party transactions exceeding 10% of the gross revenue during the financial year ending 31st March 2026.

29 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.

Censtar International (Pvt) Ltd. Filed an action against the company claiming a sum of Rs.17,982,358.38, together with interest and costs. The matter has since been concluded, and the Company has paid Rs.17,982,358.38 in settlement of the principal amount.

The interest and costs payable in terms of the judgment remain outstanding due to finalising the amount to be taxed.

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 filed 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 unit 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 mentioned on 09th October 2026 for delivering of the judgement.

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.

30 CAPITAL COMMITMENTS

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

31 ASSETS PLEDGED

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

32 EVENT 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;

The Board of Directors of the Company has approved the third interim dividend of Rs. 1.00 per share for the financial year ended 31 March 2026. Details of the dividend is disclosed in note 10.3 to the financial statements.

33 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 jeopardise 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 Instrument

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 excise duty, taxes, payroll and pension account.

33.1 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 (lka) Stable rating assigned by Fitch this year.

The Group has exposure to following financial instruments.

33.1.1 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 recognised, 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 Groups's exposure to bad debts is not significant.

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		GROUP				COMPANY			
	Note	2026 Rs.'000	% from Total Exposure	2025 Rs.'000	% from Total Exposure	2026 Rs.'000	% from Total Exposure	2025 Rs.'000	% from Total Exposure
Trade and Other Receivables	18	12,049,200	63%	10,532,819	61%	11,300,437	58%	9,510,289	62%
Amounts Due From Related Companies	28.1.1	1,151,801	6%	877,816	5%	2,467,309	13%	948,902	6%
Financial Assets measured at FVOCI	15.1	5,509,176	29%	4,264,682	25%	5,509,176	28%	4,264,682	28%
Financial Assets measured at FVTPL	15.2	1,800	0%	94,668	1%	1,800	0%	94,668	1%
Cash at Bank	20	305,906	2%	1,557,505	9%	278,956	1%	552,511	4%
		19,017,883	100%	17,327,490	100%	19,557,677	100%	15,371,052	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	
	2026	2025	2026	2025
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Loss allowance - trade receivables	645,312	699,152	-	-
Loss allowance - Other Receivables	283,418	365,049	152,729	152,729
	928,730	1,064,201	152,729	152,729

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

As at 31st March	GROUP				COMPANY			
	2026		2025		2026		2025	
	Gross Carrying Amount Rs.'000	Loss Allowance Rs.'000	Gross Carrying Amount Rs.'000	Loss Allowance Rs.'000	Gross Carrying Amount Rs.'000	Loss Allowance Rs.'000	Gross Carrying Amount Rs.'000	Loss Allowance Rs.'000
Past due 1 - 30 days	10,689,919	-	8,735,846	-	10,689,919	-	8,735,846	-
Past Due 31- 60 days	401,430	-	328,943	-	401,430	-	328,943	-
Past Due 61- 90 days	57,480	-	149,352	-	57,480	-	121,842	-
Past Due 91- 120 days	25,204	-	40,734	-	25,204	-	40,734	-
Past Due 120- 360 days	110,015		154,507	(28,537)	110,015	-	91,090	-
Over 365 days	612,897	(645,312)	672,171	(670,615)		-	1,556	-
	11,896,945	(645,312)	10,081,553	(699,152)	11,284,048	-	9,320,011	-

33.1.1.1 Trade and Other Receivables

The impairment allowance made for trade receivables of the Group 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	
	2026	2025
	Rs. 000	Rs. 000
At the beginning of the year	699,152	450,739
Acquisition through Business Combination	-	248,413
Charge during the year	(53,840)	
At the end of the year	645,312	699,152

33.1.1.2 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.

33.1.1.4 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.

33.1.2 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 2026 and 31st March 2025..

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 2026							
Lease Liabilities	2,077,337	2,527,922	886,895	1,640,323	-	-	2,527,922
Interest Bearing Loans and Borrowings	2,500	2,500	2,500	-	-	-	2,500
Trade and Other Payables	9,557,850	9,557,850	9,557,850	-	-	-	9,557,850
Amounts due to Related Companies	150,800	150,800	150,800	-	-	-	150,800
Bank Overdraft	572,680	572,680	572,680	-	-	-	572,680
	12,361,167	12,811,752	11,170,725	1,640,323	-	-	12,811,752
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

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 2026							
Lease Liabilities	2,076,131	2,526,967	886,644	1,640,323	-	-	2,526,967
Interest Bearing Loans and Borrowings	2,500	2,500	2,500	-	-	-	2,500
Trade and Other Payables	2,419,740	2,419,740	2,419,740	-	-	-	2,419,740
Amounts due to Related Companies	1,568,220	1,568,220	1,568,220	-	-	-	1,568,220
	6,066,591	6,517,427	4,877,104	1,640,323	-	-	6,517,427
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

33.1.3 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. 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 bellow.

As at 31st March	GROUP/ COMPANY			
	2026		2025	
	Rs.'000	%	Rs.'000	%
Financial Assets Measured at FVOCI				
Beverage Food and Tobacco	7	-	7	-
Bank, Finance and insurance	5,326,953	100%	4,264,675	100%
	5,326,960	100%	4,264,682	100%
Financial Assets Measured at FVTPL				
Diversified Investments	1,800	100%	1,278	1%
Hotel and Travels	-	0%	14,723	16%
Bank, Finance and insurance	-	0%	78,667	83%
	1,800	100%	94,668	100%

The sensitivity analysis of the share trading portfolio at the shock level of 10% as at 31st March 2026 and 2025 are as follows.

As at 31st March	2026			2025	
	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%	(532,695)	4,794,258	(426,468)	3,838,207
Hotel and Travels	-10%	-	-	-	-
		(532,696)	4,794,264	(426,469)	3,838,213
Financial Assets Measured at FVTPL					
Diversified Investments	-10%	(180)	1,620	(128)	1,150
Hotel and Travels	-10%	-	-	(1,472)	13,251
Bank, Finance and insurance	-10%	-	-	(7,867)	70,800
		(180)	1,620	(9,467)	85,201

As at 31st March	2026			2025	
	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%	532,695	5,859,648	426,468	4,691,143
Hotel and Travels	-10%	-	-	-	-
		532,696	5,859,656	426,469	4,691,151
Financial Assets Measured at FVTPL					
Diversified Investments	-10%	180	1,980	128	1,406
Hotel and Travels	-10%	-	-	1,472	16,195
Bank, Finance and insurance	-10%	-	-	7,867	86,534
		180	1,980	9,467	104,135

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	
	2026	2025	2026	2025
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Financial Assets				
Fixed rate instruments				
Short term investments	2,120,519	2,252,713	2,120,519	2,252,713
Cash at Bank	305,906	1,557,505	278,956	552,511
	2,426,425	3,810,218	2,399,475	2,805,224
Variable rate instruments				
Amount Due From Related Company	652,125	596,132	652,125	596,132
	652,125	596,132	652,125	596,132
Financial Liabilities				
Variable rate instruments				
Interest Bearing Loans and Borrowings	2,500	1,043,493	2,500	2,500
Bank Overdraft	572,680	797,837	-	-
	575,180	1,841,330	2,500	2,500

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 2026 Rs.000	31st March 2025 Rs.000	Basis points	31st March 2026 Rs.000	31st March 2025 Rs.000
Increase	+100	25	18,413	+100	25	25
Decrease	-100	(25)	(18,413)	-100	(25)	(25)

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.

34 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			
	2026		2025		2026		2025	
	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	5,326,953	5,326,953	4,264,675	4,264,675	5,326,953	5,326,953	4,264,675	4,264,675
Unquoted Equity Securities	182,223	182,223	7	7	182,223	182,223	7	7
	5,509,176	5,509,176	4,264,682	4,264,682	5,509,176	5,509,176	4,264,682	4,264,682
Financial Assets Measured at Fair Value through Profit or Loss								
Quoted Equity Securities	1,800	1,800	94,668	94,668	1,800	1,800	94,668	94,668
	1,800	1,800	94,668	94,668	1,800	1,800	94,668	94,668
Assets Carried at Amortised cost								
Trade and other receivables	12,049,200	12,049,200	10,532,819	10,532,819	11,300,437	11,300,437	9,510,289	9,510,289
Amount due from related Companies	1,151,801	1,151,801	877,816	877,816	2,467,309	2,467,309	948,902	948,902
Short term investments	2,120,519	2,120,519	2,252,713	2,252,713	2,120,519	2,120,519	2,252,713	2,252,713
Cash and cash equivalents	382,826	382,826	1,615,592	1,615,592	355,919	355,919	610,598	610,598
	15,704,346	15,704,346	15,278,940	15,278,940	16,244,184	16,244,184	13,322,502	13,322,502
Current Liabilities								
Liabilities carried at amotised cost								
Lease Liabilities	2,077,337	2,077,337	174,887	174,887	2,076,131	2,076,131	143,095	143,095
Trade and Other Payables	2,500	2,500	2,054,851	2,054,851	2,500	2,500	1,004,851	1,004,851
Amount Due to Related Companies	9,557,850	9,557,850	875,317	875,317	2,419,740	2,419,740	2,046,299	2,046,299
Interest Bearing Borrowings	150,800	150,800	1,043,493	1,043,493	1,568,220	1,568,220	2,500	2,500
Bank Overdrafts	572,680	572,680	797,837	797,837	-	-	-	-
	12,361,167	12,361,167	4,946,385	4,946,385	6,066,591	6,066,591	3,196,745	3,196,745

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	2026				2025			
	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	5,326,953	-	-	5,326,953	4,264,675	-	-	4,264,675
Unquoted Equity Securities	-	-	182,223	182,223	-	-	7	7
	5,326,953	-	182,223	5,509,176	4,264,675	-	7	4,264,682
Financial Assets Measured at Fair Value through Profit or Loss								
Quoted Equity Securities	1,800				94,668	-	-	94,668
	1,800	-	-	-	94,668	-	-	94,668

Company

As at 31st March	2026				2025			
	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	5,326,953	-	-	5,326,953	4,264,675	-	-	4,264,675
Unquoted Equity Securities	-	-	182,223	182,223	-	-	7	7
	5,326,953	-	182,223	5,509,176	4,264,675	-	7	4,264,682
Financial Assets Measured at Fair Value through Profit or Loss								
Quoted Equity Securities	1,800	-	-	1,800	94,668	-	-	94,668
	1,800	-	-	1,800	94,668	-	-	94,668

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	
	2026 Rs. 000	2025 Rs. 000
Balance as at 1st April	7	7
Loss included in OCI		
- Net change in fair value (Unrealised)	-	-
Purchases	182,216	-
Balance as at 31st March	182,223	7

35 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 maximise 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	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Total Borrowings	2,500	1,043,493	2,500	2,500
Total Equity	18,822,397	14,178,903	21,790,910	17,331,746
Debt to Equity ratio(Gearing Ratio)	0.01%	7.36%	0.01%	0.01%

TEN YEAR SUMMARY

In Rs Million-Company	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
RESULTS										
Gross Turnover	164,380	138,940	115,396	123,358	107,057	92,830	81,648	81,673	90,387	90,273
Excise Duty	102,898	85,257	69,142	66,399	73,989	63,592	53,752	53,957	61,204	63,254
NET TURNOVER	61,482	53,683	46,254	56,959	33,069	29,238	27,895	27,716	29,183	27,019
Profit/(Loss) Before Tax	30,346	29,016	23,754	31,068	13,185	11,934	9,492	8,969	7,325	8,064
Income Tax	13,502	11,420	9,414	12,225	5,199	4,666	3,731	3,574	2,975	3,089
Profit/(Loss) After Tax	16,844	17,596	14,340	18,843	7,986	7,268	5,761	5,395	4,349	4,975
FUNDS EMPLOYED										
Stated Capital	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	300
Capital Reserve and Revaluation reserve	2,708	2,708	2,934	1,863	1,863	1,863	1,863	1,863	1,209	1,805
Revenue Reserves & Retained Earnings	16,083	11,624	4,687	7,385	1,510	4,219	2,033	2,960	1,504	130
SHAREHOLDERS FUNDS	21,791	17,332	10,621	12,248	6,372	9,081	6,896	7,822	5,713	2,235
Total Borrowings	3	3	2,716	5	10	13	5,188	5,187	5,300	7,339
Non current Liabilities Net of Borrowings	3,480	2,273	2,235	2,269	2,918	3,184	3,662	2,201	1,903	1,386
Current Liabilities Net of Borrowings	23,927	19,729	15,408	15,192	15,662	10,794	5,132	10,574	11,171	11,893
	27,410	22,005	20,359	29,713	24,962	23,072	20,878	25,785	24,121	22,853
ASSET EMPLOYED										
Non-current Assets	19,783	14,780	12,956	7,341	7,886	8,644	10,054	8,855	9,111	10,447
Current Assets	29,418	24,556	18,024	22,372	17,077	14,428	10,824	16,930	15,010	12,406
	49,201	39,336	30,980	29,713	24,962	23,072	20,878	25,785	24,121	22,853
CASH FLOW										
Net cash flow from Operating Activities	15,158	18,261	17,907	7,054	12,274	11,949	6,387	3,774	2,246	6,918
Net cash flow from Investing Activities	(1,065)	(234)	(3,050)	1,531	419	113	341	437	1,208	(27,820)
Net cash flow from Financing Activities	(14,480)	(15,703)	(15,769)	(13,964)	(7,797)	(10,370)	(6,944)	(2,998)	(2,751)	18,789
Net Increase/(Decrease) in Cash & Cash Equivalents	(387)	2,324	(912)	(5,379)	4,896	1,692	(216)	1,213	703	(2,113)
KEY INDICATORS										
Earnings per share (Rs)	3.66	3.8	3.1	4.1	1.7	1.6	1.3	1.2	5.6	(233.4)
Net assets per share (Rs)	4.74	3.8	2.3	2.7	1.4	2.0	1.5	1.7	1.2	7.5
Market Value per share (Rs) Yer End	54.5	36.4	26.9	19.6	19.3	19.9	13	14.5	-	-
Return on Shareholder's Funds	77.30%	101.59%	135%	154.1%	125.2%	80%	83.5%	68.8%	76.6%	222.6%
Dividends per share (Rs)	3.0	2.7	3.9	2.2	1.6	1.1	1.2	0.8	0.7	1.8
Dividend payout	81.97%	70.5%	124%	54%	89.7%	70.9%	96%	68%	70.5%	-1%
Dividend Yield	5.50%	7.42%	14%	11%	8.1%	5.6%	9.2%	5.5%	-	-

STATEMENT OF VALUE ADDED

VALUE ADDED

For the year ended 31st March	2026 Group Rs. 000	2026 Company Rs. 000	2025 Group Rs. 000	2025 Company Rs. 000
Gross Turnover	164,419,273	164,380,102	141,297,164	138,939,989
Other Operating Income	693,314	247,355	395,860	358,049
Finance Income	823,459	813,583	558,870	547,091
	165,936,046	165,441,040	142,251,894	139,845,129

VALUE DISTRIBUTED

	2026 Group Rs. 000	2026 Group As % of Total	2026 Company Rs. 000	2026 Company As % of Total	2025 Group Rs.'000	2025 Group As % of Total	2025 Company Rs.'000	2025 Company As % of Total
To the state as Taxes	122,355,257	73.74%	116,399,891	70.36%	100,586,458	70.71%	96,677,411	69.13%
Operating Expenses	19,847,001	11.96%	26,647,171	16.11%	21,029,963	14.78%	20,728,392	14.82%
To the Employees	4,937,523	2.98%	4,242,479	2.56%	4,293,409	3.02%	3,745,328	2.68%
To Providers of Debt Capital	181,604	0.11%	155,431	0.09%	108,535	0.08%	66,423	0.05%
To the Shareholders as Dividends	13,800,000	8.32%	13,800,000	8.34%	12,420,000	8.73%	12,420,000	8.88%
Retained with the Business								
As Depreciation	1,549,273	0.93%	1,152,063	0.70%	1,558,836	1.10%	1,031,522	0.74%
As Retained Earnings	3,265,388	1.96%	3,044,005	1.84%	2,254,693	1.59%	5,176,053	3.70%
	165,936,046	100.00%	165,441,040	100.00%	142,251,894	100.00%	139,845,129	100%

DETAILS OF REAL ESTATE 2025/2026

Location		Land Extent A	Land Extent R	Land Extent P	Buildings No of Units	Buildings Extent in (Sq. Ft.)	Revalued Land Amount Rs.'000	Revalued Building Amount Rs.'000	Total 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, Kalutura 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

	31st March 2026	31st March 2025
Last Trade	54.50	36.40
Highest	67.50	40.40
Lowest	34.00	24.90

3 DISTRIBUTION OF SHAREHOLDING

As at Holding	31st March 2026			31st March 2025		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
1 - 1,000	11,461	3,029,204	0.07%	9,331	2,442,782	0.05%
1,001 - 10,000	3,455	9,518,847	0.21%	3,055	8,439,946	0.18%
10,001 - 100,000	575	16,566,434	0.36%	622	18,707,212	0.41%
100,001 - 1,000,000	101	32,237,634	0.70%	113	35,564,532	0.77%
1,000,001 & over	41	4,538,647,881	98.66%	35	4,534,845,528	98.59%
	15,633	4,600,000,000	100.00%	13,156	4,600,000,000	100.00%

4 ANALYSIS OF SHAREHOLDING

As at Holding	31st March 2026			31st March 2025		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
Individuals	15,362	77,206,543	1.68%	12,908	83,090,797	1.81%
Institutions	271	4,522,793,457	98.32%	248	4,516,909,203	98.19%
	15,633	4,600,000,000	100.00%	13,156	4,600,000,000	100.00%

As at Holding	31st March 2026			31st March 2025		
	No. of share Holders	Total Holding	% of Holding	No. of share Holders	Total Holding	% of Holding
Resident	15,530	4,590,287,759	99.79%	13,063	4,593,661,157	99.86%
Non-Resident	103	9,712,241	0.21%	93	6,338,843	0.14%
	15,633	4,600,000,000	100.00%	13,156	4,600,000,000	100.00%

SHAREHOLDER INFORMATION

5 TOP THIRTY SHAREHOLDERS OF THE COMPANY

Rank	Name	31st March 2026 Number of Shares	31st March 2026 %	31st March 2025 Number of Shares	31st March 2025 %
1	Melstacorp PLC	4,248,264,664	92.35%	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	Seylan Bank PLC/ARRC Capital (Pvt) Ltd	13,948,277	0.30%	1,129,250	0.03%
5	Mrs. L.E.M. Yaseen	8,000,000	0.17%	5,525,639	0.12%
6	Perera and Sons Bakers (Pvt) Limited	6,000,000	0.13%	9,550,010	0.21%
7	Mrs. S.M. Chrysostom	4,411,844	0.10%	3,874,814	0.08%
8	Ceylon Guardian Investment Trust PLC A/C # 02	3,969,337	0.09%	6,944,799	0.15%
9	Ceylon Investment PLC A/C # 02	3,900,923	0.08%	6,868,923	0.15%
10	Mr. M.H. Raouf	3,882,755	0.08%	3,757,399	0.08%
11	Bank of Ceylon A/C Ceybank Unit Trust	3,283,165	0.07%	1,595,939	0.04%
12	Mr. A.J.D. Selvanayagam	3,100,000	0.07%	3,100,000	0.07%
13	Rubber Investment Trust Ltd A/C No.01	2,616,301	0.06%	6,466,301	0.14%
14	AIA Insurance Lanka Limited A/C No.07	2,506,095	0.05%	2,506,095	0.05%
15	Stassen Exports (Pvt) Limited	2,505,718	0.05%	2,505,718	0.05%
16	Thurston Investments Limited	2,410,951	0.05%	1,000,000	0.02%
17	Senkadagala Finance PLC	2,390,747	0.05%	-	0.00%
18	Bank of Ceylon A/C NDB Wealth Growth Fund	2,242,611	0.05%	799,100	0.02%
19	Mr. D. Hasitha S. Jayawardena	2,231,505	0.05%	2,231,505	0.05%
20	Jafferjee Brothers Exports (Private) Limited	2,180,000	0.05%	2,680,000	0.06%
21	Employees Trust Fund Board	2,038,134	0.04%	-	0.00%
22	Mr. A.D. Gunewardene	1,852,024	0.04%	2,796,488	0.06%
23	People's Leasing and Finance PLC/L.P. Hapangama	1,774,260	0.04%	1,513,139	0.03%
24	People's Bank	1,700,000	0.04%	1,700,000	0.04%
25	Mcsen Range Private Limited	1,617,737	0.04%	1,617,737	0.04%
26	Mr. A.M. Weerasinghe	1,500,000	0.03%	1,500,000	0.03%
27	Odyssey Capital Partners (Private) Limited	1,500,000	0.03%	2,050,000	0.05%
28	GF Capital Global Limited	1,400,000	0.03%	1,400,000	0.03%
29	Mr. Y.S.H.R.S. Silva	1,346,347	0.03%	1,250,000	0.03%
30	DFCC Bank PLC/ATX Partners (Pvt) Ltd	1,300,000	0.03%	-	0.00%
	Sub Total	4,526,385,394	98.40%	4,519,119,519	98.26%
	Others Shareholders	73,614,606	1.60%	80,880,481	1.74%
	Total	4,600,000,000	100.00%	4,600,000,000	100.00%
	Percentage of Shares held by the public	3.36%		3.27%	
	Total No. of share holders who hold the public holding*	15,624		13,146	

* The public holding of the company as at 31st March 2026 was 3.36% Comprising of 15,624 Shareholders and a float adjusted market Capitalisation as at 31st March 2026 was Rs.8,418,506,000.00.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

OPERATIONS DIVISION

Senior Vice President – Operations
Col D.J. Ranjith Rupasinghe (Retd) RSP, IG

Assistant Manager – Regulatory Affairs
P.L. Madhushanka

FINANCE DIVISION

Senior Vice President – Finance
Nimal Nagahawatte B.Sc.

Vice President – Finance
Justin Algama B.Sc., Dip. Acc.

Vice President – IT
Ms. Pradeepa Gamagedara Dip. (NIBM), AACS

Manager – Finance
Tharanga Palamakumbura ACMA (UK), CGMA (UK)

Asst. Manager – Finance
Ms. Surani Samarasinghe CBA, MAAT

Asst. Manager – Finance
I. Hasitha Kavinda ACA, BBA Sp. UOC

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

Manager – Procurement
M.K. Srinath Sanjeewa

INTERNAL AUDIT DIVISION

Senior Vice President – Internal Audit
Chandana Bandara FCA, FCMA,
BSc. Acct.(Sp.) – First class (SJP) MBA (UoC).

COMPANY SECRETARIAL & LEGAL DIVISION

Company Secretary – Legal Support Consultant
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
MHRM, PQHRM (CIPM)

Assistant Manager – HR Analytics
M. Dinesh Sanjeewa
MBM, EDHRM

Assistant Manager – Human Resources
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

INVESTIGATION DIVISION

Vice President – Investigation & Surveillance
Kavinda Piyasekara SSP (Retd)

Assistant Director – Compliance
P.K. Serasinghe SSP (Retd)

EXTRA SPECIAL HERITAGE ARENA

Executive Vice President
Brig Nalaka Malsinghe (Retd),
RWP, RSP, USAWC, psc, Master of Defence Studies (UoK),
Master of Strategic Studies (USAWC)

Senior Vice President – Extra Special Heritage Arena
Maj Gen B.V.D. Padmachula Abeynayaka
(Retd) USP, VSV, Advanced Dip (D&SS)

Vice President – IT (Northern Region / Extra Special Heritage Arena)
R. Aravinth B.Sc. (Hons)

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

Assistant Vice President – Logistics
Maj W.M. Manjula Wickramasinghe (Retd)
RWP, RSP, USP, psc, IG, SLA, Dip (SUSL)

DCSL MANAGEMENT TEAM AND UNIT MANAGEMENT TEAM

Manager Production
Cdr Anuruddha S. Galabadage SLN (Retd) psn,
B.Sc. (DS) Mgt, M.Sc (WS) (Maritime),
PgD in Mgt., MISMM, CMILT

Manager Production – No.03 Warehouse
R.M. Buddhi Lakshantha A.IChemC, Grad Chem

Manager – Security & Fire
Maj A.M.Mahinda Abeysinghe (Retd) RSP

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 – Electrical
D.N. Maduranga Panditha
B.Eng (Hons) in EE Eng., Nat. Dip.in Tech. (in EE Technology)

Chemist
W.M.T.S. Bandara Arambepola Grad. Chem

Chemist
Ms.W.A.D. Fernando Grad. Chem

Assistant Manager – Security & Fire
D. Nimantha Ranasinghe
Dip. in IT., Higher Dip.in Electronic Eng. Tech.

NORTHERN REGION –SEEDUWA

Consultant
Maj Roshan Mark Cabraal (Retd)

Senior Vice President – Corporate Risk Management
Deshabandu R.M.L.N. Bandara SSP (Retd),
MBA (Major) USA ,UNMIT, UNTAIT, ONUMAZ

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

Senior Manager- Operations
Lt Col W. Chamara S. Nanayakkara (Retd) MRes (UK)
Dip SML (UK)

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)

Assistant Vice President-Transport/ Workshop facility
Maj Gen D.P. Hathurusinghe (Retd),
USP, B.Sc. (DS) in EE Eng , MPM

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

Chemist
D.I.J. Wickramarachchi M.I.Chem.C., Grad Chem.

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 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 – Production & Administration
Maj K.B. Manoj Indika Jayasena (Retd)
USP, psc, IG, Dip.(SUSL), Diploma In Comp. Studies

Manager – Warehouse
K. Bhathiya Benthota Arachchi B.Sc.

Chemist
Dhanuka N. Manawaduge B.Sc.

Assistant Engineer
H.P.D.P. Mangala Gunasekara

Zonal Manager – Kalutara
A.D.C. Krishantha

Zonal Manager – Ratmalana
Maj S.T. Anjula Silva (Retd) RSP, psc,
IG, 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 Deshappriya

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 Mgt, 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

CENTRAL REGION – KANDY

Senior Executive Vice President
Capt Chula Ranasinghe SLN (Retd) USP

Vice President – Central Region
V. Jeyachandran, 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 (UK)

Vice President – North Central Region
Lt Col 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 S 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

DCSL MANAGEMENT TEAM AND UNIT MANAGEMENT TEAM

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
B Sc in IT , Dip. In Strategic Mgt. and Leadership

Zonal Manager – Dickoya
K. Kingsley Gunaratne
Dip. in Mgt, Passed finalist - AAT Sri Lanka

Manager Sales & Distribution Arena - 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

NOTES

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the THIRTY SIXTH 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 15th September 2026 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 2026.

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 73 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 78 and that he be re-elected a Director of the company."

4. To re-elect Mr. Ashok Goonesekere who retires by rotation at the Annual General Meeting in terms of Article 30 of the Articles of Association, as a Director of the Company.

5. 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.

6. To reappoint, Messrs. 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 determined by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2027 in terms of section 158 of the Companies Act No. 07 of 2007.

By Order of the Board,

Ms. V.J. Senaratne
Company Secretary

19th August 2026
Colombo.

Notes:

1. The Thirty Sixth (36th) 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 by facsimile on +94112698718, or 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 facsimile on +94 11 2698718 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 facsimile on +94 112698718 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 year 2025/2026 will be available for perusal of the Company website www.dcslgroup.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.

FORM OF PROXY

Folio No.	

I/We ....

of ....

being a member / members of Distilleries Company of Sri Lanka PLC hereby appoint Don Hasitha Stassen Jayawardena* or failing him Cedric Royle Jansz * or failing him Niranjan Joseph de Silva Deva Aditya* or failing him Kolitha Jagath Kahanda* or failing him Don Stasshani Therese Jayawardena* or failing her Ravindra Ajith Fernando* or failing him Ashok Goonesekere* or failing him Lokugan Hewage Ananda Lakshman Silva* or failing him Lintotage Udaya Damien Fernando or

....

of ....

As my /our* Proxy to represent me/us* and vote for me /us * on my/our* behalf at the Thirty Sixth (36th) Annual General Meeting of the Company will be held as a "Virtual Meeting" on 15th day of September 2026, at the "Mini Auditorium" DCSL PLC,110, Norris Canal Road, Colombo 10, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence 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 2026.		
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 73 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. Deva Aditya who has attained the age of 78 and that he be re-elected a Director of the company."		
4.	To re-elect Mr. Ashok Goonesekere who retires by rotation at the Annual General Meeting in terms of Article 30 of the Articles of Association, as a Director of the Company		
5.	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		
6.	To reappoint, Messrs. 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 determined by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2027 in terms of section 158 of the Companies Act No. 07 of 2007		

** 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 ………..….. 2026.

FORM OF PROXY

Notes:

1. Proxy need 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 or 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 Article 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 of administrators may vote in respect of such shares unless any other of such executors of 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 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 facsimile on +94 11 2698718 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.

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.dcslgroup.com

SUBSIDIARY COMPANIES DCSL
DCSL Breweries Lanka Limited
DCSL Group Marketing (Private) Limited
Texpro Industries Limited

BOARD OF DIRECTORS
Mr. D. Hasitha S. Jayawardena - Chairman
Mr. C. R. Jansz
Capt. K. J. Kahanda (Retd.) - Managing Director
Mr. N. J. De S. Deva Aditya
Ms. D. S. T. Jayawardena
Mr. M. A. N. S. Perera (Resigned w.e.f 18.09.2025)
Dr. R. A. Fernando
Mr. A. Goonesekere
Mr. L. H. A. L. Silva
Mr. L. U. D. Fernando

AUDIT AND RISK COMMITTEE
Mr. A. Goonesekere - Chairman
Ms. D. S. T. Jayawardena
Dr. R. A. Fernando

REMUNERATION COMMITTEE
Dr. R. A. Fernando - Chairman
Ms. D. S. T. Jayawardena
Mr. A. Goonesekere

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
Mr. A. Goonesekere - Chairman
Ms. D. S. T. Jayawardena
Dr. R. A. Fernando

NOMINATIONS AND GOVERNANCE COMMITTEE
Dr. R. A. Fernando - Chairman
Mr. A. Goonesekere
Ms. D. S. T. Jayawardena
Mr. L. H. A. L. Silva

SUSTANABILITY COMMITTEE
Ms. D. S. T. Jayawardena - Chairman
Dr. R. A. Fernando
Mr. A. Goonesekere
Mr. L. H. A. L. Silva

COMPANY SECRETARY
Ms. V. J. Senaratne

AUDITORS
Messrs KPMG (Chartered Accountants)
No.32 A, 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.

Designed & produced by
emagewise
Digital Plates & Printing by Aitken Spence Printing & Packaging (Pvt) Ltd

dcslgroup.com

DISTILLERIES COMPANY OF SRI LANKA PLC

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