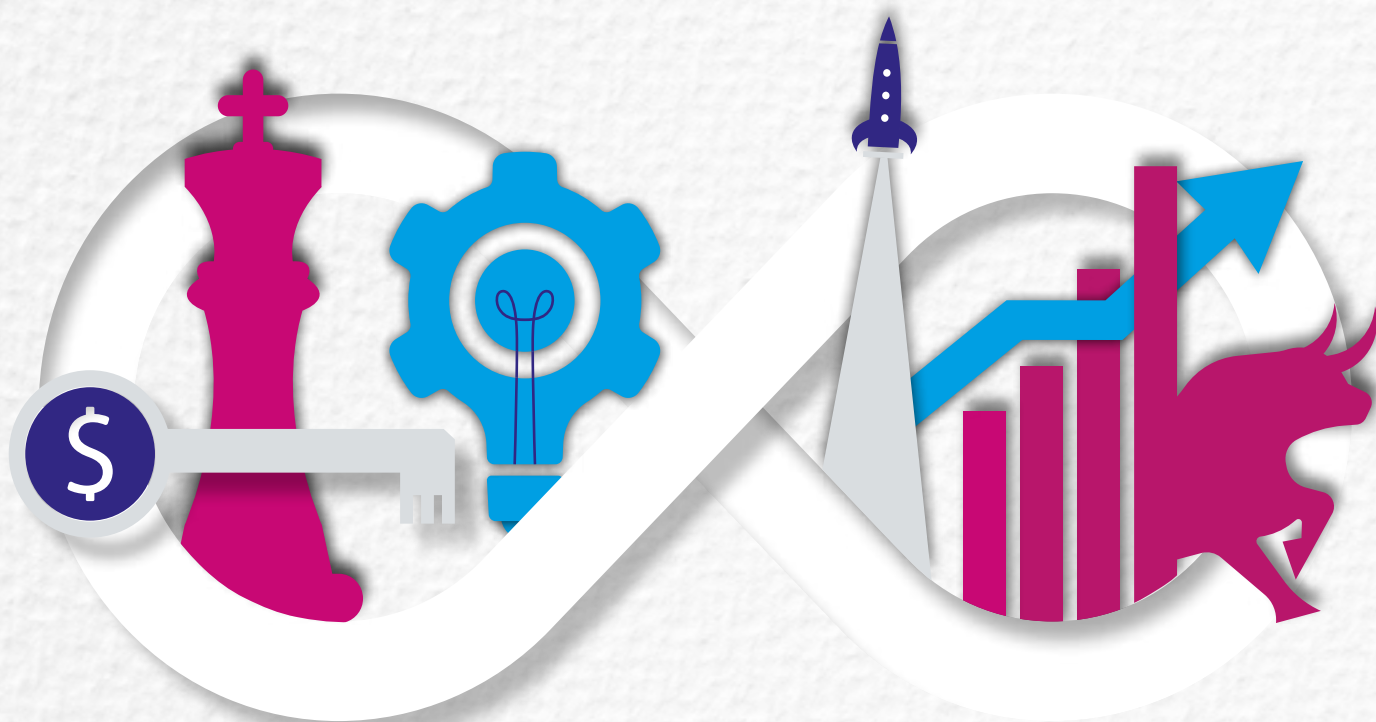


Leveraging on Our Insight



CAPITAL ALLIANCE PLC
Annual Report 2023/2024

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We believe in capital markets. Our purpose is to be a part of the capital markets development journey across multiple frontier economies, thereby helping spread prosperity to the hundreds of millions of people living there.

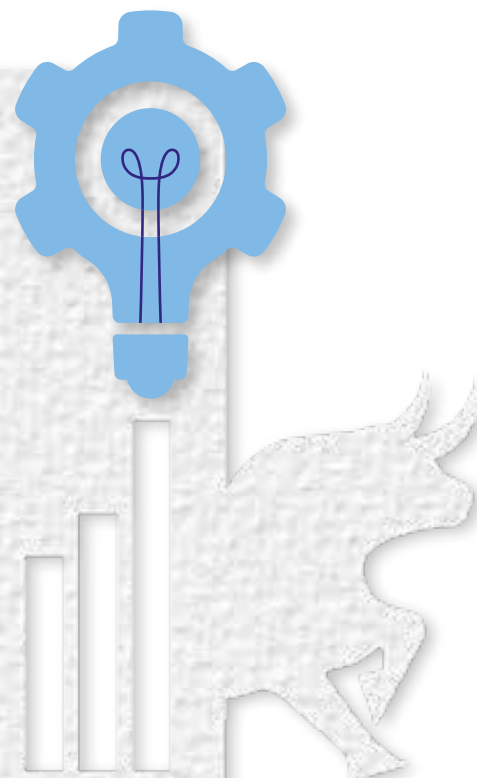
We are fiercely data driven, knowledge focused and guided by our values. Innovation is at the core of our culture and permeates everything we do. With this, we have thrived despite unprecedented levels of volatility in the markets we operate in. When fear and panic ruled the market consensus, we developed insight into the underlying issues and fundamentals. Our advice helped our clients position themselves to weather the storm and emerge stronger than ever.

Our robust risk management practices, underpinned by meticulously collected data-driven insights, have steered us and our clients through multiple periods of uncertainty. Our proprietary models help us identify risks early. Our analytics help quantify impact. We then innovate to develop strategies to mitigate their effects.

The CAL Portal is a testament to our belief in technology. With it, we seek to make investments and knowledge widely accessible to the entire investing public. We will continue to tinker and innovate endlessly, as we strive to remain at the forefront of technological change.

We are grateful to our clients, shareholders, employees, communities, and all other stakeholders for supporting us as we strive to achieve bigger and better things.

Our ambition will not be tamed, and our values will never be compromised. We are CAL. This is our Annual Report.



Introduction to the Report

GRI 102-46



Welcome To Our First Integrated Annual Report and Our First Annual Report adhering to Sustainability Reporting

Our report aligns with the International Integrated Reporting Framework established by the International Integrated Reporting Council (IIRC) and its subsequent updates, in conjunction with our financial reporting, Global Reporting Initiatives (GRI), and adherence to the Sustainable Development Goals (SDGs) - the UN's initiative comprising 17 overarching "Global Goals," which we have incorporated into our inaugural Sustainability Reporting Practices.

Our company management is committed to upholding the highest standards of financial reporting. In line with this commitment, we have rigorously applied the Sri Lanka Financial Reporting Standards - SLFRS 1 and SLFRS 2 in our annual report.

Capital Alliance PLC (CALT) is delighted to introduce the 3rd Annual Report, offering thorough and succinct details regarding the company's performance for the financial year concluded on 31st March, 2024. Additionally, it includes the Independent Auditors' Report on the Financial Statements, ensuring compliance with all relevant statutory requirements.

The Financial Statements of the Company were duly certified by the Manager - Finance and were approved for submission to the Board of Directors by the Board Audit Committee. The financial statements were approved by the Board of Directors on 31 July 2024.

Reporting period and boundary [GRI 102-10, 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52](#)

The Report covers the operations of Capital Alliance PLC (CALT) identified as the "Company." The Report covers the 12-month period from 1st April 2023 to 31st March 2024, which is consistent with our usual annual reporting cycle. There are no significant changes from previous reporting periods in the scope and boundaries. Comparative financial information, if reclassified or restated, has been disclosed and explained in the relevant sections.

The Company does not have any other subsidiaries, associates, joint ventures, overseas operations, or other businesses. Detailed information about the Company's shareholding structure and operations can be found on Pages 163 to 166 and 4, respectively. The discussion of key financial and non-financial aspects pertains to the Company unless explicitly indicated otherwise.



Reporting Frameworks [GRI 102-54](#)

Financial Reporting

- The Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Companies Act No. 7 of 2007 and amendments thereto
- Financial Transactions Reporting Act, No. 6 of 2006 (FTRA)
- Listing Rules of the Colombo Stock Exchange

Governance, Compliance & Risk Reporting

- Listing Rules of the Colombo Stock Exchange (CSE) and subsequent revisions to date
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including Directives and Circulars
- Code of Best Practices on Corporate Governance (2023) issued by CA Sri Lanka
- Code of Best Practices on Corporate Governance (2013) jointly issued by SEC and CA Sri Lanka
- Local Treasury Bills Ordinance (Primary Dealers) Regulations No.1 of 2002

Narrative Reporting

- Guidelines for Presentation of Annual Reports 2022 issued by CA Sri Lanka
- International Integrated Reporting Councils (IIRC's) Framework
- A Preparer's Guide to Integrated Corporate Reporting issued by CA Sri Lanka and the Integrated Reporting Council of Sri Lanka (IRCSL)
- Non-Financial Reporting Guidelines issued by CA Sri Lanka

Sustainability Reporting

- CSE Sustainability Reporting Guide
- SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- SLFRS S2 - Climate Related Disclosures
- Sustainable Development Goals (SDGs) - The UN initiative with 17 aspirational "Global Goals"
- Gender Parity Reporting Framework issued by CA Sri Lanka
- The Non-Financial Reporting (NFR) Guidelines issued by CA Sri Lanka

Compliance GRI 307-1

The presentation of both financial and non-financial information in this report conforms to the applicable regulations and guidelines established by the Central Bank of Sri Lanka, the Companies Act No. 07 of 2007, Listing Rules of the Colombo Stock Exchange, the Inland Revenue Act, and all the Directives issued by the Securities and Exchange Commission of Sri Lanka and CA Sri Lanka.

Materiality GRI 102-47

The content of the Annual Report has been developed based on the principle of Materiality.

Conducting a materiality analysis is a crucial process that allows the Company to identify essential issues pertinent to our business and stakeholders, encompassing both internal and external perspectives. Our emphasis on materiality revolves around aspects acknowledged by both internal and external stakeholders. This process plays a vital role in enhancing performance, fortifying our sustainability framework, and implementing corporate governance practices across the Company.

The Company maintains regular communication with external stakeholders to identify critical aspects for its key stakeholders. Additionally, internal assessments of materiality are carried out to identify vital aspects of the Company, enhancing and optimizing its strategy and processes to tackle these essential matters.

The process of determining materiality is shown on pages 44 to 50 of this report.

Independent Assurance

The Board is responsible for ensuring the integrity of this Annual Report. The Board is of the opinion that the Annual Report comprehensively covers all material issues and presents a balanced and fair account of the Company's performance throughout the financial year.

A combined assurance model is used to provide assurance regarding information acquired from both management and other internal and external sources. The

Compliance and Risk Function consistently furnishes the Board with internal assurance, based on the due diligence procedures conducted to appraise the Company's financial, operational, compliance, risk, and governance controls.

The Company has engaged Messrs. KPMG to obtain an independent assurance in respect of their audit opinion on the financials given on Pages 118 - 120 of this Annual Report.

Forward-Looking Statements

Prospective strategies are discussed in pertinent sections of the report, reflecting the Company's perspectives and beliefs at the time of its creation. However, considering the Company operates within a dynamic environment where uncertainties or evolving developments may result in deviations from the actual outcomes or actions outlined in these forward-looking statements, readers are cautioned against regarding such statements as a definitive guarantee of results or the course to be followed.

Feedback and Further Information and Suggestions GRI 102-53

The Company welcomes your comments, suggestions, and inquiries on this Report.

Contact Us

Mr. Nishantha Adhikari
Vice President - Finance
Capital Alliance PLC
Level 5, 'Millennium House',
46/58, Nawam Mawatha,
Colombo 02,
Sri Lanka.
Tel : (94) 11 2317777
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Email: nishantha@cal.lk

About Us

GRI 102-1

Founded in the year 2000 as a Debt Dealer, Capital Alliance PLC (CALT) was later designated as an Authorized Primary Dealer by the Central Bank of Sri Lanka in 2003. On 15th December, 2021, CALT was officially listed on the Colombo Stock Exchange (CSE).

Drawing from more than two decades of expertise, Capital Alliance Holdings Group (CAL Group) has evolved into a prominent Investment Banking Group in Sri Lanka. Capital Alliance PLC operates as a subsidiary of Capital Alliance Holdings Limited - (CAL Group).

Capital Alliance PLC forms the Government securities trading function of the Group and, as per the Central Bank of Sri Lanka, is one of the five (05) non-bank Primary Dealers in the country. The primary focus of CALT's operations is the trading of Government Securities. The business activities of CALT are subject to regulation by the Central Bank of Sri Lanka, and its operations are confined to those explicitly outlined in Schedule III of the Registered Stock and Securities (Primary Dealers) Regulations No. 01 of 2009, subject to periodic amendments.



Our Offering

GRI 102-2, 102-3, 102-4, 102-6

Primary Dealing in Government Securities

- Treasury Bills
- Treasury Bonds

Secondary market trading in Government Securities

- Treasury Bills
- Treasury Bonds
- Repurchase and Reverse Repurchase Agreements on Government Securities

The Vision and Mission statements and Core Values of the CAL Group are articulated as follows:

OUR MISSION

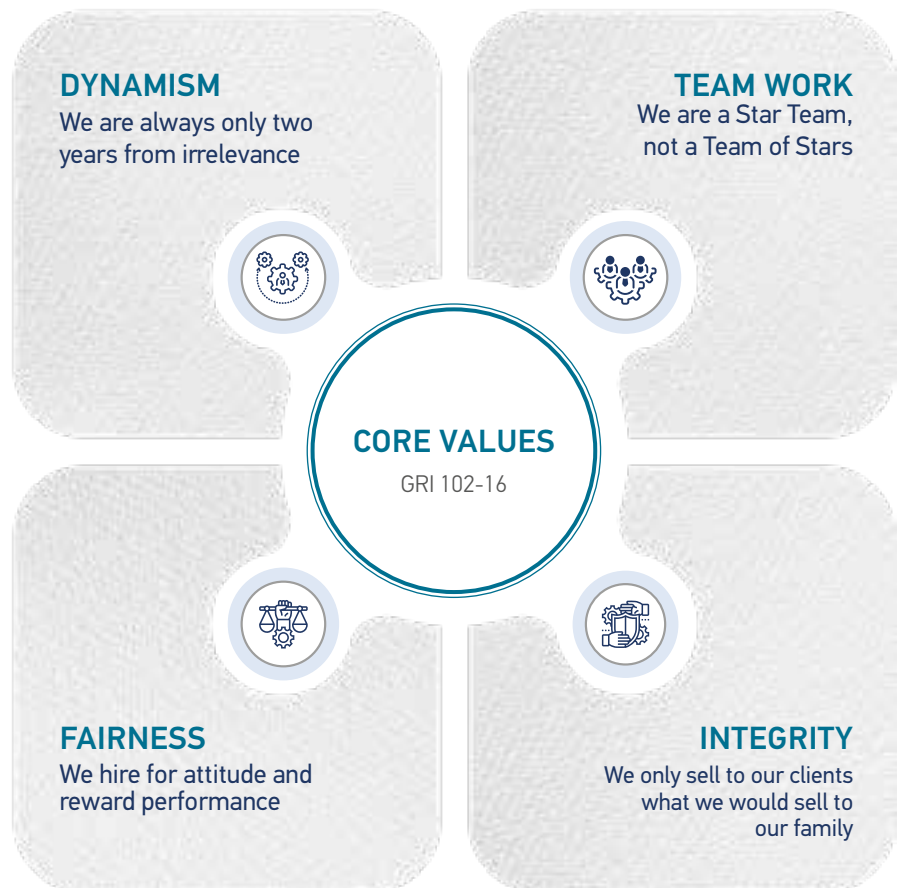
GRI 102-16

To foster the development of capital markets as an efficient alternative to fulfil the banking needs of our customers

OUR VISION

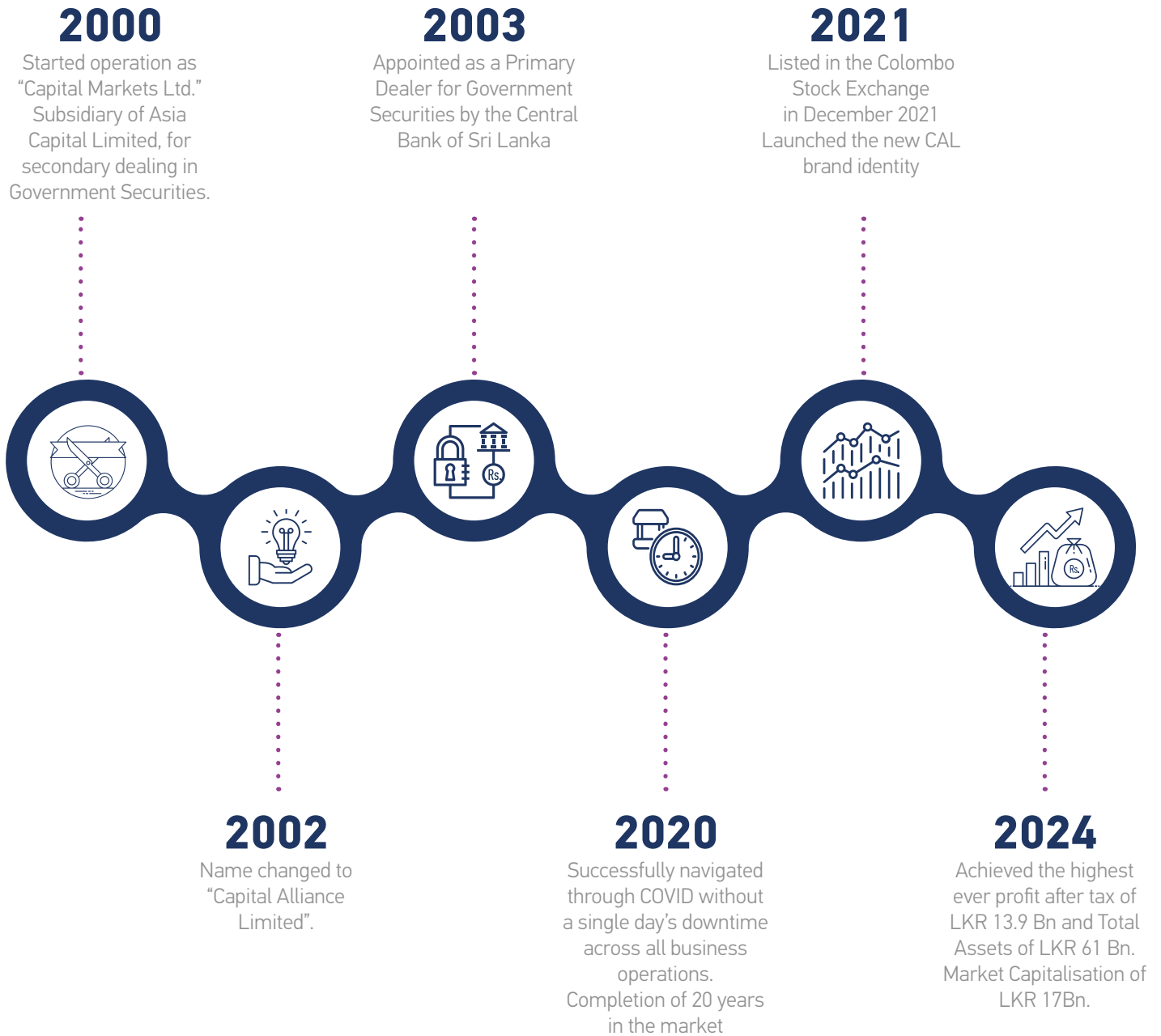
GRI 102-16

To be the leading capital markets solutions provider in frontier markets



Our Journey

The Capital Alliance PLC (CALT) story has always been one of evolution. Founded in October 2000 as an institutional fixed income dealer, CALT has today become one of the leading Non-Banking Primary Dealers in the country. In December 2021, Capital Alliance PLC was listed in the Colombo Stock Exchange.



Awards and Accolades

Through our steadfast commitment to excellence and the maintenance of our distinguished position as a leading Investment Banker in Sri Lanka, we have accumulated a multitude of awards and accolades over the course of our journey spanning over two decades.



AICPA & CIMA Training Partner



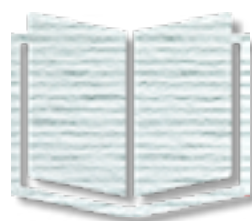
Top 20 Employers for 2022 by CFA Society Sri Lanka



Top 100 most valuable Sri Lankan brands



Great Place to Work
March 2024 - March 2025



ANNUAL REPORT AWARDS 2022

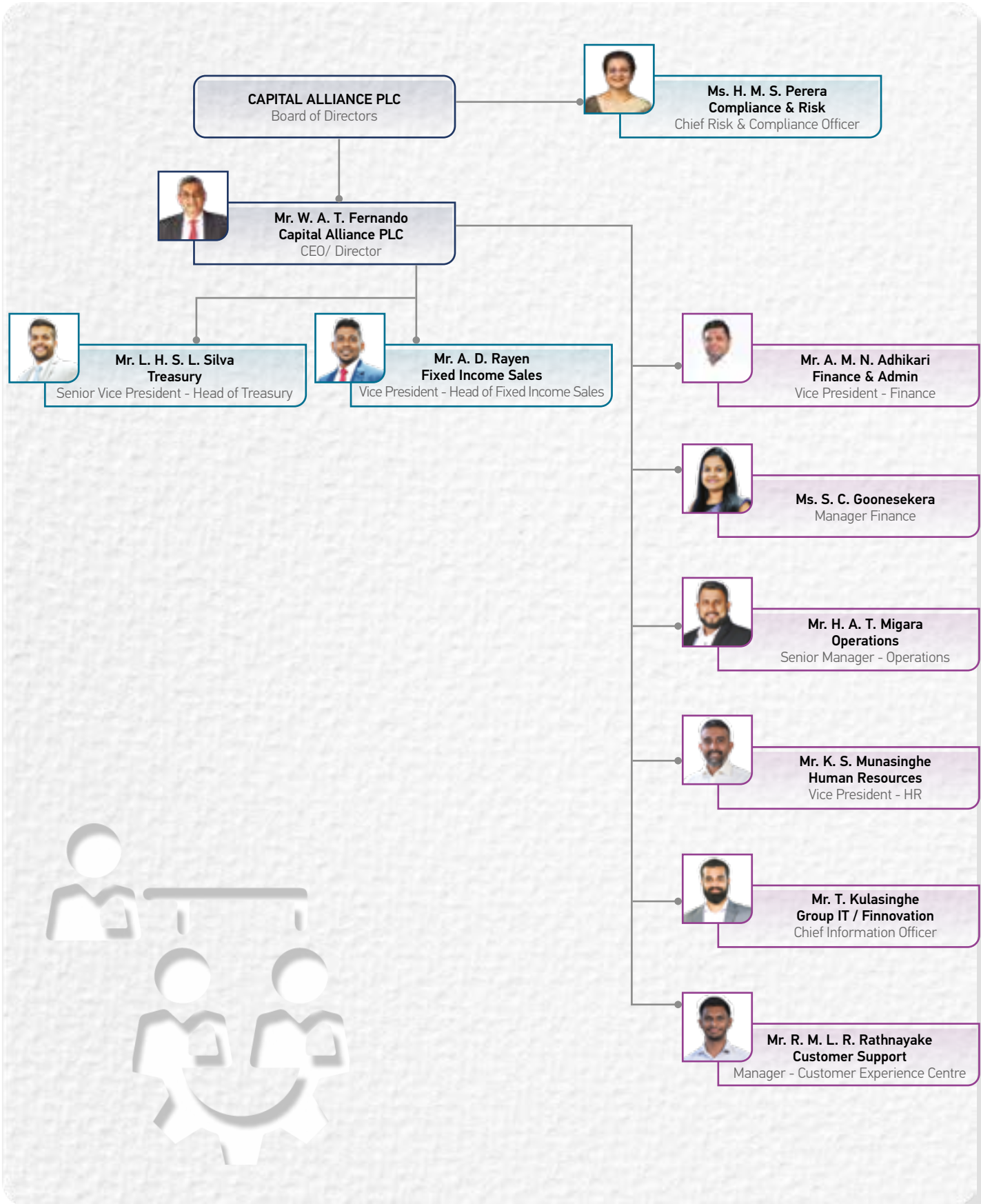
- Emerging Listed Companies
- Compliance Award (Capital Alliance PLC)



Biznomics Exclusive

CALH CEO, Mr. Kanishke Mannakkara featured in the latest Biznomics edition, discussing the transformative impact of technology in the dynamic landscape of banking and finance.

Management Structure

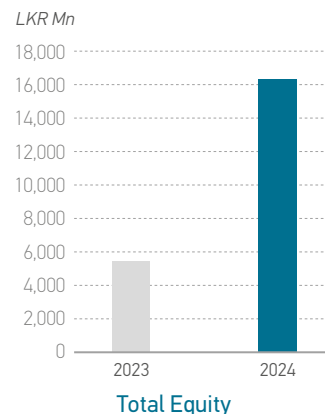
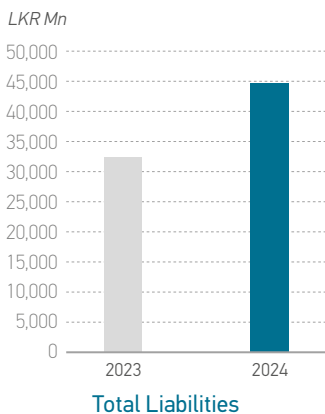
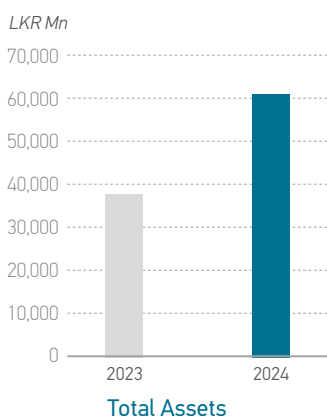
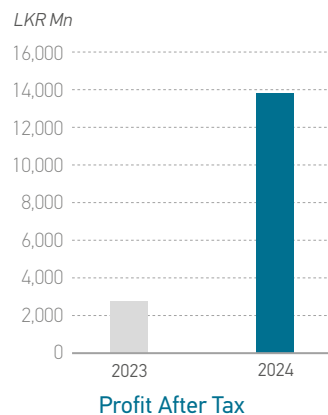
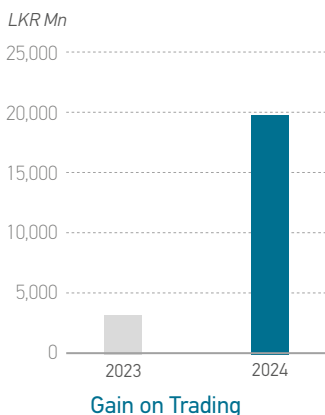
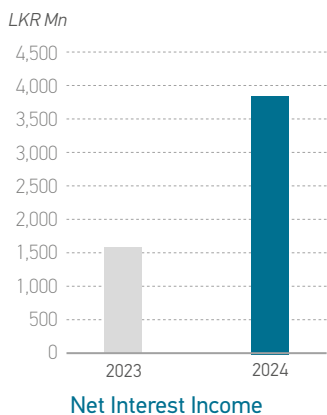


Financial Highlights

<p>Net Operating Income</p> <p>LKR 23.7 Bn</p> <p>LKR 4.85 Bn – FY 2022/23</p>	<p>Net Interest Income</p> <p>LKR 3.9 Bn</p> <p>LKR 1.6 Bn – FY 2022/23</p>	<p>Capital Gains</p> <p>LKR 19.9 Bn</p> <p>LKR 3.3 Bn – FY 2022/23</p>
<p>Profit Before Tax</p> <p>LKR 20.1 Bn</p> <p>LKR 3.7 Bn – FY 2022/23</p>	<p>Profit After Tax</p> <p>LKR 13.9 Bn</p> <p>LKR 2.8 Bn – FY 2022/23</p>	<p>EPS</p> <p>LKR 42.17</p> <p>LKR 8.58 – FY 2022/23</p>
<p>Total Liabilities</p> <p>44.9 Bn</p> <p>32.6 Bn – FY 2022/23</p>	<p>Income Tax Expense</p> <p>LKR 6.2 Bn</p> <p>LKR 0.87 Bn – FY 2022/23</p>	<p>Total Assets</p> <p>LKR 61.3 Bn</p> <p>LKR 38.0 Bn – FY 2022/23</p>
<p>NAVPS</p> <p>LKR 49.78</p> <p>LKR 16.67 – FY 2022/23</p>	<p>Total Equity</p> <p>LKR 16.4 Bn</p> <p>LKR 5.5 Bn – FY 2022/23</p>	<p>MVPS</p> <p>LKR 53.00</p> <p>LKR 32.60 – FY 2022/23</p>
<p>ROE</p> <p>129.95 %</p> <p>69.31% – FY 2022/23</p>	<p>ROA</p> <p>40.48 %</p> <p>15.98% – FY 2022/23</p>	<p>Debt – Equity Ratio</p> <p>1.83 times</p> <p>5.47 Times – FY2022/23</p>
<p>Interest Yield</p> <p>45.62 %</p> <p>20.50 % – FY 2022/23</p>	<p>Interest Spread</p> <p>9.27 %</p> <p>3.38 % – FY 2022/23</p>	<p>Capital Adequacy Ratio (CAR)</p> <p>43.59 %</p> <p>24.72 % – FY 2022/23</p>
<p>Interest Borrowing Cost</p> <p>36.35 %</p> <p>17.12% - FY 2022/23</p>	<p>Dividend Per Share</p> <p>LKR 9.04</p> <p>Nil - FY2022/23</p>	<p>Dividend Payout Ratio (CAR)</p> <p>21.43 %</p> <p>Nil - FY2022/23</p>

For The Year Ended 31st March	2024 Rs.	2023 Rs.	Variance %
Operating Results:			
Interest Income	10,504,518,985	4,720,189,909	123%
Interest Expenses	(6,641,372,092)	(3,127,944,659)	112%
Net Interest Income	3,863,146,893	1,592,245,250	143%
Net Gain from Trading	19,005,251,921	609,575,468	3018%
Net Gain from remeasurement of Financial Assets at FVTPL	874,512,729	2,660,964,068	67%
Direct Expenses	(33,074,086)	(11,006,189)	201%
Other Income	19,336,409	14,850	130112%
Net Operating Income	23,729,173,866	4,851,793,447	389%
Operating Expenses	(3,631,162,435)	(1,156,910,644)	214%
Profit Before Tax	20,098,011,431	3,694,882,803	444%
Income Tax Expenses	(6,204,827,939)	(867,876,159)	616%
Profit for the year	13,893,183,492	2,827,006,644	391%
Other Comprehensive Expense for the year	(8,387,173)	(4,733,422)	77%
Total Comprehensive Income for the year	13,884,796,319	2,822,273,222	392%
Financial Position Strength:			
As At 31st March			
Assets			
Financial Assets	60,915,816,484	37,999,999,889	60%
Other Assets	342,411,133	40,670,112	93%
	61,258,227,617	38,040,670,001	61%
Liabilities			
Financial Liabilities	40,152,242,962	31,735,996,096	27%
Other Liabilities	4,709,097,548	814,645,447	478%
	44,861,340,510	32,550,641,542	38%
Equity	16,396,887,107	5,490,028,459	199%
Basic Earnings per Share (Rs.)	42.17	8.58	
Market Price Per Share (Rs.)	53.00	32.60	
Net Asset Value Per Share (Rs.)	49.78	16.67	
Return on Equity (ROE) (%)	126.95%	69.31%	
Return on Assets (Before Tax) (ROA) (%)	40.48%	15.98%	
Debt to Equity Ratio (Times)	1.83	5.47	
Interest Yield (%)	45.62%	20.50%	
Interest Borrowing Cost (%)	36.35%	17.12%	
Interest Spread (%)	9.27%	3.38%	
Dividend Per Share (Rs.)	9.04	-	
Dividend Payout Ratio (%)	21.43%	-	
Capital Adequacy Ratio (%)	43.59%	24.72%	

Financial Highlights



ESG HIGHLIGHTS



Environmental Performance

Paper Usage

1,736

2,344 - FY 2022/23

Water Consumption

4.31 m³

3.02 m³ - FY 2022/23

Energy Consumption

101.7 Gj

91.8 Gj - FY 2022/23



Social Performance

Income Tax Paid

LKR 2.3 Bn

LKR 93 Mn - FY 2022/23

Total Employee Benefits

LKR 2.8 Bn

LKR 0.5 Bn - FY 2022/23

Female representation in workforce

23%

15% - FY 2022/23

Donations & Other Social Contributions

LKR 11.25 Mn

LKR 25 Mn - FY 2022/23



Governance Performance

No. of Audit Committee Meetings Conducted

4 Meetings

FY 2022/23

Major non-compliances

Zero

No. of Audits Conducted on Management systems

3

Non-Financial Highlights

MANUFACTURED CAPITAL:

Cliental

No. of Active Customers
4,633 ↑
 1,277 - FY 2022/23

No. of New Digital Customers
3,068 ↑
 2,083 - FY 2022/23

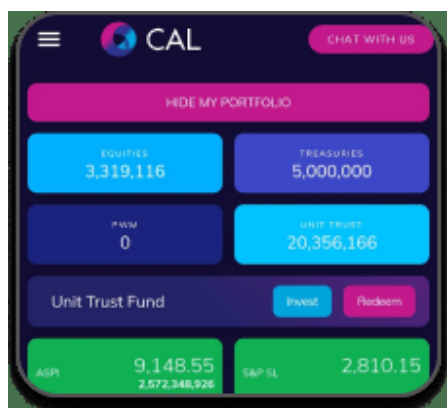
INTELLECTUAL CAPITAL:

Branding

Brand Ranking
One of the Top 100 most valuable Sri Lankan brands by Brand Finance 2023

New Customer Experience Center
 at Jetwing House 1, Level 2, 46/26,
 Nawam Mawatha, Colombo 02

Key Digital Banking Initiatives



CAL Portal



AnalytiCAL



CAL GPT – Treasury GPT, an AI-powered chatbot

Ask questions about the most risk-free government securities and the benefits they can provide.



Non-Financial Highlights

CORPORATE EVENTS & WEBINARS



Webinar on Investing in 2024



Panel Discussion on the future of the Banking Sector in Sri Lanka



Restart Sri Lanka



Bronze Sponsorship for 44th National Conference of Chartered Accountants, Sri Lanka


SOCIAL MEDIA FOOTPRINT



18,000 +
Facebook Followers



3,500 +
Instagram Followers



14,000 +
LinkedIn Followers



700+
Twitter Follower



1,400+
Tik Tok Followers

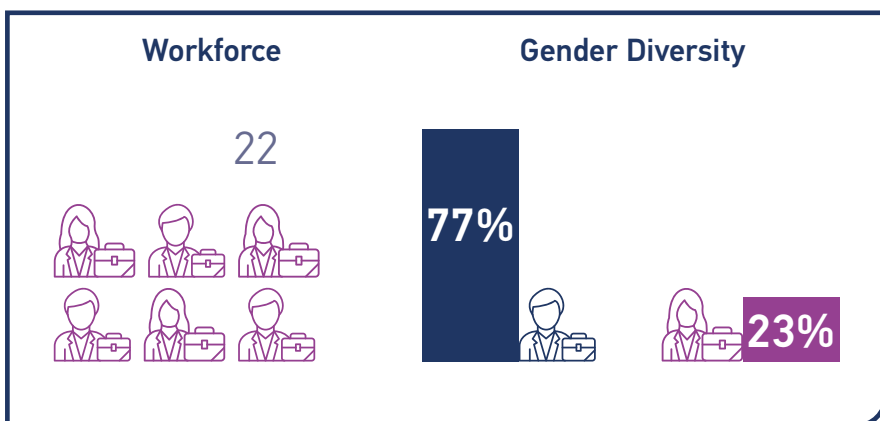


17,000+
YouTube Followers

HUMAN CAPITAL

Brand Ranking
 Top 20 Employer 2022
 On of the Top 20 Employers
 By CFA Society Sri Lanka

Brand Ranking
 Training Partner
 By AICPA & CIMA



SOCIAL AND RELATIONSHIP CAPITAL:

Growth in Customer Base
263 %

Reported incidents pertaining to
 the breach of customer privacy
Nil



Sponsor a Sewa Seriya Ambulance



Founding Platinum Partner for KALĀ

Chairman's Message

GRI 102-14



Our aim is to continuously push the boundaries of what's possible within the IT sphere and beyond, thereby significantly contributing to the growth and prosperity of the Sri Lankan financial sector and the nation as a whole.



THE SRI LANKAN ECONOMY

In 2023, Sri Lanka's economy, after hitting rock bottom, began to show signs of recovery. However, the sustained recovery would depend heavily on the successful implementation of debt restructuring program and structural reforms that needed to be implemented by the government. The economy, having contracted by 7.9% in the first half of the year following a 7.8% decline in 2022, faced challenges, particularly in sectors like construction, manufacturing, real estate and financial services. These challenges amplified the negative impacts of income loss and job reductions from the previous year. However, a significant decrease in inflation from 69.8% in September 2022 to 4% in August 2023, combined with the Central Bank's monetary policy easing, began to alleviate some pressures on household welfare and prevent further food insecurity among the poorest.

The contraction of the trade deficit by US \$1 Bn between January and July 2023, due to import restrictions and reduced demand, signaled easing of foreign exchange liquidity pressures. This was bolstered by strong remittance flows and tourism earnings, leading to a rise in foreign reserves to US \$ 2.4 Bn by end-July 2023. Additionally, the Sri Lankan Rupee appreciated by 11% against the US Dollar from January to August 2023. Despite these positive signs, the fiscal deficit widened in the first four months due to high interest payments, pinning the need for targeted measures to mitigate poverty, especially given the disproportionate impact of indirect taxes and rising energy prices on the poor and vulnerable.

In essence, while early indicators of economic stabilization appeared, Sri Lanka's 2023 outlook remained tightly linked to debt restructuring, structural reforms and the implementation of targeted fiscal measures to ensure a resilient and sustainable recovery path.

CAL VALUES

At CAL, our core values of Integrity, Fairness, Dynamism and Teamwork are not just words; they are the principles that guide every action we take and every decision we make. This year, our commitment to these values has propelled us to new heights, emerging as the most successful year in our company's history.

Integrity forms the foundation of our operations, ensuring that we conduct our business with honesty and uphold the highest standards of ethics. It's this commitment to transparency and trustworthiness that has strengthened our relationships with not only clients but with the regulators and all other stakeholders. One of the most famous quotes at CAL is that "We are only 2 years away from irrelevance", which perfectly surmises our commitment to being an innovative and dynamic company. Teamwork has been the cornerstone of our achievements. The resilience and relentless efforts of our team have paved the way for prudent portfolio strategies and its successes.

Our mission to foster the development of capital markets as an efficient alternative to traditional banking needs, coupled with our vision to be the leading capital markets solutions provider in frontier markets, continues to drive us forward. The past year's achievements are a clear indication that when values are lived genuinely, they can lead to remarkable accomplishments.

WHAT THE FUTURE HOLDS

As we embark on the new financial year, our focus on innovation broadens to encompass vital areas such as new product development, research and development (R&D), and automation of processes. Our aim is to continuously push the boundaries of what's possible within the IT sphere and beyond, thereby significantly contributing to the growth and prosperity of the Sri Lankan financial sector and the nation as a whole.

Despite the challenges that emerged over the past year, our outlook remains positive, buoyed by the potential opportunities that lie ahead. Understanding the context of Sri Lanka's economy and its medium to long-term prospects is crucial as we navigate through these times. I am confident that with the right policy measures and recovery strategies in place, Sri Lanka is on a path to rebuild and achieve heights greater than before. Our heartfelt thanks go to our employees, clients, and shareholders for their enduring support. Together, we are committed to creating a brighter future for Sri Lanka, fueled by innovation and a shared vision for success.



Mr. D A De Zoysa
Chairman



Chief Executive Officer's Review

GRI 102-14

We will move forward with resilience, dynamism and a unified vision for success, aspiring to a future brimming with growth and prosperity for the whole nation.



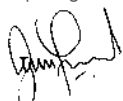
As we reflect on the financial year 2023-2024, it is with a humble sense of pride that I acknowledge the relentless efforts and resilience of our team that contributed to CALT's best year thus far. The preceding year, 2022, cast a shadow over our nation and posed significant challenges to the whole nation through fuel and power shortages, soaring inflation, the "Aragalaya" protests and the escalating interest rates. However, we embraced this adversity in the financial market as an opportunity to strategically prepare ourselves for the high risk, yet highly rewarding environment in the market, demonstrating our commitment and our ability to navigate through tumultuous times.

The dawn of 2023 was characterized by unfavourable economic conditions, with a mid-policy rate at an all-time high of 16.00% accompanied and inflation of 50.00%. The economy faced a contraction of 2.3% in the early months, leading to increased risk premiums across all financial instruments. Amidst these challenges our commitment to R&D & Risk Management, to optimize our fixed income portfolio was unwavering. In the meantime, the CAL Portal played a key role in managing a substantial volume of retail client investments, which allowed us to access the retail segment and achieve scale with the small staff of the company. Despite these daunting conditions, the successful negotiation of the first Extended Fund Facility (EFF) of US\$ 3 Bn with the IMF in March 2023 marked a significant milestone in the country's journey towards economic stabilization and recovery.

As the year progressed, we witnessed a commendable recovery in key sectors such as tourism and worker remittances, which played a crucial role in strengthening our domestic currency and bolstering the Central Bank of Sri Lanka's reserve-building efforts. The announcement of the Domestic Debt Optimization (DDO) in July 2023, leading to a dramatic drop in fixed income instrument rates, marked a turning point in our financial market, culminating policy rate of 9.50%, and a significant reduction in government security rates.

This year has been CALT's best year since inception, and as we close this remarkable chapter for CALT, my heartfelt gratitude extends to all our stakeholders, our chairman and board members for their visionary leadership, our team for their commitment and hard work, the officials of the Central Bank of Sri Lanka and other regulatory bodies for their invaluable support and our shareholders, clients, banks and partners for their enduring trust and collaboration.

Mindful of the maxim that "Past performance is no guarantee of future results," we remain committed to strategically planning for the upcoming financial year. Our focus will be on maintaining the work ethic that has served us so well this year, as we strive for our next year's targets. We will move forward with resilience, dynamism and a unified vision for success, aspiring to a future brimming with growth and prosperity for the whole nation.



Mr. W A T Fernando
CEO/ Executive Director



Board of Directors



Dinesh De Zoysa
Chairman - Non-Executive
Non-Independent Director



Ajith Fernando
CEO - Executive Director



Raju Arasaratnam
Non-Executive
Non-Independent Director



Sanjeewa Anthony
Non-Executive
Non-Independent Director



Aloka Nandasena
Non-Executive
Independent Director



Aruni Siriwardene
Non-Executive
Independent Director

Board of Directors

The Board of Directors of Capital Alliance PLC (CALT) comprises of six (06) Directors of whom two (02) are Non-Executive Independent Directors, three (03) are Non-Executive Non-Independent Directors and one (01) is an Executive Director.

The Board of Directors is as follows;

Name	Designation
Mr. D. A. De Zoysa	Chairman - Non-Executive Non-Independent Director
Mr. W. A. T. Fernando	CEO - Executive Director
Mr. R. J. Arasaratnam	Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony	Non-Executive Non-Independent Director
Ms. A. I. C. Nandasena	Non-Executive Independent Director
Ms. K. A. D. Siriwardene	Non-Executive Independent Director

Mr. D. A. De Zoysa

Chairman - Non-Executive Non-Independent Director

Mr. De Zoysa has been the Director since 2003 and currently serves as the Chairman of Capital Alliance Holdings Limited and Capital Alliance PLC.

He is the Managing Director of AEC Ltd and has extensive industry experience in a career spanning over 30 years. Mr. De Zoysa serves as a Board Member of several companies across risk and insurance broking, hotel management and travel services, real estate development and HR consulting services.

Mr. De Zoysa is a Trustee and Board Member of Musaeus College, Colombo.

He holds a Bachelor of Business (Finance and IT) from the University of Technology, Sydney and an MSc in Insurance and Sustainable Risk Management from Glasgow Caledonian University, London.

Membership of Board Subcommittees

Chairman - Remuneration Committee (CALH/ CALT)

Member - Risk Management Committee

Other Directorships Held

Associated Electrical Corporation Ltd, Capital Alliance Holdings Limited, A E C Properties (Pvt) Ltd, Commercial Agencies (Ceylon) (Pvt) Ltd, Ajita De Zoysa and (Company) (Pvt) Ltd, ADZ Insurance Brokers (Pvt) Ltd, Corporate Druids (Pvt) Ltd, UGA Escapes (Pvt) Ltd, Wizard Entertainment (Pvt) Ltd, The Fabulous Gateway (Pvt) Ltd, Aurora Amicitia (Pvt) Ltd, Granite Capital (Pvt) Ltd, SLT Campus (Pvt) Ltd, Tempest Two (Pvt) Ltd, Park Street Social (Pvt) Ltd, Pepper Life (Pvt) Ltd, TFG Management Services (Pvt) Ltd, TFG Transport Services (Pvt) Ltd, Red Dot Tours Lanka (Pvt) Ltd, Finco Holdings (Pvt) Ltd and Trust Door (Pvt) Ltd.

Mr. W. A. T. Fernando

Chief Executive Officer, Executive Director

Mr. Ajith Fernando has served in the capacity of Executive Director since founding the Company in October 2000. He is also, at present, the Chief Executive Officer (CEO) of the Company. In this role, he oversees and guides the functions of the entire CAL Group, including CALT which is a constituent of the Group. He has over 30 years of experience in the Primary Dealing industry. Mr. Fernando also serves as the Chairman of Logicare (Pvt) Limited, CAL Securities Limited (Bangladesh) and as the Managing Director of Ceylon Tea Brokers PLC. He is a Fellow of the Chartered Institute of Management Accountants (UK) and holds an MA in Financial Economics from the University of Colombo.

Other Directorships Held

Asothi Holdings (Pvt) Ltd, Capital Alliance Holdings Limited, CAL Investment Consultancy FZ-LLC, CAL Securities Limited, Ceylon Tea Brokers PLC, Logicare (Pvt) Ltd, ADZ Insurance Brokers (Pvt) Ltd, Amazing Adventures Lanka, Yoho Bed Lanka (Pvt) Ltd, The Metal Factor, and Sri Lanka Technology Campus (Pvt) Ltd, Rockland Distilleries (Pvt) Ltd and Hemas Holdings PLC.

Mr. R. J. Arasaratnam

Non-Executive Non-Independent Director

Mr. Arasaratnam hails from the field of Accountancy prior to embarking on a career in the Travel Trade and counts over 40 years of experience in the field of Travel, Tour Operations, and other Travel Related Fields. Mr. Arasaratnam is an Executive Director of Jetwing Travels. He specialises in the Marketing Functions of the Group.

Other Directorships Held

Capital Alliance Holdings Limited, Jetwing Travels (Pvt) Ltd, Jetwing Air (Pvt) Ltd

Mr. C. S. R. S. Anthony

Non-Executive Non-Independent Director

Mr. Sanjeewa Anthony is an Attorney-at-Law of the Supreme Court of Sri Lanka, Notary Public, Commissioner for Oaths, and a Registered Company Secretary. He is also a Fellow Member of the Chartered Institute of Management Accountants (FCMA) UK, Chartered Global Management Accountant (CGMA), an Associate Member of the Institute of the Chartered Accountants of Sri Lanka (ACA), a Fellow Member of The Institute of Certified Management Accountants of Sri Lanka (FCMA) and a Fellow Member of Certified Professional Managers (FCPM). He commenced his career at PricewaterhouseCoopers, prior to joining Jetwing Hotels Limited as Finance Manager in 1996 and is currently an Executive Director. He is also serving on several Directorates including two Publicly Quoted companies. He is a Life Member of the Bar Association of Sri Lanka ("BASL").

Membership of Board Subcommittees

Chairman - Audit Committee,
Risk Management Committee
Member - Related Party Transactions
Review Committee

Other Directorships Held

Jetwing Hotels Limited, The Lighthouse Hotel PLC, Negombo Landmark (Pvt) Ltd, The First Resort (Pvt) Ltd, Jetwing Eco Holidays (Pvt) Ltd, Jetwing Relief Fund (Guarantee) Ltd, Ranagala Hotels (Pvt) Ltd, Jetwing Kiwi Ltd, Jetwing Kiwi Management Ltd, Thalahena Villas (Pvt) Ltd, Jetwing Zinc Journeys Lanka (Pvt) Ltd, Jetwing Kaduruketha (Pvt) Ltd, Jet Enterprises (Pvt) Ltd, Capital Alliance Holdings Limited, Jetwing Academy (Pvt) Ltd

Ms. A. I. C. Nandasena

Non-Executive Independent Director

Ms. Aloka Nandasena is a Partner of M/s D. L. & F. De Saram, Attorneys-at-Law, and Notaries Public, specialising in corporate and commercial law, banking and finance, and projects and infrastructure. Her diverse work experience, exceeding 10 years, includes three and a half years at the Colombo Stock Exchange (CSE). She has several academic qualifications which include LL. B (Hons), University of London, LL.M (University of Colombo), Attorney-at-law of Supreme Court of Democratic Socialist Republic of Sri Lanka and Notary Public of Colombo.

Membership of Board Subcommittees

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

Ms. K. A. D. Siriwardene

Non-Executive Independent Director

Ms. Siriwardene counts over two decades of experience in enterprise-driven strategy implementation, organisational process excellence and implementation of large-scale IT systems, overseen by corporate governance and practical risk management in delivering client satisfaction across a plethora of industries in corporate and non-profit sectors both in Sri Lanka and overseas. She holds an MSc in Business Computing from the University of Westminster, London, UK.

She is currently the Co-Founder and Director at Advik Consulting, where she handles all facets of management consulting in areas of Strategy Execution, Project Management Office implementation and Business Process excellence.

Previously, she served as a Board Director and Group CEO of Davora Group of Companies, Strategy Implementation Consultant at Stax (Pvt) Ltd, Vice President of Delivery and Governance at Brandix i3 (Pvt) Ltd, Associate Director at Navantis IT (Pvt) Ltd. She is a former part-time lecturer at the University of Westminster London, UK. She is a member of the Women's Chamber of Industry and Commerce, SLASSCOM-Wtech, and the Sri Lanka Institute of Directors. As a Rotarian, she was formerly the President of the club and is the current Secretary to the Board.

Membership of Board Subcommittees

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

Other Directorships Held

Advik Consulting (Pvt) Ltd

Heads of Departments

Sanura Silva
Senior Vice President -
Head of Treasury

Damien Rayen
Vice President - Head of Fixed
Income Sales

Sharmali Perera
Chief Risk & Compliance Officer

Tharindra Kulasinghe
Chief Information Officer -
Company and Group



Mr. Sanura Silva

Senior Vice President - Head of Treasury

Sanura serves as the Head of Treasury at Capital Alliance PLC. Having joined CAL in 2017, he presently leads the trading team, overseeing the management of the company's Fixed Income Portfolio and handling client investments in Government Securities. Throughout his tenure, Sanura has played a crucial role in spearheading the company's macroeconomic research efforts, which have significantly influenced the group's investment strategies. Furthermore, he actively steers CAL PLC's investment decision-making process.

He holds a Bachelor and Master of Science from the University of Melbourne, Australia. He is also a registered Investment Advisor licensed by The Securities and Exchange Commission of Sri Lanka and is currently a CFA Level 3 candidate.

Mr. Damien Rayen

Vice President - Head of Fixed Income Sales

Damien is the Head of Fixed Income Sales at Capital Alliance PLC. Starting his career with CAL in 2016, he has been an integral part of CAL's growth story over the last eight years. He has played a pivotal role in building a strong client base for CAL to invest and trade in government securities. With his expertise as a macroeconomic analyst and a fixed income trader, Damien has been a key member of the dealing team over the years. He played an instrumental role in introducing CAL Portal, the online trading platform for clients to invest in government securities.

Damien is an associate member of the Chartered Institute of Management Accountants (CIMA UK) & Registered Investment Advisor with the Securities and Exchange Commission of Sri Lanka. He is currently reading for his Masters in Financial Economics and a Level 2 candidate of CFA.

Ms. H. M. S. Perera

Chief Risk & Compliance Officer

Drawing on 24-plus years of experience in the financial services industry, Ms. Perera is a founding member of CALT and has been an integral member since its establishment in 2000.

Reporting directly to the Board Risk Management Committee while being responsible for the effectiveness and compliance aspects of statutory reporting requirements, she has led the implementation of a comprehensive risk framework encompassing company and group-wide risk avenues.

This is of key strategic importance in realising the company's future goals, where new levels of income and market share are measured in line with the risk-reward balance. She started her career at Hatton National Bank in January 1984 where she held the position of Banking Assistant until January 1990. She was Manager – Margin Trading at Seylan Merchant Bank from January 1994 to January 1998 and was Assistant Manager - Treasury at Vanik Incorporation until January 2000.

An Associate Member of the Chartered Institute of Management Accountants (UK), Ms. Perera also serves on the Boards of Capital Alliance Investments Limited, Capital Alliance Partners Limited, CAL Investments Bangladesh Limited, Capital Alliance Securities (Pvt) Limited, Finnovation (Pvt) Limited, Ceylon Tea Brokers PLC and Logicare (Private) Limited.

Mr. Tharindra Kulasinghe

Chief Information Officer - Company and Group

With CAL's reliance on IT to propel the company forward by capitalising on increased market opportunity both locally and globally, Mr. Kulasinghe steers the transformation of the company and entire the Group's IT environment, in the areas of technology infrastructure, fintech software, product development, digital transformation and cyber security. He guides the strategy, introduction, implementation, management, and support aspects of the full range of technology-led initiatives within the company and Group.

With a MEng. Degree in Mechanical Engineering and Business Management, a B.Eng. in Mechanical Engineering, as well as PRINCE2 Project Management Professional credentials to his name, Mr. Kulasinghe has cut his teeth at leading technology companies such as MilleniumIT (now LSEG - London Stock Exchange Group Technology), where he held the position of Project Manager from 2011 to 2014, and Brandix i3 (now Fortude) where he served as Project Manager from 2014 to 2016.

He harnesses a vast expanse of knowledge in incorporating cutting-edge technology across CAL's operations and business functions and his work allows the Company and the Group to consistently disrupt conventions in financial service markets while establishing uncharted paths.

Heads of Departments

Kanishka Munasinghe
Vice President Human
Resources -
Company and Group

Nishantha Adhikari
Vice President – Finance
Company and Group

Migara Hettiarachchi
Senior Manager - Operations

Shalini Goonesekera
Manager Finance



Mr. Kanishka Munasinghe
Vice President Human Resources -
Company and Group

Having 20 years of experience in Human Resource Management and Organizational Development from his prior positions in financial services, manufacturing, automotive, insurance, and IT sectors, Kanishka combines strategic vision with industry-specific insights to drive organizational success. He is dedicated to fostering a culture of excellence, innovation, and inclusivity, shaping the future of the company through effective human capital management.

Kanishka holds an MBA from Suffolk University in the UK and is also a Member of the Association of Human Resource Professionals in Sri Lanka.

Mr. Nishantha Adhikari
Vice President – Finance
Company and Group

Nishantha Adhikari is a qualified professional with a BSc. Accounting (Special) degree from the University of Sri Jayewardenepura. He holds prestigious memberships with CA Sri Lanka, ACCA, and CMA Sri Lanka, showcasing his commitment to excellence in the field of accounting and finance.

With a wealth of experience, Nishantha has previously served as a Manager at KPMG Sri Lanka, where he contributed his expertise to various financial endeavors. His professional journey also includes a significant role as the former Financial Controller of Ceylon Tea Brokers PLC, demonstrating his proficiency in managing financial operations for a prominent organization.

Mr. Migara Hettiarachchi
Senior Manager – Operations

Mr. Hettiarachchi has over 15 years of diverse experience with CAL and currently heads the Operations Department of multiple CAL Group Companies dealing in Primary Dealing, Stock Brokering and Asset Management.

He is responsible for back-office functions relating to Government and Corporate Debt Securities, Money Market operations, SWIFT settlements, Unit Trust, and Equity Market Settlements.

He is a Member of the Chartered Management Institute - UK (CMI).

Ms. Shalini Goonesekera
Manager Finance

Ms. Goonesekera has over 16 years of expertise in Financial Reporting and Analysis, IFRSs, Financial Planning and Budgeting, Corporate Finance and Treasury Operations, Audit and Assurance, and Risk and Compliance.

Shalini began her career at PwC Sri Lanka in 2008, gaining over 5 years of experience in Audit and Assurance across various industries. In 2013, she joined CAL Group as an Accountant and was later promoted to Manager Finance.

Shalini is a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA), an Associate of the Chartered Institute of Management Accountants (CIMA, UK), and a Chartered Global Management Accountant (CGMA). She also holds an MBA from the University of Southern Queensland, Australia, and a BSc in Business Administration from the University of Sri Jayewardenepura.



1. Krithika Manoj - Analyst - Treasury
2. Pramod Fernando - Assistant Manager - Operations
3. Kolitha Haveenda - Executive - Operations
4. Dumindu Silva - Consultant - Institutional Sales
5. Migara Hettiarachchi - Senior Manager - Operations
6. Sanura Silva - Senior Vice President - Head of Treasury
7. W.A.Susantha - Consultant - Institutional Sales



- 8. Naveen Henakankanamage - Analyst - Treasury
- 9. Andrew Swaris - Manager - Operations
- 10. Damien Rayen - Vice President - Head of Fixed Income Sales
- 11. Kushan Batawala - Assistant Manager - Treasury
- 12. Ajith Fernando - Chief Executive Office/ Director
- 13. Hiranya Weerakoon - Analyst - Treasury
- 14. Virgini Perera - Assistant Manager Fixed Income Sales

Risk Management

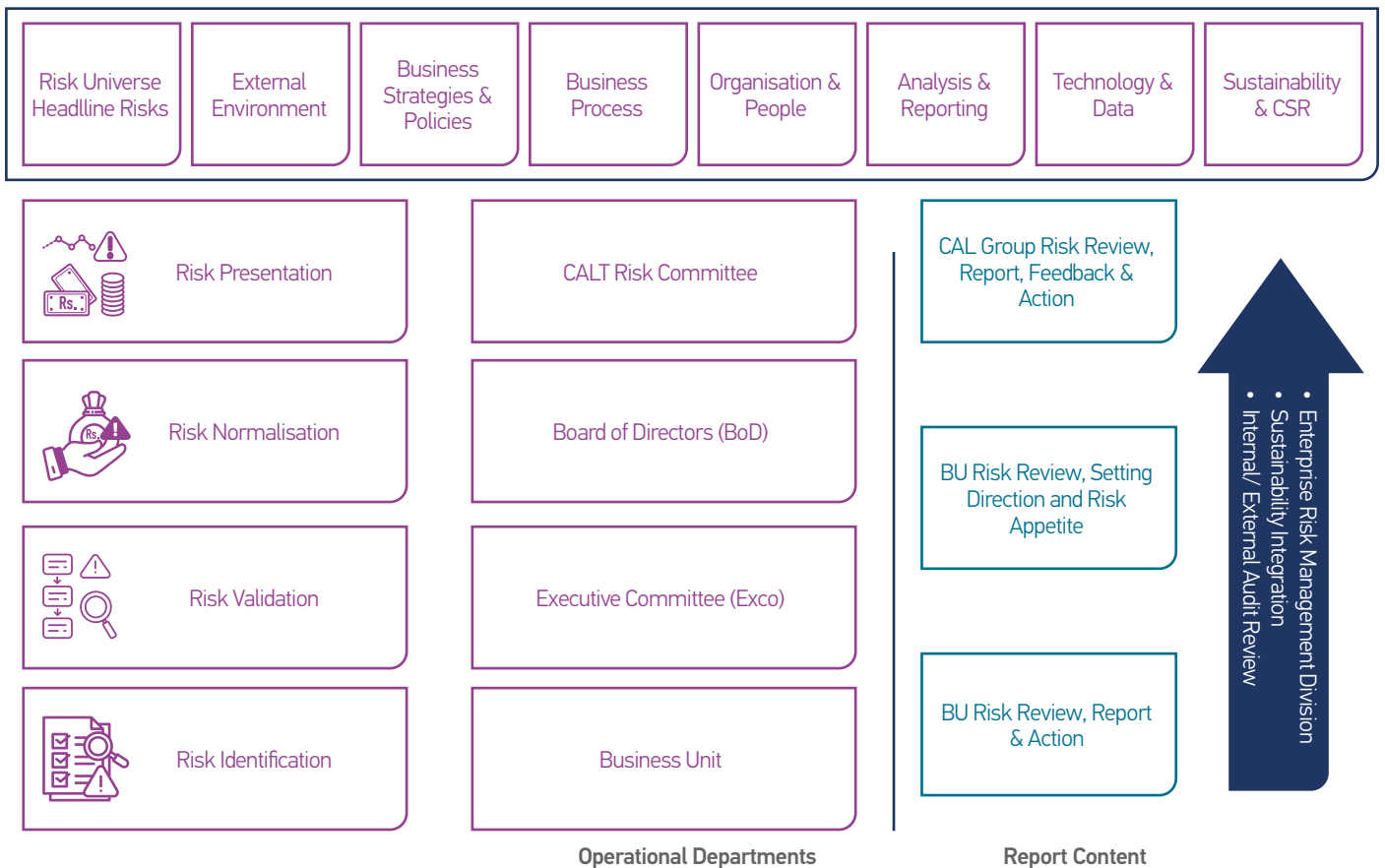
GRI 205-1, 205-2

ENTERPRISE RISK MANAGEMENT (ERM)

The Company has formulated an extensive risk strategy in line with its risk management goals, derived from the Enterprise Risk Management (ERM) policy. This strategy emphasizes key areas including Financial/Earnings Volatility, Regulatory Compliance, Governance, Reputation and the Brand, Business Continuity, Health and Safety, and Employee Satisfaction.

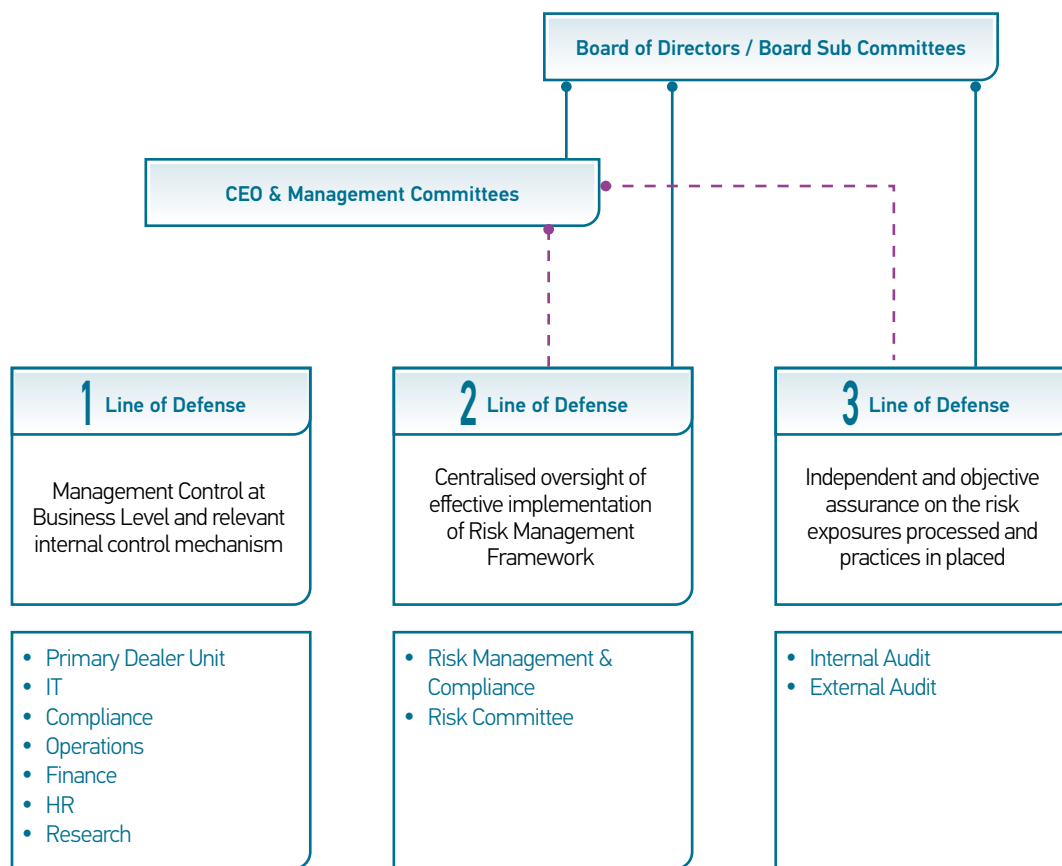
Our Enterprise Risk Management (ERM) framework adheres to a systematic four-step approach. It commences with Risk Identification, wherein risks are pinpointed at the Business Unit level via an annual Risk Control Self-Assessment (RCSA) conducted by each business unit and department. Subsequently, these identified risks are gathered by the Risk and Compliance unit and submitted to the Group Executive Committee for validation during the Risk Validation phase.

After validation, risks advance to the Risk Normalization process, wherein ownership and management responsibilities are assigned for each specific risk. This stage internalizes risks within the organization, guaranteeing their effective management. The last step, Risk Presentation, entails continual monitoring and reporting of risks for governance and overall control purposes. This framework empowers us to actively manage and mitigate risks across critical areas crucial to the Company's operations and objectives.



THREE-LINES-OF-DEFENSE MECHANISM

The ERM Framework operates through a robust three-lines-of-defense mechanism to ensure effective risk management and control.



First Line of Defense:

Our employees, together with their unit heads, form the initial line of defense. They are responsible for day-to-day risk management, adhering to Board-approved policies, instructions, and guidelines.

Second Line of Defense:

The second line of defense comprises the Risk Committee and the Risk and Compliance Unit. They provide oversight, monitoring, and support to ensure risk mitigation strategies are implemented effectively.

Third Line of Defense:

The third line of defense involves the Internal Audit function, reporting to the Board Audit Committee. Acting independently, they conduct assurance activities to assess and enhance the Company’s risk management, control, and governance processes.

The three-lines-of-defense mechanism guarantees a resilient risk management framework, incorporating active engagement across different organizational levels and independent evaluations to uphold a robust risk management culture.

Risk Management

RISK GOVERNANCE

Role of the Board

The board has designated a risk committee to oversee Company’s risk and compliance affairs. The ultimate accountability for Risk Management lies with the Board of Directors of the Company.

Risk and Compliance Unit

The Risk and Compliance Unit (RCU) holds a pivotal role in executing the overarching Enterprise Risk Management (ERM) framework. Their main duty entails identifying, assessing, and managing significant risks throughout the Company, aligning with the risk management policies established by the Board. As custodians of the Risk Registers, the RCU consistently monitors and reports any alterations in Company risks and the overall risk landscape of the Group. Quarterly meetings concerning the Risk Registers are convened to address any discrepancies and deliberate on them with the Executive Committee.

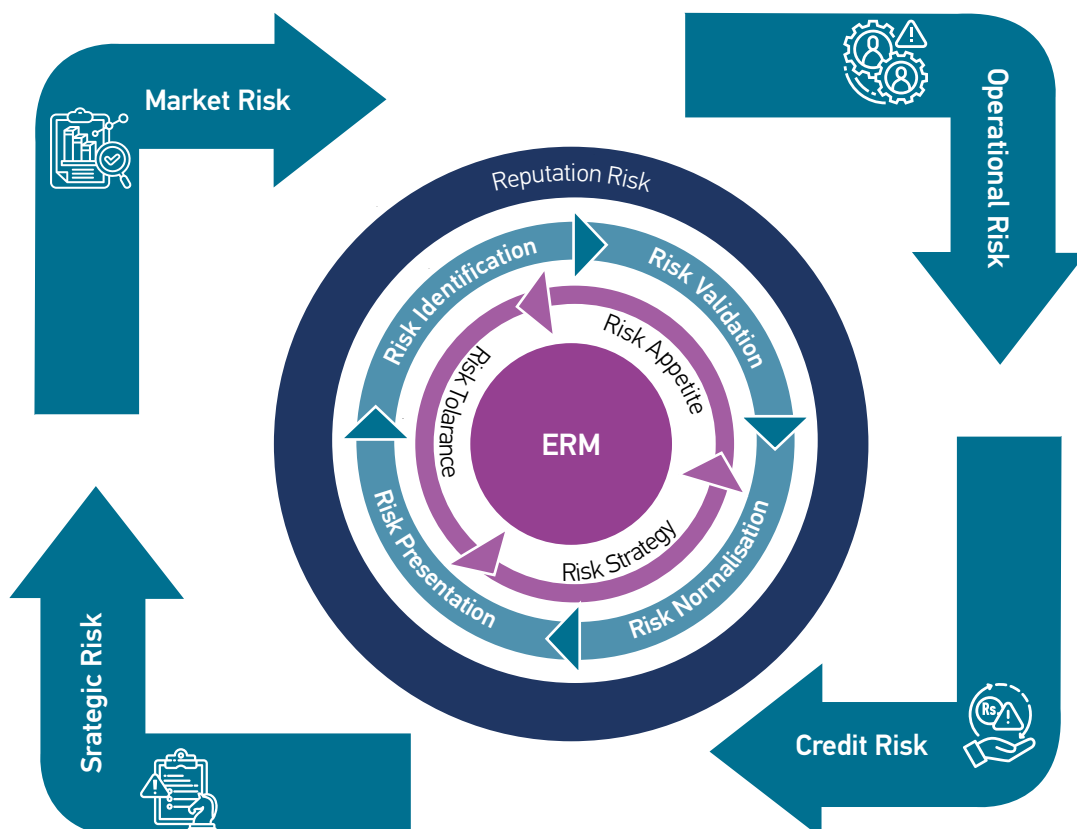
Capital Alliance PLC (CALT) acknowledges the significance of risk management, aligning it with its business model and strategic objectives set forth by the Board of Directors. Considering the ever-changing landscape characterized by evolving regulations, fluctuating customer behaviors, emerging competitors, and advancing technologies, our risk management approach underscores individual accountability and collective supervision. Robust reporting mechanisms guarantee the thorough monitoring and management of all significant risks within the Company’s risk universe.

Risk Appetite:

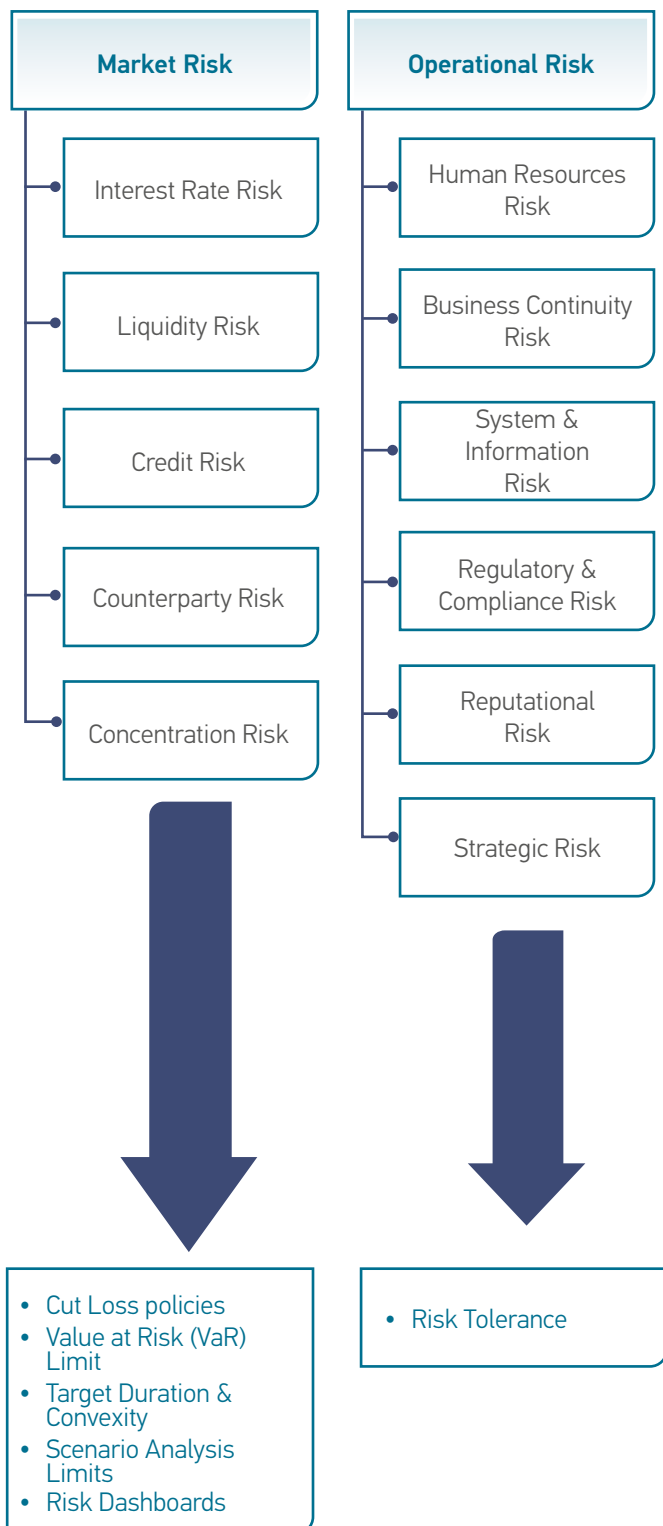
The risk appetite of the Company denotes the extent of risk it is prepared to undertake to achieve its strategic objectives, considering its primary value drivers. It functions as a framework for decision-making, directing the strategic and operational management of risks. Within the organization, the Central Enterprise Risk Management Division utilizes this defined Risk Appetite to determine the acceptable level of risk throughout the entire Company.

Risk Strategy:

The Risk Strategy of the Company emphasizes the establishment of structured mechanisms to efficiently recognize risks, leverage potential opportunities they offer, and alleviate any negative impacts associated with those risks. This strategy is enacted by integrating risk management into everyday business activities and integrating it into the strategic decision-making process.



Types of Risks Faced by the Company



MARKET RISK

Market risk pertains to the possible financial losses resulting from fluctuations in the value of financial instruments due to changes in market variables such as interest rates, exchange rates, equity prices, and commodity prices. Within the domain of market risk, the primary risk encountered by the Company is interest rate risk.

Interest Rate Risk

Interest rate risk encompasses the potential for unexpected fluctuations in interest rates that could affect the Company's outlook. To oversee interest rate risk, the company has set up risk thresholds aligned with its risk appetite.

Cut loss policies

The Company maintains maximum loss limits for its portfolio through cut-loss policies. Each trading position taken by the company is assigned a cut loss limit, ensuring that the maximum loss is capped.

Value at Risk (VaR) limit

VaR is a mathematical model used to forecast the potential loss the portfolio may experience with a 95% probability within a predetermined limit set by the Board of Directors. This limit is monitored daily by the Dealing team and the management.

Target Duration and Convexity

The duration of the portfolio depends on the maturity profile of bills and bonds held. It is determined based on the prevailing interest rate outlook. Managing interest rate risk involves factoring in the average duration of holding a portfolio to spread the risk associated with different tenor bonds.

Scenario analysis limits

Through data systems and market experience, CALT performs scenario analysis to gauge market conditions. This analysis helps in making informed decisions about the interest rate outlook.

Continuous and ongoing monitoring combined with in-depth research and statistical modelling, forms the basis of the interest rate risk management strategy.

Risk Management

Risk Dashboards reflecting risk limits set on trading limits are updated daily and presented quarterly to the Board Risk Committee.

Post-decision reviews and guidance from the Board Risk Committee also play a crucial role in managing interest rate risk over time.

Liquidity Risk

Liquidity Risk is the risk of non-compliance with payment obligations on time or doing so with excessive cost.

A Board-approved trading policy serves as the foundation for managing the company's liquidity risk. The policy dictates specific limits including Value at Risk, PV01 and modified. Duration, single entity exposure, Cut-loss, Maximum holding period etc.

All indicators are monitored daily by the RCU and reported to the Risk Committee every quarter.

Furthermore, a contingency plan is in place to safeguard against the possibility of a liquidity shortfall.

Credit Risk

Considering the company's involvement in Government Securities within a tightly regulated context, the credit risk linked with the primary dealing operation is minimal. CALT has implemented protocols for managing and overseeing counterparty risk.

Counterparty Risk

The risk of a counterparty failing to honour their side of a transaction presents risks if the counterparty fails to honour the transaction, where CALT could be short of security or cash, on the settlement date. Senior management sets Counterparty Limits, based on the Board recommended guidelines. When setting these counterparty limits.

Concentration Risk

CALT reduces the risk of losses stemming from excessive concentration in a single type of security by diversifying its portfolio. A set percentage of the maximum portfolio limit may be allocated to securities within the same maturity bucket, provided other

constraints are met. Any temporary adjustments to these limits, whether increases or decreases, necessitate approval from the CEO, followed by review by the Board.

OPERATIONAL RISK

Human Resource Risk

Human resource risk emerges from the possible detriment to the company caused by employees' incapacity to collaborate effectively and fulfill their designated responsibilities. CALT addresses human resources risk by employing a robust Human Capital Development model. This model cultivates a dynamic work atmosphere, offering employees challenging experiences and avenues for a fulfilling career trajectory within the company.

Business Continuity Risk

Business continuity risk encompasses the potential detriment to the company stemming from the breakdown of internal systems, including IT infrastructure. CALT addresses this risk by implementing a thoroughly documented Business Continuity Plan (BCP) subject to annual audit. Regular business impact analyses and risk assessments are conducted to tackle identified critical issues promptly, with reports provided to relevant department heads for requisite action.

System & Information Risk

System and information risk denotes the potential loss of data and information resulting from external cyber-attacks or internal breaches. CALT allocates resources to advanced information security measures, including firewalls and data leakage prevention software, while enforcing two-factor authentication protocols for critical applications and accounts. Continuous monitoring of antivirus software, periodic user-level matrix assessments, and annual vulnerability assessments carried out by an independent third party aid in mitigating this risk.

Regulatory And Compliance Risk

Regulatory and compliance risk stems from the possibility of failing to adhere to regulatory obligations. The Company operates

under the purview of the Central Bank of Sri Lanka (CBSL), the Securities and Exchange Commission of Sri Lanka (SEC), and the Colombo Stock Exchange (CSE), continually reviewing and managing these risks. The Risk and Compliance unit ensures continuous monitoring of updates in pertinent regulatory Guidelines, Directions and Circulars.

Internal process manuals undergo regular updates and are compared to industry best practices. Quarterly compliance reports are provided to the Board, and any instances of noncompliance are reported to the respective regulators, along with suggested remedial measures for assessment.

Reputational Risk

Reputational risk encompasses the potential harm to the Company's corporate image in the public sphere, affecting customers, investors, and other stakeholder groups. These risks are vital to business continuity, and various measures have been enacted to mitigate them efficiently.

Strategic Risk

Strategic risk denotes the possibility that the company's actual results may significantly deviate from the expected outcomes outlined in its strategy and business plan due to changes in the business environment and associated risks with strategic decisions. The Board of Directors convenes quarterly meetings concentrating on strategy, performance, and integrated risk management elements. The Management Committee and Board meetings evaluate and oversee the efficient execution of the strategy, communicate shifts in the business environment, and deliberate on corrective actions as necessary.

Risk Tolerance

CALT has enacted an extensive array of risk management and mitigation policies, showcasing the Company's dedication to making disciplined trading decisions within the risk management framework set by the Board of Directors, with the objective of reducing losses.

Risk Management Matrix

Likelihood of Occurrence	Almost certain					
	Likely		3,4			2
	Possible		7	1,5,6,8,10,11,16	13,14,15	
	Unlikely		9,12			
	Rare					
		Insignificant	Minor	Moderate	Major	Extreme
Impact to CAL						

MANAGING KEY RISK

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating		Our Response
					FY 2023/24	FY 2022/23	
1	Macroeconomic risk	Risk of Sovereign Default/ Dollar Shortage & required remedial Fiscal measures & its impact to the economy	External Environment	Potential catastrophic impacts to Macro-economic fundamentals. Including rapid rise in interest rates, rapid currency depreciation, large pressure on the banking system and, the collapsing of the economy.	Medium	High	<ul style="list-style-type: none"> Continually forecast and assess the likelihood of occurrence. Forecast the granular details of how the macro factors will play out and take the best possible mitigation processes for the company
2	Market risk	Interest Rate risk	External Environment	Negative impact on Financial Profitability to the CALT due to unfavourable changes in Interest Rates	Ultra-High	Ultra-High	<ul style="list-style-type: none"> Manage portfolios Interest rate forecasts Past interest rate trends Data modelling and review of market trends Stop loss limits.
3		Equity price risk	External Environment	Negative impact on Financial Profitability to CALT due to unfavourable changes in share prices	Medium	Medium	<ul style="list-style-type: none"> Manage portfolios Review of market trends Risk exposure limits Stop loss limits.
4		Foreign exchange risk	External Environment	Loss of profits and increase in budgeted expenses	Medium	High	<ul style="list-style-type: none"> Planning and control of all payments in foreign currency.

Risk Management Matrix

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating		Our Response
					FY 2023/24	FY 2022/23	
5	Credit Risk	Credit risk (in investments) Default risk	External Environment	Loss of reputation & brand image resulting in loss of profits	Medium	Medium	<ul style="list-style-type: none"> • Due diligence • Continuous monitoring • Restructuring Liability • Relationship management
6		Counterparty risk	Business Process	Delays in a settlement, and defaults could lead to a loss of business and profits	Medium	Medium	<ul style="list-style-type: none"> • Comprehensive evaluation of issuers
7	Credit Risk	Management of Debtors for CALT	Business Process	Loss of Revenue/ loss of business relationships with clients	Medium	Medium	<ul style="list-style-type: none"> • Monitoring debtors, and approximate probable loss limits • Providing accurate and timely information to all Debtors
8	Liquidity risk	Liquidity risk	Business Strategies and Policies	Inability to make payments due to mismatches in Investments which could result in reputational risk for CALT if unable to wind down positions	Medium	Medium	<ul style="list-style-type: none"> • Monitoring liquidity requirements • Have contingency funding lines in place • Monitoring of borrowings in Repurchase Agreements for CALT including maturity profiles. • Effective treasury Management is in place
9	Operational Risk	Conflict of interest	Business Process	Brand reputation and possible legal implications	Low	Low	<ul style="list-style-type: none"> • Ensure that there is independence between the different strategic business units in CALT
10		Cyber Security	Technology and Data	Loss of data and reputation	Medium	Medium	<ul style="list-style-type: none"> • Continuous education to staff on cyber security risks to CAL • Conducting vulnerability assessments and audits in collaboration with external consultants. • Continuously monitoring antivirus protections.
11		Stability of core systems and automation/ documentation of systems	Business Process	Disruption to business activities	High	High	<ul style="list-style-type: none"> • Continuous monitoring of systems and connectivity • Establishing system documentation to prevent disruptions in operations. • Ongoing automation to eliminate manual processes and mitigate the risk of fraud
13		Overall succession planning framework	Organisation and People	Disruption to smooth transitioning of key roles in the Organisation	High	High	<ul style="list-style-type: none"> • Establishing a framework for succession planning (based on competencies and skills) within the current staffing across all levels

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating		Our Response
					FY 2023/24	FY 2022/23	
14	Operational Risk	Staff attrition	Organisation and People	Disruption to the continuity of smooth business operations	High	High	<ul style="list-style-type: none"> • Focus on Human resource development activities • HR constantly monitors staff turnover • SOPs in place for new staff to take over processes • Efficient processes in staff hiring
15		Ad-hoc changes in the Tax Structure	Business Process	Loss of profitability inability to meet budgeted profits for the company	High	High	
16		Regulatory risk	Business Process	Failure to adhere to laws, regulations, and directives issued by the CBSL, CSE, SEC, IRD, and other governing bodies may lead to the revocation of licenses and imposition of penalties, resulting in reputational damage and financial losses for CALT.	Medium	Medium	

Annual Report of the Board of Directors

The Directors of Capital Alliance PLC are pleased to present their Annual Report, along with the Audited Financial Statements for the financial year ended on 31st March 2024, which were approved by the Directors on 31st July 2024.

REVIEW OF OPERATIONS

During the year under review, the Company reported a Net Operating Income of LKR 23,729 Mn, compared to LKR 2,852 Mn in the previous year.

The Company concluded the financial year ending 31st March 2024 on a positive note, achieving a post-tax profit of LKR 13,893 Mn. This substantial growth is a significant improvement from the post-tax profit of LKR 2,827 Mn recorded in the previous year, primarily driven by the decline in interest rates over the course of the year.

PRINCIPAL ACTIVITIES

The main activity of the Company is operating as a Primary Dealer in Government Securities.

LEGAL STATUS

Capital Alliance PLC was incorporated on 10th August 2000 under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 and it was listed on Colombo Stock Exchange (CSE) on 15th December 2021 and there onwards Company is trading its shares in the market.

FINANCIAL RESULTS

The Company achieved a post-tax profit of LKR 13,893 Mn, compared to a net profit after tax of LKR 2,827 Mn in the FY 2022/23.

A summary of the financial results for the year is set out below.

	2024 LKR Mn	2023 LKR Mn
Net Operating Income	23,729	4,852
Profit Before Tax	20,098	3,695
Profit After Tax	13,893	2,827
Total Comprehensive Income	13,885	2,822

The Financial Statements of the Company are set out on Pages 118 to 164 of the Annual Report.

BOARD OF DIRECTORS

Directorate

The following were the Directors of the Company as at 31st March 2024.

Mr. D. A. De Zoysa - Chairman (Non-Executive Non-Independent Director)
 Mr. W. A. T. Fernando – Chief Executive Officer (Executive Director)
 Mr. R. J. Arasaratnam (Non-Executive Non-Independent Director)
 Mr. C. S. R. S. Anthony (Non-Executive Non-Independent Director)
 Ms. A. I. C. Nandasena (Non-Executive Independent Director)
 Ms. K. A. D. Siriwardene (Non-Executive Independent Director)

The profiles of the Directors are given on Pages 18 to 21 of the Annual Report.

Interest in Shares

The shareholdings of Directors/Chief Executive Officer were as listed below.

Name	Designation	Shareholding	
		31- Mar-2024	31- Mar-2023
Mr. W. A. T. Fernando	Director/ CEO	Nil	21,698,676
Mr. R. J. Arasaratnam	Director	3,312	3,312
Mr. D. A. De Zoysa	Director/ Chairman	Nil	Nil
Mr. C. S. R. S. Anthony	Director	2,600	2,600
Ms. A. I. C. Nandasena	Director	Nil	Nil
Ms. K. A. D. Siriwardene	Director	Nil	Nil

Other Directorship/ Significant Positions of Directors

Details regarding the other directorships/significant positions held by the current Directors of the Company can be found on Pages 18 to 21.

Related Party Transactions

Related party transactions were disclosed during Directors' meetings and are detailed in Note 28 of the financial statements. The Directors confirm that the Company complied with Section 9 of the Colombo Stock Exchange (CSE) Listing Rules concerning related party transactions for the financial year 2023/24.

Directors' Interests

In compliance with the Companies Act, No. 7 of 2007, the Company upheld an Interests Register throughout the reviewed period. All Directors have duly made declarations as stipulated in Section 192(2) of the aforementioned Companies Act. The Interest Register is accessible for inspection as mandated by the Companies Act.

The Company carries out transactions in the ordinary course of business with entities in which a Director of the Company is a Director. The transactions with entities where a Director of the Company either has control or exercises significant influence have been classified as related party transactions and disclosed in Note 28.3 to the Financial Statements.

Remuneration and Fees

Details of Directors' remuneration and fees are set out in Note 28.3 to the financial statements. All fees and remuneration have been duly approved by the Board of Directors of the Company.

Risk and Internal Control

The Board of Directors has ensured that an effective and comprehensive system of internal controls is in place to monitor, control, and manage the risks faced by the Company. This system enables the Company to conduct its business in an orderly manner, safeguard its assets, and ensure the reliability and accuracy of its records.

Corporate Governance

The Directors acknowledge their responsibility for the Company's corporate governance and internal control system. They are accountable to the shareholders for providing strategic direction and safeguarding the Company's assets. The Board is satisfied with the effectiveness of the internal control system up to the date of signing the financial statements. Compliance with recommended corporate governance practices is detailed on pages 81 to 99 of the Annual Report.

The Company's performance is regularly monitored through review meetings, ensuring alignment with established targets. Regular Board meetings complement this process, reinforcing the review mechanism and ensuring adherence to all statutory and regulatory requirements.

Dividends

The Company distributed dividends totaling LKR 2,978 Mn for the year 2023/24.

Material Accounting Policies

The accounting policies adopted in the preparation of the financial statements are given on Pages 125 to 164. There were no changes in the accounting policies adopted by the Company during the year under review.

Going Concern

The Board of Directors has reviewed the Company's business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

Capital Expenditure

Details of equipment and their movements during the year are given in Note 20 to the financial statements.

Reserves

The movements in reserves during the financial year 2023/24 have been presented in the statement of Changes in Equity on Page 123 of the Annual Report.

Income tax Expenses

Income tax expenses have been computed in accordance with the provision of the Inland

Revenue Act, No. 24 of 2017 and subsequent Amendment Act No. 10 of 2021 as disclosed in Note 11 to the financial statements.

Stated Capital

The stated capital of the Company as at 31st March 2024 was LKR 723,348,421 consisting of 329,417,884 ordinary shares. (2023 - 329,417,884 ordinary shares - LKR 723,348,421).

Share Information and Substantial Shareholders

Major shareholders of the Company as at 31st March 2024 are disclosed in Page 165.

Information relating to the market value of a share and information on share trading is stated under Shareholder and Investor information on Page 165 of the Annual Report.

Statutory Payments and Compliance with Laws and Regulations

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and in relation to the employees have been made on time, and that the Company has not engaged in any activities contravening laws and regulations.

Equal Opportunities

The Company is committed to providing equal opportunities to all employees irrespective of their gender, marital status, age, religion, race, or disability. It is the Company's policy to give full and fair consideration to persons, with respect to applications for employment, continued employment, training, career development and promotion, having regard for each individual's particular aptitudes and abilities.

Events Occurring After the Reporting Date

There were no material events after the financial reporting period which require an adjustment to or a disclosure in the financial statements and refer the Note 30 to the financial statements.

ESG Risks and Opportunities

The Company's business operations can directly and indirectly impact the environment.

Our policy is to conduct these activities in an environmentally responsible manner, minimizing adverse effects and ensuring compliance with relevant regulations.

Appointment Of Auditors

A resolution for the re-appointment of the Messrs KPMG, Chartered Accountants, as auditors of the company for the year 2024/25 will be proposed at the Annual General Meeting. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor), with the Company providing audit and tax services.

Auditor's Right to Information

Every individual serving as a Director of the Company at the time of this report's approval affirms that, to the best of their knowledge, there is no pertinent audit information that the Company's Auditors are unaware of.

Each Director has fulfilled their responsibilities by taking all necessary measures to become acquainted with any pertinent audit information and to ensure that the Company's Auditors are aware of that information.

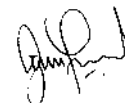
Annual General Meeting

The Annual General Meeting of the Company is scheduled for 05th September 2024. The notice calling for the Meeting and the agenda can be found on Page 178 of the Annual Report.

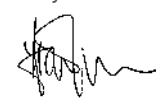
This Annual Report is signed for and on behalf of the Board.



S. S. P. Corporate Services (Private) Limited
Secretaries



Mr. W. A. T. Fernando
Chief Executive officer



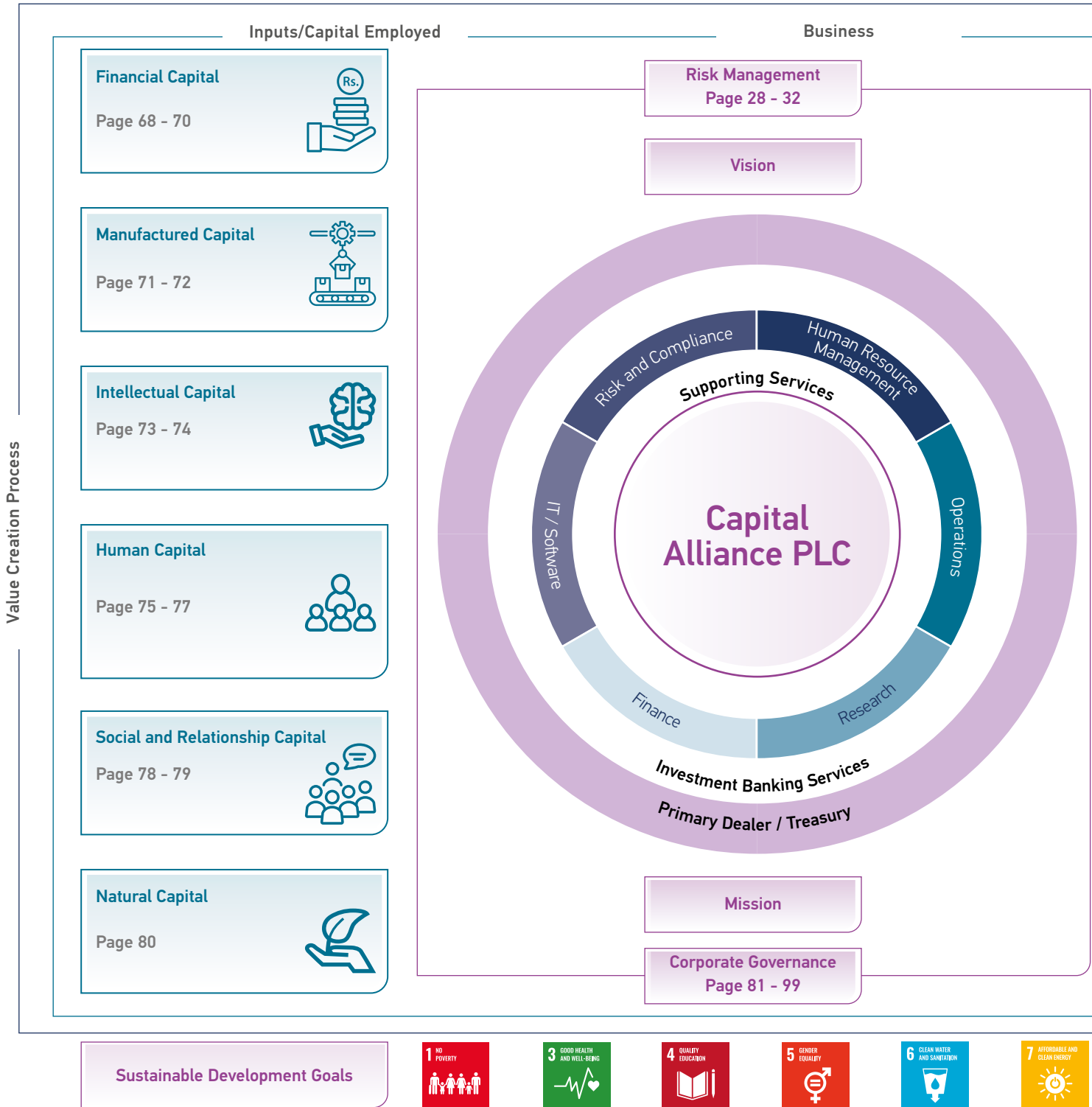
Mr. D. A. De Zoysa
Chairman

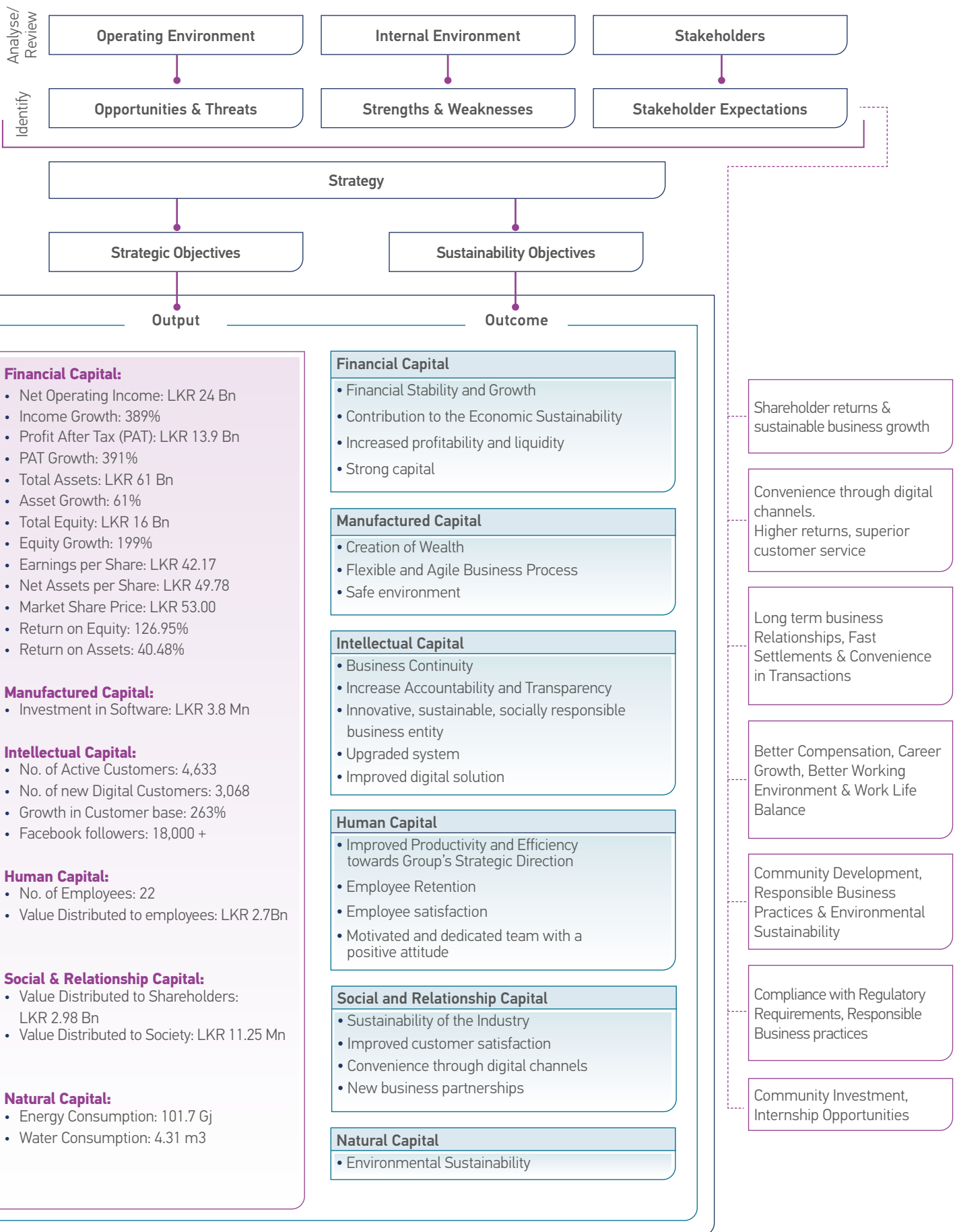
Business Model

GRI 102-9

OUR BUSINESS MODEL

Our operational framework details how we generate value by utilizing our capital and converting it through our business activities, thus impacting our stakeholders, society, and the environment. We continuously assess our external environment to identify risks and opportunities pertinent to the CAL Group, prompting necessary adjustments to our business model and strategies. As responsible corporate citizens, we constantly enhance our processes and technology to minimize any negative social and environmental impacts that may result from our business model.





Snapshot of Our Capital Position and Strategic Outcomes

CALT operates with an advanced business model designed to leverage its strengths for sustainable value creation. By utilizing various forms of capital - including Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural Capitals - CALT transforms these resources through its operations to achieve outcomes that address the interests of stakeholders who have invested and contributed capital.

Following the principles of the International Integrated Reporting Framework, integrated reporting requires including the business model as a key component within the content elements of an integrated report.

FINANCIAL CAPITAL	Widen Wealth (WW)	Refer the Pages 68 - 70
Indicator	Value Creation Status	Key Drivers
Profit After Tax (PAT)	2023/24	<ul style="list-style-type: none"> • Positive ROE • Positive ROA • Asset-Liability management • Leverage and Funding • Working Capital Management • Optimal Asset Allocation • Capital Adequacy • Market conditions • Technology and Innovation
	2022/23	
Return On Equity (ROE)	2023/24	
	2022/23	
Return On Equity (ROE)	2023/24	
	2022/23	
Earnings Per Share (EPS)	2023/24	
	2022/23	
Shareholders' Equity	2023/24	
	2022/23	
Dividend Paid	2023/24	
	2022/23	

HUMAN CAPITAL	Employee Empowerment (EE)	Refer the Pages 75 - 77
Indicator	Value Creation Status	Key Drivers
No. of employees	2023/24	<ul style="list-style-type: none"> • Annual Workforce Plan • Annual Training Budget • Group HR Function • Compliance and best practices • HR Policy Framework • Talent Management • Remuneration and Benefits • Performance Management • Learning and Development • Employee Relations • Employee Engagement • Employee Wellbeing • Work-Life Balance • Equal Opportunities • Merit based ideas
	2022/23	
No. of new recruits	2023/24	
	2022/23	
Total Employee Benefits Paid	2023/24	
	2022/23	
Total Training Hours	2023/24	
	2022/23	
Membership Subscriptions	2023/24	
	2022/23	
Staff covered by the health plan (%)	2023/24	
	2022/23	

MANUFACTURED CAPITAL	Inspired Innovations (II)	Refer the Pages 71 - 72																				
Indicator	Value Creation Status	Key Drivers																				
No. of Recurring Users of CAL Online WEB App	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										<ul style="list-style-type: none"> • Technology Roadmap • Technology and Trading Platforms • Operational Efficiency • Risk Management Systems • Human Capital Integration • Customer Relationship Management (CRM) Systems • Regulatory Compliance Infrastructure • Sustainability and Environmental Consideration
2023/24																						
2022/23																						
No. of new customers to CAL onboarded digitally	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										
2023/24																						
2022/23																						
Cost of Investment - Computer Software (LKR)	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										
2023/24																						
2022/23																						
Cost of Investment on Computer & IT Equipment (LKR)	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										
2023/24																						
2022/23																						

INTELLECTUAL CAPITAL	Inspired Innovations (II) / Client Centricity (CC)	Refer the Pages 73 - 74																				
Indicator	Value Creation Status	Key Drivers																				
Awards	Great Place to Work Certification March 2024 - March 2025 AICPA & CIMA Official Training Partner One of the Top 20 Employers for 2023 by CFA Society Sri Lanka	<ul style="list-style-type: none"> • Industry Standing • Regulatory Compliance • Ethics and Integrity • Partner Networks • Research • IT Infrastructure • Information Security Systems 																				
CAL Brand (Ranking)	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> Top 100 most valuable Sri Lankan brands in Sri Lanka by ranking as; 2023 – No. 95 and Brand Rating as AA- 2022 - No. 89 and Brand Rating as AA		2023/24										2022/23									
2023/24																						
2022/23																						

SOCIAL & RELATIONSHIP CAPITAL	Client Centricity (CC), Social Sustainability (SS)	Refer the Pages 78 - 79																				
Indicator	Value Creation Status	Key Drivers																				
Growth in Customer base (%)	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										<ul style="list-style-type: none"> • Client Relationships • Transparency of information • Customer Privacy • Value Added Services • CAL Foundation • Corporate Social Responsibility Activities • Internship Programme
2023/24																						
2022/23																						
No. of Reported incidents pertaining to the breach of customer privacy	2023/24- None 2022/23- None																					
CAL Foundation	The CAL Foundation has been given the mandate to uplift and enable differently-abled kids in Sri Lanka to realize their full potential.																					
Corporate Social Responsibility Services	Donations to Suwa Seriya and to a religious place																					
Value of Total Donations (Rs.)	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										
2023/24																						
2022/23																						
Summer Internship Programme (No. of Interns Recruited)	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										
2023/24																						
2022/23																						

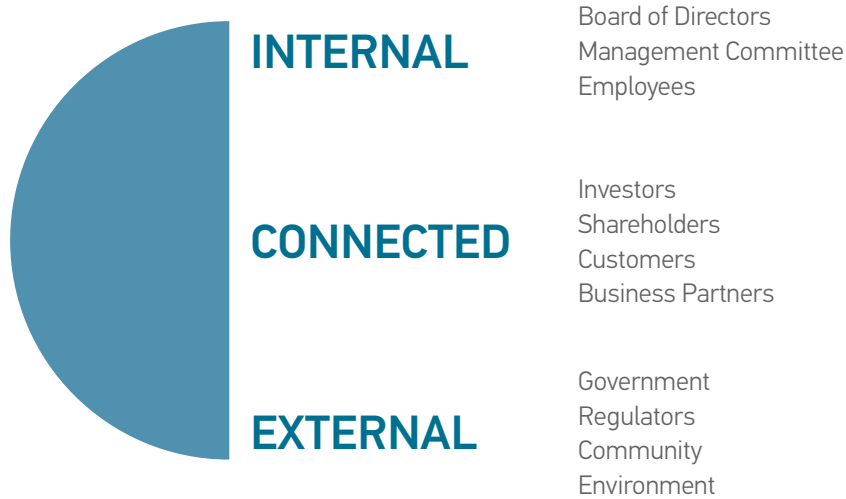
NATURAL CAPITAL	Social Sustainability (SS)	Refer the Page 80																				
Indicator	Value Creation Status	Key Drivers																				
Paper Usage (No. of sheets used)	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										<ul style="list-style-type: none"> • Technology adoption • Automation to minimize paper-based processes
2023/24																						
2022/23																						
Electricity Consumption (Gj) and Water Consumption (m3)	<table border="1"> <tr> <td>2023/24</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>2022/23</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	2023/24										2022/23										
2023/24																						
2022/23																						
Paperless office	<ul style="list-style-type: none"> • Process automation • Emphasis on the reuse of paper before it is recycled 																					

Stakeholder Engagement

GRI 102-40, 102-42, 102-43, 102-44

OUR STAKEHOLDERS

Our stakeholders comprise individuals or entities invested in our operations, along with those whose perspectives and actions can influence the execution of Capital Alliance PLC'S (CALT) strategy and business activities. By assessing the importance and impact of each stakeholder on CALT, we implement suitable management actions. CALT has identified six distinct stakeholder clusters significantly affected by its business operations, outcomes, or outputs, or whose actions greatly influence CALT's ability to create long-term value.



STAKEHOLDER ENGAGEMENT PROCESS

Engaging with stakeholders is essential for effective communication, allowing us to understand their desires, needs, and concerns, and to create and share mutual value. CALT considers stakeholder engagement a strategic effort vital for sustainable development and promoting good governance. Thus, fostering relationships with our diverse stakeholders is integral to our operations.



Our stakeholder engagement strategy aims to ensure meaningful interactions with relevant stakeholders, individually or collectively, to achieve mutually beneficial outcomes. In this framework, stakeholders are identified, assessed, and engaged, and the effectiveness of these interactions is regularly evaluated through feedback mechanisms. This process helps align stakeholder interests with CALT objectives.

Outlined below are the various communication channels CALT use to promote transparent interactions and cultivate mutually beneficial relationships while consistently gathering feedback from our stakeholders. Through these engagements, CALT actively enhances financial literacy and addresses capacity-building needs, reflecting our commitment as an Investment Banker dedicated to achieving the nation's 'Sustainable Development Goals' (SDGs).

Stakeholder	Ways of Engagement	Frequency of Engagement	Key Concerns
Shareholders/ Investors	<ul style="list-style-type: none"> Annual General Meeting Annual report Interim Financial Statements Corporate website Extraordinary General Meetings Press Conferences/ Press Releases Social Media Platforms 	<ul style="list-style-type: none"> ● ● ● ● ● ● ● 	<ul style="list-style-type: none"> Credibility and Financial Position Credit Rating Competitive Strengths Cost management Capital and liquidity management IT Security and fraud management Digitization and process automation Risk management Regulatory compliance and disclosures Business ethics and anti-corruption Compliance with laws and regulations, including the laws governing money laundering and terrorist financing Human and labour rights
Customer	<ul style="list-style-type: none"> Relationship Managers One-on-one meetings Press Conferences/ Press Releases Corporate Website Social Media Platforms 	<ul style="list-style-type: none"> ● ● ● ● ● 	<ul style="list-style-type: none"> Timeliness and relevance of Product and Services Availability of market information Service Excellence Digital Access Information Security and Customer Privacy
Employees	<ul style="list-style-type: none"> Espresso Meetings Formal and informal discussion Internal communication channels Training programs Recreational activities Town Hall sessions Incontro Meetings Counselling Awards Ceremonies 	<ul style="list-style-type: none"> ● ● ● ● ● ● ● ● ● 	<ul style="list-style-type: none"> Pay and Benefits Human and labour rights Development opportunities Career Prospects Connectivity to Management Diversity and Inclusion Job Satisfaction Work-life Balance
Business Partners	<ul style="list-style-type: none"> One-on-one meetings Networking Corporate Website Social Media Platforms 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> Credibility and Financial Position Credit Rating Competitive Strengths IT Security and fraud management Regulatory compliance and disclosures Business ethics and anti-corruption Compliance with laws and regulations, including the laws governing money laundering and terrorist financing
Community and Environment	<ul style="list-style-type: none"> Press Conferences/Press Releases Corporate Website Social Media Platforms Annual Report Community Initiatives 	<ul style="list-style-type: none"> ● ● ● ● ● 	<ul style="list-style-type: none"> Community development Internships
Government and Regulators	<ul style="list-style-type: none"> Regulatory Audits Interim Financials Annual Report Regulatory submissions/filings Other meetings 	<ul style="list-style-type: none"> ● ● ● ● ● 	<ul style="list-style-type: none"> Business ethics and anti-corruption Compliance with laws and regulations, including the laws governing money laundering and terrorist financing Security Human and labour rights

● Annually ● Quarterly ● Monthly ● Weekly ● As and when required ● Continuous and ongoing

Materiality Assessment

GRI 102-47

MATERIALITY

Material issues are aspects that significantly impact the sustainability of our value creation process in the short, medium, and long term. The foundation of our strategy is addressing the needs, desires, and major concerns of our stakeholders. Our focus on materiality is based on the key issues identified by both internal and external stakeholders. The Company (CALT) actively engages with its stakeholders to thoroughly understand their concerns and the relevance of their priorities regarding economic, environmental, governance, and social matters.



Identify

We identify matters that may impact the execution of our strategy. This is a company-wide effort involving inputs from all business and support units, and takes into account feedback from stakeholders.

Materiality

Read more about our stakeholder engagement on pages 42 - 43



Prioritise

From the list of identified material Issues, We use a Materiality Matrix (below) to prioritise those that have the greatest impact on CALT and those that matter most to stakeholders.



Integrate

Based on their priority level, Material Issues are then integrated into our strategy. Read more in our Strategy and Resources Allocation section on pages 56 - 59

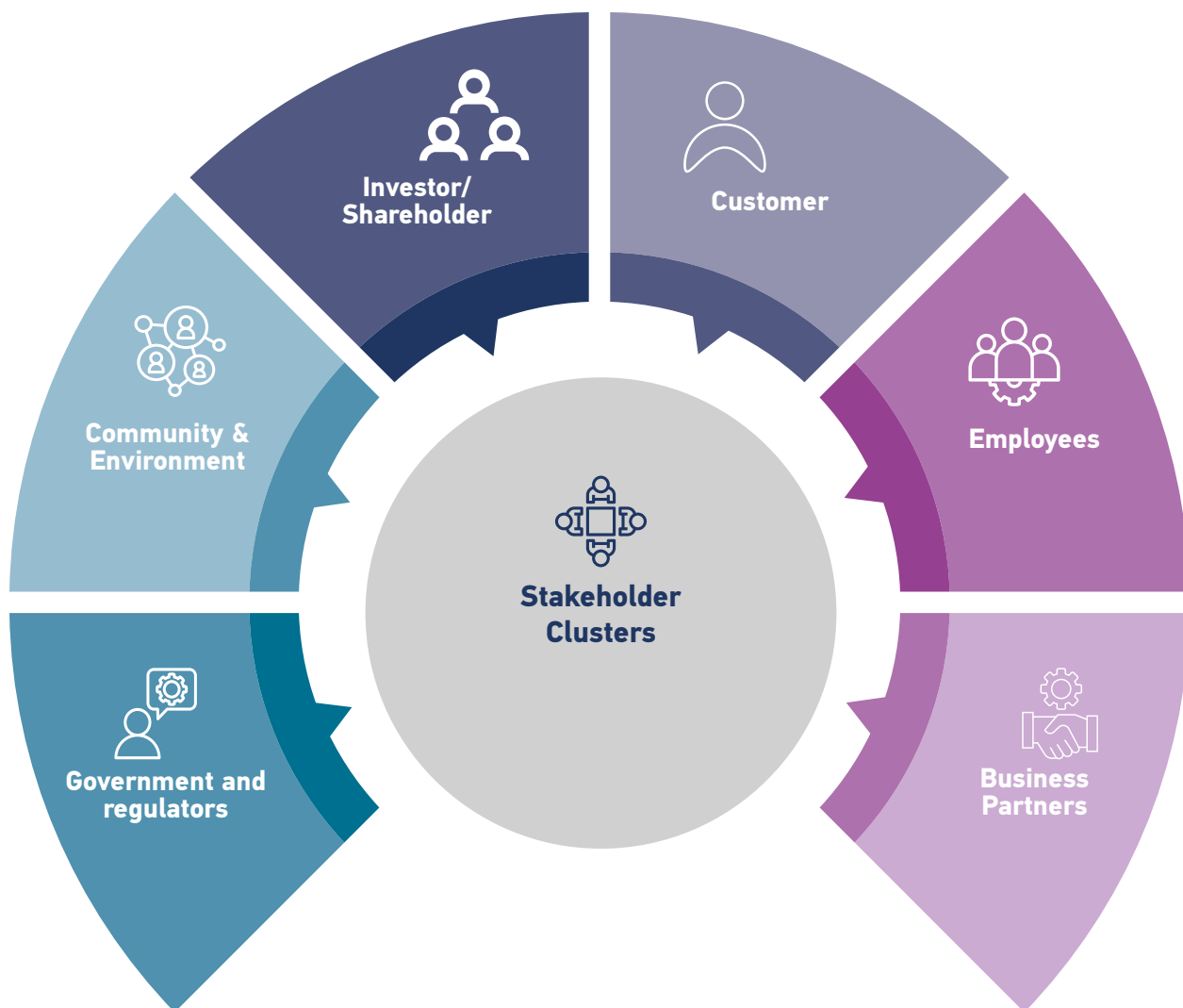
MATERIALITY DETERMINATION PROCESS

Analyzing materiality is a crucial process for CALT, allowing us to identify key issues of critical importance to both our business and stakeholders, across internal and external domains. Engaging with stakeholders is a vital aspect of strong sustainability practices, aiding in the identification and resolution of:

- Significant impacts related to business operations and strategy;
- Stakeholders significantly affected; and
- Stakeholders with substantial potential to influence CALT.

CALT includes six unique stakeholder clusters: Investors/Shareholders, Customers, Employees, Business Partners, government & regulators and Community and environment. This process serves as a foundation for improving performance, refining our sustainability framework, and implementing corporate governance practices throughout CALT.

Through materiality analysis, CALT identifies aspects of utmost importance to both its stakeholders and itself, aligning with its economic, social, and environmental agenda aimed at promoting sustainable value creation.



Opportunities to be Capitalized

Importance to stakeholders	High	3,6,8,10,11,14	12,13,16,20,21,22,23, 24,25,26,29	
	Moderate	18,31	27,28	
	Low			
		Low	Moderate	High
Importance to the Company				

Materiality Assessment

Stakeholder	Political	Economic	Social	Technological	Environmental	Legal
Investors	1. Lack of political and policy consistency	5. Economic slowdown	11. Increased used and influence of social media	25. Increased demand for Digital Technology and Strategic Resources		20. Directions and guidelines to counter impacts of the pandemic
	2. Lack of the desired level of transparency and accountability	6. Depreciating currencies	12. Demand for non-financial information	21. Higher regulatory capital requirements		
		7. Downgrading of the credit rating	13. Demand for more transparency and accountability			22. New compliance requirements
		8. Rising inflation and interest rates	24. Increased demand for Sustainable Financial Performance			
Customers	3. Changes in Tax Policies		14. Changing customer expectations	17. Cybersecurity threats		23. Compliance requirements for digitalised client onboarding
			26. Increased importance of Brand Equity and organisational Reputation			
Employees			15. Staff recruitment and retention becoming more challenging	18. Technology driving change in job skills		
			28. Employee Empowerment			
Society and environment	4. Corruption	9. Declining global competitiveness of Sri Lanka	16. Need to commit to Sustainable Development Goals (SDGs)	19. Import restrictions related to IT equipment	30. Environmental threats and disasters	
Business partners		10. A more collaborative approach	27. Strategic partnerships			
Government and regulator	1. Lack of political and policy consistency					

Risks to be mitigated

Importance to stakeholders	High	7	1,2,5,6,8,14,17
	Moderate	4,9,30	15,19
	Low		
	Low	Moderate	High
Importance to the Company			

Material Topic	GRI Disclosure	Impacted Capital
1. Lack of political and policy consistency	GRI 102-15, 201-1,207-1, 207-2,207-3	Financial Capital
2. Lack of desired level of transparency and accountability	GRI 201,207	Financial Capital
3. Changes in Tax Policies	GRI 207-1, 207-2,207-3	Financial Capital
4. Corruption	GRI 205	Financial Capital, Social & Relationship Capital
5. Economic slowdown	GRI 201-1	Financial Capital, Social & Relationship Capital
6. Depreciating currencies	GRI 102-15, 201-1	Financial Capital
7. Downgrading of the credit rating	GRI 102-15, 201-1	Financial Capital
8. Rising inflation and interest rates	GRI 102-15, 201-1	Financial Capital
9. Declining global competitiveness of Sri Lanka	GRI 102-15, 201-1	Financial Capital, Social & Relationship Capital
10. A more collaborative approach	GRI 102-9,102-10,102-13	Social & Relationship Capital
11. Increased use and influence of social media	GRI 102-40, 102-42, 102-43, 102-44, 203-1	Intellectual Capital
12. Demand for non-financial information		Social & Relationship Capital, Natural Capital
13. Demand for more transparency and accountability	GRI 201,207	Financial Capital
14. Changing customer expectations	GRI 416	Social & Relationship Capital, Natural Capital
15. Staff recruitment and retention becoming more challenging	GRI 102-40, 102-42,102-43, 102-44, 201-3, 404-1,404-2	Human Capital
16. Need to commit to Sustainable Development Goals (SDGs)	GRI 102-40, 102-42, 102-43, 102-44, 201-1, 204-1, 302-1, 302-4, 413-1	Financial Capital, Human Capital, Intellectual Capital, Social & Relationship Capital, Natural Capital
17. Cybersecurity threats	GRI 102-15, 203-1	Manufactured Capital
18. Technology driving change in job skills	GRI 102-40, 102-42,102-43, 102-44, 401-1, 401-2, 401-3	Manufactured Capital, Human Capital
19. Import restrictions related to IT equipment	GRI 102-15, 204-1	Manufactured Capital, Social & Relationship Capital
20. Directions and guidelines to counter the impacts of the pandemic		Social & Relationship Capital
21. Higher regulatory capital requirements	GRI 102-40, 102-42,102-43, 102-44, 201-1	Financial Capital, Intellectual Capital
22. New compliance requirements	GRI 102-40, 102-42, 102-43, 102-44, 201-1	Intellectual Capital
23. Compliance requirements for digitalized client onboarding	GRI 102-40, 102-42, 102-43, 102-44, 203-1	Intellectual Capital, Social & Relationship Capital

Materiality Assessment

Material Topic	GRI Disclosure	Impacted Capital
24. Increased demand for Sustainable Financial Performance	GRI 102-40, 102-42, 102-43, 102-44, 201-1, 204-1, 302-1, 302-4, 413-1	Financial Capital
25. Increased demand for Digital Technology and Strategic Resources	GRI 102-40, 102-42, 102-43, 102-44, 203-1	Manufactured Capital, Intellectual Capital
26. Increased importance of Brand Equity and Organizational Reputation	GRI 102-2	Intellectual Capital, Social & Relationship Capital
27. Strategic partnerships	GRI 102-13	Social & Relationship Capital
28. Employee Empowerment	GRI 404,405	Human Capital
29. Need to improve business resilience	GRI 102-2,102-9	Financial Capital, Human Capital, Intellectual Capital, Social & Relationship Capital, Natural Capital
30. Environmental threats and disasters	GRI 102-15, 302-1, 302-4, 413-1	Natural Capital

Management approach

CALT effectively addresses its material concerns through strategic planning. This includes assigning accountability to Department Heads and allocating resources based on the significance of each material concern in advancing strategic objectives. To ensure successful goal achievement concerning material matters, CALT has integrated relevant goals and targets into the Key Performance Indicators (KPIs) of Key Management Personnel, which undergo regular review.

Numerous policies have been implemented to direct employees to conduct activities responsibly, transparently, and ethically while addressing these material concerns. Both internal and external audits and verifications are conducted to ensure adherence to internal controls, policies, and procedures designed to achieve objectives related to material matters. Findings are regularly reported to the Board of Directors and/or respective Management Committees for informational purposes and for implementing corrective measures as necessary.

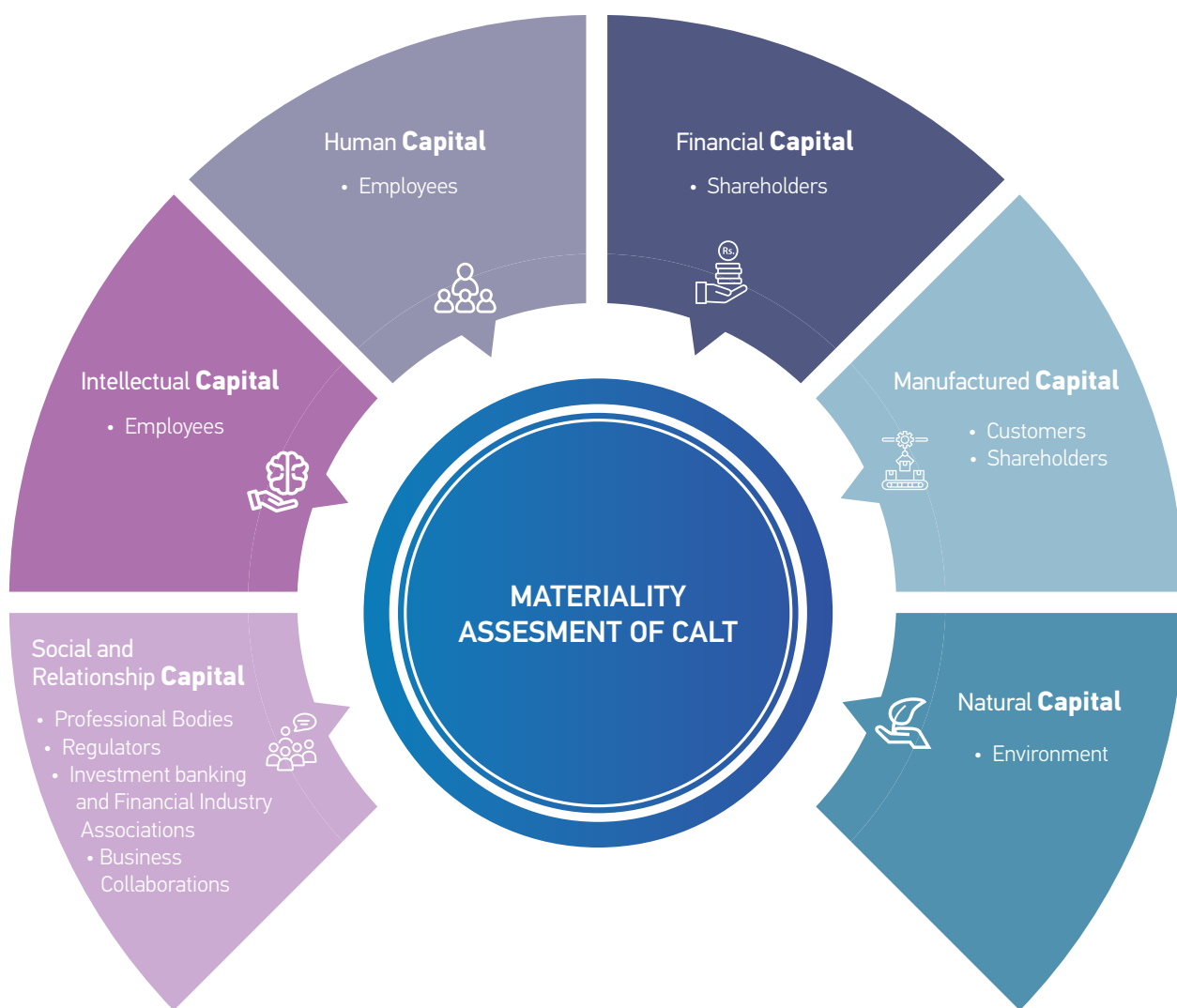
MATERIALITY ASSESSMENT

Capital	Stakeholder	Impact on Corporate Value Creation	Current Impact	Future Impact
Financial Capital	Shareholders	Revenue: <ul style="list-style-type: none"> Trading and investment Leverage Market making Client Services 	<ul style="list-style-type: none"> Financial stability and performance by maintaining liquidity Managing risks Regulatory compliance Strategic decision making 	<ul style="list-style-type: none"> Increase in regulatory compliance Integration of ESG Factors Technological advancements such as AI, big data analysis Market volatility and economic shifts Stakeholder expectations and transparency
		Cost: <ul style="list-style-type: none"> Economies of scale Operational efficiency Funding costs 	<ul style="list-style-type: none"> Costs associated with implementing regulatory frameworks Operational costs Environmental and social costs Investments in new technology 	<ul style="list-style-type: none"> Technological advancements Sustainability and ESG costs Fluctuations in global economic condition Costs associated with market risk management Attracting and retaining skilled personnel
		Risks: <ul style="list-style-type: none"> Buffer against losses Creditworthiness and counterparty risk Regulatory compliance Risk management 	<ul style="list-style-type: none"> Market volatility Creditworthiness Liquidity management Regulatory compliance 	<ul style="list-style-type: none"> Technological and cyber risks Climate change and environmental risks Market and risk volatility


Capital	Stakeholder	Impact on Corporate Value Creation	Current Impact	Future Impact
Manufactured Capital	Shareholders Customers	Revenue: <ul style="list-style-type: none"> Advanced trading platforms Market access Customer Satisfaction and Retention Value-added Services 	<ul style="list-style-type: none"> Invest in advanced trading platforms, risk management systems, and other technological infrastructure Operational scalability Maintenance and upgradation of facilities 	<ul style="list-style-type: none"> Cybersecurity and data protection Regulatory compliance and risk management Innovation and competitive edge Advanced technology integration
		Cost: <ul style="list-style-type: none"> Operational efficiency Maintenance and downtime Scalability Automation 	<ul style="list-style-type: none"> Costs of maintaining and upgrading the technological infrastructure Regulatory compliance costs Cybersecurity expenditures Environmental and sustainability costs 	<ul style="list-style-type: none"> Enhanced cyber security needs Sustainability and environmental costs Continued technological advancements Operational resilience investments
		Risks: <ul style="list-style-type: none"> Operational risk Regulatory compliance Market risk management Technology risk Liquidity risk 	<ul style="list-style-type: none"> Increasing focus on sustainability and environmental regulations Evaluating the potential financial losses from any technology disruptions and the costs of mitigating these risks. Maintain sufficient capital buffers and liquidity reserves to manage these risks 	<ul style="list-style-type: none"> Need to account for the increased complexity and potential vulnerabilities of new technologies. To invest in advanced compliance systems and ensure their infrastructure meets evolving regulatory standards. Impact of market and credit risks on the value and stability of manufactured capital and ensure an adequate risk management measures are in place.
Intellectual Capital	Employees	Revenue: <ul style="list-style-type: none"> Expertise and Skills Innovative Financial Products Client Relationships Brand Reputation 	<ul style="list-style-type: none"> Value of intellectual capital and its direct impact on revenue Consider investments in more efficient and profitable trading strategies Brand equity and customer loyalty Value and impact of research and analytical functions on revenue generation. 	<ul style="list-style-type: none"> Invest in intellectual capital to develop, integrate, and maintain these technologies. Investment in data analytics Continuous learning and talent development on intellectual capital and revenue Client relationship management
		Cost: <ul style="list-style-type: none"> Operational Efficiency Automation and Technology Training and Development Employee Retention 	<ul style="list-style-type: none"> Talent acquisition and retention Research & development cost Employee training and development 	<ul style="list-style-type: none"> Investment in advanced technologies and cybersecurity Acquire advanced analytics tools
		Risks: <ul style="list-style-type: none"> Risk Management Expertise Regulatory Compliance Crisis Management Data Security 	<ul style="list-style-type: none"> Evaluate the adequacy of cybersecurity measures and their effectiveness in mitigating these risks. The costs associated with maintaining regulatory compliance Effectiveness of risk management strategies and the role of intellectual capital in minimizing potential losses Risks associated with technological advancements. 	<ul style="list-style-type: none"> Substantial investments in R&D Climate change and ESG compliance Advanced cybersecurity threats Market volatility

Materiality Assessment


Capital	Stakeholder	Impact on Corporate Value Creation	Current Impact	Future Impact
Human Capital	Employees	Revenue: <ul style="list-style-type: none"> Expert Trading and Market Analysis Client Relationships Product Innovation Advisory Services 	<ul style="list-style-type: none"> Training & Retention Effective client relationship management Investments in human capital for innovation and product development Operational efficiency 	<ul style="list-style-type: none"> Investment in upskilling employees ESG expertise Ongoing professional development and continuous learning
		Cost: <ul style="list-style-type: none"> Operational Efficiency Technology Utilization Training and Development Attrition and Retention 	<ul style="list-style-type: none"> Investments in hiring, training, and retaining skilled employees Impact on financial performance, risk management, and overall business strategy 	<ul style="list-style-type: none"> Mandatory specific disclosures Track and report on ESG-related human capital metrics and impact on overall cost. Require initial capital expenditures and ongoing operational costs.
		Risks: <ul style="list-style-type: none"> Risk Management Expertise Regulatory Compliance Crisis Management Ethical Standards 	<ul style="list-style-type: none"> Fluctuations in labor market conditions Risks associated with strategic workforce planning, talent acquisition, and succession planning 	<ul style="list-style-type: none"> Manage and disclose ESG-related human capital metrics Invest in reskilling and upskilling programs to address skill gaps
Social and Relationship Capital	<ul style="list-style-type: none"> Professional Bodies Regulators Investments Banking and Financial Industry Associations Business Collaborations 	Revenue: <ul style="list-style-type: none"> Client Relationships Market Access Strategic Partnerships 	<ul style="list-style-type: none"> Client retention and loyalty Market Reputation and Brand Value Adhere to ethical standards, regulatory requirements, and risk management practices 	<ul style="list-style-type: none"> Increasing emphasis on client experience Adoption of advanced technologies Focus on ESG and Corporate Responsibility Digital Transformation and Client Engagement
		Cost: <ul style="list-style-type: none"> Operational Efficiency Employee Retention 	<ul style="list-style-type: none"> Training and development programs Ongoing monitoring and reporting of Key Performance Indicators (KPIs) Investments in technology infrastructure 	<ul style="list-style-type: none"> Digital transformation initiatives Regulatory developments Client experience enhancements ESG considerations Talent management strategies
		Risks: <ul style="list-style-type: none"> Crisis Management Reputation Management 	<ul style="list-style-type: none"> Regulatory compliance Cybersecurity and data privacy Employee relations and talent management Operational resilience Interconnectedness of client relationships 	<ul style="list-style-type: none"> Advancements in technology Regulatory developments ESG considerations Evolving client expectation Talent management strategies
Natural Capital	Environment	Revenue: <ul style="list-style-type: none"> Environmental Factors in Investments Green Investments 	<ul style="list-style-type: none"> Client demand for ESG integration Cost savings and efficiency Commitment to environmental stewardship and sustainable business practices 	<ul style="list-style-type: none"> Integration of natural capital in risk management practices Enhanced market reputation Technological innovation
		Cost: <ul style="list-style-type: none"> Regulatory Compliance Sustainable practices 	<ul style="list-style-type: none"> ESG integration Technology adoption CSR initiatives 	<ul style="list-style-type: none"> Opportunities for operational efficiencies ESG integration Advancements in technology
		Risks: <ul style="list-style-type: none"> Environmental stewardship Climate change and natural disasters 	<ul style="list-style-type: none"> Ensure operational resilience Protecting financial performance Maintaining stakeholder trust Safeguarding reputation 	<ul style="list-style-type: none"> Climate change Market dynamics Technological advancements Stakeholder expectations




Operating Context and Our Responses

 STRENGTHS	IMPACT TO CAL	OUR RESPONSES
A skilled workforce	Ability to provide advanced services and client solutions to drive business growth	Improved the current workforce's skills through continuous professional development initiatives. Dedicated research team providing timely market insights and analysis, empowering clients with actionable information to navigate volatile market conditions and make informed investment decisions.
High caliber governance body and Senior Management	Exemplary strategic decision-making and implementation	Continuous professional development programs for senior personnel and HR strategies to identify and promote both internal and external talent for leadership roles.
Regulatory Environment	Require stringent regulatory requirements govern the operations of CALT, with a focus on risk management, compliance, and transparency	Invested in training and resources to ensure full compliance while fostering a culture of integrity and accountability addressing the Adaptive Compliance Framework.
Robust governance structure & risk management practices	Mitigates fraud and risk while minimizing potential reputational risks stemming from non-compliance	Prioritize robust risk management practices to mitigate market, credit, and operational risks, including regular risk assessments, stress testing, and scenario analysis to anticipate and address potential challenges to CALT.
Strong business and client relationships	Improves the ability to deliver customized services and meet evolving client needs, thereby enhancing CAL's reputation and standards and ensuring consistent service quality.	Allocating resources to improve customer relationship management across all business sectors by fostering relationships and implementing training initiatives.
Brand name	A well-respected brand name boosts both customer retention and acquisition efforts.	Expand our marketing and branding efforts through digital platforms while increasing CALT's efforts to gain recognition from prestigious industry organizations.
Diversified Business Segments	Diversifying into multiple investment banking sectors reduces profit volatility and allows for meeting a broad spectrum of customer funding and investment needs.	Nurturing a highly skilled workforce enables the identification of new market opportunities and the development of innovative products within each business segment. These advancements foster continuous client engagement with CALT.
State of the art technology and innovation	Require rapid advancements in technology, including automation, artificial intelligence, and data analytics, are reshaping industry practices and client expectations.	Embracing technological advancements in CALT by leverage automation, AI, and data analytics to enhance operational efficiency, optimize trading strategies, and deliver personalized client solutions.
Financial Stability	A strong balance sheet enables CAL to maintain high credit ratings and capitalize on potential business opportunities.	Strategically managing risks and diversifying funding channels to support business growth.

 WEAKNESSES	IMPACT TO CAL	OUR RESPONSES
Challenges in retaining skilled personnel attributed to the prevailing economic conditions in the country.	Causes disruptions and delays in company operations, resulting in expenses and reducing overall efficiency.	Introducing process automation to reduce reliance on manual tasks, while improving employee well-being through competitive compensation and flexible work schedules.

 OPPORTUNITIES	IMPACT TO CAL	OUR RESPONSES
Opportunities for process automation	The automation of processes will enhance productivity across all business functions.	Embrace a proactive approach and adopt new technology.
Increasing digital adoption by clients	Exploring digital platforms to broaden and diversify client interactions.	Improved digital products and services centered around the user, aimed at delivering a superior customer experience.
Digital adoption enabling businesses to expand beyond geographical boundaries	Assembling a forward-thinking team with a diverse skill set to meet the needs of these evolving customers.	Staff training and development on IT, including new AI/ML techniques.
Commitment to sustainable development goals	Enhancement of CAL brand value	Implement an ESG framework and create investment products that adhere to global sustainability standards.

 THREATS	IMPACT TO CAL	OUR RESPONSES
Talent outflow risk amid economic downturn	Increased employee turnover and difficulties in attracting qualified professionals.	Improve the welfare of existing staff through competitive compensation and flexible work arrangements. Extend the scope of the bench program.
Cybersecurity risk	Increased susceptibility to cybercrime and malware, posing potential risks to the company's reputation.	Enforced stringent monitoring and control protocols, and increase the frequency of cybersecurity audits.
Economic deceleration	Decreased market turnover, investment activity, and client transaction volumes.	Grow CAL's international business operations while effectively managing costs.
Exchange rate fluctuations	An increase in foreign currency expenses alongside rising revenue generated in foreign currencies.	Strengthen CAL's foreign business divisions and implement more efficient currency hedging strategies.
Regulations on currency and limitations on imports.	Challenges in fulfilling foreign currency payments and elevated expenses for imports denominated in dollars.	Shift towards more cost-effective alternatives and substitutes without compromising on service quality
Volatility in interest rates	Increased volatility in asset market values and its effects on margins and capital.	Enhancing asset-liability alignment and executing strategies to mitigate interest rate risk.
Increased interest rates/funding costs	Rising funding expenses obstructing business growth and inflating operational costs.	Effective management of working capital and exploration of alternative funding sources to facilitate business expansion.
Escalating severity of penalties and regulatory sanctions for non-compliance.	Increased costs due to implementing and monitoring regulatory changes and their impact on financial metrics.	Involvement in industry groups advocating for regulatory and statutory reforms.

Our Strategy and Strategic Imperatives

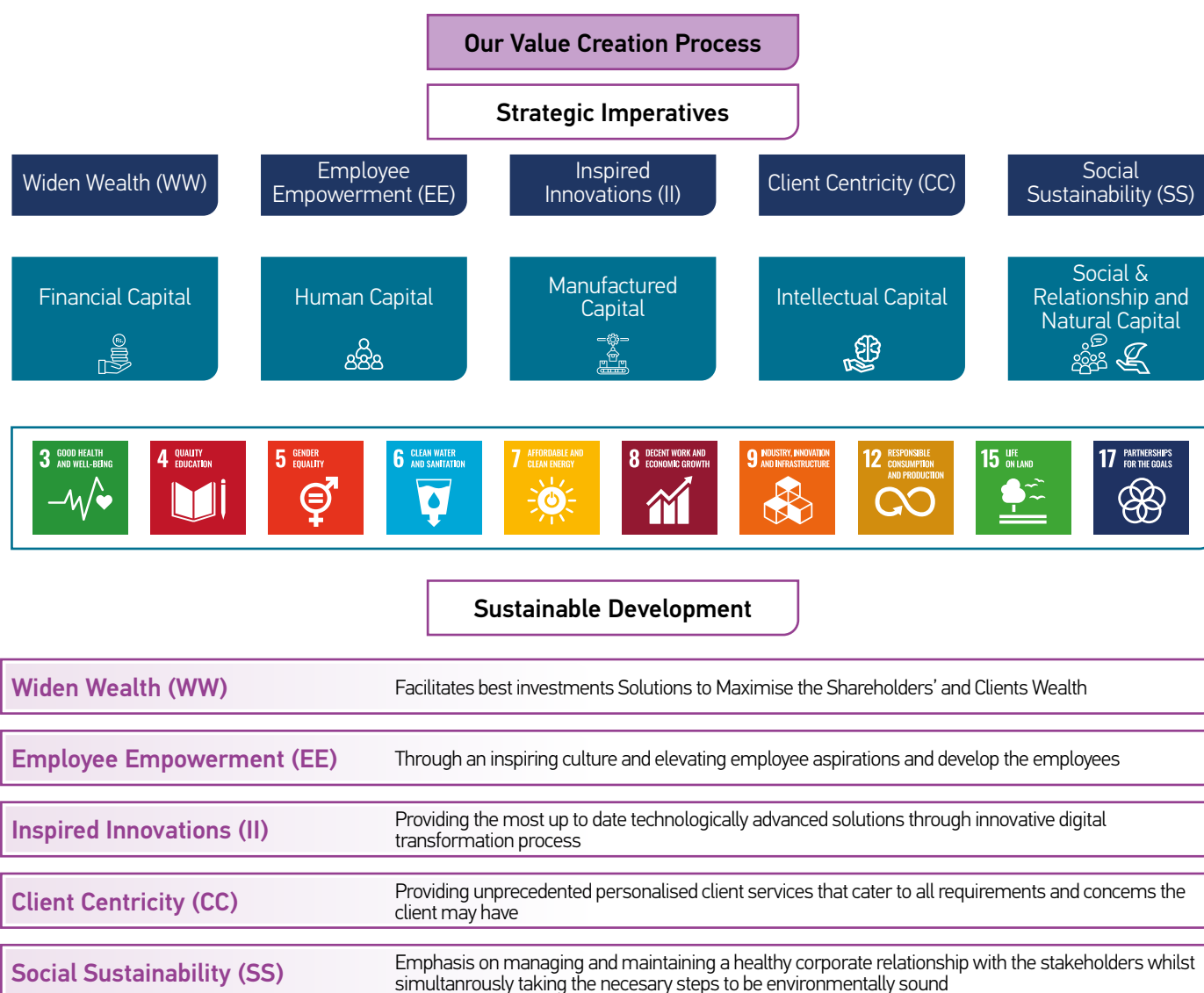
OUR STRATEGY

To build a strong and adaptable organization, we are actively translating our purpose into actions by integrating our values and culture into our strategic framework. Grounded in a deep understanding of market dynamics, regulatory requirements, and client needs, CALT's strategy outlines our approach to achieving CALT goals and maintaining a leading position in the market. Thereby, we detail our strategic imperatives that guide our actions and decisions in pursuit of excellence.

Short Term	Medium Term	Long Term
<ul style="list-style-type: none"> • Improve operational efficiencies and implement process automation to streamline business processes • To grow our market share in our fee based business verticals To build a digital eco-system which will allow us to scale our fee based businesses • To hire, retain and develop a staff cadre with an innovative mindset 	<ul style="list-style-type: none"> • To introduce other business verticals in our overseas operations • To introduce new investment banking and derivative products to the Sri Lankan and Bangladesh markets • To grow Balance sheet strength to expand and explore leverage based businesses 	<ul style="list-style-type: none"> • Establish presence in other frontier markets and become the No. 1 frontier market investment bank

OUR STRATEGIC IMPERATIVES

Capital Alliance PLC (CALT) has maintained a track record of success by focusing on key strategic objectives that address critical aspects of the business. This strategy is in line with the CALT's continuous dedication to embedding sustainability into its daily decision-making, generating value for various stakeholders while also minimizing any negative impacts stemming from its operations.



CALT's strategy and strategic imperatives serve as a roadmap for achieving CALT's objectives and maintaining the competitive edge in the primary dealer industry. By staying true to CALT's core principles, embracing innovation, and prioritizing client satisfaction and sustainability, we are poised for continued success and growth in the ever-evolving marketplace.

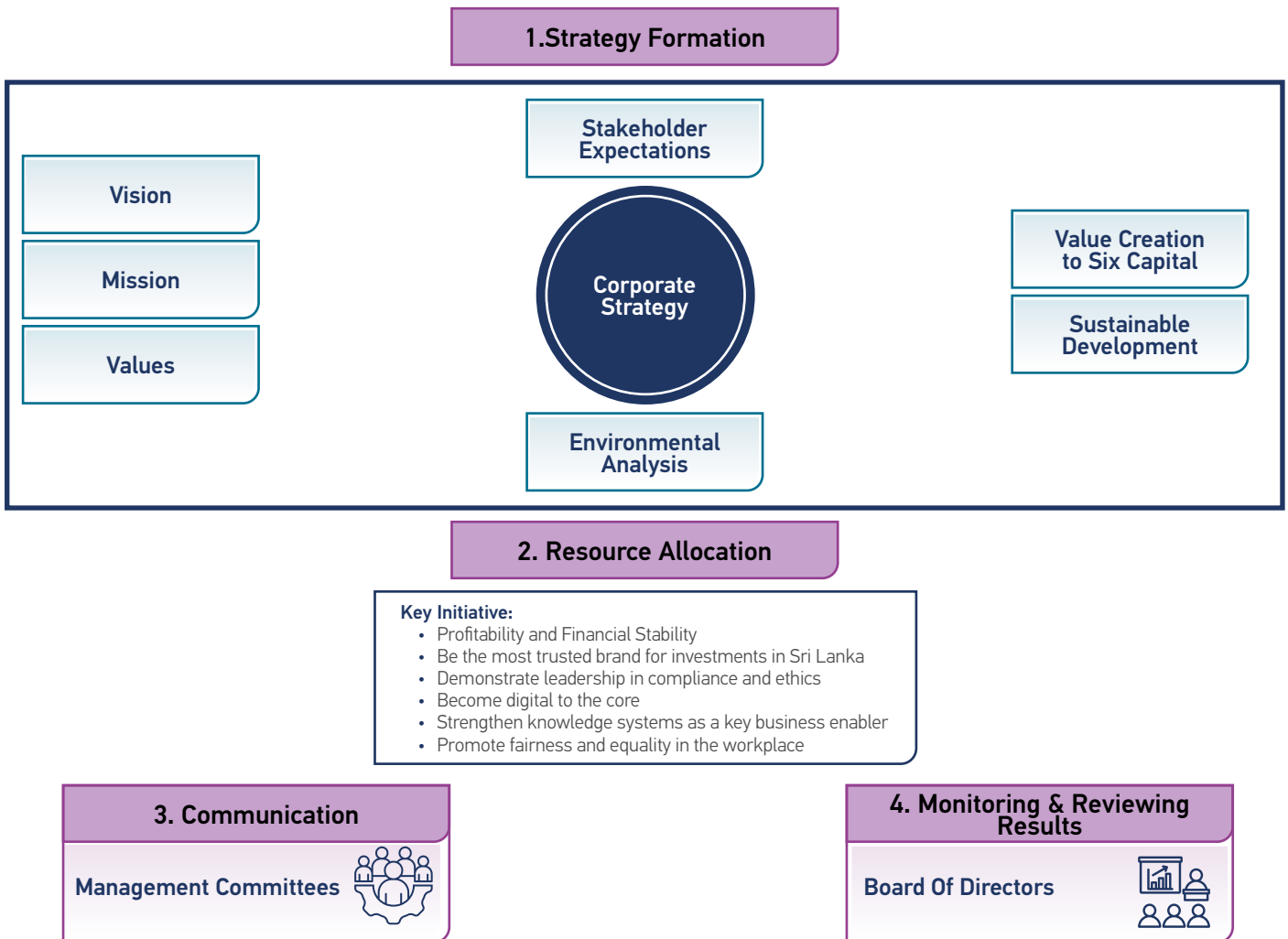
Strategy and Resource Allocation

In the dynamic environment of the primary dealer industry, the strategy and resource allocation play a crucial role in driving organizational success. This document serves as a comprehensive guide to understanding how CALT formulate the investment decisions, allocate resources, and pursue CALT’s strategic objectives. The main goal driving this initiative is to secure the CALT’s continued growth over the medium to long term, while optimizing resource allocation. Aligned with the corporate plan, the following sections outline the specific areas designated for prioritized resource allocation in the upcoming years.

- **Strategic Objectives:** CALT’s strategy is guided by clear and defined strategic objectives that are aligned with the mission and vision. These objectives serve as the foundation for CALT’s decision-making processes and resource allocation strategies.
- **Performance Analysis:** We conduct a thorough analysis of CALT’s overall performance trajectory to assess its strengths, weaknesses, opportunities, and threats. This analysis informs the strategic direction and resource allocation decisions of CALT.
- **Capital Allocation Methodologies:** We employ various methodologies to allocate capital for investments, including risk-adjusted returns analysis, portfolio optimization techniques, and scenario planning. These methodologies help CALT to prioritize investment opportunities and maximize returns while managing risks effectively.

By aligning CALT’s strategy with the mission and vision, prioritizing risk management, embracing innovation, and integrating sustainability principles, we position ourselves for sustainable growth and success in the ever-evolving marketplace.

The strategy and resource allocation of CALT can be delineated into four distinct phases of activities.



Our strategy stems from the CALT vision “to be the leading capital market solution provider in the frontier markets”. To bring this vision to fruition, our present strategy is shaped by six foundational strategic pillars:

Profitability and Financial Stability	
Key Initiatives for FY 2023/24	Key Outputs for FY 2023/24
Strategically utilize market position and take advantage of the downward adjusting yield curve to generate significant capital gains within its trading portfolio.	Profit After Tax (PAT): LKR 13,893 Mn EPS: LKR 42.17 NAPS: LKR 49.78 ROE: 126.95% ROA: 40.48%
Implementing rigorous cost control measures with the goal of reducing operational expenses.	
Embraced digital operations to reduce administrative costs.	
Balance Sheet Management	
Focus on the Future	
Explore opportunities to broaden fund-based revenue streams.	Deploying Robotic Process Automation (RPA) tools for enhanced internal process automation to boost productivity and decrease operational expenses.

Be the most trusted brand for investments in Sri Lanka	
Key Initiatives for FY 2023/24	Key Outputs for FY 2023/24
Implemented a fully functional virtual trading room and maintained uninterrupted operations throughout the year.	Fulfilled bid commitments in the primary auctions. Achieved ZERO downtime throughout the year. One of the Top 100 most valuable Sri Lankan brands by Brand Finance 2023.
Focus on the Future	
Leveraged on the CALT's new brand identity to position as a leading frontier market in Sri Lanka.	

Demonstrate leadership in compliance and ethics	
Key Initiatives for FY 2023/24	Key Outputs for FY 2023/24
Conducted quarterly verifications to evaluate the full compliance status of CALT.	No. of reported incidents for non-compliance of laws and regulations - One No. of reported incidents of ethics violations - ZERO No. of reported incidents regarding breach of information security or customer privacy - ZERO
Performed bi-annual internal audits	
Deployed a new digital monitoring tool to track compliance efficiently with all regulatory requirements set by the Central Bank of Sri Lanka (CBSL).	
Compliance training and ongoing awareness of ethics and integrity	
Conducted vulnerability assessments every quarter to evaluate the threat level for a potential information security breach	
Focus on the Future	
Introduce new tools and techniques to enable regular vulnerability assessments to be conducted internally	Incorporated mandatory information security training as a routine exercise for all staff

Strategy and Resource Allocation

Become digital to the core																											
Key Initiatives for FY 2023/24	Key Outputs for FY 2023/24																										
Enhancements were made to the CAL Online mobile and web app to provide customers with a comprehensive digital experience.	No. of New Digital Customers: 3,068																										
Open a new Customer Experience Center at Jetwing House 1, Level 2, 46/26, Nawam Mawatha, Colombo 02	Introduce the chat with us option via 'WhatsApp BOT'																										
The customer onboarding process was integrated into the CAL Online mobile and web app.	Number of Investments Made Through The Portal (monthly wise)																										
	<table border="1"> <caption>Number of Portal Investments (LKR Mn)</caption> <thead> <tr> <th>Month</th> <th>No. of Portal Investments (LKR Mn)</th> </tr> </thead> <tbody> <tr><td>Apr 23</td><td>550</td></tr> <tr><td>May 23</td><td>850</td></tr> <tr><td>Jun 23</td><td>850</td></tr> <tr><td>Jul 23</td><td>700</td></tr> <tr><td>Aug 23</td><td>1000</td></tr> <tr><td>Sep 23</td><td>950</td></tr> <tr><td>Oct 23</td><td>950</td></tr> <tr><td>Nov 23</td><td>900</td></tr> <tr><td>Dec 23</td><td>1000</td></tr> <tr><td>Jan 24</td><td>1250</td></tr> <tr><td>Feb 24</td><td>750</td></tr> <tr><td>Mar 24</td><td>650</td></tr> </tbody> </table>	Month	No. of Portal Investments (LKR Mn)	Apr 23	550	May 23	850	Jun 23	850	Jul 23	700	Aug 23	1000	Sep 23	950	Oct 23	950	Nov 23	900	Dec 23	1000	Jan 24	1250	Feb 24	750	Mar 24	650
Month	No. of Portal Investments (LKR Mn)																										
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The customer onboarding process was integrated into the CAL Online mobile and web app	Introduce CAL GPT - an AI-powered chatbot that enables customers to question about the most risk-free government securities and the benefits they can provide.																										
Transferred the process of employee recruitment and onboarding to digital platforms.																											
Work-from-home was integrated into the mainstream work practices.																											
Focus on the Future																											
Enhanced the onboarding process by incorporating the video technology to streamline the KYC process.	Enhanced employee experience by integrating digital solutions across all stages of the employment lifecycle.																										
Enhance the existing customer experience through the utilization of the Customer Portal and other digital channels.	Implemented further internal process automation through Robotic Process Automation tools to boost productivity.																										

Strengthen knowledge systems as a key business enabler	
Key Initiatives for FY 2023/24	Key Outputs for FY 2023/24
The social media presence of the CALT underwent a revitalization, featuring a greater emphasis on research-based content to enhance customer engagement.	CAL Research was recognised as the 'Best Research Team' at the CFA Capital Market Awards for the Third time in a row.
Initiated the foundational steps for establishing a centralized research database to create a unified research portal. This portal is intended to streamline the sharing of research data across all Group businesses for improved functional collaboration.	Introduce AnalytiCAL, the research solution to CALT customers.
Substantial investments were allocated to training and development programs aimed at enhancing the macro forecasting expertise of the MIU team, led by seasoned international economists.	
Focus on the Future	
Create additional client-facing analytics utilizing the internal business intelligence platform.	Invested resources to bolster the capabilities of the analytics unit by implementing AI-based machine learning models.

Promote fairness and equality in the workplace	
Key Initiatives for FY 2023/24	Key Outputs for FY 2023/24
Recruited 3 males and 1 female in FY 2023/24	No. of reported incidents of discrimination - ZERO
Work-from-home was seamlessly integrated into the standard work practices.	No. of grievances reported - ZERO
Focus on the Future	
Enhance the culture of performance by fostering increased employee engagement and fostering better collaboration among teams.	Emphasized the importance of efficient succession planning.

Our Approach towards Sustainable Development

GRI 102-11, 102-12, 302-1, 302-2, 419-1

As an Investment Banker, the environmental impact resulting from Capital Alliance PLC's (CALT) operations remains minimal. However, our use of natural resources and energy has significant repercussions, and our financing activities indirectly affect the environment. Consequently, we consider these impacts as part of our business operations. Guided by CALT's environmental policy, we take a proactive approach to environmental stewardship. Our Environmental, Social, and Governance (ESG) Framework directs our efforts to manage and reduce adverse environmental effects, including minimizing resource consumption. This framework also helps us to explore how our financial activities can foster positive environmental change. Through this approach, CALT progressively contributes to achieving relevant Sustainable Development Goals (SDGs), while maintaining our commitment to environmental stewardship.







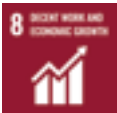

Recognizing the crucial role businesses play in advancing the United Nations Sustainable Development Goals (UN SDGs), CALT is committed to promoting sustainable development. We understand that our organization's long-term sustainability is deeply intertwined with the well-being of our stakeholders.

Our dedication to sustainability principles is integrated into every aspect of our operations, making our model for sustainable value creation a core element of CALT's growth strategy. In alignment with the CALT business model and the interests of relevant stakeholders, CALT sustainability goals correspond to 10 of the 17 SDGs.






The precautionary principle shapes our approach to social and environmental sustainability within the Company. Although CALT's business model and operations do not directly cause significant negative environmental impacts, our responsibility as a conscientious corporate entity compels us to take necessary actions to mitigate risks to society and the environment arising from our activities.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)



SDGs	Activities achieved in FY 2023/24
<p>No Poverty</p> 	<ul style="list-style-type: none"> • Providing employees with a salary that significantly exceeds the minimum wage in Sri Lanka to ensure their livelihoods are well-supported
<p>Good health and well-being</p> 	<ul style="list-style-type: none"> • Offered healthcare options, promote healthy lifestyles, and ensure decent working conditions. • Invested LKR 3.7 million to expand healthcare facilities for 22 staff members. • Extended leave in the event of an illness or complication or risk of complications • Offered facilities and flexible working hours • Ensured a safe and conducive work environment with zero occurrences of occupational diseases and work related fatalities.
<p>Quality education</p> 	<ul style="list-style-type: none"> • Provided learning opportunities to all our team members to enhance their knowledge and skills for sustainable development and pursue sustainable lifestyles. • LKR 2.2 Mn. was invested in training and development to hone the skills and capabilities of our team members. • LKR 0.43 Mn was spent on reimbursement of staff professional memberships. • Youth were provided employment opportunities with education support and training opportunities to increase their employability.
<p>Gender Equality</p> 	<ul style="list-style-type: none"> • CALT offers equal opportunities to both men and women and has recruited 3 Males and 1 Female during the year. • The Gender composition of the Group is 77% representing Males and 23% representing Females.
<p>Clean water and sanitation</p> 	<ul style="list-style-type: none"> • Water purifiers have been installed within the office premises to guarantee clean drinking water for employees. • Implemented initiatives to raise awareness among staff members about water conservation and reducing water wastage on the premises, while also ensuring a hygienic office environment.
<p>Affordable and clean energy</p> 	<ul style="list-style-type: none"> • Energy consumption during FY 2023/24 was 101.7 Gj with a combative of 91.8Gj for FY 2022/23. • Raised employee awareness regarding energy conservation and enhanced energy efficiency.
<p>Decent work and Economic Growth</p> 	<ul style="list-style-type: none"> • Provide a fair and inclusive work environment, offering equal opportunities to both men and women. Our commitment to non-discrimination extends to all aspects of employment, including recruitment, selection, training, and development, regardless of age, marital status, religious beliefs, or any other legally protected status. • Committed to offering a safe working environment that is free from discrimination. Our zero-tolerance policy towards sexual harassment is reinforced by our Policy on Sexual Harassment, Discrimination, Bullying, and Harassment. This policy outlines clear guidelines for our leaders to ensure the respectful treatment of all colleagues. • We are against child labour. Additionally, CALT rejects and condemns any form of forced labor. We believe that our employees choose to work with us voluntarily and are free to leave according to the terms outlined in their employment contracts. As a result, CALT is committed to ensuring a workplace environment that upholds principles of decency and fairness.
<p>Industry, Innovation and Infrastructure</p> 	<ul style="list-style-type: none"> • The dedicated tech team at CAL pushes the boundaries of innovation and R&D. • Moved into cloud technology, deployed a cutting-edge CRM platform, and robotic process automation, and built our own data analytics platform and a digital investment banking product called 'CAL Portal'.

Our Approach towards Sustainable Development

SDGs	Activities achieved in FY 2023/24
Reduced Inequities 	<ul style="list-style-type: none"> • Ensure fairness in company decisions and policy matters.
Sustainable Cities and Communities 	<ul style="list-style-type: none"> • Use separate garbage bins based on bio-gradable and non-bio-gradable in office premises.
Responsible Consumption and Production and Life on Land  	<ul style="list-style-type: none"> • Energy consumption during FY 2023/24 was 101.7 Gj with a combative of 91.8Gj for FY 2022/23.
Partnership for the goals 	<ul style="list-style-type: none"> • Please refer to page 79 of this annual report for information on CALT's sustainability business partners. • Partnered with a variety of organizations to further our sustainability goals and contribute to achieving the Sustainable Development Goals.

Value Creation Supported by Our ESG Framework

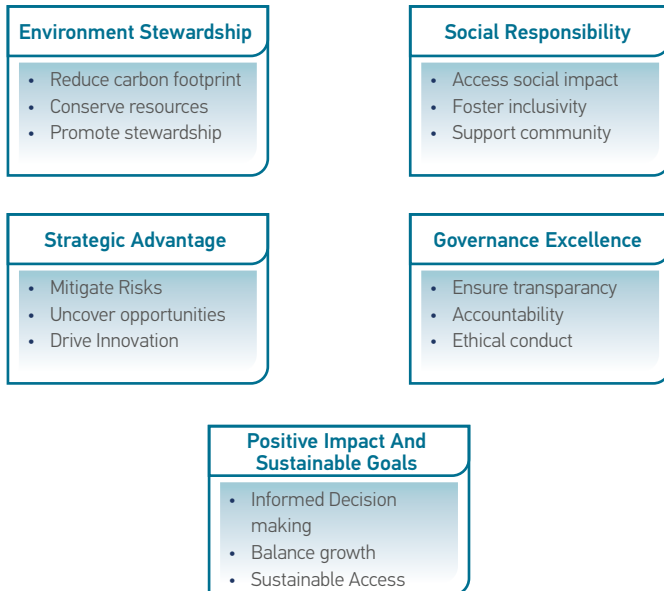
GRI 302-1

VALUE CREATION SUPPORTED BY OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

Our Environmental, Social, and Governance (ESG) framework provides valuable insights into the impact our business has on society and the environment through sound corporate governance. Utilizing this framework, we can identify and comprehend industry-wide challenges and difficulties while following a strategic plan that helps us address these issues. This approach not only offers new opportunities but also enables us to make a positive impact on achieving sustainable environmental goals.

At the core of our business strategy lies a robust Environmental, Social, and Governance (ESG) framework that drives value creation. This ESG framework provides us with critical insights into the impact of our operations on society and the environment, guiding CALT in implementing good corporate governance practices.

Value Creation on ESG Framework



Environmental Stewardship

Our ESG framework helps us to understand and mitigate the environmental effects of our activities. By identifying key areas for improvement, CALT can develop and implement sustainable practices that reduce our carbon footprint, conserve resources, and promote environmental stewardship. This commitment not only aligns with global sustainability goals but also enhances our reputation as a responsible corporate citizen.

Social Responsibility

We recognize that our business has a significant influence on the communities in which we operate. Our ESG framework enables us to assess and address social issues, ensuring that we contribute positively to society. By fostering inclusive and equitable practices, supporting community initiatives, and promoting employee well-being, we strengthen our social license to operate and build lasting relationships with stakeholders.

Governance Excellence

Strong governance is the foundation of our ESG efforts. Through rigorous governance practices, we ensure transparency, accountability, and ethical conduct in all our operations. Our ESG framework provides the structure needed to uphold these principles, helping CALT to navigate industry challenges and regulatory landscapes with integrity and foresight.

Strategic Advantage

The insights gained from our ESG framework inform our strategic planning, allowing CALT to anticipate and adapt to industry-wide challenges. Integrating ESG considerations into CALT's decision-making processes, not only mitigates risks but also uncovers new opportunities for innovation and growth in CALT. This strategic advantage positions us to lead CALT in our industry while achieving sustainable success.

Positive Impact and Sustainable Goals

Our ESG framework is instrumental in driving us toward CALT's sustainable environmental goals. By leveraging this framework, CALT can make informed decisions that balance economic growth with ecological and social responsibility. This balanced approach ensures that creates long-term value for CALT shareholders while contributing to a sustainable future for all.

In summary, our ESG framework is a critical tool for value creation, providing the insights and guidance necessary to navigate complex challenges and capitalize on opportunities. It reinforces our commitment to environmental stewardship, social responsibility, and governance excellence, ultimately supporting our mission to achieve sustainable success and positive impact.

Value Creation Supported by Our ESG Framework

Environmental	Social	Governance
<p>Paperless Office CALT has collectively decided to reduce paper usage in the daily operations. The transition to a more digitized business model has been a major factor in supporting these initiatives by:</p> <ul style="list-style-type: none"> • Process Automation • Emphasis on Reusing Paper Before Recycling <p>Energy Conservation Electricity from the national grid is the primary energy source for our daily operations. In FY 2023/24, CALT electricity consumption was 101.7 Gj (FY 2022/23 – 91.8 Gj).</p> <p>Water Consumption The water consumption for FY 2023/24 was 4.31m3 (FY 2022/23 – 3.02 m3)</p> <p>Managing Waste Disposal The company ensures that waste is disposed of in the most environmentally friendly manner, in compliance with the central environmental authority regulations. E-waste, primarily consisting of computers, is either donated or handed over to authorized recyclers.</p>	<p>Promoting Equality and Expanding Opportunities Prioritized gender equality and the prevention of discrimination to ensure equal opportunities for all employees, regardless of gender, religion, or race.</p> <p>Workforce expansion has created more employment opportunities for the public.</p>	<p>Voluntary Adherence to the Code of Best Practices in Corporate Governance – 2023.</p> <p>Leadership and Senior Management emphasizes the Importance of Good Governance and Sustainable Development</p>

Operating Landscape

GLOBAL ECONOMIC ENVIRONMENT

The global economic outlook for 2023 could be characterized by a recovery from the COVID-19 pandemic and Russia's invasion of Ukraine, though it was slow and uneven across regions. Global growth was projected to slow from 3.5% in 2022 to 3.0% in 2023 and further to 2.9% in 2024, remaining below the historical average of 3.8%. The slowdown was more pronounced in advanced economies, with the United States showing stronger momentum than the euro area. In contrast, emerging markets and developing economies were expected to see modest declines in growth, with China facing significant challenges due to its property sector crisis. The global economic landscape was marked by divergences among regions, reflecting differences in recovery speeds, policy responses, and exposure to geopolitical tensions and climate-related events.

Inflation, a major concern of the preceding years, was on a downward trend but remained above target in almost all economies with an inflation target. The decline in inflation rates from their peaks in 2022 had been driven by a decrease in energy and food prices, alongside the effects of monetary policy tightening across the globe. However, core inflation, which excludes food and energy prices, decreased more gradually, indicating persistent inflationary pressures.

Significant risks and uncertainties included China's property sector crisis, potential for more volatile commodity prices, persistent inflation pressures, increased debt vulnerabilities and geopolitical tensions that could disrupt global economic stability. Due to this, many countries with economic instability sought aid and guidance from bilateral and multilateral lenders and other sovereign advisors to navigate these challenges, emphasizing the need for monetary policy adjustments to continue focusing on achieving price stability, fiscal policy to rebuild buffers and support economic recovery and structural reforms to bolster medium- to long-term growth prospects.

SRI LANKAN SOCIO/ECONOMIC/INDUSTRY ENVIRONMENT

Economic Overview

In 2022, Sri Lanka's economy faced significant challenges, with a staggering real GDP contraction of 7.8%. The country was also grappling with alarmingly high inflation rates, with the annual average change in the Colombo Consumer Price Index (CCPI) at a soaring 46.4%. Amidst these challenges, Sri Lanka announced the suspension of its external debt service in April 2022. By September 1, 2022, an important step towards recovery was taken when Sri Lanka and the International Monetary Fund (IMF) reached a Staff-Level Agreement on the Extended Fund Facility (EFF).

Financial assurances followed, beginning with India on January 20, 2023, with private creditors on February 3, 2023 and the Paris Club on February 7, 2023. China offered its financial assurance on March 7, 2023, and the IMF Executive Board approved the Extended Fund Facility (EFF) for Sri Lanka on March 20, 2023. This series of international support was critical as Sri Lanka worked to stabilize its heated economy. In conjunction with these efforts, the Central Bank of Sri Lanka implemented changes to the Standard Lending Facility Rate, beginning at 16.5% in April and May 2023 then gradually reducing it to 14% by June, 12% by July, and further to 9.5% by March 2024 (shown in Figure 1), reflecting a responsive monetary policy aimed at fostering economic stability.

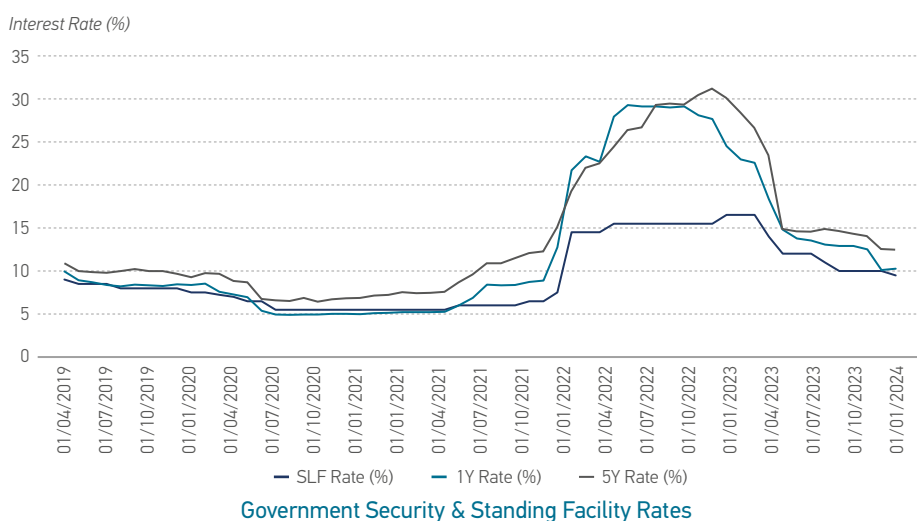


Figure 1: Government securities rates and standing lending facility rates

Despite the fiscal and monetary adversities of 2022, the year 2023 started to show signs of recovery. The real GDP decline slowed to -2.3%, indicating a positive shift from the previous year. The nation gained stability, aided by IMF advice and programs, leading to the cooling down of the CCPI to an annual average of 17.40%. Yet, the country faced slight labour market challenges, as reflected in the rise of the unemployment rate from 6.18% in 2022 to 6.64% in 2023.

The country continued to make progress by announcing Domestic Debt Optimization (DDO) on 4th July 2023, and completing the process by 12th September 2023. IMF's first review of the EFF initiated on 14th September signaled ongoing international cooperation.

October saw mixed developments with private creditors' debt restructuring proposal being rejected by the nation on 18th October, after it was sent out on 2nd October. Nevertheless, China's agreement in principle to debt restructuring on 12th October, followed by the Official Creditor Committee's consent on 29th November, maintained the momentum of Sri Lanka's recovery efforts.

Operating Landscape

By 12th December 2023, the first review of the EFF was completed, marking another milestone. The economy also showed improvement in its trade dynamics, with exports and imports constituting 21.5% and 25.0% of GDP, respectively, in 2022, indicating an upturn in the national economy. In conjunction with these efforts, the Central Bank of Sri Lanka implemented changes to the Standard Lending Facility Rate, beginning at 16.5% in April and May 2023, then gradually reducing it to 14% by June, 12% by July, and further to 9.5% by March 2024, reflecting a responsive monetary policy aimed at fostering economic stability.

With substantial fiscal challenges due to the national debt peaking at 113.80% of the GDP in 2022, stringent measures including spending cuts and tax hikes were implemented. These efforts bore fruit as the debt to GDP ratio was trimmed to 105.49%. Looking ahead, Sri Lanka anticipates not only signing MoUs with official creditors and also reaching a final agreement with private creditors and completing the second review of the EFF by 12th December 2024. The nation's focus remains steadfast on achieving sustainable levels of national debt.

Social Environment

In 2023, Sri Lanka's social environment is marked by modest population growth and improved life expectancy, alongside significant educational achievements. The population reached 21,949,268, growing slightly by 0.25% from the previous year, which itself saw a 0.28% increase from 2022. Life expectancy in the nation continues to rise, reaching 77.7 years in 2023, which represents a 0.21% increase from 2022 suggesting that the population's health is relatively robust, despite the economic difficulties the country has faced. The literacy rate, a critical indicator of educational success, stands high at 92.38% for 2023, reflecting a steady year-on-year increase of 0.13%.

Industry Environment

In 2023, the Sri Lankan economy showed signs of stabilization and modest recovery, primarily driven by effective monetary policies and interventions by the Central Bank of Sri Lanka (CBSL). The year began with foreign

reserves at USD \$2.6 Bn and through consistent foreign reserve building efforts, including heavy monthly dollar purchases averaging USD \$202 Mn, reserves climbed to USD \$4.9 Bn as shown in Figure 2 by year-end, meeting the IMF's target.

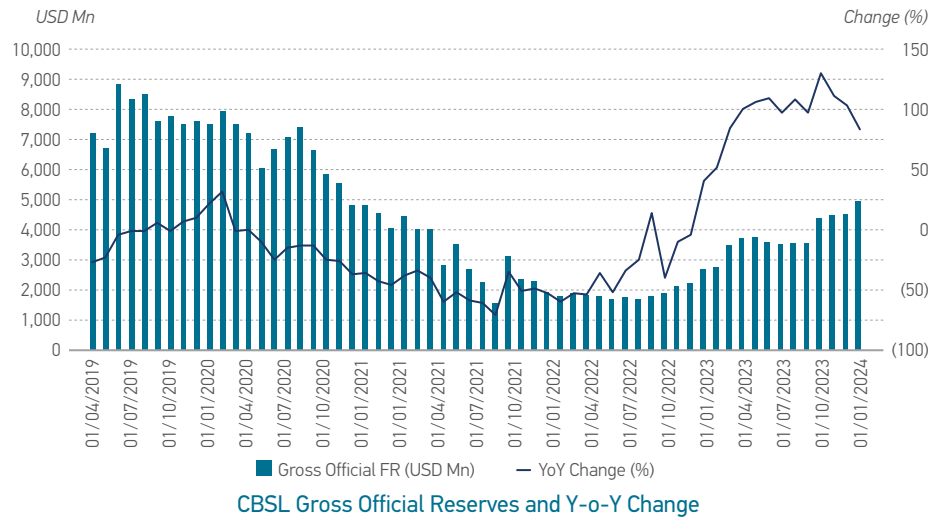


Figure 2: CBSL gross official reserves and Y-o-Y change

This influx of dollars led to significant rupee injections into the market, markedly improving liquidity conditions compared to the previous year. Where 2022 saw an average monthly liquidity deficit of -LKR 410 Bn, 2023 witnessed a positive shift to average of LKR 5 Bn per month.

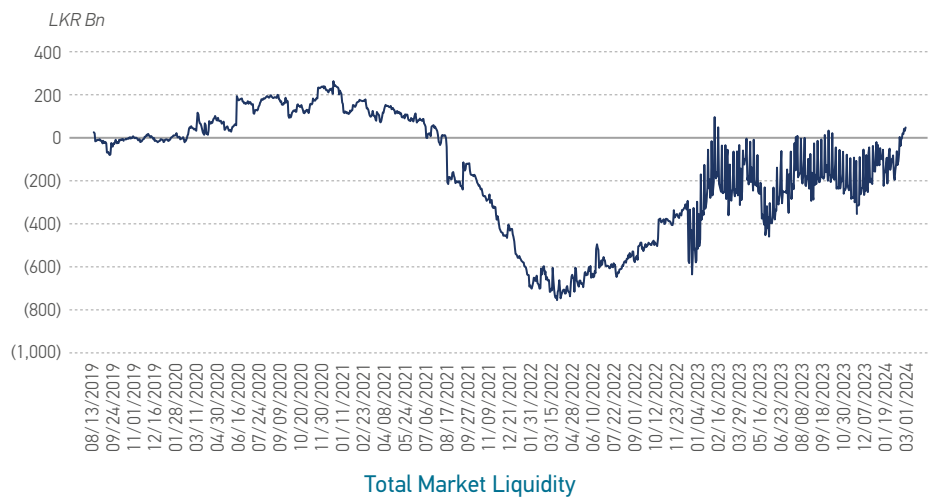


Figure 3: Total market liquidity

This improvement in liquidity was instrumental in managing the exchange rate, which remained stable between LKR 320 and LKR 300 throughout the year. The exchange rate is expected to reach LKR 270 per USD by the end of 2024 but the CBSL intervention may cause resistance to the push.

The year also highlighted challenges in debt management, particularly visible through the handling of government securities. Yield rates on government securities started the year above 25% due to uncertainties around the Domestic Debt Optimization (DDO) program. However, after a temporary suspension of bond auctions between April and July, clarity brought by the DDO announcement in July favored domestic debt holders, causing rates to drop by approximately 1000 basis points overnight to around 15%. Later the downward trend in rates was supported by

easing inflation, external funding support and a growing confidence in the economy.

Additionally, with ongoing external debt restructuring talks expected to conclude favorably with the anticipation that interest rates could decrease further. However, the looming elections pose a potential risk to this economic recovery by possibly introducing uncertainties that could suppress interest rate reductions.

Company Performance

The Company ended FY24 with a profit of LKR 13,893 Mn. The Nil for the period was LKR 3,863 Mn and trading gains were LKR 19,005 Mn. FY24 was a landmark year for the primary dealer industry and for Capital Alliance PLC (CALT) in particular. Throughout the year, starting in April 2023, we witnessed an unprecedented high demand and transaction volume across all primary dealers due to a high yield environment. This momentum continued post the Domestic Debt Optimization (DDO) announcement in July, despite the 1000 basis point drop in the overnight yield rate.

The interest rate dynamics of FY23, where government security interest rates surpassed those of bank deposits, had already positioned us favorably, attracting substantial volumes from both corporate and individual clients. This trend escalated in FY24, with corporate client outright transaction volumes not only maintaining but surpassing previous records, strengthening CALT's market position.

Owing to our robust in-house systems, we were able to handle a record volume of transactions and ensured that we could meet and exceed the demands of our clients without any hindrance. By the close of FY24, CALT's outright government securities transactions volume exceeded LKR 1 Tn, consisting of over 7500 individual deals.

Risk Management

In 2023, the Sri Lankan economy continued to navigate yet another challenging landscape after 2022, characterized by both local and global uncertainties. Despite these conditions, our commitment to robust risk management has become increasingly vital within the

Primary Dealer operating environment. This year, our adept risk management strategies and policies have proven essential, allowing us to mitigate financial impacts effectively amidst fluctuating market conditions. We have placed an enhanced focus on analyzing and assessing potential risks to our company, prompted by the evolving economic scenario. Consequently, we are actively updating our limits and policies to remain responsive and progressive in our risk management approach, ensuring we are well-prepared to face new challenges.

Future Outlook

Our economy showed signs of stabilization in the first half of 2023 with moderated inflation and eased foreign exchange liquidity pressures. However, high interest payments still pose pressure on the overall fiscal deficit. Moreover, efforts to mobilize tax revenue were vital, given the country's status as one of the lowest tax-to-GDP ratios in the world.

On the social front, poverty rates had risen but decelerating inflation and initial government support through direct transfers has eased the increasing trend in poverty. There was an emphasis on improving social protection system, including better targeting and increased transfer adequacy.

Tax reforms are paramount for a sustainable and equitable tax system. This includes introducing a minimum corporate tax, strengthening capital taxation and rationalizing tax expenditures. Implementing the Tax Administration Modernization Strategy is critical, with priorities including promoting e-filing, strengthening compliance, streamlining dispute resolution and recovering taxes in default.

Overall, while challenges persisted, Sri Lanka made progress towards stability and growth through structural reforms and improved revenue mobilization, presenting opportunities for the sustainable development.

CAL Online's (Portal's) Enhanced Investment Experience in 2023

Building on last year's transformative advancements, CALT's breakthrough investment platform – CAL Online (Portal) continued to enhance the treasury investment experience throughout 2023. This year, we introduced significant upgrades to our platform, further empowering clients to manage their investments with even greater flexibility and efficiency.

In 2023, we took a step further from the CAL Online's (Portal) existing feature of reinvesting maturity proceeds directly into government securities or unit trust funds. This year we launched the option for partial maturity reinvestments, enabling clients to withdraw or transfer the interest portion of the initial investment to unit trust funds while reinvesting the initial settlement amount back in government securities. This tailored approach to investment ensures that our clients can optimize their returns according to their individual financial goals.

The CAL Online (Portal) has seen tremendous growth, catering to 1,300 retail clients with over 5,500 transactions this year, handling a volume of LKR 11 Bn. These figures underscore the trust and reliability that our platform has been established among our users.

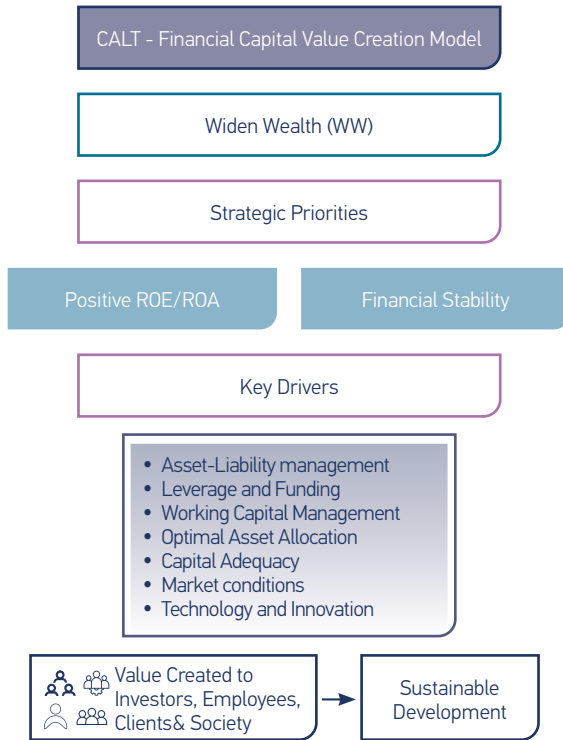
Conclusion

Capital Alliance PLC significantly enhanced retail access to government securities in Sri Lanka through our CAL Online (Portal) platform since its inception in 2022. This initiative has successfully enabled digital investments in Treasury Bills and Bonds, thereby transforming the investing landscape with increased convenience and empowering our clients nationwide. Looking ahead to FY25, we are committed to building on this momentum by introducing new financial products and making it accessible for not only the major market participants but also to other investors of all capacities. These initiatives aim to provide our investors with more diverse investment opportunities and broaden our range of investment vehicles, reinforcing our pioneering role in the Sri Lankan financial market.

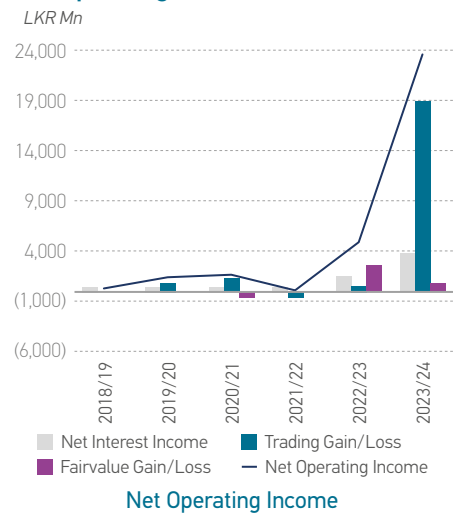
Financial Capital

PHILOSOPHY

Creating Value for all stakeholders by optimal allocation of resources.



Net Operating Income



Financial Review

The Company reported a remarkable post-tax profit of LKR 13,893 Mn for the year ending 31st March 2024, marking a significant growth of 391.4% compared to the previous year's profit of LKR 2,827 Mn. This substantial increase was primarily driven by the improved performance of the Company's core businesses and favorable market conditions.

The Company also increased its asset base by 61%, reaching LKR 61,258 Mn as of 31st March 2024, compared to the previous year's asset base of LKR 38,041 Mn. This strategic decision was made to manage the Company's interest rate risk, as interest rates for government securities declined during the year.

INCOME STATEMENT ANALYSIS

Company Profitability

Capital Alliance PLC reported a profit of LKR 13,893 Mn for the year, a substantial increase compared to the LKR 2,827 Mn profit in the previous financial year. The company's Net Operating Income rose by LKR 18,877 Mn, marking a 389% increase. This growth was primarily driven by higher interest income, significant net gains (or losses) from trading, and substantial net gains (or losses) from the remeasurement of financial assets at a fair value through profit or loss (FVTPL).

Consequently, the Company's Return on Equity (ROE) improved to 126.95% in FY 2023/24, up from 69.31% in 2022/23. Additionally, the Company's Return on Assets (ROA) increased to 40.48% during the year under review, compared to 15.98% in the previous financial year.

The key components of Net Operating Income are; Net Interest Income, Gains / (Losses) from trading and Net Fair Value Gains from Financial Assets at FVTPL.

The primary contributor to the net operating income was net gains from trading, which amounted to LKR 19,005 Mn in FY 2023/24. Capital gains on treasury bills and bonds totaled LKR 19,010 Mn, representing the major portion of the net capital gains from trading. The company reported a fair value loss of LKR 5 Mn in its quoted share portfolio. Overall profitability was directly impacted by the net trading gain from the treasury bills and bonds. Additionally, there was a remeasurement gain on assets measured at fair value through profit or loss (FVTPL), amounting to LKR 875 Mn in the current financial year, compared to LKR 2,661 Mn in the previous financial year.

In the current financial year, Net Interest Income increased to LKR 3,863 Mn from LKR 1,592 Mn reported in 2022/2023.

Net Interest Income

The Company recorded a total interest income of LKR 10,505 Mn in FY 2023/24, representing a 122.54% increase compared to LKR 4,720 Mn in the previous period. Interest expenses for the year were LKR 6,641 Mn, compared to LKR 3,128 Mn in FY 2022/23. Consequently, the Company achieved a net interest income (NII) of LKR 3,863 Mn.

The interest spread increased to LKR 3,863 Mn in FY 2023/24 from LKR 1,592 Mn in FY 2022/23.

Net Gains/(Losses) on Trading

The Company's net capital gains on trading amounted to LKR 19,005 Mn in FY 2022/23, with LKR 18,783 Mn attributed to net capital gains on Treasury Bonds. However, in FY 2023/24, net capital gains on trading were reduced by LKR 5 Mn due to capital gains on quoted shares, following a strategic diversification into quoted equity investments within allowable regulatory limits.

Net capital gains/(losses) on trading primarily comprise net capital gains/(losses) on Treasury Bills, Treasury Bonds, and quoted shares, all classified under financial assets measured at fair value through profit or loss (FVTPL). This classification allows the company to reflect the fair value changes in these assets directly in the profit or loss, impacting overall profitability based on market.

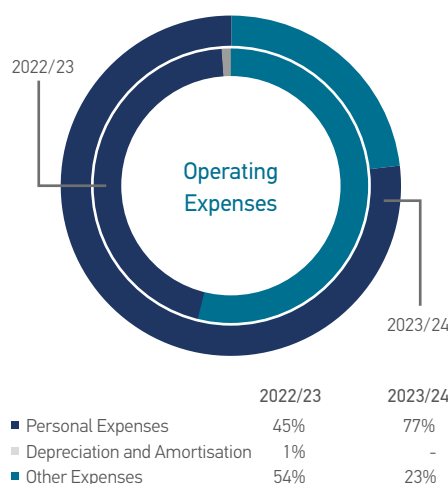
Net Fair Value gains/(losses) from Financial Assets at FVTPL

The Company recorded remeasurement gains on government securities amounting to LKR 937 Mn in FY 2023/24. Additionally, the Company registered a net fair value gain from financial assets at fair value through profit or loss (FVTPL) of LKR 875 Mn in the current financial year, compared to a gain of LKR 2,661 Mn in the previous financial year. There was a remeasurement loss on quoted shares of LKR 62 Mn in the current financial year.

Net fair value gains/(losses) primarily consist of remeasurement gains/(losses) on government securities and quoted shares, classified under financial assets measured at FVTPL. This classification ensures that changes in the fair value of these financial assets are immediately reflected in the profit or loss, providing a transparent view of the company's financial performance based on the market valuation.

Operating Expenses

The Company's Operating Expenses increased notably by LKR 2,474 Mn in 2023/24. The increase in Company Operating Expenses was mainly attributed to the increase of Personnel Expenses by LKR 2,253 Mn, since the company has linked the performance-based compensations to the level of profitability achieved to maintain greater flexibility in managing cost-to-income ratio, combined with the increase in other expenses amounted to LKR 213 Mn largely attributable to VAT on financial services and social security contribution levy.



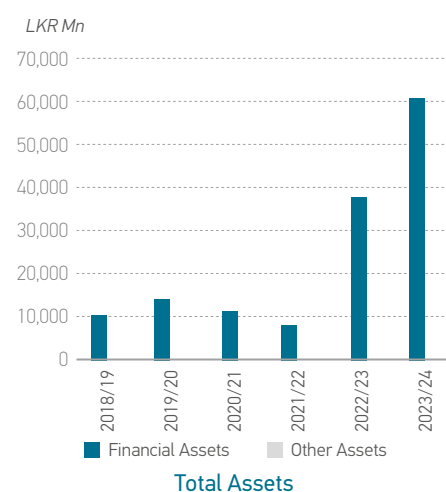
Profit Before Tax (PBT) & Profit After Tax (PAT)

The Company recorded a pre-tax profit of LKR 20,098 Mn in the FY 2023/24, an increase of LKR 16,403 Mn over the previous year and post-tax profit of LKR 13,893 Mn for the year ended 31st March 2024 increase from the post-tax profit of LKR 2,827 Mn registered in the previous financial year. The Company's tax expense including deferred tax charges was LKR 6,205 Mn for the year ended 31 March 2024.

FINANCIAL POSITION ANALYSIS

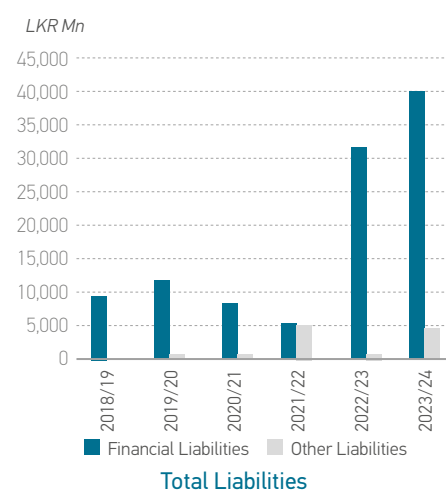
Assets

With favorable economic conditions positively impacting the Company's primary dealer unit, total assets increased by LKR 23,218 Mn in FY 2023/24, representing a 61% rise from the previous year. This growth was primarily driven by LKR 21,959 Mn increase in the value of the portfolio of financial assets (Government Securities) measured at fair value through profit or loss (FVTPL).



Liabilities

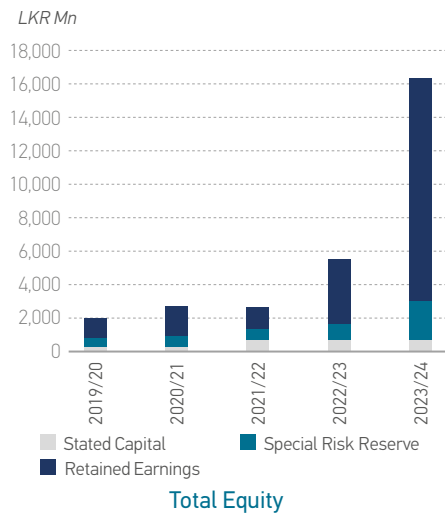
The Company's total liabilities increased by LKR 12,311 Mn in the current financial year, a 38% rise compared to the previous year. This increase was primarily due to the growth in securities sold under repurchase agreements and tax payable, which amounted to LKR 7,291 Mn and LKR 3,868 Mn, respectively, at the financial year-end.



Financial Capital

Equity

Total equity attributable to shareholders increased by LKR 10,907 Mn, driven by a rise in net retained earnings of LKR 9,517 Mn. The primary reason for the increase in equity was the net profit earned during the financial year. Additionally, 10% of the net profit was allocated to a special risk reserve to comply with the statutory requirements.



Interest Income
LKR 10,505 Mn ↑
 LKR 4,720 Mn - FY 2022/23

Return Equity (ROE)
126.9 % ↑
 69.3% - FY 2022/23

Net Interest Income
LKR 3,863 Mn ↑
 LKR 1,592 Mn - FY 2022/23

Total Assets
LKR 61,258 Mn ↑
 LKR 38,040 - FY 2022/23

Profit After Tax
LKR 13,893 Mn ↑
 LKR 2,827 Mn - FY 2022/23

Manufactured Capital

GRI 203-1, 203-2

PHILOSOPHY

The nature of the CALT's businesses is such that our Manufactured Capital is largely made up of digital assets. Therefore, our goal is to continuously invest in building up digital interfaces to be able to consistently increase our outreach over time.



To enhance customer support, we have integrated AI-powered chatbots to assist customers with their queries, providing quick and accurate responses to ensure seamless interaction and satisfaction. Recognizing the importance of customer support and smooth onboarding processes, we also opened a new Customer Experience Center. This facility is dedicated to helping customers with their onboarding and providing support, ensuring that every client receives the assistance they need promptly and efficiently.

New Customers
3,000 +

To further improve our service efficiency, we automated the bulk payment process. This automation allows us to process transactions more swiftly, reducing wait times and enhancing overall customer satisfaction.

In a year where digital threats continued to evolve, CALT took significant steps to bolster its cybersecurity posture. We integrated the Sentinel 1 EDR & XDR solution with our infrastructure, providing advanced endpoint detection and response capabilities. Additionally, we implemented the Action 1 Patch Management Solution to ensure all systems are up-to-date with the latest security patches.

We also conducted simulated phishing attacks and comprehensive training for our staff to raise awareness and preparedness against potential cyber threats. Our commitment to security is further demonstrated by the annual Vulnerability Assessment and Penetration Testing (VA/PT) of all systems and infrastructure, along with a thorough CAL Cyber Security Posture review. These measures ensure that we continuously improve our defenses against emerging threats.

Reflecting on the fiscal year 2023/24, CALT embarked on a journey of significant transformation, marked by strategic enhancements and innovations designed to better serve our clients and secure our digital infrastructure.

Our commitment to making investment opportunities more accessible led to a major milestone: the reduction of the minimum investment amount for Treasury Bills from LKR 1 Mn to LKR 500,000. This strategic move attracted a wave of new retail clients, democratizing access to investment products and expanding our client base significantly.

The enhancement of our digital platform portal and CAL Online mobile app played a crucial role in this expansion. Over 3,000 new customers were onboarded through these platforms, thanks to their user-friendly design and comprehensive features. The surge in retail investors engaging with our digital Treasury Bills and Bonds investment options via the mobile app was particularly noteworthy. This seamless integration allowed clients to manage their investments more conveniently, contributing to an all-time high in retail client engagement.

Throughout the year, we witnessed unprecedented activity, with retail clients conducting over 5,000 deals worth more than LKR 10 Bn. This remarkable level of engagement underscored the effectiveness of our digital strategy and the trust our clients place in us. To accommodate this increasing volume of transactions, we revamped our primary dealing system. This overhaul not only managed the current transaction volumes but also ensured that our system was future-proof, ready to handle even greater volumes in the years to come.

Manufactured Capital

To foster a culture of regular investing, we introduced a rewards program aimed at encouraging our customers to make investing a habit. This program offers incentives for consistent investment activities, reinforcing our commitment to helping clients build their financial futures.


The financial year 2023/24 has been a landmark period for CALT, characterized by strategic innovations, enhanced client engagement, and a fortified commitment to cybersecurity. Our efforts to make investment opportunities more accessible, streamline operations, and provide robust support have not only improved our service offerings but also strengthened our relationships with our clients. As we look forward to future growth, CALT remains dedicated to delivering exceptional user experiences and securing our digital environment, ensuring the trust and confidence of our clients.

Further, CALT is significantly investing in software and Computer & IT Equipment to ensure the continuous function of the Business Operations.



FOCUS FOR THE FUTURE

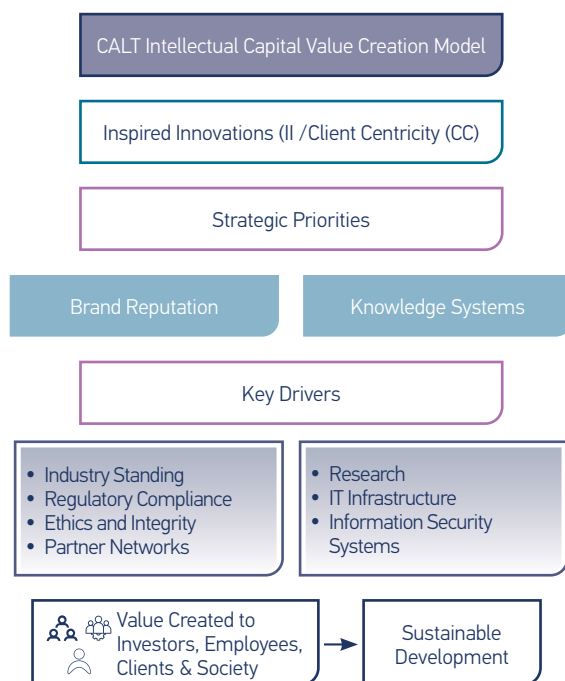
Medium Term	Long Term
Allow portal customers access to retail treasury bills/ bond purchases.	Build a complete digital capital market wealth management platform.

<p>Contribution to Sustainable Development Goals</p>	
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Intellectual Capital

PHILOSOPHY

Invest in strengthening the key intangible assets including brand and knowledge systems that give the Capital Alliance PLC (CALT) in its competitive edge and validates its leadership position in the market.



TECHNOLOGICAL DEVELOPMENTS

Innovations and advancements have marked CALT’s transformative journey in the financial landscape.

CALT extended the digital Treasury Bills and Bonds investment capabilities to its Mobile App, leading to a significant surge in retail investors through the digital platform. This extension has made investing more accessible and convenient for a wider audience.

In response to the escalating transaction volumes, we revamped our primary dealing system to accommodate the increasing activity. This overhaul ensures that our platforms can handle higher volumes efficiently, maintaining the quality of service our clients expect.

Additionally, we automated the bulk payment process, enabling more efficient and swift service for our customers. These technological advancements not only enhance security but also improve overall performance and client satisfaction.

INFORMATION SECURITY SYSTEMS

Amid the rising global cyber threat to financial institutions, we prioritize a robust control environment for safeguarding information and data assets. CALT invests in cutting-edge information security architecture, including access controls, firewalls, malware protection, and intrusion detection systems. Our strict access control policy enforces multi-layer security protocols, with only authorized staff accessing systems and financial data.

We have implemented simulated phishing attacks and training for our staff to enhance their awareness and ability to respond to cyber threats. In addition, we conduct annual Vulnerability Assessments and Penetration Testing (VA/PT) of all systems and infrastructure to identify and mitigate potential weaknesses.

Furthermore, we perform a comprehensive CAL Cyber Security Posture review to ensure our defenses remain strong and effective. We’ve also embraced the NIST security framework, emphasizing continuous improvement to enhance system capabilities and prevent breaches. These efforts collectively fortify our commitment to maintaining the highest standards of information security.

Regulatory Compliance

CALT is highly regulated. Laws and regulations applicable to businesses are internalized through policies and procedures together with clear oversight procedures. Each business head is responsible for adhering to all laws, rules and regulations applicable to their respective business and for monitoring any new developments, while specific governance structures are in place to provide the necessary oversight to ensure that CALT remains fully compliant with all laws and regulations at all times. The Compliance Report on pages 81 - 99 contains comprehensive details regarding the CALT’s compliance status.

Intellectual Capital

	Oversight Responsibility
Laws, rules, regulations, directives and circulars issued by the Central Bank of Sri Lanka	Compliance & Risk Department
Laws, rules, regulations, directives and circulars issued by the the Financial Intelligence Unit of the Central Bank of Sri Lanka	Compliance & Risk Department
Securities and Exchange Act No. 36 of 1987 and other Laws, rules, regulations, Directives, circulars issued by the Securities and Exchange Commission of Sri Lanka	Compliance & Risk Department
Rules, Directives and Circulars issued by the Colombo Stock Exchange	Compliance & Risk Department
Rules, Directives and Circulars issued by the Colombo Stock Exchange through Central Depository System	Compliance & Risk Department
Companies Act No. 07 of 2007	Company Secretary Finance Department Compliance & Risk Department
Foreign Exchange Act No. 07 of 2017 and other related laws, regulations, Directions and Circulars issued by the Department of Foreign Exchange of Central Bank of Sri Lanka	Finance Department Compliance & Risk Department
Inland Revenue Act No. 24 of 2017 and other related laws, regulations, Directions and circulars issued by the Inland Revenue Department of Sri Lanka	Finance Department
Laws, Rules, Directions and circulars governing labor and employment laws	Human Resource Department

Furthermore, based on the belief that compliance is the duty of all employees, we continued to raise awareness among our teams through ongoing training.

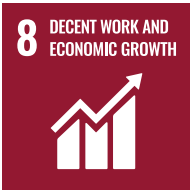
Ethics and Integrity

The commitment to ethics and integrity is ingrained in the CALT’s core values and has formed the basis of our operations since its inception. The Code of Conduct is the cornerstone of our commitment to conduct our business legally, ethically and with integrity. By articulating the Group’s stance on important matters such as confidentiality, fair dealing, conflict of interest, anti-bribery and corruption, anti-money laundering, anti-competitive behavior, intellectual property rights etc, it serves as the principal guideline to help all Directors and employees of the CALT to make sound ethical business decisions in their day-to-day work.


Meanwhile, our whistleblowing policy is a channel for Directors and employees to report their observations regarding misconduct or unethical business practices within the Company. There are no incidents were reported through the CALT’s whistleblowing policy in the current financial year.

Focus for the Future	
Medium Term	Long Term
Develop more client-facing analytics using our internal BI platform.	Invest in AI-based machine learning models to further strengthen capacity of the analytics unit
Introduce new tools and techniques to enable regular vulnerability assessments to be conducted internally	Incorporate mandatory information security training as a routine exercise for all staff
Improve the current customer experience with the customer Portal and other digital channels	Implement more internal process automation with Robotic Process Automation tools and improved productivity.

Contribution to Sustainable Development Goals



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS

Human Capital

GRI 102-8, 102-41, 202-1, 202-2, 401-1, 401-2, 401-3, 402-1, 403-1, 403-4, 404-1, 404-2, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 410-1

HR PHILOSOPHY

We believe that our human resources are the key drivers of our company's future success

At Capital Alliance PLC, our Human Resource philosophy is anchored in four core principles:

Equal Opportunity: We are committed to providing a workplace where every individual has equal access to opportunities and resources. This ensures a diverse and inclusive environment where all employees can thrive.

Merit-Based Ideas: We believe in recognizing and rewarding contributions based on merit. This principle drives innovation and excellence, ensuring that the best ideas and efforts are acknowledged and implemented.

Learning and Development: Continuous learning and development are fundamental to our success. We invest in our employees' growth through comprehensive training programs and opportunities for professional advancement.

A Balanced Workplace for All: We strive to maintain a healthy work-life balance for our employees, fostering a supportive and balanced workplace that enhances well-being and productivity.

These principles guide our commitment to creating a dynamic environment where every employee engages in meaningful work experiences, paving the way for a rewarding career at Capital Alliance PLC (CALT).

HUMAN RESOURCE PLANNING

Annual Workforce Plan

The annual workforce plan is essential to our human resource planning, ensuring that CAL Group's businesses are adequately staffed. It serves as the foundation for new hires by establishing manpower requirements for the upcoming financial year. This collaborative process involves department heads and the CEO and is overseen by the Group Chief Human Resources Officer.

Annual Training Budget

The annual training budget is crucial to our human resource value creation plan. Training needs for the year are budgeted by department heads and incorporated into the corporate budget, subject to the CEO's approval.

HR GOVERNANCE

Group HR Function

HR team Led by the Vice President Human resources, the Group HR Function is a shared service managing all Human Capital-related matters, ensuring compliance with labor laws, and promoting HR standards that align with CALT's principles. It is also responsible for implementing the HR Policy Framework.

Compliance and Best Practices

Compliance is integral to our strategy. Governed by the Shop and Office Employees (Regulation of Employment and Remuneration) Act, we benchmark best practices from the ILO convention and the United Nations Global Compact for Human Rights. We ensure equal opportunity for all, prohibiting discrimination based on age, marital status, religion, or any other legally protected status.

Our Policy on Sexual Harassment, Discrimination, Bullying, and Harassment underscores our zero tolerance for such behaviors. All claims are thoroughly investigated with confidentiality, ensuring no retaliation for speaking up. We conduct an annual diversity and inclusion refresher workshop to reinforce these principles.

HR POLICY FRAMEWORK

A comprehensive structure of HR policies safeguards employee interests, including:

- Sexual Harassment, Discrimination, Bullying, and Harassment Policy
- Grievance Handling Policy
- Holiday Leave and Sabbatical Policy
- Paternity Leave Policy
- Performance Management Policy
- Membership Subscription Policy

TALENT MANAGEMENT

Our transparent hiring and selection process ensures equality and effectiveness, assessing candidates based on qualifications, work ethic, and cultural values. We use digital tools like the SIXERVIDEO self-managed video Interview Recording Platform and the SIXER Testing Platform for assessments.

Our distinctive onboarding procedure includes a full-day induction, a buddy system for the first three months, and ice-breaker meetings with senior management. This process, along with our transition to paperless operations, ensures a smooth integration for new hires.

Human Capital Indicators	FY 2023/24
Total Employees	27
Permanent	22
Non - Permanent	5
Turnover Rate %	17%
Employee Age	
Below 30 years	6
30-50 years	13
Over 50 years	3

Human Capital

Remuneration and Benefits

Our compensation structures comply with labor laws and industry standards, ensuring equity and eliminating gender pay gaps. All employees are eligible for performance-based incentives in addition to their base wages.



CAL Avurudu Celebrations 2023



CAL Xmas 2023



CAL Premier League 2024



CAL Womens Day

Employee Benefits Composition:

	2023/24	2022/23
- Salaries and other staff benefits	2,743,526,948	476,761,672
- Defined benefit plan – gratuity (Note 25)	16,474,798	9,182,859
- Defined contribution plans		
- EPF	11,594,204	8,541,149
- ETF	2,898,551	2,135,288
Other employee related cost	1,258,599	1,386,279
Total Employee benefits	2,775,753,100	498,007,247

Beyond salaries and incentives, the following benefits are also available to our employees:

Other Employee Benefits:

- Medical Insurance (Personal Accident, Surgical, Hospitalization, and Life Insurance)
- In-house OPD Claim
- Concessionary Staff Loans
- Mobile phone and SIM connection with data allowance
- Paternity Leave (up to 6 days)
- Post Maternal Child Care Assistance (subsidized child care reimbursement of LKR 30,000/ month for three months)
- Holiday Leave and Sabbatical Leave
- Professional Membership Subscription
- Special Needs Program for differently-abled children of employees

Performance Management

Our performance management system is designed to ensure that employees understand their roles and contribute towards corporate goals. It involves setting standard KPIs and behaviors, ongoing supervisor evaluations, self-evaluations, and annual reviews.

Total Number of New Promotions: 02

Training and Development

We are committed to providing learning and development opportunities aligned with the Group's growth trajectory. Business leaders ensure their teams receive the necessary training within budget limits, and we support continuous professional development by reimbursing membership subscription fees.

Employee Wellbeing

At CALT, employee wellbeing is a cornerstone of our organizational philosophy. We are dedicated to fostering a healthy and supportive work environment that enhances the physical, mental, and emotional health of our workforce. Our wellbeing initiatives include comprehensive healthcare plans, mental health support programs, regular health and wellness workshops. We also offer flexible working arrangements and promote a healthy work-life balance through policies such as remote working options and generous leave entitlements. By investing in the overall wellbeing of our employees, we ensure a motivated, productive, and engaged workforce that drives the continued success of our company.

Employee Relations

We strive to build relationships based on mutual trust and respect, offering open communication channels and regular engagement opportunities such as town hall meetings and weekly espresso discussions. Our grievance policy ensures a welcoming and effective work environment.

Employee Engagement

Our initiatives, like CAL Spotlight, encourage employees to share their experiences on diversity and inclusion. Engagement activities include New Year and Christmas celebrations, weekly quizzes, and more.

Work-Life Balance

We offer up to 10 days of paid holiday leave annually to ensure our employees have ample time to rest and recharge. Additionally, we provide a three-month sabbatical leave for long-term employees, allowing them to pursue personal interests, further education, or simply take an extended break to support their work-life balance.

Our Parent Integration Program is designed to assist new parents in smoothly transitioning back to work. This program includes flexible working hours, remote work options, and phased return plans tailored to individual needs. Furthermore, our Post Maternal Child Care Assistance offers financial support for childcare services, providing peace of mind to new mothers and ensuring their children receive quality care while they focus on their careers. These initiatives reflect our commitment to supporting our employees' personal and professional lives, fostering a family-friendly workplace culture.

Medium-Term and Long-Term Goals

At Capital Alliance PLC (CALT), our future HR strategy is designed to align with our vision of being a leading employer in South Asia, fostering a workplace where innovation, inclusivity, and employee well-being are paramount. Our medium-term and long-term goals reflect our commitment to leveraging technology, nurturing talent, enhancing performance culture, and supporting our employees' work-life balance.

One of our primary objectives is to increase the use of digital technology throughout the employment lifecycle. By adopting advanced HR software and tools, we aim to streamline recruitment, onboarding, performance management, and employee engagement processes. This digital transformation will not only enhance efficiency but also provide data-driven insights to inform strategic HR decisions.

Developing a strong talent pipeline through efficient succession planning is another key focus. We are committed to identifying and nurturing high-potential employees, ensuring they are prepared to step into leadership roles as the company grows. Our comprehensive talent development programs will include targeted training, mentorship, and career development opportunities to build a resilient and capable leadership team.

Enhancing our performance culture and overall employee well-being is central to our strategy. We will continue to invest in initiatives that promote physical, mental, and emotional health, including wellness programs, mental health support, and flexible working arrangements. By fostering a supportive and motivating environment, we aim to drive higher levels of engagement and productivity.

Our ambition is to position Capital Alliance PLC as a top employer in South Asia, attracting international talent to our diverse and dynamic workforce. To achieve this, we will focus on building a strong employer brand, showcasing our commitment to innovation, inclusivity, and career development. Strategic partnerships with educational institutions and industry organizations will also help us tap into a global talent pool.

Additionally, we recognize the importance of supporting employees through significant life transitions. Our parent integration program will provide part-time work opportunities post-maternity leave, helping new parents balance their professional and personal responsibilities. This initiative underscores our commitment to creating a family-friendly workplace that values and supports all employees.

By pursuing these strategic goals, CAL is poised to build a future-ready workforce that drives our long-term success and positions us as a preferred employer in the region.

Focus for the Future

Medium Term	Long Term
<ul style="list-style-type: none"> Enhance the employee experience through greater digital integration at every stage of the employment lifecycle Strengthen the performance culture by driving higher levels of employee engagement and improving collaboration between teams 	- Focus on effective succession planning to develop a sustainable talent pipeline to support the CALT over the next 5-10 years

Contribution to Sustainable Development Goals

3
GOOD HEALTH AND WELL-BEING


4
QUALITY EDUCATION


5
GENDER EQUALITY

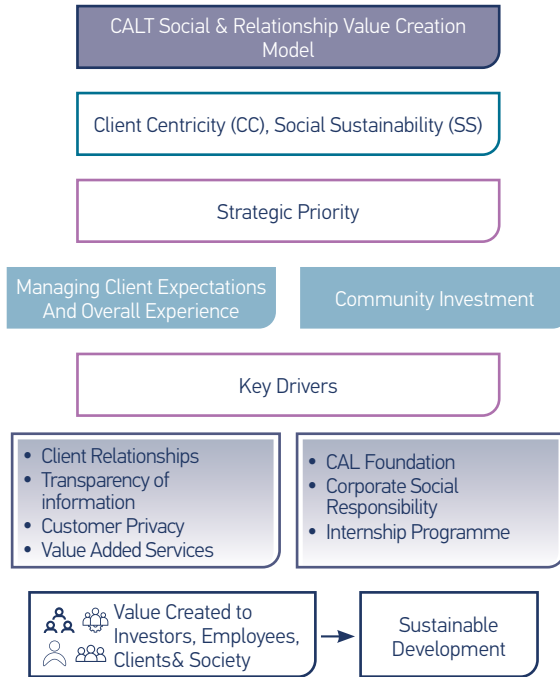

8
DECENT WORK AND ECONOMIC GROWTH


Social and Relationship Capital

GRI 102-13, 416-1, 416-2, 417-3, 418-1, 413-1

PHILOSOPHY

Identify and develop long term trust-based relationships with clients, while engaging more meaningfully to support the wider community.



Customer Privacy

At Capital Alliance PLC (CAL), protecting our customers’ information and ensuring their confidentiality and privacy is of utmost importance. Our success depends on the trust we build with our customers. Safeguarding the information, they share with us is essential to nurturing and maintaining this trust. This importance has only been magnified with our growing digital presence. To meet this, we heavily invest in security and privacy systems with state-of-guaranteed customer data protection technologies.

We assure our clientele that all personal information they either provide to us or that is obtained by legal and regulatory requirements is held securely and will only be revealed as directed by law. The robust IT User Policy, adopted by the Board, outlines protocols for restricted access and data sharing to ensure the safe archiving of personal data on our servers. This policy also incorporates guidelines for online privacy, detailing how to handle clients information obtained through our corporate website, CAL Mobile App, or any other social media platforms.

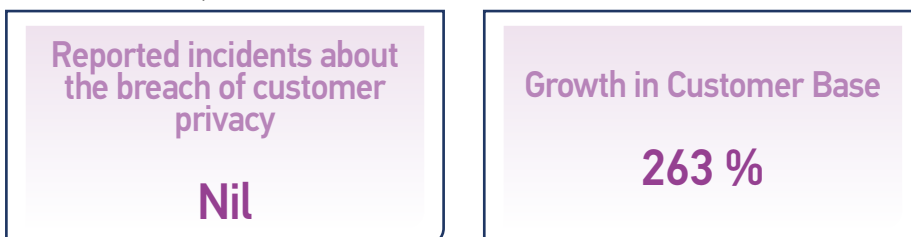
In response to the constantly evolving cyber threat landscape, we have implemented new measures into our data protection framework. Regular security audits, employee training on data security, and stringent access controls are just a few of the practices we employ to protect our clients’ information. Through these proactive measures, we provide clients with the assurance that their personal and financial information is safe within CALT.

Value Added Services

CALT sets itself apart from its competitors by offering a wide array of value-added services to our clients. Leveraging our advanced technology and innovative capabilities, we continually enhance the suite of services available to our clients, ensuring they receive the highest level of support and convenience.

One of our significant enhancements this year is the adjustment of the minimum investment amount for treasury instruments. Clients can now buy treasury instruments starting from LKR 500,000, down from the previous minimum of LKR 1 Mn. This change makes it more accessible for a broader range of clients to invest in treasury instruments, thereby promoting greater financial inclusion and flexibility.

Additionally, we have opened a new Customer Experience Center to better assist our clients with their inquiries and issues. This center is designed to provide personalized support and ensure that our clients receive timely and efficient assistance, enhancing their overall experience with CALT.



Corporate Social Responsibility Services



Total Donations
LKR 11.25 Mn
 FY 2022/23: LKR 25 Mn

Partnerships with Associations and Professional Institutions

Category	Trade or Industry Association/ Professional Institution
Professional Bodies	The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) CFA Institute Chartered Institute of Management Accountants (CIMA - UK) Association of Chartered Certified Accountants (ACCA) Chartered Institute of Marketing (CIM) Young Presidents' Organisation (YPO) Lanka Rating Agency Limited
Regulators	Central Bank of Sri Lanka (CBSL) Securities and Exchange Commission of Sri Lanka (SEC) Colombo Stock Exchange (CSE) Inland Revenue Department - Sri Lanka Employees' Trust Fund Board Sri Lanka Department of Labour EPF Department, Central Bank of Sri Lanka Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB)
Investment Banking and Financial Industry Associations	Financial Ombudsman Sri Lanka (Guarantee) Limited The Credit Information Bureau of Sri Lanka (CRIB) Sri Lanka Association for Software Services Companies (SLASSCOM) LankaPay (Pvt) Ltd SWIFT SC Association of Primary Dealers
Business Collaborations	The National Chamber of Commerce Ceylon Chamber of Commerce The Sri Lanka Institute of Directors

Focus on the Future	
Medium Term	Long Term
Implement a well-organized program for employee volunteering aimed at fostering employee engagement in community projects undertaken by the company.	Develop a three-year plan for making a positive social influence and supporting children with disabilities in reaching their full potential, focusing primarily on results-driven initiatives.

Contribution to Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



17 PARTNERSHIPS FOR THE GOALS

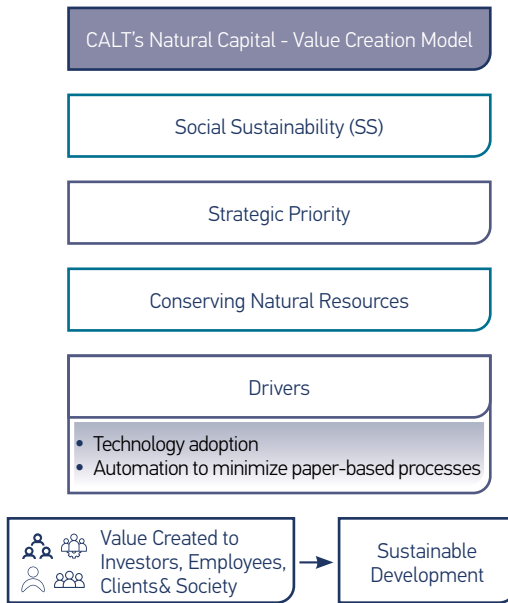


Natural Capital

GRI 302-1, 302-4

ENVIRONMENTAL PHILOSOPHY

As a financial services organisation, the CALTs business activities do not have a major impact on the environment. Nonetheless, we believe it is important to do our part for the environment, in the interest of future generations of Sri Lankans.



Our primary objective is to streamline paper-based manual processes to reduce paper waste generated in our daily activities. This effort is guided by our Technology Roadmap, which focuses on two main strategies: digitizing front-end interfaces across all sectors of CALT operations and automating back-end processes.

Although CALT's operational model inherently has minimal negative environmental impact, we are committed to being a responsible corporate entity. Consequently, we have implemented proactive measures to minimize any adverse effects our activities might have on society and the environment.

Managing waste disposal

The company prioritizes environmentally friendly waste disposal methods, ensuring compliance with regulations set by the central environmental authority. For e-waste, which primarily consists of computers, the company donates usable items or transfers them to an approved recycling partner.

Water Consumption	Energy Consumption
FY 2023/24 4.31 m3	FY 2023/24 101.7 Gj
FY 2022/23 3.02 m3	FY 2022/23 91.8 Gj

Contribution to Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

Corporate Governance

STATEMENT BY THE CHAIRMAN

At Capital Alliance PLC, our unwavering dedication to compliance is paramount, and our governance framework is meticulously crafted to uphold this commitment. Guided by our Chief Risk and Compliance Officer (CRCO), our Compliance team ensures that our activities adhere to pertinent laws while aligning with the ethical principles established by the Board.

Under the direct supervision of the Board, the CRCO exercises essential oversight to ensure compliance throughout the organization. Collaborating closely with the CRCO, our risk team monitors business activities and decisions, ensuring alignment with Board-approved policies. Our robust compliance culture plays a pivotal role in supporting these endeavors.

To underscore our zero-tolerance stance on non-compliance, the Board leads by example, with Directors embodying exemplary conduct throughout the organization. Operationally, our risk team executes a risk-based assessment program, reinforcing our compliance culture. Moreover, our Audit Committee oversees the deployment of an Internal Audit Framework, furnishing independent assurance on compliance status, internal systems, and ethics programs to ensure they meet requisite standards.

On behalf of the Capital Alliance PLC Board of Directors, I affirm the strength of our Governance Framework in ensuring full compliance with regulations mandated by our regulators, including the Central Bank of Sri Lanka (CBSL), The Securities and Exchange Commission of Sri Lanka (SEC), and Colombo Stock Exchange (CSE). We diligently adhere to all other applicable laws and regulations governing our daily operations.

Additionally, I am proud to declare that all members of the Capital Alliance PLC's Board and our staff have discharged their duties by the policies, procedures, and standards outlined in our Internal Code of Ethics and Conduct.

We are unwavering in our pledge to uphold the highest governance and compliance standards as we propel Capital Alliance PLC's success and foster trust with our stakeholders.



Mr. D. A. De Zoysa
Chairman

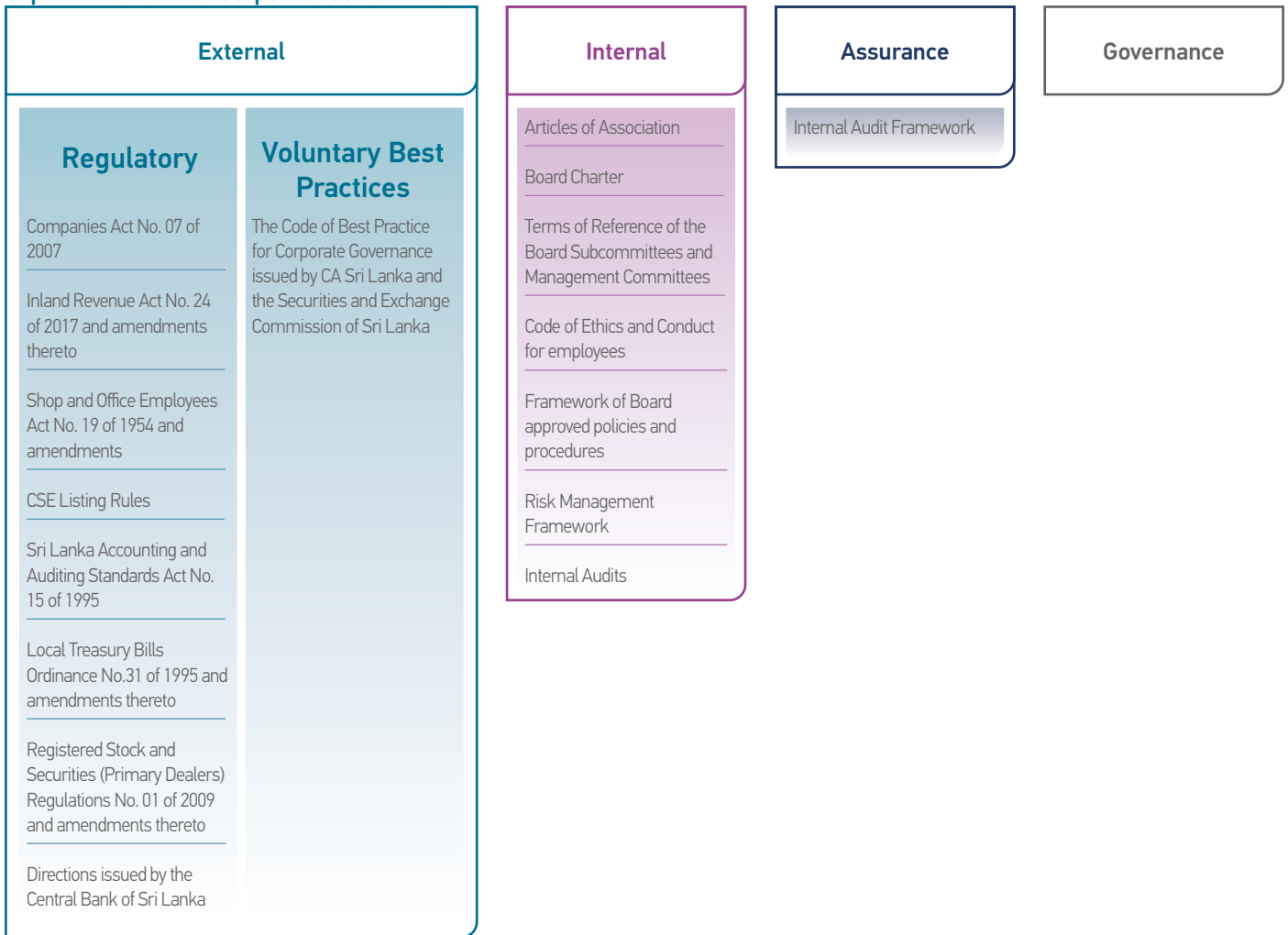
Corporate Governance

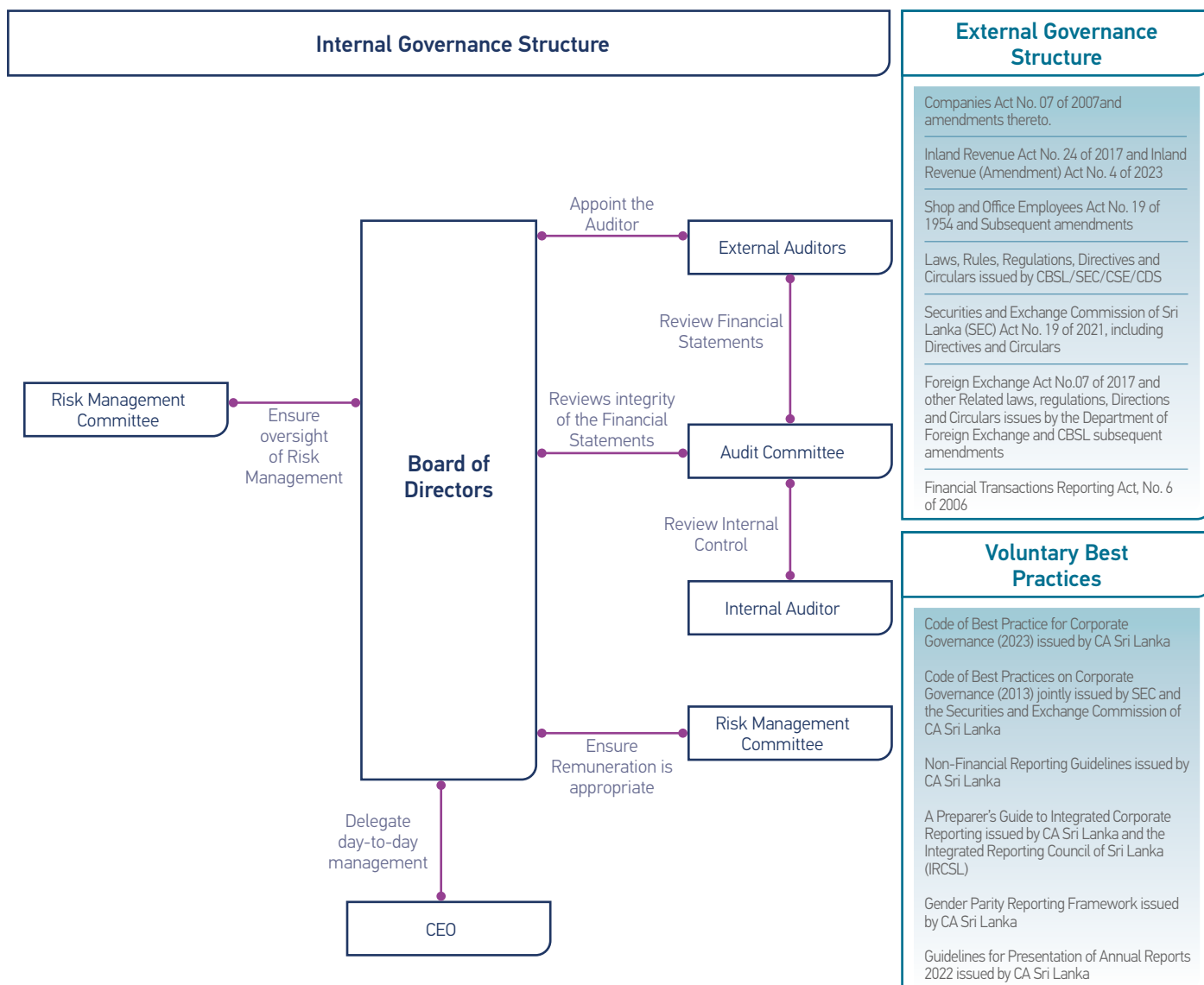
THE CAPITAL ALLIANCE PLC’S APPROACH TO CORPORATE GOVERNANCE

Good Governance is an ongoing commitment shared by the Board of Directors of Capital Alliance PLC. Based on the belief that good corporate governance provides the foundation for long-term business success, the Company Board has consistently been at the forefront of good corporate governance. The Company’s overall approach to good governance is premised on full compliance with all regulatory frameworks applicable to the Company. Beyond this, the Company strives to emulate governance best practices observed by listed entities in Sri Lanka, which has led to the voluntary adoption of the Code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC).

Apart from these external benchmarks, the Company’s internal frameworks create a solid ecosystem to ensure the good Governance Principles are applied across the Business to support the Company’s desire to achieve compliance leadership.

Capital Alliance PLC Corporate Governance Pillars





THE BOARD

The Board Composition and Independence

To ensure that no individual Director or small group of Directors dominates the Board discussion and decision-making, the company maintains a well-balanced Board comprising Two Independent Non-Executive Directors and Three Non-Executive Non-Independent Directors, along with the Capital Alliance PLC's Chief Executive Officer (CEO) is the only Executive Director serving on the Board. The Independence of the Directors is assessed by the Corporate Governance Best Practices and CSE Listing rules requirements and the Independent Non-Executive Directors have declared their independence in writing.

There is a clear and distinct division of responsibilities between the Chairman and the CEO, which ensures there is a balance of power and authority. The Chairman is responsible for ensuring the Board's effectiveness and conduct whilst the CEO has overall responsibilities over the operating unit, organizational effectiveness and implementation of the Board policies and decisions.

All the Directors on the Board are professionals/academics/business leaders who hold senior positions in their respective fields and bring with them vast experience across a range of industries and functional areas. In addition, the Company is committed to maintaining a strong gender balance at the board level, with 1/3rd of the current Board represented by the female Directors.

Corporate Governance

Name	Date of Appointment	No. of Years	Designation
Mr. D. A. De Zoysa	10.01.2003	21 yrs.	Chairman Non-Executive Non-Independent Director
Mr. W. A. T. Fernando	30.07.2000	24 yrs.	CEO Executive Director
Mr. R. J. Arasaratnam	08.01.2003	21 yrs.	Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony	09.07.2014	9 yrs.	Non-Executive Non-Independent Director
Ms. A. I. C. Nandasena	23.08.2021	3 yrs.	Non-Executive Independent Director
Ms. K. A. D. Siriwardene	23.08.2021	3 yrs.	Non-Executive Independent Director

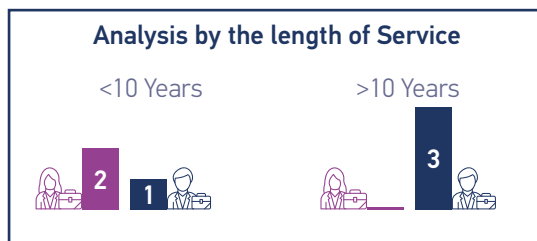
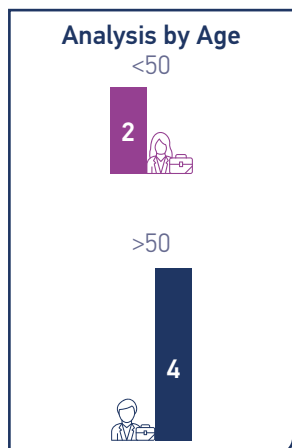
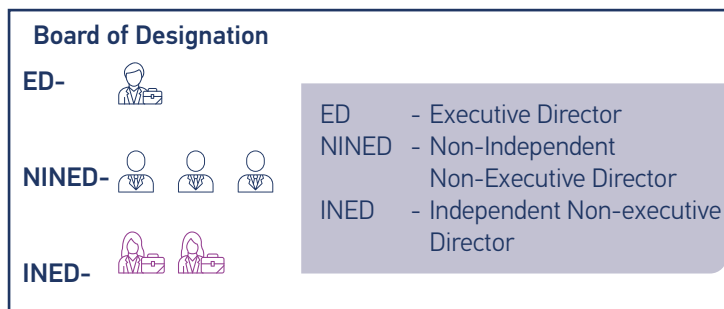
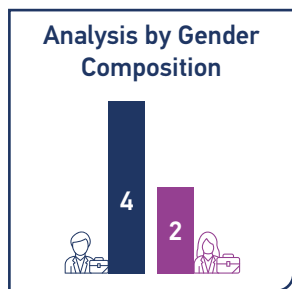
Detailed profiles of each member of the Board are provided in a separate section of this Annual Report (Pages 18 - 21).

Board of Directors by Age Category

Age Category	Male	Female	Total
Under 30 years	0	0	0
30 – 50 years	0	2	2
Over 50 years	4	0	4
Total	4	2	6

Board of Directors by Gender Composition

Gender	No. of Directors
Male	4
Female	2



BOARD RESPONSIBILITIES

The Company Board operates as per the duties and responsibilities defined by the Board Charter. Accordingly, the Board, as the Apex governing body within the organization is tasked with setting the Company's purpose and core values and is responsible for formulating the strategy in line with the Company's broader strategic intent. Furthermore, the Board reviews strategic and operational issues, approves annual financial statements and annual budgets and assesses the performance of the Company. The Board carries responsibility for ensuring that the senior management team possesses the relevant skills and expertise required for the management of the company.

The Directors also ensure adherence to laws and regulations about the functioning of the organization. In this regard, the Board is assisted by the Chief Risk Officer, who also functions as the Compliance Officer to ensure compliance with all regulatory and statutory requirements and proper reporting of all compliance matters to the Board.

The Board meets frequently to ensure the effective discharge of its duties. All Directors must attend every scheduled Board Meeting. The Board Chair is responsible for setting the agenda for each meeting. The Directors are given the specific documentation necessary, well in advance of scheduled meetings to allow adequate time for review and familiarization and to facilitate decision-making at the meetings.

BOARD COMPOSITION

Board Member		The Board	Audit Committee	Related Party Transactions Review Committee	Risk Committee	Remuneration Committee
Mr. W. A. T. Fernando	Executive Director, Chief Executive Officer	4/4	-	-	-	-
Mr. C. S. R. S. Anthony	Non-Executive Non-Independent Director	4/4	4/4	4/4	3/3	-
Mr. R. J. Arasaratnam	Non-Executive Non-Independent Director	4/4	-	-	-	-
Mr. D. A. De Zoysa	Non-Executive Non-Independent Director, Chairman	4/4	-	-	3/3	1/1
Ms. A.I.C. Nandasena	Non-Executive Independent Director	4/4	4/4	4/4	-	1/1
Ms. K. A. D. Siriwardene	Non-Executive Independent Director	4/4	4/4	4/4	-	1/1

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance																					
A. Directors	The company should be headed by an effective Board, which should direct, lead and control the Company.																							
A.1 The Board	The Board consists of Two Independent Non-Executive Directors and Three Non-Executive Non-Independent Directors (Including Chairman), along with the Capital Alliance PLC’s Chief Executive Officer (CEO), who is the only Executive Director who are professionals in the fields of Finance, Investment Banking and Management.																							
Frequency of Board Meetings	A 1.1	Complied	<p>The Board meetings are held at least once every quarter and meet more frequently, whenever it is necessary.</p> <p>The Quarterly Board meetings are scheduled to determine the Company’s strategic direction, review the operational and financial performance, and provide oversight.</p> <p>The attendance of Directors at the Board meetings held during the year is depicted below.</p> <table border="1"> <thead> <tr> <th>Name of the Director</th> <th>Eligibility</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>Mr. W. A. T. Fernando</td> <td>4</td> <td>4</td> </tr> <tr> <td>Mr. C. S. R. S. Anthony</td> <td>4</td> <td>4</td> </tr> <tr> <td>Mr. R. J. Arasaratnam</td> <td>4</td> <td>4</td> </tr> <tr> <td>Mr. D. A. De Zoysa</td> <td>4</td> <td>4</td> </tr> <tr> <td>Ms. A.I.C. Nandasena</td> <td>4</td> <td>4</td> </tr> <tr> <td>Ms. K. A. D. Siriwardene</td> <td>4</td> <td>4</td> </tr> </tbody> </table> <p>A board pack containing all relevant information is submitted to the Board of Directors</p> <p>Financial and operational results on pre-agreed Key Performance Indicators</p> <ul style="list-style-type: none"> Included in Quarterly board pack <p>Financial performance compared to previous periods, budgets, and targets</p> <ul style="list-style-type: none"> Included in Quarterly board pack <p>Impact of risk factors on financial and operating results and actions to mitigate such risks</p> <ul style="list-style-type: none"> Included in Quarterly board pack <p>Forecast for the next period</p> <ul style="list-style-type: none"> A Budget is set at the beginning of the year and a Rolling Forecast with scenario analysis has been provided on request. <p>Compliance with laws and regulations and any non-compliance</p> <ul style="list-style-type: none"> Included in the quarterly CRCO confirmation checklist <p>Internal control breaches or frauds during the period and related actions taken</p> <ul style="list-style-type: none"> Independent Internal Audits are carried out periodically and exceptions are reported to the Board <p>Financial and operational decisions taken by the CEO within his delegated authority</p> <ul style="list-style-type: none"> Discussed on an ad-hoc basis and through the board pack and Board Meetings <p>Share trading of the Company and related party transactions by Key Management Personnel</p> <ul style="list-style-type: none"> The Company Secretary informs the Board of any related party share transactions performed by the Directors. 	Name of the Director	Eligibility	Attendance	Mr. W. A. T. Fernando	4	4	Mr. C. S. R. S. Anthony	4	4	Mr. R. J. Arasaratnam	4	4	Mr. D. A. De Zoysa	4	4	Ms. A.I.C. Nandasena	4	4	Ms. K. A. D. Siriwardene	4	4
Name of the Director	Eligibility	Attendance																						
Mr. W. A. T. Fernando	4	4																						
Mr. C. S. R. S. Anthony	4	4																						
Mr. R. J. Arasaratnam	4	4																						
Mr. D. A. De Zoysa	4	4																						
Ms. A.I.C. Nandasena	4	4																						
Ms. K. A. D. Siriwardene	4	4																						

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Responsibilities of the Board	A.1.2	Complied	<p>The Board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls that enable risk to be assessed and managed.</p> <p>The Board adopted the following responsibilities,</p> <p>Ensuring the formulation and implementation of a sound business strategy</p> <ul style="list-style-type: none"> The Board provides stewardship, vision and strategic direction to the Company and fosters a culture of responsibility and accountability across the Company. A stakeholder-centric approach is adopted in the strategy formulation. A review of the business, marketing, financial and other strategies, and their implementation takes place during the Board meetings. <p>Appointing the chair and the Senior Independent Director, if relevant.</p> <ul style="list-style-type: none"> N/A, since the Chairman and the CEO of the Company are not the same person. <p>Ensuring that the Chief Executive Officer (CEO) and management team possess the skills, experience, and knowledge to implement the strategy</p> <ul style="list-style-type: none"> The Directors are from diverse backgrounds and bring a wide range of experience and competencies that facilitate the effective discharging of the Board responsibilities. The Board ensures that the Chairman, CEO, and the Management team possess the skills to implement the overall strategy. A brief resume of each Director including skills and experience is available in the "Board of Directors" on Pages 18 - 21 of the Annual Report. <p>Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy</p> <ul style="list-style-type: none"> Succession planning is given recognition through meetings of the Board where succession is discussed along with significant new hires <p>Approving budgets and major capital expenditure</p> <ul style="list-style-type: none"> The budget for the year was approved at the beginning of the financial year Capital expenditure is included in the budget. Further, the Board reviews all the significant capital expenditure made annually. <p>Determining the matters expressly reserved to the board and those delegated to the management including limits of authority and financial delegation</p> <ul style="list-style-type: none"> The Board determines the matters expressly reserved to the Board such as formulating the strategy, significant transactions and deciding on the risk appetite of the Company. <p>Ensuring effective systems to secure the integrity of information, internal controls, business continuity and risk management</p> <ul style="list-style-type: none"> The Board identifies significant risks on an ongoing basis and ensures the implementation of appropriate procedures to evaluate and manage the identified risks through internal and external audits and the Risk and Audit Committees. <p>Ensuring compliance with laws, regulations, and ethical standards</p> <ul style="list-style-type: none"> The Board ensures compliance with the laws, regulations, and standards in each area of business operations. The Internal Auditors and the CRCO monitor and report to the Audit Committee on their findings. <p>Ensuring all stakeholder interests are considered in corporate decisions</p> <ul style="list-style-type: none"> The Board considers all stakeholders when making corporate decisions

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Responsibilities of the Board contd.			<p>Recognising sustainable business development in Corporate Strategy, decisions and activities and considering the need to adopt integrated reporting</p> <ul style="list-style-type: none"> The Board recognises the importance of including principles of sustainability in corporate strategy, decisions, and activities The Company does adopt integrated reporting. <p>Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations</p> <ul style="list-style-type: none"> The Company keeps up to date with all current developments about accounting standards and has reviewed the accounting policies regularly The Independent Auditor's Report appears from Pages 118 - 120 in the Annual Report and affirms that the Company's Financial Statements are in line with Sri Lanka Accounting Standards (SLFRSs & LKASs). <p>Establish a process of monitoring and evaluation of progress on strategy implementation budgets, plans and related risks</p> <ul style="list-style-type: none"> Each Board meeting, the progress of strategy implementation, achievement of budgets, plans and related risks are reviewed <p>Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the Company</p> <ul style="list-style-type: none"> The Company provides its accounts quarterly and annually to the Board for their review <p>Fulfilling such other Board functions is vital, given the scale, nature and complexity of the business concerned</p> <ul style="list-style-type: none"> During the year, the Board was committed in fulfilling their obligations towards all stakeholders in line with laws, regulations, and governance practices of the Company.
Compliance with Laws & independent Professional advice	A 1.3	Complied	<p>The Board Directors individually and collectively act in accordance with the laws applicable to the business enterprise.</p> <p>In discharging their duties, the Directors seek independent professional advice from external parties, where necessary.</p>
Company Secretary	A 1.4	Complied	<p>The Company secretary provides the Board with support and advice relating to Corporate Governance matters, board procedures and applicable rules and regulations during the financial year.</p> <p>Members of the Board have unrestricted access to the advice and services of the Company Secretary.</p> <p>The appointment and removal of the Company Secretary rests with the Board.</p>
Independent judgment	A 1.5	Complied	<p>All the Directors exercise independent judgment in all decisions about strategy, performance, resource allocation and standards of business conduct.</p>

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Dedication of adequate time & effort by the Board	A 1.6	Complied	<p>The members of the Board dedicated adequate time and effort to fulfill their duties & responsibilities as directors of the Company and ensure that they are satisfactorily discharged.</p> <p>In addition to the board meetings, Directors attended to Sub-Committee meetings and contributed to the decision making</p> <p>The Board Sub-Committees include;</p> <ul style="list-style-type: none"> • Audit Committee • Related Party Transactions Review Committee • Remuneration Committee • Risk Committee
Calling for resolutions for the best interest to the Company	A 1.7	Complied	Any Director may call for a resolution to be presented to the Board where he feels it is in the interest of the Company. As per the Articles of Association, the resolutions can be passed with majority voting.
Training for new and existing Directors	A 1.8	Complied	<p>The Directors are encouraged to participate in continuous professional and self-development activities as necessary.</p> <p>The Board recognises the requirement for continuous training and development required to effectively perform their duties as the Directors.</p> <p>The Board regularly reviews the training and development needs of the Directors.</p>
2. Chairman and Chief Executive Officer	There are two key tasks at the top of every public company: Conducting of the business of the Board and facilitating executive responsibility for the management of the Company's business. There should be a clear division of responsibilities at the Head of the Company, which will ensure a balance of power and authority, such that no individual has unfettered powers of decision.		
Separation of Posts of Chairman and Chief Executive Officer (CEO)	A 2.1	Complied	The positions of Chairman and Company CEO were separated to ensure a balance of power and authority and to prevent any one individual from possessing unfettered decision-making authority.
A.3 Chairman's Role	The Chairman is responsible for preserving order and facilitating the effective discharge of Board functions		
	A 3.1	Complied	<p>The Chairman in running the Board, facilitates the effective discharge of the Board proceedings and ensures;</p> <ul style="list-style-type: none"> • The effective participation of both Executive and Non-Executive Directors • The Agenda for the Board meetings is developed in consultation with the Company CEO, Directors, CRCO, Manager - Finance and the Company Secretary • The effective contributions by all Directors at proceedings • The views of Directors on issues under consideration are ascertained • The Board controls the affairs of the Company and its obligations to all the stakeholders • The balance of power between Executive and Non-Executive Directors are maintained.
A.4 Financial Acumen	The Board should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.		
A.4 Financial Acumen	A .4	Complied	<p>The Board includes the Directors who possess the necessary knowledge and competence to offer the Board guidance on financial matters.</p> <p>A brief resume for each Director is on Pages 18 - 21.</p> <p>In addition, the Audit Committee can discuss with the external and internal auditors on matters of finance.</p>

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A.5 Board Balance	The Board should have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.		
Board Balance	A 5.1	Complied	The Board consists of Two Independent Non-Executive Directors and Three Non-Executive Non-Independent Directors (Including the Chairman), along with the Capital Alliance PLC's Chief Executive Officer (CEO) is the only Executive Director. The profiles of the Executive and Non-Executive Directors are given on Pages 18 - 21 of this Annual Report.
Independent Directors	A 5.2	Complied	Two out of the Five Non-Executive Directors are considered independent for the concluded financial year.
	A 5.3	Complied	The Board considers Non-Executive Directors independence on an annual basis. Each is independent from Management and free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
	A 5.4	Complied	The Independent Directors have submitted written declarations of their independence.
	A 5.5	Complied	The Board annually determines the independence of each Non-Executive Director based on the declarations submitted by them and by other information available to the Board.
	A 5.6	Complied	No Alternative Directors were appointed during the year under review.
	A 5.7/ 5.8	N/A	N/A
Meeting of Non-Executive Directors	A 5.9	Non-Complied	The Chairman meets with the NEDs in the presence of the Executive Directors on a need basis. There were no formal specific meetings held with NEDs during the year.
Recording of concerns in Board minutes	A 5.10	Complied	All concerns raised by the Directors about the matters of the Company which cannot be unanimously resolved have been duly recorded in the Board minutes with sufficient detail.
A.6 Supply of Information	The Board should be provided with timely information in a form and quality appropriate to enable it to discharge its duties.		
The Management has the obligation to provide appropriate & timely information	A 6.1	Complied	The Board is provided with timely information in a form and of a quality appropriate to enable it to discharge its duties effectively. The Directors make further inquiries where necessary, should information provided by management is not enough.
	A 6.2	Complied	The Agenda for the Board meeting and connected discussion papers were ordinarily circulated to the Directors seven (7) days in advance to facilitate the effective conduct of the meeting.
A.7 Appointments to The Board	A formal and transparent procedure should be followed for the appointment of new Directors to the Board.		
Appointments to the Board	A 7.1	Non-complied	The Board has not established a Nominations Committee to make recommendations on Board appointments. Hence, the appointments to the Board are made collectively and with the consent of all the Directors.
	A 7.2	Non-complied	The Board as a whole annually assesses the Board composition despite the nonexistent of a nomination committee.
	A 7.3	Complied	Upon the appointment of a new Director to the Board, the company should for with disclose to the Shareholders, along with a brief resume of the Director which includes; <ul style="list-style-type: none"> • The nature of his expertise in the relevant functional area • The other Directorships or memberships in Board sub-committees • Whether the Director is considered as an Independent Director

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A.8 Re-election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years		
Re-election	A 8.1	Complied	Re-appointment of the Non-Executive Directors has been done according to the provision of the Companies Act.
	A 8.2	Complied	All the Directors Including the Chairman of the Board should be subject to election by Shareholders at the first opportunity after their appointment, and re-election thereafter at intervals of no more than 3 years.
Resignation	A 8.3	Complied	Written communications are provided to the Board by Directors, who resigns before completion of his appointed term.
A.9 Appraisal of Board Performance	The Boards should periodically appraise their own performance to ensure that Board responsibilities are satisfactorily discharged.		
Need to have a formal and rigorous process for reviewing the performance of the Board and its Committees	A 9.1	Non-Complied	No formal process for reviewing the performance of the Board and its Committees. An informal process is adhered to whereby if the Board and its Committees are not performing, it can be taken up with the Chairman of the Board.
Need for the Board to appraise itself annually on its performance.	A 9.2	Non-Complied	No formal process for reviewing the performance of the Board and its Committees annually.
Need for review the participation, contribution, and engagement of each Director at the time of re-election	A 9.3	Non-Complied	No process is in place to review the participation, combination, and engagement of each Director at the time of re-election.
Need for the Board to state in the Annual Report how such performance evaluation is conducted	A 9.4	Non-Complied	As no formal review of the performance has been undertaken, no statement is included in the Annual Report.
A.10 Disclosure of information in respect of Directors	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.		

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Disclosure of information in respect of Directors	A 10.1	Complied	<p>Name, qualifications, and brief profile</p> <ul style="list-style-type: none"> Refer to Pages 18 - 21 <p>The nature of his/her expertise in relevant functional areas</p> <ul style="list-style-type: none"> Refer to pages 18 - 21 <p>Immediate family and/or material business relationships with other Directors of the Company</p> <ul style="list-style-type: none"> The Directors have immediate family and/or material business relationships with other Directors of the Company. Transactions with Immediate family and/or material business relationships with other Directors of the Company have been disclosed under Related Party Transactions. <p>Whether Executive, Non-Executive and/or independent Director</p> <ul style="list-style-type: none"> Refer to Pages 18 - 21 <p>Names of listed companies in Sri Lanka in which the Director concerned serves as a Director.</p> <ul style="list-style-type: none"> Refer to Pages 18 - 21 <p>Names of other companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a Group of which the Company is a Part of, their names need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies</p> <ul style="list-style-type: none"> Refer to Pages 18 - 21 <p>Number/percentage of Board meetings of the Company attended during the year</p> <ul style="list-style-type: none"> Refer to Page 85 - 86 <p>The total number of Board seats held by each Director indicating listed and unlisted Companies and whether in an executive or non-executive capacity</p> <ul style="list-style-type: none"> Partially Complied <p>Names of Board Committees in which the Director serves as Chairman or a member;</p> <ul style="list-style-type: none"> Refer to the "Committee Reports" on Pages 85 for the Composition of the Board Committees.
A.11 Appraisal of the Chief Executive Officer	The Board of Directors should at least annually assess the performance of the Chief Executive Officer		
Target/Goals for the CEO	A 11.1	Complied	At the commencement of each financial year, the Board in consultation with the Chief Executive Officer sets financial and non-financial goals based on the short, medium, and long-term objectives of the Company.
Evaluation of the performance of the CEO	A 11.2	Complied	The performance of the CEO should be evaluated by the Board at the end of each financial year.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Directors' Remuneration B.1 Remuneration Procedure	The Company should have a formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.		
Remuneration Committee	B 1.1	Complied	The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration Committee. Its purpose is to assist the Board of Directors in matters relating to compensation of the Company's Directors, Executive Officers and such other employees as determined by the Committee.
Composition	B 1.2	Non-Complied	The Remuneration Committee consists of three Non-Executive Directors. The chairman of the Committee is a Non independent Director. The following Directors served in the Remuneration Committee during the financial year under review. <ul style="list-style-type: none"> • Mr. D. A. De Zoysa (Chairman) (Non-Executive Non-Independence Director) • Ms. A. I. C. Nandasena (Non-Executive Independence Director) • Ms. K. A. D. Siriwardene (Non-Executive Independence Director)
	B 1.3	Complied	The members of the Committee are indicated in Page 113 in Annual Report.
Remuneration of Non-Executive Directors	B 1.4	Complied	In terms of the Articles of Association of the Company, the Directors determine the fees payable to the Non-Executive Directors.
Consultation of the Chairman and access to professional advice	B 1.5	Complied	The Remuneration Committee consults the Chairman about its proposal relating to the remuneration of other Executive Directors and has access to professional advice in discharging their responsibilities.
B.2 Level and makeup of Remuneration	The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors remuneration should be structured to link rewards to corporate and individual performance.		
Level and make-up of remuneration	B 2.1	Complied	The remuneration committee ensures that the remuneration of executives at each level is competitive and is line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is on par with market rates.
Design of remuneration for long term success	B 2.2	Complied	Executive Directors' and Key Management's remuneration is designed to promote the long-term success of the Company.
Design the remuneration of the Executive Directors to promote long term success of the Company	B 2.3	Complied	As mentioned in B.2.1, the remuneration of the Executive Directors is designed to attract and retain high-calibre executives which leads to long term success of the Company and are benchmarked against industry remuneration.
Comparison of remuneration within the Group	B 2.4	Complied	When determining annual salary increments, the remuneration committee is sensitive to remuneration and employment conditions elsewhere in the Company.
Performance based Remuneration	B 2.5	Complied	The Remuneration Committee reviews the performance of the Executive Directors and senior management and the performance bonus is based upon the achievement of goals and targets by the individual.
Executive share options	B 2.6	Complied	No Executive share options offered under discounted prices.
Designing the remuneration	B 2.7	Complied	Performance-related remuneration is designed by the Remuneration Committee
Early Termination of the Directors	B 2.8	Complied	No specific Compensation scheme has been implemented
	B 2.9	Complied	If the situation arises, the Remuneration Committee will tailor their approach in the event of early termination to be relevant to the circumstances.
Remuneration for Non-Executive Directors	B 2.10	Complied	Remuneration of Non-Executive Directors reflects their time commitment and responsibilities of their role and market practices. It does not include share options.
B. 3 Disclosure of Remuneration	The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole		
Disclosure of Remuneration	B 3.1	Complied	The total remuneration paid to the Directors are disclosed in Note 28 to the financial statements.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
C. Relations with Shareholders	The Board should use the Annual General Meeting to communicate with shareholders and encourage their active participation.		
C.1 Constructive use of the Annual General Meeting and Conduct of General Meetings			
Adequate Notice of the AGM	C 1.1	Complied	Notice of Meeting is sent to shareholders 15 working days Before the date of the AGM, as requested by statute and a copy of the Annual Report including Financial Statements and the Form of the Proxy are shared online on the CSE and the Official Website of the company to provide the opportunity to all the shareholders to attend the AGM.
Separate resolution for all separate issues at the AGM	C 1.2	Complied	A separate resolution is proposed for each issue at the AGM. Further, the adoption of the Annual Report of the Board of Directors on the affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.
Recording and counting proxy appointments	C 1.3	Complied	The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted. The Company Secretary administers the AGM.
Availability of Board sub-committee chairpersons	C 1.4	Complied	The chairpersons of the sub committees are present at the AGM to answer any questions raised by the shareholders if so, requested by the Chairman.
Procedure for voting	C.1.5	Complied	The procedure governing voting at the General Meeting is circulated with the Notice of Meeting.
C.2 Communication with shareholders	The Board should implement effective communication with shareholders		
Effective Communication with shareholders	C. 2.1	Complied	The Company encourages effective communication with the shareholders and answers queries and concerns of shareholders through the Company Secretaries and in corporate website.
	C. 2.2	Complied	The Company's policy about the communication with shareholders and shareholders involve the sharing of all financial and non-financial information as per the applicable statutory and regulatory requirements and best practices adopted by the Company. The methodology of communication with shareholders is multi-faceted to ensure the accuracy of information disseminated and the timeliness of dissemination.
	C. 2.3	Complied	The implementation of the policy and the methodology is done through the adoption of the above-mentioned channels of communication.
Contact person in relations to shareholder communications	C. 2.4	Complied	The contact person for shareholder communication is the Company Secretary and the designated person is appointed to answer queries from the shareholder relating to circulation of the Annual Report.
The process to make all Directors aware of major issues and Concerns of shareholders and responding to them	C.2.5	Complied	The Company Secretaries maintain a record of all correspondence received and will deliver such correspondence to the Board or individual Director as applicable. The Board or individual Director, as applicable, will respond appropriately to all validly received shareholder correspondence and will direct the Company Secretaries to send the response to the particular shareholder.
Person to contact in relation to shareholders' matters	C. 2.6	Complied	The Contact Person in relation to all matters pertaining to the Shareholders is the Company Secretary.
Responding to shareholder matters	C. 2.7	Complied	The Company Secretary is assigned to respond to shareholders by the Board and update the Board on such matters.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
C.3 Major and Material Transactions	The Directors should disclose to shareholders all proposed material transactions that materially alter the net asset position of the Company, if entered into.		
Major transaction	C. 3.1	Complied	The Directors ensure that before engaging in or committing to a 'Major related party transaction' with a related party, involving the acquisition, sale or disposition of greater than one third of the value of the Company's assets or that of a subsidiary that a material bearing on the Company and/or consolidated net assets of the Company, or a transaction which has or is likely to have the effect of the Company acquiring obligations and liabilities, of greater than one third of the value of the Company's assets, or entering into transactions or a series of related transactions which have the purpose or effect of substantially altering the nature of the business carried on by the Company the Directors will disclose to shareholders the purpose and all material facts of such transactions and obtain shareholders' approval by ordinary resolution at an Extraordinary General Meeting.
	C. 3.2	Complied	Major transactions where shareholder approval is necessary will be approved through shareholder resolution
D. Accountability and Audit	The Board should present a balanced and understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities, and prospects.		
D 1.1 Accountability and Audit			
Boards responsibility for statutory and regulatory reporting	D 1.1	Complied	The Board has presented the Annual Report which includes the Financial Statements of the Company that are true and fair, balanced, understandable and prepared in accordance with LKASs and SLFRSs to regulators as well as presented interim and other public price sensitive information in a balanced and understandable way as required by statutory requirements.
Boards responsibility for statutory and regulatory reporting	D 1.2	Complied	The Board is aware of its responsibility to present regulatory and statutory reporting in a balanced and understandable manner and a statement to this effect is given in the 'Statement of Directors' Responsibility' on Page 114 confirming this position. In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the; <ul style="list-style-type: none"> • Companies Act No. 07 of 2007, • Sri Lanka Accounting Standards (SLFRSs & LKASs) • Listing Rules
	D 1.3	Complied	The Manager - Finance and Chief Executive Officer review year-end Financial Statements before submitting to the Audit Committee and the Board and ensure that, the financial records of the entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view.
Directors Report	D.1.4	Complied	The Declarations required to be made by the Board are given in the Annual Report of the Board of Directors (refer Pages 36 - 37).
Statement of Directors and Auditors responsibility for the financial statement.	D.1.5	Complied	The Statement of Directors' responsibility in preparation of the Financial Statements is given on Page 114 while the Independent Auditor's report on Pages 118 - 120 states the Auditor's responsibility for the Financial Statements.
Management Discussion Analysis	D. 1.6	Complied	Management Discussion and Analysis is given under the "Operating Landscape" section on pages 65 - 67 of this report.
Summoning an Extra Ordinary General Meeting (EGM) to notify Serious loss of capital	D. 1.7	Complied	The Directors ensures that if in the event the net assets of the Company fall below 50% of the value of the Company's shareholders funds an Extraordinary General Meeting will be convened to notify the shareholders of the position and the remedial action being taken.
Related party transactions	D. 1.8	Complied	The transactions entered into by the Company with the related parties are disclosed on Note 28 of the Financial Statements and Report on Related Party Transaction Review committee is given on page 111.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
D.2 Risk Management and Internal Control			The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the company's assets. Broadly, risk management and internal control is a process, effected by a Company's Board of Directors and management, designed to provide reasonable assurance regarding the achievement of Company's objectives.
Monitor the company's risk management and internal control systems	D. 2.1	Complied	The Company has its internal audit processes implemented to ensure that effective controls are in place. These processes extend across all Company operations. The internal audit function is outsourced, and reports to the Board Audit Committee and CEO. The risk management section is covered on pages 28 - 32.
Review the need for internal audit function	D. 2.2	Complied	The Audit Committee monitors, reviews, and evaluates the effectiveness of the risk management and internal control system including the internal controls over financial reporting. The Audit Committee report is given on page 109 - 110.
Internal Audit function	D. 2.3	Complied	An Internal Audit is executed bi-annually under the supervision of the Audit Committee. Review of the process and effectiveness of risk management and internal controls
	D. 2.4	Complied	The Audit Committee monitors, reviews, and evaluates the effectiveness of the internal control system including the internal controls over financial reporting. In the reporting period ended 31st March 2024, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company.
D.3 Audit Committee			The Board should establish formal and transparent arrangements for selecting and applying accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's Auditors.
Composition of the Audit Committee	D. 3.1	Partially Complied	The Audit Committee consists of Three Non-Executive Directors. Directors who served on the Audit Committee during the year were; <ul style="list-style-type: none"> • Mr. C. S. R. S. Anthony - Chairman (Non-Executive Non-Independent Director) • Ms. A. I. C. Nandasena (Non-Executive Independent Director) • Ms. K. A. D. Siriwardene (Non-Executive Independent Director)
Terms of Reference of the Audit Committee	D. 3.2	Complied	The Audit Committee has written Terms of Reference dealing with its authority and duties.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Duties of the Audit Committee	D. 3.2	Complied	<p>The Audit Committee is responsible for reviewing the financial reporting system and Financial Statements, including compliance with relevant accounting standards, laws and company policies, and monitoring the scope & results of the internal and external audit, its effectiveness and the independence, performance and objectivity of the external auditors.</p> <p>In the event the auditors are contracted for non-audit services, the Committee reviews the nature and extent of such services to balance objectivity, independence, and value for money. The adequacy and effectiveness of the internal control system is reviewed by the Audit Committee with the Company's Internal Auditor.</p> <p>During the Audit Committee meetings, Internal Auditors are invited to present their internal audit findings.</p> <p>Management is expected to implement an effective system of internal control that addresses the following:</p> <ul style="list-style-type: none"> • Safeguarding of assets • Maintaining proper accounting records • Providing reliable financial information • Identifying and managing business risks • Compliance with legislation and regulation • Early detection of instances of non-compliance • Identification and adoption of best practices
Disclosures of the Audit Committee	D. 3.3	Complied	The names of the members of the Audit Committee, Committee meetings held, and the attendance of members are available in the Audit Committee Report on pages 109 - 110.
D.4 Related Party Transactions Review Committee	The Board should establish a procedure to ensure that the Company does not engage in transactions with related parties in a manner that would grant such parties more favorable treatment than that accorded to third parties in the normal course of business		
Disclosure of Related Party Transactions Review Committee	D. 4.1	Complied	A separate Related Party Transactions Review Committee has been formed. Related party and related party transactions are defined as per LKAS 24 in the Financial Statements.
	D 4.2	Complied	Related Party Transaction Review Committee consists of two Independent Non-Executive Directors and one Non-Independent Non-Executive Directors.
	D 4.3	Complied	Related Party Transactions Review committee has been established.
D.5 Code of Business Conduct and Ethics	The Companies must adopt a Code of Business Conduct & Ethics for Directors, Key Management Personnel and all other employees' including but not limited to: dealing with shares of the company; compliance with listing rules; bribery and corruption; confidentiality; encouraging that any illegal, fraudulent, and unethical behavior be promptly reported to Those Charged with Governance. The company must disclose waivers of the Code for Directors, if any.		
Code of Business Conduct and ethics	D. 5.1	Complied	The Company has adopted a the code of Business conduct and ethics and the Directors and Key Management Personnel are committed to the Code and the principles contained therein. There were no reported cases of non-compliance to, Code of Business Ethics by any Director, Key management personnel or any other employee.
	D.5.2	Complied	The company has a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Code of Business Conduct and ethics contd.	D.5.3	Complied	The policy in place and any share transaction done by a Board Director needs to be immediately disclosed to the Company Secretary and the company secretary will inform such transactions to the Colombo Stock Exchange. Any share transaction is done by Key Management Personnel other than Board Directors should inform such transactions to CRCO of the Company.
Affirmation by the Chairman for no violation	D. 5.4	Complied	The Chairman's affirmation in the Company's Annual Report that he is not aware of any violation of any of the provisions of the Code of Business Conduct & Ethics.
D.6 Corporate Governance Disclosures	The Company should disclose the extent of adoption of best practices in Corporate Governance.		
Corporate Governance Disclosures	D. 5.6	Complied	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the code.
E. Institutional & Other Investors	Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice		
E.1 Shareholders voting			
Shareholder Voting	E.1	Complied	The Company is committed to maintaining good communications with investors. The Company circulates, the AGM resolutions for shareholders' approval. Further, the Directors consider that it is important to understand the views of shareholders and, in particular, any issues that concern them.
Evaluation of Governance Disclosures	E.2	Complied	When evaluating the governance arrangements particularly, in relation to the Board structure and composition, institutional investors are encouraged to give due weight to all relevant factors drew to their attention.
F. Other Investors			
Investing and Divesting decisions	F.1	Complied	Individual shareholders, investing or divesting directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in such decisions.
Shareholder Voting	F.2	Complied	All shareholders are encouraged to participate at meetings of the company and a form of proxy accompanies each notice providing shareholders who are unable to attend such as meeting the opportunity to cast their vote.
G. Internet of things and Cyber Security			
Internal and external IT devices connected to the Business Model	G 1.1	Complied	The Company has implemented adequate access controls and firewalls exist.
Cyber Information Security Officer and Cyber Security Risk Management Policy	G 1.2	Complied	Chief Information Officer is the cyber information security officer for CALT and the IT Policy Manual covers the cyber security risk management policy for the company. Cyber security insurance cover in exist to manage cyber security risk.
Discussions on cyber risk management	G 1.3	Complied	Cyber risk management is covered in risk register. Further it is discussed in the risk management meeting.
Independent periodic reviews and assurance	G 1.4	Complied	Performed annual vulnerability assessments through an independent third party.
Disclosure on Cyber Security Risk Management	G 1.5	Complied	Refer page 28 - 32 in Risk management
Environment, Society and Governance (ESG)	H 1.1 to H 1.5	Complied	The Company has implemented sustainability reporting in the Annual Report.

BOARD COMMITTEES

Board Committee	Purpose of Committee	Members of the Committee	Frequency of meetings
Audit Committee [Page 109 - 110]	Assist the Board of Directors in exercising its fiduciary responsibilities towards its stakeholders on; <ul style="list-style-type: none"> Financial reporting Internal Audit External Audit Internal controls 	Mr. C. S. R. S. Anthony - Chairman (Non-Executive Non-Independent Director) Ms. A. I. C. Nandasena (Non-Executive Independent Director) Ms. K. A. D. Siriwardene (Non-Executive Independent Director)	Quarterly
Related Party Transactions Review Committee [Page 111]	<ul style="list-style-type: none"> Assist the Board in reviewing all Related Party Transactions carried out by the Company Review the Related Party Transactions of the Company to ensure that these transactions are in accordance with the Code of Best Practices on Related Party Transactions issued by the SEC and Section 9 of the Listing Rules issued by the CSE on Related Party Transactions and the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka. Update the Board of Directors at quarterly Board Meetings 	Ms. A. I. C. Nandasena - Chairperson (Non-Executive Independent Director) Mr. C. S. R. S. Anthony (Non-Executive Non-Independent Director) Ms. K. A. D. Siriwardene (Non-Executive Independent Director)	Quarterly
Risk Committee [Page 112]	<ul style="list-style-type: none"> To oversee matters related to risk affecting the Company, risk governance, compliance, and internal control systems 	Mr. C. S. R. S. Anthony (Chairman) (Non-Executive Non-Independent Director) Mr. D. A De Zoysa (Non-Executive Non-Independent Director)	Quarterly
Remuneration Committee [Page 113]	<ul style="list-style-type: none"> Providing recommendations on remuneration policy Goals and targets for the KMPs Performance evaluations 	Mr. D. A. De Zoysa (Chairman) (Non-Executive Non-Independent Director) Ms. A. I. C. Nandasena (Non-Executive Independent Director) Ms. K. A. D. Siriwardene (Non-Executive Independent Director)	As and when required

Listing Rules Compliance

Report on compliance with the rules on the content of the Annual Report according to Section 7.6 of the Listing Rules of the Colombo Stock Exchange (Listing rules)

Colombo Stock Exchange (CSE) Listing Rules aim to boost the confidence of investors by requiring Companies to publish accurate information on a timely basis to help investors to evaluate companies and make wise decisions on investing. These rules also depict governance rules, which should be adhered to by all listed companies.

Level of compliance by Capital Alliance PLC with such rules is highlighted in the following table.

Rule No.	Disclosure Requirement	Page Reference
7.6 (i)	Names of persons who during the financial year were directors of the Entity	Refer the Pages 18 - 21
7.6 (ii)	Principal activities of the Entity and its subsidiaries during the year and any changes therein	Refer the Pages 2 - 4
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR or any Other Class of Shares denominated in Foreign Currency and the percentage of such shares held.	Refer the Page 163
7.6 (iv)	The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	Refer the Page 164
7.6 (v)	A statement of each director's holding and Chief Executive Officer's holding in each class of shares of the Entity denominated in LKR and Foreign Currency	Refer the Page 164
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Refer the Pages 28 - 32
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	N/A
7.6 (viii)	Extent, locations, valuations, and the number of buildings of the Entity's land holdings and investment properties	N/A
7.6 (ix)	Number of shares representing the Entity's stated capital	Refer the Page 149 in Note 26 to the Financial Statements
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Refer the Page 164
7.6 (xi)	Ratios and market price information: <ul style="list-style-type: none"> • Equity • Debt • Any changes in credit rating 	Refer the Pages 9
7.6 (xii)	Significant changes in the Entity's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	N/A
7.6 (xiii)	If during the financial year the Entity has raised funds through an Initial Public Offering and/or a further issue of Securities	N/A
7.6 (xiv)	Information in respect of Employee Share Option Schemes and Employee Share Purchase Schemes	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Rules	Refer the Pages 101 - 107
7.6 (xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower.	Refer the Page 106 - 107
7.6 (xvii)	In the event a Listed Entity has its Foreign Currency denominated Securities listed on the Exchange, the Entity shall additionally disclose in its Annual Report	N/A
7.6 (xviii)	In the event a Listed Entity has listed Sustainable Bonds on the Exchange, such Entity shall additionally disclose in its Annual Report.	N/A
7.6 (xix)	Disclose if the Entity has listed any Perpetual Debt Securities on the Exchange in its Annual Report	N/A
7.6 (xx)	An Entity that has listed its Infrastructure Bonds on the Exchange shall additionally disclose.	N/A
7.6 (xxi)	In the event an Entity has listed Shariah Compliant Debt Securities on the Exchange, such Entity shall additionally disclose in its Annual Report.	N/A

Compliance Requirements on Corporate Governance Rule 09 of the Listing Rules

Report on the Compliance Requirements of Corporate Governance Rule 09 of the Listing Rules of the Colombo Stock Exchange (CSE)

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.2 Policies			
9.2.1	Listed Entities 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 Entity on its website; (a) Policy on the 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	To be complied by 1st October 2024	N/A
9.2.2	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	N/A	None
9.2.3	Listed Entities shall disclose in its Annual Report: (i) the list of policies that are in place in conformity with Rule 9.2.1 above, concerning its website. (ii) details about any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	To be complied by 1st October 2024	N/A
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	To be complied by 1st October 2024	N/A
9.3 Board Committees			
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at a minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	To be complied by 1st October 2024	Refer Page 109 - 113 for the established committees.
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules.	To be complied by 1st October 2024	Refer Page 109 - 113.
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	To be complied by 1st October 2024	N/A

Listing Rules Compliance

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.4 Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the 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.	Complied	N/A
9.4.2	Communication and relations with shareholders and investors (a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. (d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	To be complied by 1st October 2024	N/A
9.5 Policy on Matters Relating to the Board of Directors			
9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors and set out as 9.5.1 in the Listing Rules.	To be complied by 1st October 2024	N/A
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	To be complied by 1st October 2024	N/A
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Complied	Refer Page 84 and 89.
9.6.2	Where the Chairperson of a Listed Entity 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 of such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules. Such Market Announcement shall include the rationale for the appointment of an Executive Director as Chairperson and/or combining the positions of the Chairperson and CEO of the Listed Entity.	N/A	N/A
9.6.3	The Requirement for a SID	N/A	N/A
9.7 Fitness of Directors and CEOs			
9.7.1	The Listed Entities 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 these Rules: In evaluating the fitness and propriety of the persons referred to in these Rules, Listed Entities shall utilize the 'Fit and Proper Assessment Criteria' are set out in Rule 9.7.3 below.	Complied	
9.7.2	Listed Entities 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.	Complied	

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.7.3	Fit and Proper Assessment Criteria: a) Honesty, Integrity and Reputation b) Competence and Capability c) Financial Soundness	Complied	
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied	
9.7.5	Disclosures in the Annual Report of Listed Entities Listed Entities shall include the following disclosures/reports in the Annual Report; a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s.	Complied	
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	Complied	Refer Page 20.
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of Listed Entities 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 Listed Entity 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.	Complied	Refer Page 20, 83 - 84
9.8.3	Criteria for determining independence	Complied	
9.8.4	Definitions related to Rule 9.8.3	N/A	N/A
9.8.5	The Board of Directors of Listed Entities shall require: a) Each Independent Director is to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein. 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.		
9.9 Alternate Directors			
	If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the Section 9.9 in the Listing Rule and such requirements shall also be incorporated into the Articles of Association of the Entity.	No Alternate Director had been appointed during FY 2023/24.	N/A
9.10 Disclosures relating to Directors			
9.10.1	Listed Entities 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 Entity shall explain such non-compliance in the manner specified in Rule 9.5.2 above.	To be complied by 1st October 2024	N/A

Listing Rules Compliance

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; <ul style="list-style-type: none"> i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. 	No new Directors had been appointed during FY 2023/24.	N/A
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.	No change in the composition of the Directors during FY 2023/24.	N/A
9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report: <ul style="list-style-type: none"> (i) name, qualifications and brief profile; (ii) the nature of his/her expertise in relevant functional areas; (iii) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (iv) whether Executive, Non-Executive and/or independent Director; (v) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; (vi) number of Board meetings of the Listed Entity attended during the year; (vii) names of Board Committees in which the Director serves as Chairperson or a member; (viii) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (ix) The terms of reference and powers of the SID (where applicable). 	Complied.	Refer Page 18 - 21 for the Board of Directors profiles. Refer Page 20 and 84 for the Directors interest in Contracts. Refer Page 85 - 86 for the Board compositions and the attendance.
9.11 Nominations and Governance Committee			
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	To be complied by 1st October 2024	N/A
9.11.2	Listed Entities 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.	To be complied by 1st October 2024	N/A
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.	To be complied by 1st October 2024	N/A

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.11.4	Composition 1. The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. 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 Entity.	To be complied by 1st October 2024	N/A
9.11.5	The functions of the Nominations and Governance Committee	To be complied by 1st October 2024	N/A
9.11.6	Disclosures in Annual Report The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.	To be complied by 1st October 2024	N/A
9.12 Remuneration Committee			
9.12.1	For the purposes of Rule 9.12, the term “remuneration” shall make reference to cash and all non-cash benefits whatsoever received.	Complied.	
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied.	
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.	Complied.	
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.	Complied.	
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied.	
9.12.6	Composition (1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. (2) In a situation where both the parent company and the subsidiary are ‘Listed Entities’, the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary. (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	To be complied by 1st October 2024	
9.12.7	Functions of the Remuneration Committee	Complied.	
9.12.8	Disclosure in Annual Report		Refer Page 113
9.13 Audit Committee			
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Complied	Refer Page 112 for the Risk Committee
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Complied.	Refer Page 112

Listing Rules Compliance

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.13.3	<p>Composition</p> <p>(1) The members of the Audit Committee shall;</p> <p>(a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.</p> <p>(b) not comprise of Executive Directors of the Listed Entity.</p> <p>(2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.</p> <p>(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a every quarter prior to recommending the financials to be released to the market.</p> <p>(4) If both, the Parent Company and the subsidiary are 'Listed Entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary.</p> <p>(5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.</p> <p>(6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.</p> <p>Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.</p> <p>(7) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.</p> <p>Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.</p>	To be complied by 1st October 2024	
9.13.4	Functions of the Audit Committee	Complied	
9.13.5	Disclosures in Annual Report	Complied.	Refer Page 109.
9.14 Related Party Transactions Review Committee			
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied.	Refer Page 111.
9.14.2	<p>Composition</p> <p>(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.</p> <p>(2) If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.</p>	Complied.	Refer Page 111.
9.14.3	Functions of the Related Party Transactions Review Committee	Complied.	Refer Page 111.

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.14.4	<p>General Requirements</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(4) If a Director of the Listed Entity 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:</p> <p>(a) be present while the matter is being considered at the meeting; and,</p> <p>(b) vote on the matter.</p>	Complied.	Refer Page 111.
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied.	Refer Page 111.
9.14.6	<p>Shareholder Approval</p> <p>(1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the Related Party Transactions as set out in Section 9.14.6</p> <p>(2) A transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation</p> <p>(3) If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.</p>	Complied.	Refer Page 111.
9.14.7	<p>Disclosures</p> <p>A Listed Entity shall make an immediate Market Announcement to the Exchange as setoff in the Section 9.14.7.</p>	Complied.	
9.14.8	Disclosures in the Annual Report	Complied.	
9.14.9	Acquisition And Disposal of Assets From/To Related Parties	Complied.	
9.14.10	Exempted related party transactions	Complied.	
9.15 Definitions			
	Definitions as set out in the Section 9.15		
9.16 Additional Disclosures			
	The declarations by the Board of Directors to be included in the Annual Report as set out in 9.16	Complied	Refer Page 114.

Companies Act Checklist

Level of Compliance under Section 168 of the Companies Act No. 07 of 2007

Information Required to be Disclosed as per the Companies Act No. 07 of 2007	Reference to the Companies Act	Annual Report Page Reference for Compliance and Necessary Disclosure
The nature of the business of the Company together with any change thereof during the accounting period	Section 168 (1) (a)	Refer the Page 2 - 4.
Signed Financial Statements of the Company for the accounting period completed in accordance with Section 151.	Section 168 (1) (b)	The Financial Statements of the Company for the year ended 31st March 2024 have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards and comply with the requirements of the Companies Act No. 07 of 2007 and which were duly certified by the Manager - Finance (the person responsible for the preparation of the Financial Statements) and were approved by two members of the Board as appearing on Pages 121 - 124 form an integral part of this Report.
Auditors' Report on the Financial Statements of the Company	Section 168 (1) (c)	Refer Page 118 - 120 for the "Independent Auditors' Report."
Accounting policies of the Company and any change therein	Section 168 (1) (d)	Notes to the Financial Statements: The material Accounting Policies adopted in the preparation of the Financial Statements of the Company are given on Pages 125 - 164. There were no changes to the Accounting Policies used by the Company.
Particulars of entries made in the Interests Register of the Company during the accounting period.	Section 168 (1) (e)	The Company maintains interest Registers. All the Directors have made declarations as required by Sections 192 (1) and (2) of the Companies Act aforesaid and all related entries were made in the Interest Registers during the year under review. The Interest Registers are available for inspection by shareholders or their authorised representatives as required by Section 119 (1) (d) of the Companies Act No. 07 of 2007.
Remuneration and other benefits paid to Directors of the Company during the accounting period	Section 168 (1) (f)	Refer Note 28 to the Financial Statements on Page 149 - 152. Also refer the Remuneration Committee Report on Page 137.
Total amount of donations made by the Company during the accounting period	Section 168 (1) (g)	Refer Note 10 to the Financial Statements on Page 137.
Information on Directorate of the Company during and at the end of the accounting period	Section 168 (1) (h)	Refer the Pages 18 - 21.
Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period by the Company.	Section 168 (1) (i)	Note 10 to the Financial Statements on Page 137.
Auditors' relationship or any interest with the Company.	Section 168 (1) (j)	Refer the Pages 118 - 120 for Audit Report
Acknowledgement of the contents of this Report/ Signatures on behalf of the Board.	Section 168 (1) (k)	Refer the Pages 36 - 37.

Audit Committee Report

COMPOSITION

The Audit Committee adopts an impartial approach in offering advice and support concerning the internal operations of the Company. It consistently evaluates the Company's performance through dialogue with the Directors and Senior Management, and assesses the Internal Audits conducted by the Internal Auditors. Additionally, the Audit Committee oversees all audit activities and ensures adherence to Financial Standards and Statutory regulations.

The Audit Committee consists of Three Non-Executive Directors, out of which one is non-Independent Director of the Company. The Committee is chaired by Mr. C. S. R. S. Anthony.

The members of the Board appointed Audit Committee are as follows.

- Mr. C. S. R. S. Anthony - Chairman
(Non-Executive Non-Independent Director)
- Ms. A. I. C. Nandasena
(Non-Executive Independent Director)
- Ms. K. A. D. Siriwardene
(Non-Executive Independent Director)

MEETINGS

During the reviewed year, four (4) Audit Committee meetings took place. The quorum for these meetings is any two members of the Audit Committee. The Manager Finance serves as the Secretary to the Audit Committee. The Committee will convene as deemed necessary, with a minimum frequency of quarterly meetings. The external auditor has the liberty to approach the Chairman of the Audit Committee at any time and may engage in discussions directly with the Chairman, if necessary.

Upon invitation by the Chairman of the Audit Committee, attendees including the external and internal auditors, the Risk and Compliance Officer, the Group Chief Information Officer, the Chief Executive Officer - CALT, the Vice President – Finance, Manager Finance, and other representatives from the finance function and various business sectors may participate in Audit Committee meetings.

Regular reports on the proceedings of the Audit Committee meetings are submitted to the Board of Directors. The Company's Audit Committee, established as a subcommittee of the Board, maintains records of attendance for the meetings held during the Financial Year 2023/24, as detailed below.

Name of the Director	Eligibility to Attend	Attendance
Mr. C. S. R. S. Anthony (Chairman)	4	4
Ms. A. I. C. Nandasena	4	4
Ms. K. A. D. Siriwardene	4	4

ROLE AND RESPONSIBILITIES

The main objective of the Board Audit Committee is to assist the Board of Directors in exercising its fiduciary responsibilities towards its stakeholders.

THE COMMITTEE CARRIED OUT THE FOLLOWING ACTIVITIES:

Financial Reporting System

The Audit Committee oversees compliance with regulatory mandates for financial reporting outlined in the Sri Lanka Accounting Standards (SLFRS & LKAS) issued by CA Sri Lanka, the Companies Act No. 7 of 2007, and the Listing Rules of the Colombo Stock Exchange.

In collaboration with Management, the Audit Committee assessed the Quarterly and Annual Financial Statements for the financial year ending 31st March 2024, emphasizing the accuracy and quality of the statements in line with relevant regulatory requirements.

Furthermore, the Committee evaluates the effectiveness of existing financial reporting systems to ensure the reliability of information provided to shareholders and other stakeholders.

Internal Audit

The company has outsourced its Internal Audit function to Messrs. Ernst & Young (EY). The Committee scrutinized the observations emphasized in the internal audit reports and assessed the follow-up actions taken by Management regarding the audit recommendations. Additionally, the Audit Committee evaluated the efficiency of the internal audit function and discussed the scope and procedures for internal audit in the upcoming year. Furthermore, the Internal Audit Report issued by the Internal Auditors underwent evaluation with Management, and the progress on implementing key recommendations provided by the Internal Auditors was reviewed throughout the year.

External Audit

The Audit Committee shall oversee the relationship with the external auditor including:

- Approve the audit engagement fees and terms of engagement.
- Review annually the activities, findings, conclusions, and recommendations of the external auditor (including the Management Letter)
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements including reviewing and monitoring the external auditor's quality control procedures and steps taken by the external auditor to respond to changes in regulatory and other requirements.
- Be responsible for ensuring the resolution of any disagreements between management and the external auditor regarding financial reporting.

Audit Committee Report

Independence of the Auditors

During the reviewed period, the Company engaged Messrs. KPMG, Chartered Accountants, as its Auditors. The fees paid to the auditors are detailed in Note 10 of the financial statements.

Based on the affirmation provided by Messrs. KPMG and to the best of the Directors' knowledge, the Auditors do not maintain any relationship or interest in the Company beyond what is disclosed in the aforementioned paragraph.

Following an assessment of the effectiveness of the External Audit, the Audit Committee recommended to the Board of Directors the reappointment of Messrs. KPMG as the Auditors for the financial year ending 31st March 2025, pending approval by the shareholders at the Annual General Meeting.

Independent Auditor's Report

The independent Auditor's report on the financial statements is given on Pages 118 - 120 of the Annual Report.

Whistleblowing Policy

The Company implemented its Whistleblowing Policy, ensuring that all staff members were informed and encouraged to utilize whistleblowing channels if they had reasonable suspicions of wrongdoing or impropriety. Comprehensive procedures are established for conducting independent investigations into reported incidents through this process or by other means. Raised concerns are thoroughly investigated, and the confidentiality of whistleblowers is upheld, including anonymous complaints. Oversight of this process is maintained by the Board Audit Committee.

Board Audit Committee Evaluation

During the year, the members of the Board conducted an independent assessment of the Committee's effectiveness. Taking into account the Committee's overall performance and its impact on the Company's overall performance, the Committee has been deemed highly effective.



Mr. C. S. R. S. Anthony
Chairman - Audit Committee

31st July 2024

Related Party Transactions Review Committee Report

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Board instituted the Related Party Transactions Review Committee in accordance with the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange (referred to as the "Rules").

Composition

Related Party Transactions Review Committee comprises of Three Directors as given below;

Ms. A. I. C. Nandasena (Chairperson)
(Non-Executive Independent Director)

Ms. K. A. D. Siriwardene
(Non-Executive Independent Director)

Mr. C. S. R. S. Anthony
(Non-Executive Non-Independent Director)

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

OBJECTIVES

This Committee's primary objectives are to:

- Assist the Board in reviewing all Related Party Transactions carried out by the Company
- Review the Related Party Transactions of the Company to ensure that these transactions are in accordance with the Code of Best Practices on Related Party Transactions issued by the SEC and Section 9 of the Listing Rules issued by the CSE on Related Party Transactions and the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.
- Update the Board of Directors at quarterly Board Meetings

MEETINGS

The Related Party Transactions Review Committee of the Company was established as a subcommittee of the Board and convened on a quarterly basis. The attendance records of committee members for the meetings held during the Financial Year 2023/24 are provided below.

Name of the Director	Eligibility to Attend	Attendance
Ms. A. I. C. Nandasena (Chairperson)	4	4
Ms. K. A. D. Siriwardene	4	4
Mr. C. S. R. S. Anthony	4	4

Minutes of meetings were circulated to the Board of Directors for their information and review.

Procedures Followed by The Committee

The senior management is requested to update the Committee on all related party transactions during its quarterly meetings. The senior management is also requested to inform the committee regarding the proposed non recurrent transactions prior to the completion of such transactions.

In terms of recurrent related party transactions, the Committee reviews and assesses ongoing relationships with the Related Party to determine whether they are in comply with the Committee's guidelines and that the related party transaction remains appropriate.


Activities During the Year

During the year under review, the Committee reviewed all the Related Party Transactions and the nature of such transactions at its meetings and communicated the observations and recommendations of the Committee to the Board of Directors.

The details of the related party transactions entered into by the Company during the year is disclosed in the Note 28 to the financial statements.

Declaration

The Annual Report includes a declaration by the Board of Directors regarding compliance with the regulations concerning Related Party Transactions, as presented in the Report of the Board of Directors.



Ms. A. I. C. Nandasena
Chairperson - Related Party Transactions Review Committee

31st July 2024

Risk Committee Report

REPORT OF THE RISK COMMITTEE

The Board established the Risk Committee to oversee matters related to risk affecting the Company, risk governance, compliance, and internal control systems.

Composition of the Committee

The Board-appointed Risk Committee comprises a minimum of two members, all of whom are Non-Executive Directors. The Board appoints the Chair of the Committee.

Committee members are:

Mr. C. S. R. S. Anthony (Chairman, Non-Executive Non-Independent Director)

Mr. D. A De Zoysa (Non-Executive Non-Independent Director)

Responsibility of Risk Committee

The Risk Committee's responsibility is to oversee and provide advice to the Board on matters concerning risk, as well as to review and present risk management reports to the Board. Additionally, the Committee assesses and advises the Board on the efficient management of risks about the Company's Operational and IT Resilience, which includes risks associated with implementing the technology components of the approved IT strategy and cybersecurity.

In fulfilling its oversight mandate, the Committee will consider any significant findings from regulators concerning risk governance, business conduct, risk assessment, or management processes. It also evaluates the Company's controls regarding compliance risks, ensuring their adequacy and maintaining an appropriate rapport with regulators. Moreover, the Committee assesses the effectiveness of internal control systems.

Additionally, the Committee ensures compliance with all Directives, Circulars, and Guidelines mandated by regulatory bodies such as the Department of Public Debt, Department of Payments and Settlements, and Financial Intelligence Unit of the Central Bank of Sri Lanka. It also monitors the effectiveness and independence of the Chief Risk and Compliance Officer (CRCO), as well as reviews the composition and efficacy of the risk management function.

Meetings

The role of Risk management was decided by board of the Capital Alliance PLC and the attendance records of committee members are provided below.

Name of the Director	Eligibility to Attend	Attendance
Mr. C. S. R. S. Anthony (Chairman)	3	3
Mr. D. A De Zoysa	3	3



Mr. C. S. R. S. Anthony
Chairman - Risk Committee

31st July 2024

Remuneration Committee Report

REPORT OF THE REMUNERATION COMMITTEE

The Board instituted the Remuneration Committee in accordance with the Code of Best Practice on Remuneration issued by the Securities & Exchange Commission of Sri Lanka and the Listing Rules of the Colombo Stock Exchange (referred to as the “Rules”).

Composition of the Committee

The Remuneration Committee, appointed by the Board, primarily comprises Independent Non-Executive Directors, with the chairmanship held by a Non-Independent Non-Executive Director. The Committee members possess diverse experience and extensive knowledge of the business and industry.

Committee members are:

Mr. D. A. De Zoysa (Chairman) (Non-Executive Non-Independent Director)

Ms. A. I. C. Nandasena (Non-Executive Independent Director)

Ms. K. A. D. Siriwardene (Non-Executive Independent Director)

Responsibility of Remuneration Committee

The Remuneration Committee is tasked with providing recommendations on remuneration policy to the Board of Capital Alliance PLC and collaborates closely with Board members in this regard. According to the Articles of Association of the Company, Director remuneration must be a figure deemed fair and reasonable by the Board in the interest of the Company.

The Committee upholds transparency and equity in remuneration policy, ensuring that Directors cannot unilaterally determine their own compensation. They review the policy frameworks established by the Company’s Human Resources and ensure that compensation payments to Executive Directors or Senior Management members comply with the legal framework of the country. The primary goal of the Remuneration Committee is to attract and retain a highly skilled and experienced workforce while appropriately rewarding their performance.

Remuneration policy

The Company’s remuneration policy is designed to attract, retain, and incentivize highly qualified individuals at both the Board and Executive levels, possessing the necessary professional, managerial, and operational skills essential for achieving the Company’s short-term and long-term goals. The policy strives to ensure that the overall remuneration package remains competitively attractive to recruit top talent for the Company.

Salaries and the other benefits are also reviewed annually considering the individual performances, Company’s performance, and the levels of remuneration in the industry.

Meetings

The Committee was established as a Board Sub Committee. The attendance of the committee members is given below.

Name of the Director	Eligibility to Attend	Attendance
Mr. D. A. De Zoysa (Chairman)	1	1
Ms. A. I. C. Nandasena	1	1
Ms. K. A. D. Siriwardene	1	1



Mr. D. A. De Zoysa
Chairman - Remuneration Committee

31st July 2024

Statements of Directors' Responsibility

Below are outlined the duties of the Directors concerning the Company's Financial Statements.

The Directors of the Company are responsible for ensuring that the Company keeps proper books of accounts of all the transactions and prepare and present the financial statements to the shareholders in accordance with the relevant provisions of the Companies Act, No.7 of 2007 and other statutes which are applicable in the preparation of financial statements.

The financial statements comprise;

- The Statements of Financial Position which presents a true and fair view of the state of affairs of the Company as at the end of the financial year
- the Statement of Profit or Loss and Other Comprehensive Income, which presents a true and fair view of the financial performance of the Company for the financial year
- the Statement of Changes in Equity,
- the Statement of Cash Flows
- Notes to the Financial Statements.

The Directors are required to prepare these financial statements on a going concern basis unless it is not appropriate.

The Directors confirm that the financial statements of the Company give a true and fair view of;

- The state of affairs of the Company as at 31st March 2024 and
- The financial performance of the Company for the financial year ended 31st March 2024

The financial statements of the Company for the year ended 31st March 2024 incorporated in this report have been prepared in accordance with the Companies Act, No. 7 of 2007 and Sri Lanka Accounting Standards (LKAS/ SLFRS).

The financial statements of the Company have been certified by the Manager - Finance of the Company, who is responsible for the preparation of financial statements and signed by two Directors in accordance with the Section 150 and 152 of the Companies Act of No. 7 of 2007.

The Directors are also responsible for ensuring that proper accounting records which correctly record and explain the Company's transactions and determine the Company's financial position with reasonable accuracy at any time are maintained by the Company enabling the preparation of financial statements and further enabling the financial statements to be readily and properly audited, in accordance with the Section 148 (1) of the Act. The Directors have therefore caused the Company to maintain proper books of accounts and regularly review financial reports at their meetings. The Board also reviews and approves all interim financial statements prior to their release.

The Board of Directors accepts the responsibility for the integrity and objectivity of the financial statements presented. The Directors confirm that the financial statements have been prepared using appropriate Accounting Policies in a consistent basis and appropriate estimates and judgments made to reflect the true substance and form of transactions.

The Directors have taken reasonable measures to safeguard the assets of the Company and to prevent and detect frauds and other irregularities. In this regard, the Directors have laid down effective and comprehensive internal control system.

The Auditors of the Company, Messrs. KPMG, who were reappointed per a resolution passed during the previous Annual General Meeting, were furnished with all requisite information needed to conduct their audit and provide an opinion, as documented on Pages 118 - 120 of this Annual Report.

The Directors further confirm that after considering the financial position, operating conditions, and regulatory and other factors, they have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future and that the Going Concern basis is the most appropriate in the preparation of these financial statements.

Compliance Report

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

By Order of the Board
Capital Alliance PLC

S. S. P. Corporate Services (Private) Limited
Company Secretaries

31st July 2024

Responsibility Statement of Chairman, Chief Executive Officer and Manager - Finance

The Financial Statements of Capital Alliance PLC as at 31st March 2024, are prepared and presented in conformity with the requirements of the following:

- Sri Lanka Accounting Standards, issued by CA Sri Lanka
- The Companies Act No. 07 of 2007.
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.
- Listing Rules of the Colombo Stock Exchange.
- The Code of Best Practice on Corporate Governance issued by CA Sri Lanka in 2023.

We confirm that the significant accounting policies used in the preparation of the financial statements are appropriate, and are consistently applied by the Company. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and the external auditors.

We have also taken proper and sufficient care in installing systems of internal control and accounting records to safeguard assets and to prevent and detect fraud as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by the internal auditors. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Financial Statements were audited by the independent external auditors, Messrs KPMG, the Chartered Accountants.

The Audit Committee of the Company meets periodically with the internal auditors and the independent auditors to review the effectiveness of audits, and to discuss auditing, internal control and financial reporting issues. The independent auditors and the internal auditors have full and free access to the Audit Committee to discuss any matter of substance. The Audit Committee approves the audit and non-audit services provided by the external auditor, in order to ensure that the provision of such services do not impair their independence.

We confirm that

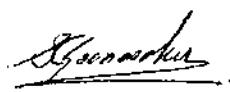
- the Company has complied with all applicable laws, regulations and prudential requirements;
- there are no material non compliances; and
- there are no material litigations that are pending against the Company



Mr. D A De Zoysa
Chairman

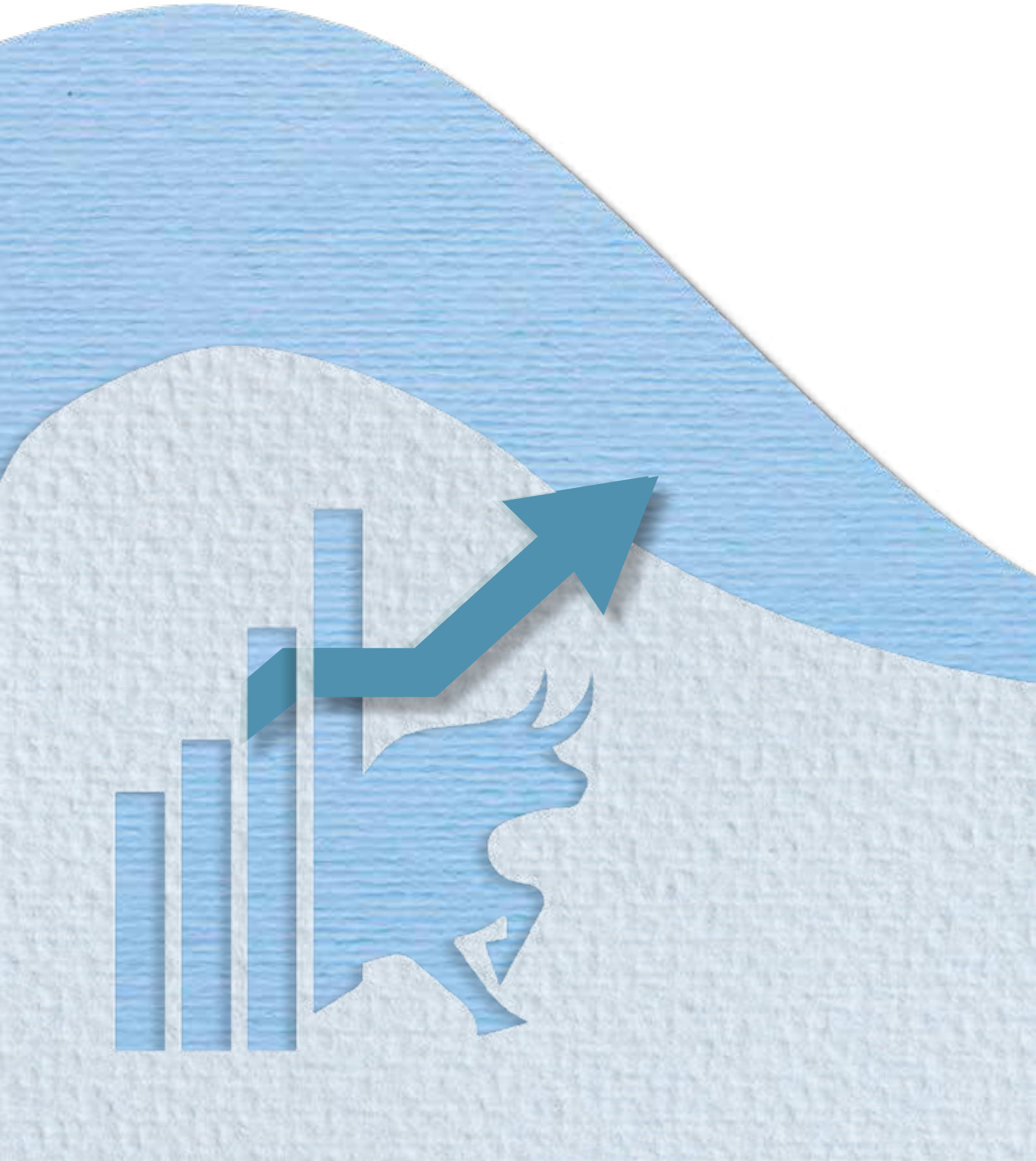


Mr. W A T Fernando
Chief Executive Officer



Ms. S C Goonesekera
Manager - Finance

31st July 2024



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Financial Calendar

*Publication of Financial Statements to CSE **

1st quarter report	14th August 2023
2nd quarter report	15th November 2023
3rd quarter report	16th January 2024
4th quarter report	29th May 2024

Annual Report and Financial Statements - FY 2023/24 31st July 2024

3rd Annual General Meeting 05th September 2024

* As per Rule 7.4 of the Continuing Listing Requirements issued by the Colombo Stock Exchange

Independent Auditor's Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF CAPITAL ALLIANCE PLC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Capital Alliance PLC (“the Company”), which comprise the statements of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its 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 Company 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 financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

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

Key audit matters

Carrying amount of financial assets, recognition of gains/losses on trading and interest income on financial assets	
Refer to the significant accounting policy in Note 3.3.1 and 14, 15 and 17 to the financial statements	
Risk Description	Our responses
<p>As at 31 March 2024, the Company's financial assets portfolio consists with treasury bills and treasury bonds measured at fair value and amortized cost.</p> <p>Further in Note 5 and 7 the Company has recognized interest income and net gain from trading of financial assets of Rs.10,505 Mn and Rs.19,005 Mn respectively.</p> <p>As the Company's business operations are sensitive to market conditions, the carrying amounts of these financial assets are considered to be an area of risk for the current financial year considering the uncertainties and volatilities in the macro-economic environment existed during the year that are still prevailing. Due to rapid changes in the macro-economic environment, the composition of the investment portfolio of the Company and the observability of the market data were affected making the investment decisions and measurement more challenging and significant.</p> <p>In addition, the Company considers income and gain from financial assets as an important element in the preparation of budgets and measuring management performance. These factors could create an incentive for gains/ losses on trading and interest income to be recognised in contrary to the recognition criteria.</p> <p>Accordingly, due to their materiality in the context of the financial statements as a whole and the prevailing uncertain and volatile macro- economic environment, the carrying amount of financial assets including related gain/losses on trading and interest income are considered to be an area which had a great effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over identification, measurement and management of measurement risk as well as evaluating the methodologies and input parameters used by the Company in determining carrying amounts including fair values, gains/losses on trading and interest income recognition and measurement. • Testing the operating effectiveness of key IT application controls over gains/losses on trading and interest income, in addition to evaluating the integrity of the general IT control environment. • Comparing observable inputs against independent sources and externally available market data and re-performing independent valuations. • Making inquiries of the management on the market conditions and reviewing the board minutes. • Testing mathematical accuracy and verifying the appropriateness and completeness of the data used. • Obtaining and agreeing with the third-party confirmations for a sample of outstanding financial instruments. • On a sample basis, testing of details over gains/losses on trading and interest income by inspecting supporting documents, re-computation of gains and losses on trading and interest income and testing of cut off transactions in order to ensure such income is recognised and measured in accordance with the applicable financial reporting requirements and the Company accounting policies. • Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

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. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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

Independent Auditor's Report

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Company'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 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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
31 July 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March,	Note	2024 Rs.	2023 Rs.
Interest income	5	10,504,518,985	4,720,189,909
Interest expenses	6	(6,641,372,092)	(3,127,944,659)
Net interest income		3,863,146,893	1,592,245,250
Net gain/(loss) from trading	7.1	19,005,251,921	609,575,468
Net gain/(loss) from remeasurement of financial assets at FVTPL	7.2	874,512,729	2,660,964,068
Direct expenses	8	(33,074,086)	(11,006,189)
Other income	9	19,336,409	14,850
Net operating income		23,729,173,866	4,851,793,447
Operating expenses			
Personnel expenses		(2,775,753,100)	(523,007,810)
Depreciation and amortisation		(15,668,881)	(6,753,856)
Other expenses		(839,740,454)	(627,148,978)
Profit before tax	10	20,098,011,431	3,694,882,803
Income tax expense	11	(6,204,827,939)	(867,876,159)
Profit for the year		13,893,183,492	2,827,006,644
Other comprehensive expense			
Items that will not be reclassified to profit or loss			
Actuarial loss on retirement benefit obligation	25	(11,981,676)	(6,762,032)
Deferred tax on actuarial loss on retirement benefit obligation	11.6.1	3,594,503	2,028,610
Other comprehensive expense for the year		(8,387,173)	(4,733,422)
Total comprehensive income for the year		13,884,796,319	2,822,273,222
Basic earnings per share - (Rs.)	12	42.17	8.58

Accounting policies and notes form pages 125 - 164 are an integral part of these financial statements.
Figures in brackets indicate deductions.

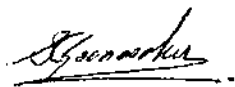
Statement of Financial Position

As at 31 March,	Note	2024 Rs.	2023 Rs.
Assets			
Cash and cash equivalents	13	353,008,092	28,962,086
Financial assets measured at amortised cost	14	1,015,901,338	372,829,607
Financial assets measured at FVTPL	15	59,533,287,818	37,574,397,952
Amounts due from related companies	22.1	11,766,209	21,788,960
Trade and other receivables	16	260,547,704	13,701,998
Financial assets measured at FVOCI	17	-	-
Deferred tax asset	11.6	24,583,978	16,861,765
Intangible assets	18	4,506,832	1,414,824
Right of use asset	19	3,055,983	7,130,643
Equipment	20	51,569,663	3,582,166
Total assets		61,258,227,617	38,040,670,001
Liabilities and equity			
Liabilities			
Financial liabilities at amortised cost	21	37,346,396,228	30,055,282,689
Amounts due to related companies	22.2	61,846,733	107,959,732
Loan from related party	22.3	-	1,023,143,835
Other payables	23	2,740,283,723	541,635,648
Lease liability	24	3,716,278	7,974,191
Retirement benefit obligation	25	81,309,710	54,808,736
Income tax payable	11.5	4,627,787,838	759,836,711
Total liabilities		44,861,340,510	32,550,641,542
Equity			
Stated capital	26	723,348,421	723,348,421
Special risk reserve	27	2,316,818,030	927,499,681
Retained earnings		13,356,720,656	3,839,180,357
Total equity		16,396,887,107	5,490,028,459
Total liabilities and equity		61,258,227,617	38,040,670,001

Accounting policies and notes form pages 125 - 164 are an integral part of these financial statements.

Figures in brackets indicate deductions.

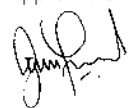
It is certified that these financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



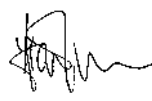
Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for on behalf of the Board of Directors of Capital Alliance PLC.



Director



Director

Colombo
31 July 2024

Statement of Changes in Equity

For the year ended 31 March,	Stated Capital Rs.	Special Risk Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2022	723,348,421	644,799,017	1,299,607,799	2,667,755,237
Profit for the year	-	-	2,827,006,644	2,827,006,644
Other comprehensive expense for the year	-	-	(4,733,422)	(4,733,422)
Total comprehensive income	-	-	2,822,273,222	2,822,273,222
Transferred to the special risk reserve	-	282,700,664	(282,700,664)	-
Balance as at 31 March 2023	723,348,421	927,499,681	3,839,180,357	5,490,028,459
Balance as at 01 April 2023	723,348,421	927,499,681	3,839,180,357	5,490,028,459
Profit for the year	-	-	13,893,183,492	13,893,183,492
Other comprehensive expense for the year	-	-	(8,387,173)	(8,387,173)
Total comprehensive income	-	-	13,884,796,319	13,884,796,319
Transferred to the special risk reserve	-	1,389,318,349	(1,389,318,349)	-
Distribution to owners				
Dividend Paid	-	-	(2,977,937,671)	(2,977,937,671)
Balance as at 31 March 2024	723,348,421	2,316,818,030	13,356,720,656	16,396,887,107

Accounting policies and notes form pages 125 - 164 are an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31 March,	Note	2024 Rs.	2023 Rs.
Cash flows from operating activities			
Interest receipts and realised gains		29,173,009,219	3,488,959,571
Interest payments		(6,465,131,881)	(3,419,421,808)
Payments of direct cost		(33,074,086)	(11,006,188)
Other receipts		19,336,409	14,850
Cash payments to employees and suppliers		(950,550,863)	(1,140,103,966)
Operating profit/ (loss) before changes in operating assets and liabilities		21,743,588,798	(1,081,557,541)
(Increase)/decrease in financial assets measured at amortised cost		(642,884,727)	(331,594,198)
(Increase)/decrease in financial assets measured at FVTPL		(20,747,802,454)	(24,997,801,308)
Decrease/(increase) in other receivables		(246,849,080)	10,264,907
Increase/(decrease) in loan from related party		(1,023,143,835)	1,023,143,836
(Increase)/decrease in amounts due from related companies		10,022,751	(20,902,814)
Increase/(decrease) in financial liabilities at amortised cost		7,114,873,328	24,880,776,466
Increase/(decrease) in amounts due to related companies		(46,112,999)	102,196,177
Increase/(decrease) in other payable		(449,292,560)	532,043,340
Cash generated from operating activities		5,712,399,222	116,568,865
Gratuity paid	25.1	(1,955,500)	(925,000)
Income taxes paid	11.5	(2,341,001,148)	(93,129,559)
Net cash generated from operating activities		3,369,442,574	22,514,306
Cash flows from investing activities			
Purchase of equipment	20	(58,811,226)	(2,067,678)
Purchase of Intangible assets	18	(3,862,500)	(1,081,120)
Net cash used in investing activities		(62,673,726)	(3,148,798)
Cash flows from financing activities			
Dividend paid		(2,977,937,671)	-
Lease payments	24.2	(4,785,171)	(4,668,457)
Net cash used in financing activities		(2,982,722,842)	(4,668,457)
Net increase in cash and cash equivalents		324,046,006	14,697,051
Cash and cash equivalents at the beginning of the year	13	28,962,086	14,265,035
Cash and cash equivalents at the end of the year	13	353,008,092	28,962,086

Accounting policies and notes from pages 125 - 164 are an integral part of these financial statements.
Figures in brackets indicate deductions.

Notes to the Financial Statements

For the Year Ended 31st March 2024

1. REPORTING ENTITY

1.1 Corporate Information

Capital Alliance PLC, formerly Capital Alliance Limited ("the Company"), is a limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company and the principal place of business at Level 5, "Millennium House", 46/58, Navam Mawatha, Colombo 2.

1.2 Principal Activities and Nature of Operations

The Company is primarily involved in the business of dealing in Government Securities and corporate debt securities. There were no significant changes in the nature of the principle activities of the Company during the financial year.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's Parent undertaking and controlling party is Capital Alliance Holdings Limited, which is incorporated in Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with the Accounting Policies and Notes to the Financial Statements. The financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No.7 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange. These Financial Statements, except for information on cash flows have been prepared on the accrual basis of accounting.

2.2 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors in accordance with the resolution passed by the Board of Directors on 31st July 2024.

2.3 Presentation of Financial Statements

The assets and liabilities of the Statement of Financial Position are grouped by nature and listed in order to reflect their relative liquidity and maturity pattern.

2.4 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

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 and as per the provisions of the Companies Act No. 07 of 2007 and related disclosure requirements of Listing Rules.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, 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" and "Statement of Director's Responsibility".

2.5 Basis of Measurement

The Financial Statements of the Company have been prepared on the historical cost basis except for the following material items in the statement of financial position:

Category	Basis of measurement	Note
Financial assets at Fair Value through Profit or Loss (FVTPL).	Measured At Fair Value	15
Financial assets at Fair Value through Other Comprehensive (FVOCI) Income	Measured At Fair Value	17
Defined Benefit obligations	Actuarially valued and recognized at present value of the defined benefit obligation	25

2.6 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the functional currency of the Company.

2.7 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with LKAS/SLFRS requires management to make judgments, estimates and assumptions that influence 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that financial year or in the period of the revision and future periods if the revision affects both current and future financial years.

Information about critical judgments, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are included in the following notes to these Financial Statements.

Notes to the Financial Statements

For the Year Ended 31st March 2024

Critical accounting estimate/judgment	Disclosure reference
Going concern	2.13
Classification of financial assets and liabilities	3.2.1 & 3.2.2
Fair value of financial instruments	3.2.1, 3.2.2 & 32
Useful lives of intangible assets	3.4.2.4
Useful lives of property, plant and equipment	3.4.1.4
Retirement benefit obligation	3.8 & 25
Deferred tax on unutilised tax losses	3.19
Impairment losses on financial assets	3.3
Impairment of non-financial assets	3.3.2
Provisions for liabilities, commitments and contingencies	3.7, 3.23.4 & 29.1

2.8 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair values are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.9 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 years have been amended, where relevant for better presentation and to be comparable with those of the current year.

2.10 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements' and amendments to the LKAS 1 on 'Disclosure Initiative'.

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

2.11 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Income Statement, unless required or permitted by an Accounting Standard or Interpretation (issued by the International Financial Reporting Interpretations Committee and Standard Interpretations Committee) and as specifically disclosed in the Material Accounting Policies of the Company.

2.12 Rounding

The amounts in the Financial Statements have been rounded off to the nearest rupees, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard LKAS 1 on 'Presentation of Financial Statements'.

2.13 Going Concern

In determining the basis of preparing the Financial Statements for the year ended 31 March 2024, management has considered all available information, the consequences of current macro economic conditions of the country, climate related risks, other events and conditions. It is the view of the management that there are no material uncertainties that may cast significant doubt on the Company's ability to continue to operate as a going concern due to the improving operating environment, developments to product strategies and actions taken to mitigate the impact of economic crisis.

Further, in determining the going concern, the management performed multiple stress tested scenarios; considering cost management practices, ability to continue operations under current economic crisis, cash reserves, ability to secure additional funding to finance the adverse effects to the cash flows, ability to secure required human resources, expected revenue streams, credit and collection management practices and expense management and curtailment

practices including ability to defer non-essential capital expenditure.

Accordingly, the Management has assessed its ability to continue as a going concern and is satisfied that it has adequate resources to continue in the business for the foreseeable future. Further, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company are continued to be prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

3.1 Change in Material accounting Policies

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and off-setting temporary differences - e.g. leases and decommissioning liabilities.

For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Company previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities

and a deferred tax liability in relation to its right-of use assets. However, there was no impact on the Statement of Financial Position because the balances qualify for off-set under paragraph 74 of LKAS 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognised Note 11.6.

Material Accounting policy information

The Company also adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the Financial Statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the Financial Statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 - Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

The Company has consistently applied the following material accounting policies to all periods presented in the Financial Statements by the Company, except as mentioned otherwise.

The Institute of Chartered Accountants of Sri Lanka has issued number of new amendments to Sri Lanka Accounting Standards (SLFRSs / LKASs) that are effective for the current financial year. These amendments and interpretations did not have any significant impact on the reported Financial Statements of the Company.

In addition, the Company adopted Disclosures of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 April 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies themselves.

3.2 Foreign Currency

Foreign Currency Transactions

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

Foreign Currency 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. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in Statement of Profit or Loss.

3.3 Financial Instruments

3.3.1 Financial Asset

Recognition and initial measurement

The Company initially recognizes all financial assets and liabilities on the settlement date.

However, for financial assets/ liabilities held at fair value through profit and loss any changes in fair value from the trade date to settlement date is accounted in profit or loss while for financial assets at fair value through other comprehensive income, any change in fair value from the trade date to settlement date is accounted in Other Comprehensive Income.

Notes to the Financial Statements

For the Year Ended 31st March 2024

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 at fair value through profit or loss (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.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.
- Classification and subsequent measurement of financial assets

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 payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company 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. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset 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.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered 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 Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations 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 Company'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.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes 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 costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company 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 Company considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments 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 additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - 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, foreign exchange gains and losses 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, foreign exchange gains and losses 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 Financial Liability

Initial Recognition and Measurement

On initial recognition, the Company classifies financial liabilities, other than financial guarantees and loan commitments, into one of the following categories:

- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss

Classification and Subsequent Measurement of Financial Liabilities

The subsequent measurement of financial liabilities depends on their classification.

Financial Liabilities at Amortised Cost

Financial Liabilities issued by the Company that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The EIR amortisation is included in 'Interest expense' in the Statement of Profit or Loss and Other Comprehensive Income. Gains and losses too are recognised in the Statement of Profit or Loss and Other Comprehensive Income. when the liabilities are derecognised as well as through the EIR amortisation process.

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include derivative liabilities held for risk management purposes.

3.3.3 Derecognition

(a) Financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(b) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.3.4 Reclassification of Financial Assets and Liabilities

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Company's changes its objective of the business model for managing such financial assets. Financial liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

Notes to the Financial Statements

For the Year Ended 31st March 2024

3.4 Impairment

3.4.1 Non-derivative Financial Assets

Financial instruments and contract assets

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company 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 Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company 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 have 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;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- 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 allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. This assessment is carried out at the individual asset level.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

3.4.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than 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.

3.5 Equipment and Intangible Assets

3.5.1 Equipment

3.5.1.1 Owned Assets – Basis of Recognition
Items of Equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is 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 cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of Equipment have different useful lives, they are accounted for as separate items (major components) of Equipment.

3.5.1.2 Subsequent Expenditure

The cost of replacing a part of an item of Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within

the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Equipment are recognized in profit or loss as incurred.

3.5.1.3 Derecognition

The carrying amount of an item of Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of Equipment is included in Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.5.1.4 Depreciation

Items of Equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of Equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in Statement of Profit or Loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives and depreciation rates are as follows:

Asset Category	Useful Life	Depreciation Rate (%)
Motor Vehicles	5 years	20%
Furniture and Fittings	5 years	20%
Office Equipment	4 years	25%
Computer Equipment	3 years	33.33%
Communication Devices	1 year	100%

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.5.2 Intangible Assets

An intangible asset is recognized if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 on Intangible Assets.

Intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

3.5.2.1 Computer Software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses.

3.5.2.2 Other Intangible Assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

3.5.2.3 Subsequent Expenditure

Subsequent Expenditure incurred on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

3.5.2.4 Amortization

Amortization is calculated over the cost of the asset or other amount substituted for cost less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives and amortization rate are as follows:

Asset Category	Useful Life	Depreciation Rate (%)
Computer Software	4 years	25%

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.6 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

3.6.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in

Notes to the Financial Statements

For the Year Ended 31st March 2024

the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company 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 and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain 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, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

The Company presents right-of-use assets that do not meet the definition of investment property in 'right-of-use assets and lease liabilities' in 'lease liability' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease

payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

3.8 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably; and it is probable that an outflow, of economic benefits will be required to settle the obligation.

3.9 Employee Benefits

Short-term employee benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the reporting date.

Defined Benefit Plan – Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the Statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated annually by a qualified actuary using the Projected Unit Credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits

will be paid, and that have terms to maturity approximating to the terms of the related liability.

Provision has been made for retiring gratuities from the first year of service for all employees in conformity with LKAS 19 – Employee Benefits. However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity to an employee arises only on completion of 5 years of continued service with the Company.

Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income.

The obligation is not externally funded.

Defined Contribution Plan – Employees' Provident Fund & Employee's Trust Fund
All employees who are eligible for Employees' Provident Fund Contribution and Employees' Trust Fund Contribution are covered by relevant contribution funds in line with respective Statutes and Regulations.

Contributions to Provident Fund and Trust Fund covering the employees are recognized as an expense in the Statement of Profit or Loss.

Termination Benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.10 Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts

received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears.

Statement of Profit or Loss and Other Comprehensive Income

3.11 Interest Income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the statement of profit or loss and Other Comprehensive Income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis; and
- interest on debt securities measured at FVOCI is calculated on an effective interest basis

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Fair value changes on other derivatives held for risk management purposes, and other financial assets and financial liabilities carried at fair value through profit or loss, are presented in net income as gain on fair valuation of other financial instruments at fair

value through profit or loss in the statement of profit or loss and Other Comprehensive Income.

3.12 Gain/ (Loss) on Sale of Financial Investments measured at Fair Value through Profit or loss

Gain/(loss) on Sale of Financial Investments measured at fair value through profit or loss comprises realised trading gains or losses on disposal of government securities and quoted shares presented as sale of financial investments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

3.13 Gain/ (Loss) on Disposal of Financial Investments – Fair Value through Other Comprehensive Income

Gain/ (Loss) on Disposal of Financial Investments measured at fair value through other comprehensive income comprises realised capital gain/ (loss) on disposal of investment in equity securities classified as financial assets measured at fair value through other comprehensive income, is presented in other comprehensive income.

3.14 Gain/ (Loss) on Fair Valuation of Financial Investments – Fair Value through Profit or Loss

Gain/(loss) on Fair Valuation of Financial Investments is the unrealised gain/ (loss) on fair valuation (marked to market valuation) of government securities and quoted instruments. The fair valuation gain/ (loss) is presented in profit or loss.

3.15 Brokering Commission

Brokering commission is recognized on an accrual basis.

3.16 Other Income

Other income is recognized on an accrual basis. Profits or losses of a revenue nature on the disposal of Equipment have been accounted for in the profit or loss.

3.17 Dividend Income

Dividend income is recognised in profit or loss on an accrual basis when the Company's right to receive the dividend is established. This

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For the Year Ended 31st March 2024

is usually on the ex-dividend date for equity securities. Dividends are presented in other income.

3.18 Expenses Recognition

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year. For the presentation of the Statement of Profit or Loss the Directors are of the opinion that the nature of the expenses method present fairly the element of the Company's performance, and hence such presentation method is adopted.

3.19 Borrowing Cost

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3.20 Taxation

Income tax expense comprises both current and deferred tax. Income tax expense is recognized in income statement except to the extent that it relates to items recognized directly in equity, in which case is recognized in the statement of comprehensive income or statement of changes in equity, in which case it is recognized directly in the respective statements.

The Company 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.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. 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.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

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.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense, in the Statement of Profit or Loss.

Uncertainty over income tax treatments

The Company accounted for the uncertainty over tax treatments under IFRIC 23. An 'uncertain tax treatment' is a tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law.

If it is not probable that the taxation authority will accept an uncertain tax treatment, effect of uncertainty shall be reflected in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The effect of uncertainty for each uncertain tax treatment shall be reflected by using either of the most likely amount or the expected value methods, depending on which method the Company expects to better predict the resolution of the uncertainty.

3.21 Borrowings

Repo borrowings are the Company's sources of debt funding. When the Company sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale and repurchase agreement), the arrangement is accounted for as a borrowing, and the underlying asset continues to be recognised in the Company's financial statements. The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

3.22 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the 'direct method'. Interest paid, Interest Income received and realized gains are classified as operating cash flows, interest on fixed deposits received are classified as investing cash flows for the purpose of presentation of the Statement of Cash Flows. Cash and cash equivalents comprise of cash in hand, cash at bank and bank overdrafts.

3.23 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating decisions of the other, irrespective of whether a price is being charged.

3.24 General

3.24.1 Events after the Reporting Period

Events after the reporting date are those events, favorable and unfavorable, 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 (Note 30).

All material adjusting events after the reporting period have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

3.24.2 Earnings per Share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.24.3 Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

3.24.4 Capital Commitment and Contingent Liabilities

Capital commitments and contingencies which exist as at the date of Statement of Financial Position are disclosed in the respective notes to the Financial Statements.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/LKASs) that are effective for annual periods beginning after the current financial year. Accordingly the Company has not early in preparing these Financial Statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's Financial Statements.

Classifications of Liabilities as Current or Non-current and Noncurrent Liabilities with Covenants (Amendments to LKAS 1)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or noncurrent, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024. There is no potential impact the amendments on the classification of these liabilities and the related disclosures.

Supplier finance arrangements (Amendment to LKAS 1 and SLFRS 7)

These amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effect of these arrangement on an entity's liabilities and cash flows and on an entity's exposure to the liquidity risk. The amendments apply for annual period beginning on or after January 2024.

Other accounting standards

- Lease Liability in a sales and lease leaseback (Amendment to SLFRS 16)
- Lack of exchangeability (Amendment to LKAS 21)
- SLFRS S1 and SLFRS S2

SLFRS S1 - Sustainability Disclosure Standard- General Requirements for Disclosure of Sustainability - related Financial Information,
The objective of SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

An entity shall apply this Standard in preparing and reporting sustainability related financial disclosures in accordance with SLFRS Sustainability Disclosure Standards.

An entity may apply SLFRS Sustainability Disclosure Standards irrespective of whether the entity's related general purpose financial statements (referred to as 'financial statements') are prepared in accordance with Sri Lanka Accounting Standards or other generally accepted accounting principles or practices (GAAP).

SLFRS S2 - Sustainability Disclosure Standard - Climate-related Disclosures
The objective of SLFRS S2 Climate-related Disclosures is to require an entity.

To disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

This Standard applies to:

- (a) climate-related risks to which the entity is exposed, which are:
 - (i) climate-related physical risks; and
 - (ii) climate-related transition risks; and
- (b) climate-related opportunities available to the entity.

Climate-related risks and opportunities that could not reasonably be expected to affect an entity's prospects are outside the scope of this Standard has context menu.

Notes to the Financial Statements

For the Year Ended 31st March 2024

5. INTEREST INCOME

For the year ended 31 March,	2024 Rs.	2023 Rs.
Financial assets measured at FVTPL		
Interest on treasury bills	1,239,896,520	2,211,718,647
Interest on treasury bonds	9,180,310,714	2,465,940,607
	10,420,207,234	4,677,659,254
Financial Assets measured at amortised cost		
Interest on securities purchased under resale agreements	84,240,008	42,450,057
Interest income on staff loans	71,743	80,598
	84,311,751	42,530,655
	10,504,518,985	4,720,189,909

6. INTEREST EXPENSES

For the year ended 31 March,	2024 Rs.	2023 Rs.
Interest on securities sold under repurchase agreements	6,539,968,559	3,077,924,111
Interest on related party loan	49,187,671	50,020,548
Interest on commercial papers	52,215,862	-
	6,641,372,092	3,127,944,659

7. GAINS AND (LOSSES) ARISE FROM FINANCIAL ASSETS

7.1 Net gain/ (loss) from trading

For the year ended 31 March,	2024 Rs.	2023 Rs.
Gain on treasury bills	228,094,739	43,106,729
Gain on treasury bonds	18,782,565,673	573,012,491
Capital loss on quoted shares	(5,408,491)	(6,543,752)
	19,005,251,921	609,575,468

7.2 Net gain/ (loss) from remeasurement of financial assets at FVTPL

Remeasurement gain on government securities	936,779,822	2,655,724,613
Remeasurement gain/ (loss) on quoted shares	(62,267,093)	5,239,455
	874,512,729	2,660,964,068

8. DIRECT EXPENSES

For the year ended 31 March,	2024 Rs.	2023 Rs.
Brokerage commission	33,074,086	11,006,189
	33,074,086	11,006,189

9. OTHER INCOME

For the year ended 31 March,	2024 Rs.	2023 Rs.
Dividend income	18,505,808	-
Other income	830,601	14,850
	19,336,409	14,850

10. PROFIT BEFORE TAX

Is stated after charging all expenses including the following;

For the year ended 31 March,	2024 Rs.	2023 Rs.
Directors' fees	3,200,000	3,350,000
Audit fee		
- Statutory audit	1,150,000	1,025,000
- Other services	1,653,579	784,879
Depreciation of equipment	10,823,729	2,080,798
Amortization of right of use assets	4,074,660	4,074,659
Amortization of intangible assets	770,492	598,399
Staff cost included;		
- Salaries and other staff benefits	2,743,526,948	476,761,672
- Defined benefit plan - gratuity (Note 25)	16,474,798	9,182,859
Defined contribution plans - EPF	11,594,204	8,541,149
- ETF	2,898,551	2,135,288
Other employee related cost	1,258,599	1,386,279
Donations	11,250,000	25,000,563

11. INCOME TAX EXPENSE**11.1 Income tax recognised in profit or loss**

For the year ended 31 March,	2024 Rs.	2023 Rs.
Current tax expense for the year (Note 11.2)	6,226,613,272	838,731,963
Income tax over provision for the previous year (Note 11.5)	(17,657,623)	-
Deferred tax charge / (reversal) due to tax rate change (Note 11.6.1)	-	(45,311,991)
Deferred tax charge/ (reversal) for the year (Note 11.6.1)	(4,127,710)	74,456,187
	6,204,827,939	867,876,159

Notes to the Financial Statements

For the Year Ended 31st March 2024

11.2 Reconciliation between accounting profit and taxable profit

For the year ended 31 March,	2024 Rs.	2023 Rs.
Profit before tax	20,098,011,431	3,694,882,803
Less: Other sources of income & exempt income	(18,505,808)	(5,320,053)
Disallowable expenses	686,683,847	483,605,766
Allowable expenses	(10,811,896)	(8,093,521)
Assessable income from business	20,755,377,574	4,165,074,995
Other sources of income	-	80,598
Tax losses utilized during the year	-	(258,674,224)
Total taxable income	20,755,377,574	3,906,481,369
Income tax at 14%	-	291,560,892
Income tax at 30%	6,226,613,272	547,171,071
Current tax expense	6,226,613,272	838,731,963

11.3 Accumulated Tax Losses

For the year ended 31 March,	2024 Rs.	2023 Rs.
Balance at the beginning of the year	-	(258,550,944)
Less: Tax Losses utilized during the year	-	258,550,944
Tax Losses Carried forward	-	-

11.4 Applicable income tax rates

The company is liable to pay income tax at a rate of 30% in accordance with the Inland Revenue Act No. 24 of 2017 and its subsequent amendments. The comparative figures reflect different income tax rates as per the Inland Revenue (Amendment) Act No. 45 of 2022. Specifically, the rate was 30% effective from 1 October 2022 and 14% up to 30 September 2022.

11.5 Income tax payable

	2024 Rs.	2023 Rs.
Balance at the beginning of the year	759,836,711	14,234,307
Income tax provision for the year	6,226,613,272	838,731,963
Income tax over provision for the previous year	(17,657,623)	-
Withholding tax	(3,374)	-
Income tax payments	(2,341,001,148)	(93,129,559)
Balance at the end of the year	4,627,787,838	759,836,711

11.6 Deferred taxation

As at 31 March,	2024 Rs.	2023 Rs.
Balance at the beginning of the year	16,861,765	43,977,351
Amount recognized during the year - (Note - 11.6.1)	7,722,213	(27,115,586)
Balance at the end of the year	24,583,978	16,861,765

11.6.1 Amount recognized/ reversed during the year

As at 31 March,	2024 Rs.	2023 Rs.
Effect of change in tax rates recognized in profit/ (loss)	-	45,311,991
Amount recognized during the year in profit and loss	4,127,710	(74,456,187)
Amount reversed in other comprehensive Income	3,594,503	2,028,610
	7,722,213	(27,115,586)

Based on the requirements of LKAS 12 in relation to Deferred taxation, deferred tax assets and liabilities are calculated at tax rates at 30% (2022/23 - 30%) that are expected to apply to the period when the asset is realized or liability settled.

The income tax rate of the Company remained unchanged for the year ended 31st March 2024. Effect of changing tax rates resulted in a gain of Rs. 45,311,991 related to remeasurement of deferred tax asset of the Company for the year ended 31st March 2023.

Analysis of recognised deferred tax assets/ liabilities in the statement of financial position

	2024		2023	
	Temporary difference Rs.	Tax effect on temporary difference Rs.	Temporary difference Rs.	Tax effect on temporary difference Rs.
On equipment	947,012	284,104	858,379	257,514
On intangible assets	(970,419)	(291,126)	(304,779)	(91,434)
On right of use assets	(3,055,983)	(916,795)	(7,130,643)	(2,139,193)
On lease creditor on ROU assets	3,716,278	1,114,883	7,974,191	2,392,257
On retirement benefit obligations	81,309,708	24,392,912	54,808,736	16,442,621
	81,946,596	24,583,978	56,205,884	16,861,765

12. BASIC EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2024 Rs.	2023 Rs.
Profit attributable to ordinary shareholders - (Rs.)	13,893,183,492	2,827,006,644
Weighted average number of ordinary shares in issue	329,417,884	329,417,884
Basic earnings per share - (Rs.)	42.17	8.58

There were no potentially dilutive ordinary shares outstanding at anytime during the year, hence diluted earnings per share is equal to the basic earnings per share.

12.1 Weighted average number of ordinary shares in issue

	2024 Rs.	2023 Rs.
Opening number of ordinary shares	329,417,884	329,417,884
Closing weighted average number of ordinary shares	329,417,884	329,417,884

Notes to the Financial Statements

For the Year Ended 31st March 2024

13. CASH AND CASH EQUIVALENTS

As at 31 March,	2024 Rs.	2023 Rs.
Cash at bank	352,988,092	28,942,086
Cash in hand	20,000	20,000
	353,008,092	28,962,086
Cash and cash equivalent in the statement of financial position	353,008,092	28,962,086
Cash and cash equivalent for the purpose of statement of cash flows	353,008,092	28,962,086

14. FINANCIAL ASSETS MEASURED AT AMORTISED COST

As at 31 March,	2024 Rs.	2023 Rs.
Securities purchased under resale agreements	14.1 1,015,901,338	372,829,607
	1,015,901,338	372,829,607

14.1 Fair value of the securities pledged for the securities purchased under resale agreements

	Market value (Rs.)		Face value (Rs.)	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Treasury bills/ bonds	1,117,139,407	425,398,252	1,038,400,000	517,000,000
	1,117,139,407	425,398,252	1,038,400,000	517,000,000

The Company follows the guidelines stipulated in the direction on repurchase and reverse repurchase transactions of dealer direct participants in scripless treasury bonds and scripless treasury bills, issued by the central bank of Sri Lanka, in receiving securities for reverse repurchase agreements (Direction No. 01 of 2019, dated 20 December 2019). Only the eligible securities are used for such receipts and the section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

The Board of directors of the Company has established an effective risk management framework by implementing necessary policies and procedures to ensure compliance with the said guidelines. An effective internal control system is used to verify the accuracy of security receipts.

The Company is entitled to repledge the securities received as collateral for the Resale Agreements (Reverse Repo) and the entity has an obligation to return such securities at deal maturity. In relation to any repurchase transaction, at anytime between the purchase date and repurchase date the dealer can Substitute other Eligible Securities for any purchased securities. However, the purchased securities shall not be traded at any time between the Purchase Date and the Repurchase Date. Accordingly, no any securities has been repledge as at 31st March 2024 (As at 31st March 2023- Nil).

15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

	2024 Rs.	2023 Rs.
Government treasury bills	15.1 5,495,263,441	9,286,564,375
Government treasury bonds	15.1 53,132,143,015	28,287,833,577
Investment in quoted shares	15.2 905,881,362	-
	59,533,287,818	37,574,397,952

15.1 Securities pledged as collateral

The government securities classified as financial assets measured at FVTPL, following amounts have been pledged as collateral for repurchase agreements entered into by the company.

	Market value (Rs.)		Face value (Rs.)	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Government treasury bills	1,791,594,247	5,399,273,924	1,834,600,000	5,633,501,539
Government treasury bonds	41,036,273,706	27,772,069,738	38,418,200,000	32,528,394,669
	42,827,867,953	33,171,343,662	40,252,800,000	38,161,896,208

15.2 Investment in Quoted shares

	2024			2023		
	No. of shares	Cost	Market value	No. of shares	Cost	Market value
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Aitken Spence Hotel Holdings PLC	641,026	49,311,102	42,435,921	-	-	-
Commercial Bank PLC	71,684	7,479,025	7,003,527	-	-	-
Hatton National Bank PLC	901,356	162,711,458	162,244,080	-	-	-
Melstacorp PLC	1,785,714	155,135,862	157,142,832	-	-	-
Nations Trust Bank PLC	903,274	102,920,606	97,101,955	-	-	-
Seylan Bank PLC	982,318	52,335,646	46,168,946	-	-	-
Vallible One PLC	1,337,064	62,307,428	67,521,732	-	-	-
DFCC Bank PLC	569,656	50,979,161	43,293,856	-	-	-
Hayleys PLC	1,595,745	152,022,067	131,010,665	-	-	-
John Keells Hotels PLC	2,049,180	48,772,667	38,114,748	-	-	-
Aitken Spence PLC	310,686	46,008,944	40,466,850	-	-	-
Central Finance Company PLC	315,000	37,488,199	33,626,250	-	-	-
LOLC Holdings PLC	100,000	40,676,290	39,750,000	-	-	-
	11,562,703	968,148,455	905,881,362	-	-	-

15.3 Investment in quoted shares movement

	2024	2023
Balance at the beginning of the year	-	9,403,369
Investments during the year	1,042,080,662	-
Disposals During the year	(68,523,716)	(2,859,617)
Capital loss on Quoted Shares	(5,408,491)	(6,543,752)
Remeasurement Loss	(62,267,093)	-
Balance at the end of the year	905,881,362	-

Notes to the Financial Statements

For the Year Ended 31st March 2024

16. TRADE AND OTHER RECEIVABLES

As at 31 March,	2024 Rs.	2023 Rs.
Trade receivable	245,769,521	-
Deposits and advances	4,555,531	4,868,003
Prepayments	3,520,486	1,354,630
Staff loan	1,853,027	2,021,284
Inventory	364,430	973,372
Other tax receivables	4,484,709	4,484,709
	260,547,704	13,701,998

17. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31 March,	2024 Rs.	2023 Rs.
Investment in non quoted shares	-	-
	-	-

	2024		2023	
	No. of ordinary shares	Cost of investment Rs.	Market value Rs.	Market value Rs.
Lanka Financial Services Bureau Limited	100,000	1,000,000	-	-

Investment in non quoted shares includes the cost of shares in Lanka Financial Services Bureau Limited.

No strategic investments were disposed during 2023/2024 and there were no transfers of any cumulative gain or loss, within equity relating to these investments.

18. INTANGIBLE ASSETS

	2024 Rs.	2023 Rs.
Cost		
Balance at the beginning of the year	32,821,697	31,740,577
Additions during the year	3,862,500	1,081,120
Balance at the end of the year	36,684,197	32,821,697
Accumulated amortization		
Balance at the beginning of the year	31,406,873	30,808,474
Amortization during the year	770,492	598,399
Balance at the end of the year	32,177,365	31,406,873
Carrying value	4,506,832	1,414,824

18.1 Fully depreciated assets

The initial cost of fully depreciated intangible assets as at 31st March which are still in use as follows

	2024 Rs.	2023 Rs.
Computer software	31,219,943	30,404,383
	31,219,943	30,404,383

19. RIGHT OF USE ASSET

As at 31 March,	2024 Rs.	2023 Rs.
Cost		
Balance at the beginning of the year	22,587,062	22,587,062
Balance at the end of the year	22,587,062	22,587,062
Accumulated Amortization		
Balance at the beginning of the year	15,456,419	11,381,760
Amortization for the year	4,074,660	4,074,659
Balance at the end of the year	19,531,079	15,456,419
Carrying amount	3,055,983	7,130,643

19.1

Right of used asset category	Premise	Lease term	No sq.feet
Buildings	The second (02nd) floor designated as level five (05), of "Millennium House" situated at No. 46/58, Nawam Mawatha, Colombo 02	2021-2024	1,538

Notes to the Financial Statements

For the Year Ended 31st March 2024

20. EQUIPMENT

	Computer equipment Rs.	Motor Vehicle Rs.	Office equipment Rs.	Furniture & fittings Rs.	Communication devices Rs.	Total Rs.
Cost						
Balance as at 1 April 2022	13,243,049	-	4,282,048	4,346,651	416,887	22,288,635
Additions during the year	1,126,000	-	193,500	748,178	-	2,067,678
Disposals during the year	(504,510)	-	-	-	-	(504,510)
Write off during the year	-	-	-	(74,021)	-	(74,021)
Balance as at 31 March 2023	13,864,539	-	4,475,548	5,020,808	416,887	23,777,782
Balance as at 01 April 2023	13,864,539	-	4,475,548	5,020,808	416,887	23,777,782
Additions during the year	3,202,240	54,000,000	37,000	1,520,686	51,300	58,811,226
Disposals during the year	-	-	(368,667)	-	-	(368,667)
Balance as at 31 March 2024	17,066,779	54,000,000	4,143,881	6,541,494	468,187	82,220,341
Accumulated Depreciation						
Balance as at 01 April 2022	10,872,377	-	3,247,123	4,161,629	412,220	18,693,349
Charge for the year	1,466,894	-	437,631	171,606	4,667	2,080,798
Disposals during the year	(504,510)	-	-	-	-	(504,510)
Write off during the year	-	-	-	(74,021)	-	(74,021)
Balance as at 31 March 2023	11,834,761	-	3,684,754	4,259,214	416,887	20,195,616
Balance as at 01 April 2023	11,834,761	-	3,684,754	4,259,214	416,887	20,195,616
Charge for the year	1,945,780	8,100,000	401,776	329,148	47,025	10,823,729
Disposals during the year	-	-	(368,667)	-	-	(368,667)
Balance as at 31 March 2024	13,780,541	8,100,000	3,717,863	4,588,362	463,912	30,650,678
Carrying value as at 31 March 2023	2,029,778	-	790,794	761,594	-	3,582,166
Carrying value as at 31 March 2024	3,286,238	45,900,000	426,018	1,953,132	4,275	51,569,663

Based on the assessment of potential impairment carried out by the Company as at 31 March 2024, no provision was required to be made in the Financial Statements.

Property plant and equipment included fully depreciated assets having a gross amount of Rs. 18,141,430 as at 31 March 2024 (2022/23 Rs. 17,278,560).

There were no capitalised borrowing cost related to the acquisition of property plant and equipment during the year (2023 - Nil).

There were no restrictions on the title of the property plant and equipment as at 31 March 2024.

There were no items of property plant and equipment pledged as security as at 31 March 2024.

There were no temporary idle items of property plant and equipment as at 31 March 2024.

20.1 Fully depreciated assets

The initial cost of fully depreciated property plant and equipment as at 31st March which are still in use as follows;

As at 31 March,	2024 Rs.	2023 Rs.
Computer equipment	10,408,801	9,739,301
Office equipment	2,812,764	2,627,798
Furniture & Fittings	4,508,578	4,500,174
Communication Devices	411,287	411,287
	18,141,430	17,278,560

21. FINANCIAL LIABILITIES AT AMORTISED COST

As at 31 March,	2024 Rs.	2023 Rs.
Securities sold under repurchase agreements	37,346,396,228	30,055,282,689
	37,346,396,228	30,055,282,689

21.1 Securities pledged as collateral

	Market value (Rs.)		Face value (Rs.)	
	2024	2023	2024	2023
Government treasury bills	1,791,594,247	5,399,273,924	1,834,600,000	5,633,501,539
Government treasury bonds	41,036,273,706	27,772,069,738	38,418,200,000	32,528,394,669
	42,827,867,953	33,171,343,662	40,252,800,000	38,161,896,208

The Company follows the guidelines stipulated in the Direction on Repurchase and Reverse Repurchase Transactions of Dealer Direct Participants in Scripless Treasury Bonds and Scripless Treasury Bills, issued by the Central Bank of Sri Lanka, in allocating securities for repurchase agreements (Direction No. 01 of 2019 dated 20 December 2019). Only the eligible securities are used for such receipts and the Section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

The Board of Directors of the Company has established an Effective Risk management Framework by implementing necessary policies and procedures to ensure compliance with the said guidelines. An Effective Internal Control System is used to verify the accuracy of security allocation.

22. AMOUNT DUE FROM/ (TO) AND LOAN FROM RELATED COMPANIES

22.1 Amounts due from related companies

	2024 Rs.	2023 Rs.
Tempest PE Partners (Pvt) Ltd *(Disposed during the financial year)	-	51,752
Capital Alliance Investments Ltd	3,394,931	20,810,298
CAL Investments Limited, Bangladesh	839,115	-
CAL Securities Ltd, Bangladesh	7,249,154	926,910
Capital Alliance Partners Ltd	283,009	-
	11,766,209	21,788,960

Notes to the Financial Statements

For the Year Ended 31st March 2024

	2024 Rs.	2023 Rs.
22.2 Amounts due to related companies		
Capital Alliance Partners Ltd	-	28,999,335
Capital Alliance Securities (Pvt) Ltd	58,424,818	47,076,403
Capital Alliance Holdings Ltd	3,421,915	15,158,979
CAL Investments Limited, Bangladesh	-	131,900
Finnovation (Pvt) Ltd	-	16,593,115
	61,846,733	107,959,732

22.3 Loan from related party

Capital Alliance Holdings Ltd	-	1,023,143,835
	-	1,023,143,835

The Company had obtained a short-term revolving loan facilities amounting to Rs. 1,000,000,000, to meet its working capital requirements on 23rd January 2023 in the previous year. The Facility was valid for a period of three (3) months and Interest on the Loan was 27.25% per annum. The Company has settled the loan in full on 25th April 2023 and 28th April 2023 amounting to Rs. 600Mn and 400Mn respectively.

23. OTHER PAYABLES

	2024 Rs.	2023 Rs.
Provisions and accrued expenses	2,643,026,675	378,718,096
Payable on VAT on financial services	47,970,912	130,655,173
Payable on social security contribution levy	6,662,627	8,182,343
Other payables	42,623,509	24,080,036
	2,740,283,723	541,635,648

24. LEASE LIABILITY

As at 31 March,	2024 Rs.	2023 Rs.
Gross lease obligation	3,851,478	8,636,651
Less: Finance cost applicable for future periods	(135,200)	(662,460)
Net lease obligation	3,716,278	7,974,191

24.1 Maturity analysis

Payable within one year		
Gross lease obligation	3,851,478	4,785,170
Less: Finance cost applicable for future periods	(135,200)	(527,256)
Net lease obligation	3,716,278	4,257,914

Payable within one to three years

Gross lease obligation	-	3,851,481
Less: Finance cost applicable for future periods	-	(135,204)
Net lease obligation	-	3,716,277

As at 31 March,	2024 Rs.	2023 Rs.
24.2 Lease liability movement		
Balance at the beginning of the year	7,974,191	11,772,683
Lease interest	527,258	869,965
Lease payments	(4,785,171)	(4,668,457)
Balance at the end of the year	3,716,278	7,974,191
24.3 Amounts recognised in income statement		
Interest on lease liabilities	527,258	869,965
Amortization - right of use assets	4,074,660	4,074,659
Total amounts recognised in income statement	4,601,918	4,944,624
24.4 Amounts recognised in statement of cash flows		
Repayment of gross lease liability	4,785,171	4,668,457
	4,785,171	4,668,457

25. RETIREMENT BENEFIT OBLIGATION

As at 31 March,	2024 Rs.	2023 Rs.
25.1 Movement in the present value of the defined benefit obligation:		
Balance at the beginning of the year	54,808,736	38,506,345
Included in profit or loss		
Current service cost	5,513,051	3,406,907
Interest cost	10,961,747	5,775,952
Included in other comprehensive income		
Actuarial loss for the year	11,981,676	6,762,032
Transferred from a related party	-	1,282,500
Benefits paid during the year	(1,955,500)	(925,000)
Balance at the end of the year	81,309,710	54,808,736
25.2 Expense recognized in profit or loss:		
Current service cost	5,513,051	3,406,907
Interest cost	10,961,747	5,775,952
	16,474,798	9,182,859
Expense recognized on other comprehensive income		
Actuarial loss for the year	11,981,676	6,762,032
	11,981,676	6,762,032
Provision for the year	28,456,474	15,944,891

The provision for retirement benefit obligations as at 31st March 2024 is based on the actuarial valuation carried out by a professionally qualified actuary, Mr. M. Poopalanathan, an Actuary of the Actuarial and Management Consultant (Pvt) Ltd, using the "Projected Unit Credit" (PUC) method, the method recommended by the Sri Lanka Accounting Standard – LKAS 19 on "Employee Benefits". The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to the Financial Statements

For the Year Ended 31st March 2024

25.2 Expense recognized in profit or loss contd.

The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert.

The salary increment rate of 10% is considered appropriate to be in line with the Company's targeted future salary increments when taking into account the current market conditions and inflation rate.

Due to the discount rate and salary increment rate assumptions used, nature of non-financial assumptions and experience of the assumptions of the company, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions.

A long-term treasury bond rate of 11.00% p.a. (2023 - 20% p.a.) has been used to discount future liabilities taking into consideration the remaining working life of eligible employees.

25.3 The principal actuarial assumptions used were as follows:

Expected annual average salary increment	10%	20%
Discount rate/interest rate	11%	20%
Staff turnover factor	17%	20%
Average life expectancy of an individual	60 Years	60 Years
Weighted average retirement age	4.9 Years	4.2 Years

The Company will continue as a going concern.

25.4 Breakup of actuarial (Gain)/ Loss on Defined benefit obligation are as follow:

	2024	2023
	Rs.	Rs.
Demographic adjustment	15,951,428	939,820
Financial Assumptions	(3,867,058)	5,246,633
Experience adjustment	(102,694)	575,579
	11,981,676	6,762,032

25.5 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2024		2023	
	Increase Rs.	Decrease Rs.	Increase Rs.	Decrease Rs.
Movement by 1%				
Discount rate	(1,346,542)	1,454,042	(1,213,413)	1,288,806
Salary increment rate	1,685,684	(1,596,127)	1,505,633	(1,442,508)

25.6 Maturity analysis

The following payments are expected on employee benefit liabilities in future years from the fund as follows,

	2024	2023
	Rs.	Rs.
Within next 12 months	60,288,776	4,831,829
Between 1 to 5 years	11,838,292	43,563,840
Between 5 to 10 years	7,244,378	4,809,631
More than 10 years	1,938,264	1,603,436
	81,309,710	54,808,736

26. STATED CAPITAL

As at 31 March,	2024 Rs.	2023 Rs.
Issued and fully paid 329,417,884 ordinary shares (Note 26.1)	723,348,421	723,348,421
	723,348,421	723,348,421

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the company.

On 24th August 2023, the Board of Directors of the Company has resolved to declare the final dividend totalling Rs. 1,001,430,367/- representing a dividend per share of Rs 3.04 for the year ended 31st March 2023.

On 12th January 2024, the Board of Directors of the Company has resolved to declare the 1st Interim dividend totalling Rs. 1,976,507,304/- representing a dividend per share of Rs 6.00 for the year ended 31st March 2024.

There was no dividend paid during the financial year ended 31st March 2023.

	2024 Rs.	2023 Rs.
26.1 Movement of stated capital		
Balance at beginning of the year	723,348,421	723,348,421
Balance at end of the year	723,348,421	723,348,421

26.2 Movement of No. of shares

At the beginning of the year	329,417,884	329,417,884
As at the end of the year	329,417,884	329,417,884

27. SPECIAL RISK REVERSE

	2024 Rs.	2023 Rs.
Balance at the beginning of the year	927,499,681	644,799,017
Transferred during the year	1,389,318,349	282,700,664
Balance at the end of the year	2,316,818,030	927,499,681

A sum equivalent to 10% of profit after tax of Capital Alliance PLC has been transferred to Special Risk Reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

28. RELATED PARTY TRANSACTIONS

According to Sri Lanka Accounting Standard (LKAS 24) 'Related Party Disclosures', Key management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non executive Directors) have been classified as "Key Management Personnel" of the Company.

28.1 Parent and ultimate controlling party

The Company's parent undertaking is Capital Alliance Holdings Limited.

Notes to the Financial Statements

For the Year Ended 31st March 2024

28.2 Key management personnel

Key management personnel include persons who were directors of Capital Alliance PLC at any time during the financial year.

1) Directors

Mr. W. A. T. Fernando

Mr. R. J. Arasaratnam

Mr. D. A. De Zoysa

Mr. C. S. R. S. Anthony

Ms. A. I. C. Nandasena

Ms. K. A. D. Siriwardene

2) Other key management personnel (KMPs)

Other KMPs include persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the financial year.

28.3 Transactions with key management personnel

Loans to directors

No loans have been given to the directors of the Company.

Key management personnel compensation

Key management personnel comprise the Directors of the Company and the salary paid for the year is Rs. 156,320,000/- (2023- Rs 37,355,636/-).

Item	2024 Rs.	2023 Rs.
Salaries/bonus & commission	150,920,000	34,871,636
Defined contribution benefits	5,400,000	2,484,000
	156,320,000	37,355,636

Other transactions with key management personnel

There were no material transactions with key management personnel of the Company.

28.4 Transaction with related companies

1) Directorships in other companies

Names of the directors of the related companies which had transactions with the company

Name of the Director/ Company	Capital Alliance Holdings Ltd	Capital Alliance Securities (Pvt) Ltd	Capital Alliance Partners Ltd	Capital Alliance Investments Ltd ¹	Finnovation (Pvt) Limited	CAL Securities Ltd, Bangladesh	CAL Investments Ltd, Bangladesh
Mr. W. A. T. Fernando	Director	Director ³	Director ³	Director ³	Director ⁶	Director	-
Mr. D. A. De Zoysa	Director/ Chairman	-	-	-	-	-	-
Mr. C. S. R. S. Anthony	Director	-	-	-	-	-	-
Mr. R. J. Arasaratnam	Director	-	-	-	-	-	-
Ms. N. T. M. S. Cooray	Director	-	-	-	-	-	-
Mr. T. J. William	Director	-	Director ⁸	-	-	-	-
Ms. K. A. Wilson	Director ²	-	-	-	-	-	-
Ms. R. S. Jayasuriya	Director	-	-	-	-	-	-
Ms. H. M. S. Perera	-	Director	Director	Director	Director	-	Director
Mr. H. G. Aturupane	-	Director ⁶	-	-	Director ¹⁰	-	-
Mr. U L B Ariyaratne	-	Director ⁷	-	-	-	-	-
Mr. A. D. Pushparajah	-	Director	-	-	-	Director	-
Dr. M De Zoysa	-	Director ⁴	Director ⁴	Director ⁴	-	-	-
Mr. K S C P K Gunasinghe	-	-	-	Director ⁵	-	-	-
Mr. K. P. Mannakkara	-	-	-	Director	-	-	-
Mr. U R Jonas	-	-	Director ⁹	-	Director ¹¹	-	-
Mr. T Kulasinghe	-	-	-	-	Director ¹¹	-	-
Mr. Z Rahman	-	-	-	-	-	-	Director
Mr. M M Islam	-	-	-	-	-	-	Director
Mr. K M Islam	-	-	-	-	-	-	Director
Mr. M M Maznu	-	-	-	-	-	-	Director
Mr. A R Shamsi	-	-	-	-	-	Director	-
Mr. T Ahmed	-	-	-	-	-	-	Director
Mr. S Ahmed	-	-	-	-	-	Director	Director
Mr. M Ahmed	-	-	-	-	-	Director	Director

¹ Managing Company of the Unit Trust Funds

² Resigned on 1st May 2023

³ Resigned on 30th November 2023

⁴ Appointed on 1st December 2023

⁵ Resigned on 1st February 2024

⁶ Resigned on 1st July 2023

⁷ Appointed on 3rd November 2023

⁸ Resigned on 1st December 2023

⁹ Appointed on 3rd August 2023

¹⁰ Resigned on 16th October 2023

¹¹ Appointed on 1st July 2023

2) Transactions with related parties

The Company carries out transactions with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24), "Related Party Disclosure", in the ordinary course of its business. The details of such transactions are reported below. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

Related party transactions were carried out in normal course of business.

Notes to the Financial Statements

For the Year Ended 31st March 2024

28.4 Transaction with related companies contd.

Company	Relationship	Nature of transaction	2024 Rs.	2023 Rs.
Capital Alliance Holdings Ltd	Parent Company	Interest charge on Repo	(23,078,246)	-
		Reimbursement of Expenses	(24,932,920)	(12,612,910)
		Intercompany Receivable/ (Payable)	(3,421,915)	(15,158,979)
		Interest Expense on loan *	(49,187,671)	(50,020,548)
		Loan interest paid *	-	(26,876,713)
Capital Alliance Investments Ltd	Sub-Subsidiary of Parent Company	Repo	(10,346,199)	(8,695,028)
		Interest charge on Repo	(1,651,171)	(1,545,037)
		Reimbursement of Expenses	3,690,580	5,493,216
		Intercompany Receivable	3,394,931	20,810,298
		Intercompany Payable	283,009	(28,999,335)
Capital Alliance Partners Ltd	Sub-Subsidiary of Parent Company	Reimbursement of Expenses	14,106,961	5,173,284
		Intercompany Receivable/ (Payable)	283,009	(28,999,335)
Capital Alliance Securities (Pvt) Ltd	Sub-Subsidiary of Parent Company	Repo	(115,484,849)	(212,698,118)
		Interest charge on Repo	(45,197,040)	(51,917,665)
		Reimbursement of Expenses	16,100,089	14,507,280
		Intercompany Payable	(58,424,818)	(47,076,403)
Finnovation (Pvt) Ltd	Subsidiary of Parent Company	Software development and maintenance Expenses	(25,520,674)	(17,756,917)
		Intercompany Payable	-	(16,593,115)
		Intercompany Receivable	-	51,752
Tempest PE Partners (Pvt) Ltd	Joint Venture of Parent Company	Reimbursement of Expenses	-	395,814
		Intercompany Receivable	7,249,154	926,910
CAL Securities Ltd, Bangladesh	Sub-Subsidiary of Parent Company	Reimbursement of Expenses	7,088,945	1,058,810
		Intercompany Receivable/ (Payable)	839,115	(131,900)
CAL Investments Limited, Bangladesh	Sub-Subsidiary of Parent Company	Reimbursement of Expenses	1,098,564	131,900
		Intercompany Receivable/ (Payable)	839,115	(131,900)
CAL Fixed Income Opportunities Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(164,630,600)	(86,723,893)
		Repo	(4,521,168,493)	(500,239,726)
Capital Alliance Investment Grade Fund	Unit Trust Fund managed by Affiliated Company	Repo	-	(501,205,479)
		Interest charge on Repo	(145,353,264)	(74,297,037)
Capital Alliance Gilt Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(77,050)	(17,126)
		Repo	(615,720)	(271,465)
Capital Alliance Gilt Money Market Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(446,536)	(691,337)
		Repo	(3,326,940)	(271,465)
Capital Alliance Gilt Trading Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(50,267)	(17,126)
		Repo	(300,677)	(271,465)
Capital Alliance Medium Risk Debt Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(94,865)	(17,126)
		Repo	(2,677,963)	(271,465)
Capital Alliance Income Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(6,956,634)	(65,895,663)
Capital Alliance Corporate Treasury Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(87,618)	-
Capital Alliance Quantitative Equity Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(5,409,956)	-
Mr. W A T Fernando	Director	Sale of Shares *	1,304,090,428	-
Capital Alliance High Yield Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(7,537,582)	(1,270,829)
		Repo	(32,427,699)	-
Capital Alliance Balanced Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	(301,477)	(17,127)
		Repo	-	(271,465)

* Non-recurrent transactions carried out during the year.

29. COMMITMENTS AND CONTINGENCIES

29.1 There were no other material litigations or claims that could have a material impact on financial position of the Company or which would lead to a disclosure in the financial statements for the year ended 31 March 2024.

There were no material capital commitments as at the reporting date which require disclosures in the financial statements.

29.2 Off balance sheet exposures

	2024 Rs.	2023 Rs.
Assets		
Forward purchase contracts government securities	6,207,792,917	1,210,558,927
Liabilities		
Forward sales contracts government securities	7,446,292,224	1,307,176,695

30. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the date of the Statement of Financial Position that require adjustments to or disclosure in the Financial Statements except the below;

On 17th April 2024, the Board of Directors of the Company has resolved to declare the 2nd Interim dividend totalling Rs. 4,941,268,260/- representing a dividend per share of Rs 15.00 for the year ended 31st March 2024.

31. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Equity risk
- Currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has delegated this function to the Director/Chief Executive Officer who develops and monitors the Company's risk management policies and report regularly to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the Financial Statements

For the Year Ended 31st March 2024

31.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that would impact Company's income or the value of investment in financial instruments. The objective of managing market risk is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Market risk principally arises on the Company's investments in government securities, investment in quoted shares, interest-bearing financial assets and financial liabilities, and financial assets and financial liabilities denominated in foreign currencies.

31.1.1 At the reporting date the exposure to market risk of the company's financial instruments was;

	Carrying	Market risk measurement		Carrying	Market risk measurement	
	amount As at 31 March 2024	Trading portfolios	Non trading portfolios	amount As at 31 March 2023	Trading portfolios	Non trading portfolios
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets						
Cash and cash equivalents	353,008,092	-	353,008,092	28,962,086	-	28,962,086
Financial assets measured at amortised cost	1,015,901,338	-	1,015,901,338	372,829,607	-	372,829,607
Financial assets measured at FVTPL	59,533,287,818	59,533,287,818	-	37,574,397,952	37,574,397,952	-
	60,902,197,248	59,533,287,818	1,368,909,430	37,976,189,645	37,574,397,952	401,791,693
Financial liabilities						
Financial liabilities at amortised cost	37,346,396,228	-	37,346,396,228	30,055,282,689	-	30,055,282,689
Lease liability	3,716,278	-	3,716,278	7,974,191	-	7,974,191
	37,350,112,506	-	37,350,112,506	30,063,256,880	-	30,063,256,880

31.1.2 Interest rate risk

Interest rate risk mainly arises as a result of the Company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on regular basis and ensures that such risks are managed on a timely manner.

31.1.2.1 Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows,

As at 31 March,	2024			2023		
	Variable interest rate Rs.	Fixed interest rate Rs.	Total Rs.	Variable interest rate Rs.	Fixed interest rate Rs.	Total Rs.
Financial assets						
Financial assets measured at amortised cost	-	1,015,901,338	1,015,901,338	-	372,829,607	372,829,607
Financial assets measured at FVTPL						
Government treasury bills and bonds	-	58,627,406,456	58,627,406,456	-	37,574,397,952	37,574,397,952
Total	-	59,643,307,794	59,643,307,794	-	37,947,227,559	37,947,227,559
Financial liabilities						
Financial liabilities at amortised cost	-	37,346,396,228	37,346,396,228	-	30,055,282,689	30,055,282,689
Total		37,346,396,228	37,346,396,228		30,055,282,689	30,055,282,689

31.1.2.3 Sensitivity analysis

The following table shows the estimated impact on profitability and equity by fluctuation of interest rates assuming that all other variables remain constant on the following financial assets.

As at 31 March,	2024		2023	
	Fixed Rate		Fixed Rate	
	Impact on PBT Rs.	Impact on equity Rs.	Impact on PBT Rs.	Impact on equity Rs.
Increase in 100 basis points				
Financial assets				
Government securities				
Treasury bills	(15,738,845)	(11,017,192)	(24,494,761)	(17,146,333)
Treasury bonds	(1,302,744,706)	(911,921,294)	(750,365,652)	(525,255,956)
	(1,318,483,551)	(922,938,486)	(774,860,413)	(542,402,289)
Decrease in 100 basis points				
Financial assets				
Government securities				
Treasury bills	15,861,349	11,102,944	24,727,166	17,309,016
Treasury bonds	1,357,320,558	950,124,391	788,360,035	551,852,025
	1,373,181,907	961,227,335	813,087,201	569,161,041

The Company has established following measures to manage the interest rate risk

Cut loss policies – maintains a limit in terms of maximum loss a portfolio can undergo. Every trading position taken by the company will have a cut loss limit earmarked which ensures the maximum loss the company will incur, when a trading position is capped.

Value at risk (VaR) limit – The VaR is a mathematical model which forecasts the loss the portfolio can undergo with 95% probability within a stipulated limit set by the Board of Directors. Therefore, in a worst-case scenario with 95% confidence level there is a pre-determined maximum value of money that can be lost. This is monitored daily by the Dealing team and Management.

Target Duration and Convexity – The duration of the portfolio depends on the maturity of the bills and bonds held in the portfolio. The duration of the portfolio is based on the prevailing interest rate outlook. The longer tenor bonds carry a higher interest rate risk, therefore, the average duration of holding a portfolio needs to be factored in to spread interest rate risk.

Scenario analysis limits – with the use of the data systems, the Company is able to successfully gauge the market conditions based-on past data and experience in market conditions. With this, they can make an informed decision in terms of interest rate outlook.

Continuous and ongoing monitoring combined with in-depth research and statistical modeling, forms the basis of the Company's interest rate risk management strategy.

Risk Dashboards reflecting risk limits set on trading are updated daily and presented quarterly to the Board Risk Committee.

Post-decision reviews and guidance from the Board Risk Committee also play a crucial role in managing interest rate risk over time.

31.2 Credit risk

Credit risk is the risk that counter-party will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for the Company's investments in reverse repurchase agreements) and from its financing activities including any deposits with banks and financial institutions and other financial instruments.

Notes to the Financial Statements

For the Year Ended 31st March 2024

31.2.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date based on the concentration of the risk by sector was;

	Cash and cash equivalents Rs.	Financial assets measured at FVTPL Rs.	Financial assets measured at FVOCI Rs.	Financial assets measured at amortised cost Rs.	Other receivables Rs.
As at 31 March 2024					
Government	-	58,627,406,456	-	-	-
Corporate	352,988,092	905,881,362	-	1,015,901,338	-
Other	-	-	-	11,766,209	252,178,079
Total	352,988,092	59,533,287,818	-	1,027,667,547	252,178,079
As at 31 March 2023					
Government	-	37,574,397,952	-	-	-
Corporate	28,942,086	-	-	372,829,607	-
Other	-	-	-	21,788,960	6,889,287
Total	28,942,086	37,574,397,952	-	394,618,567	6,889,287

All the balances as at 31 March 2024 and 31 March 2023 are in the neither past due nor impaired category further, based on historic default rate, the company believe that no impairment allowance is necessary in respect of the financial assets.

31.2.3 Management of credit risk

Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.

Establishing the authorisation structure for the approval and renewal of facilities.

Limiting concentrations of exposure to counterparties, industries, and by issuer, credit rating band and market liquidity.

Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk continually reviewing and assessing credit risk.

31.2.4 Impairment

The aging of trade and other receivables at the reporting date was.

	2024 (Rs.) Gross	2023 (Rs.) Gross
Not past due	252,178,079	6,889,287
Past due 0 - 31 days	-	-
Past due 31 - 90 days	-	-
More than 90 days	-	-
	252,178,079	6,889,287

Based on the past due date, the Company believe that no provisions are required as at 31 March 2024.

31.2.5 Credit risk on financial investments

The Company is also exposed to credit risk through its financial investments. The credit worthiness of the financial instruments are assessed using the credit ratings assigned to each security and fixed deposit. This rating provides the Company the indication of the financial stability of the investment.

Credit risk exposure of Cash at Bank is depicted in the below table using the carrying values as at the Statement of Financial Position Date.

Institution	Rating	Rating Agency	2024 Rs.	2023 Rs.
Commercial Banks in Sri Lanka	A-	Fitch	351,386,948	-
	A+	Fitch	-	100,550
	A	Fitch	221,280	28,310,104
Central Bank of Sri Lanka			1,379,864	531,432
			352,988,092	28,942,086

The above has been derived as per the Company's risk management policy of using the carrying values in the Statement of Financial Position. There were no off - balance sheet exposures as at the date. This does not include the exposure that would arise in the future as a result of changes in values.

31.2.6 Collateral held for reverse repurchase investments

Reverse repurchase investments which fall under government securities is backed by treasury bills and bonds which are provided as collateral. The management monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. Details of collateral held for reverse repurchase agreements and the haircut policy are disclosed in note no.14.1.

Risk response to credit risk on financial investments

- The Company's investment policy prohibits non-rated investments, unless specifically authorised.
- Regularly review credit worthiness of counterparties and take necessary actions if required.
- Appropriate actions are implemented when the investments are expected to be high credit risk.
- Clearly defined single party exposure limits based on the credit ratings and regulatory requirements and monitoring them closely at different levels.

31.3 Liquidity risk

The Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses or impacting operations. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Financial Statements

For the Year Ended 31st March 2024

31.3.1 Exposure to liquidity risk

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2024	Total carrying amount	Total	Contractual cash flows		
			12 months or less	1 - 2 years	2 - 5 Years
Assets					
Cash and cash equivalents	353,008,092	353,008,092	353,008,092	-	-
Financial assets measured at amortised cost	1,015,901,338	1,016,000,597	1,016,000,597	-	-
Financial assets measured at FVTPL	59,533,287,818	59,533,287,818	8,728,111,677	17,028,811,678	33,776,364,463
Amounts due from related companies	11,766,209	11,766,209	11,766,209	-	-
Other receivables	252,178,079	252,178,079	252,178,079	-	-
	61,166,141,536	61,166,240,795	10,361,064,654	17,028,811,678	33,776,364,463
Liabilities					
Financial liabilities at amortised cost	37,346,396,228	38,550,979,651	38,550,979,651	-	-
Other payables	2,685,650,184	2,685,650,184	2,685,650,184	-	-
Lease liability	3,716,278	3,851,478	3,851,478	-	-
Loan from related party	-	-	-	-	-
Amounts due to related companies	61,846,733	61,846,733	61,846,733	-	-
	40,097,609,423	41,302,328,046	41,302,328,046	-	-
As at 31 March 2023					
As at 31 March 2023	Total carrying amount	Total	Contractual cash flows		
			12 months or less	1 - 2 years	2 - 5 Years
Assets					
Cash and cash equivalents	28,962,086	28,962,086	28,962,086	-	-
Financial assets measured at amortised cost	372,829,607	373,790,725	373,790,725	-	-
Financial assets measured at FVTPL	37,574,397,952	43,090,351,171	9,972,138,265	3,713,624,629	29,404,588,277
Amounts due from related companies	21,788,960	21,788,960	21,788,960	-	-
Other receivables	2,021,284	2,021,284	2,021,284	-	-
	37,999,999,889	43,516,914,226	10,398,701,320	3,713,624,629	29,404,588,277
Liabilities					
Financial liabilities at amortised cost	30,055,282,689	30,261,878,106	30,261,878,106	-	-
Other payables	402,798,132	402,798,132	402,798,132	-	-
Lease liability	7,974,191	8,636,651	4,785,170	3,851,481	-
Loan from related party	1,023,143,836	1,023,143,836	1,023,143,836	-	-
Amounts due to related companies	107,959,732	107,959,732	107,959,732	-	-
	31,597,158,580	31,804,416,457	31,800,564,976	3,851,481	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

31.3.2 Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has access to approved short-term financing facilities from commercial banks, if required.

The Company monitors the level of expected cash inflows on Investments and other receivables together with expected cash outflows on Repurchase agreements and other payables and it is estimated that the maturity of financial assets as at the reporting date would occur in sufficient quantity and timing, given the historical trends, and currently available information which would enable the Company to meet its contractual obligations.

The Company has taken following measures to manage the liquidity risk of the company

- Maintaining a diversified funding base and appropriate contingency facilities.
- Carrying a portfolio of highly liquid assets that can be readily converted into cash to protect against unforeseen short-term interruptions to cash flows.
- Monitoring liquidity ratios and carrying out stress-testing of the Company's liquidity position.
- Regular reviews cash flow projections.
- Availability of stand by overdraft facility to be used in the event of an emergency.

31.4 Equity risk

The Company's exposure to equity risk arises from its investments in equity securities. Equity risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices.

Listed equity investments

As at 31 March	2024	2023
Investment in Quoted Shares	905,881,362	-

Sensitivity analysis of equity risk

The following table shows the estimated impact on profitability an equity by fluctuation of stock market prices at the reporting date, assuming that all other variables remain constant.

As at 31 March	Impact on PBT	
	2024	2023
10% decline in stock prices	(90,588,136)	-
10% Increase in stock prices	90,588,136	-

Management of Equity Risk

The Company manages the equity risk through diversification and placing limits on individual and total equity portfolio investments. The Company's equity risk management policies are;

Investment decisions are based on in depth macroeconomic and industry analysis as well as research reports on company performance.

Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

Adherence to the investment policy which includes stringent guidelines on risk exposures.

31.5 Currency risk

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating due to changes in foreign exchange rates. The Company is exposed to foreign currency risk on foreign currency related payments arising from operational expenses. The currencies giving rise to this risk are primarily US Dollars.

31.6 Operational Risk

Operational risks due to internal and external frauds, employee practices and workplace safety, products and processes, technology and infrastructure, and business practices, damage to physical assets, business interruption, and system failures in execution, delivery, and process management and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The goal of the operational risk management framework is to identify, assess, control and mitigate operational risk within the firm. A standard operational risk framework is applied across the firm in order to ensure consistency and completeness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within department. This responsibility is supported by the development of overall Company's standards for the management of operational risk in the following areas:

Notes to the Financial Statements

For the Year Ended 31st March 2024

31.6 Operational Risk contd.

Requirements for appropriate segregation of duties, including the independent authorisation of transactions.

- Requirements for the reconciliation and monitoring of the transaction.
- Compliance with regulatory and other legal requirements.
- Development of business contingency plans.
- Training and professional development.
- Risk mitigation, including insurance where this is effective.

Further, the Company has identified key risk indicators and maintain a Risk register to monitor the operational risk of the Company. The company also do Risk and control self-assessment and assesses the risk through scenario analysis.

Compliance with Company's internal controls and procedures is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the Company with summaries submitted to the Audit Committee.

32. FAIR VALUE OF ASSETS AND LIABILITIES

32.1 Accounting classification and fair value of financial instruments

Financial instruments measured subsequently on the ongoing basis either at fair value or amortized cost. The summary of material accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized.

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the company's estimate of assumptions that a market participant would make when valuing the instruments. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1: category of financial assets that are measured in whole or in part by reference to published quotes in an active market

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

As at 31 March 2024	Fair Value			Total
	Level 1	Level 2	Level 3	
Financial assets				
Financial Assets measured at FVTPL				
Financial assets measured at FVTPL	59,533,287,818	-	-	59,533,287,818
Assets carried at amortized cost				
Financial assets at amortised cost	-	-	1,015,901,338	1,015,901,338
Cash and cash equivalents	-	-	353,008,092	353,008,092
Amounts due from related companies	-	-	11,766,209	11,766,209
Other receivables	-	-	252,178,079	252,178,079
Total financial assets	59,533,287,818	-	1,632,853,718	61,166,141,536
Financial liabilities				
Financial liabilities at amortised cost				
Financial liabilities at amortised cost	-	-	37,346,396,228	37,346,396,228
Amounts due to related companies	-	-	61,846,733	61,846,733
Other payables	-	-	2,685,650,184	2,685,650,184
Lease liability	-	-	3,716,278	3,716,278
Total financial liabilities	-	-	40,097,609,423	40,097,609,423

As at 31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at FVTPL				
Financial Assets measured at FVTPL	37,574,397,952	-	-	37,574,397,952
Assets carried at amortized cost				
Financial assets measured at amortised cost				
Cash and cash equivalents	-	-	372,829,607	372,829,607
Amount due from related companies	-	-	21,788,960	21,788,960
Other receivables	-	-	2,021,284	2,021,284
Total Financial assets	37,574,397,952	-	425,601,937	37,999,999,889
Financial liabilities				
Financial liabilities at amortised cost				
Financial liabilities at amortised cost	-	-	30,055,282,689	30,055,282,689
Loan from related party	-	-	1,023,143,836	1,023,143,836
Amounts due to related companies	-	-	107,959,732	107,959,732
Other payables	-	-	402,798,132	402,798,132
Lease liability	-	-	7,974,191	7,974,191
Total financial liabilities	-	-	31,597,158,580	31,597,158,580

33. FINANCIAL INSTRUMENTS

Financial instruments - Statement of financial position

The financial instruments recognize in the statement of financial position are as follows:

As at 31 March		2024	2023
Financial assets	Note	Rs.	Rs.
Other receivables	16	252,178,079	2,021,284
Financial assets measured at amortised cost	14	1,015,901,338	372,829,607
Amounts due from related companies	22.1	11,766,209	21,788,960
Cash and cash equivalents	13	353,008,092	28,962,086
		1,632,853,718	425,601,937
Fair value through profit or loss			
Financial assets measured at FVTPL	15	59,533,287,818	37,574,397,952
		59,533,287,818	37,574,397,952
Total		61,166,141,536	37,999,999,889

Notes to the Financial Statements

For the Year Ended 31st March 2024

33. FINANCIAL INSTRUMENTS contd.

As at 31 March	2024	2023
	Rs.	Rs.
Financial liabilities		
Other financial liabilities		
Financial liabilities at amortised cost	21 37,346,396,228	30,055,282,689
Other payables	23 2,685,650,184	402,798,132
Lease liability	24 3,716,278	7,974,191
Amounts due to related companies	22.2 61,846,733	107,959,732
Loan from related party	22.3 -	1,023,143,836
	40,097,609,423	31,597,158,580
Total	40,097,609,423	31,597,158,580

34. CAPITAL MANAGEMENT

The Company's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retained earning. The Board of Directors monitors the return on capital, interest covering ratio, dividend to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

As at 31 March	2024	2023
	Rs.	Rs.
Interest bearing borrowing		
Interest bearing borrowing	37,346,396,228	31,078,426,525
Net debt	37,346,396,228	31,078,426,525
Equity	16,396,887,107	5,490,028,459
Gearing ratio	2.28	5.66

Dividend policy

Subject to the provisions of the Companies Act No. 7 of 2007, the Articles of Associations of the Company and the provisions set out in the CBSL Direction No. 01 of 2021 applicable to Primary Dealer Companies, the Board of Directors may recommend and declare a maximum pay-out of 50% from and out of the Profit for the Year of the Company, to the Shareholders, by way of dividends. The exact dividend rate will be determined based on several factors, including but not limited to Company's earnings, future capital requirements and overall financial condition.

Minimum core capital

Capital Alliance PLC is an authorised Primary Dealer, supervised and regulated by the CBSL, and is subject to minimum Core Capital and Risk Weighted Capital Adequacy Ratio requirements stipulated by the regulator.

CBSL core capital compliance timeline

Core capital requirement	Effective date to comply
LKR 1.0 bn	Current requirement
LKR 2.0 bn	by 01 January 2022
LKR 2.5 bn	by 01 January 2023

* As per the CBSL direction No. 01 of 2021 applicable to primary dealer companies

CBSL core capital requirements

The Capital Adequacy Requirements as per the CBSL Direction No. 01 of 2021 applicable to Primary Dealer Companies (Core Capital)	The Timeline to Achieve such Requirements	The Level of Compliance As at 31 March 2024 LKR	The Level of Compliance As at 31 March 2023 LKR
LKR 2,500,000,000	1-Jan-23	16,366,719,329	4,845,939,578

CBSL capital adequacy requirement

The Capital Adequacy Requirements as per the CBSL Direction No. 02 of 2015 applicable to Primary Dealer Companies (Risk Weighted Capital Adequacy Ratio)	The Timeline to Achieve such Requirements	The Level of Compliance As at 31st March 2024	The Level of Compliance As at 31st March 2023
10.00%	N/A	43.59%	24.72%

35. INVESTOR INFORMATION**35.1 Market price per Share**

Information on shares of the Company for the year ended	31-Mar-24	31-Mar-23
Market price per share (Rs.)	53.00	32.60
Highest price per share during the year ended ended (Rs.)	93.40	37.00
Lowest price per share during the year ended ended (Rs.)	27.00	8.00

35.2 List of Twenty Major Shareholders as at 31 March 2024

Name of Shareholder/Company	Shareholding	Percentage
1 Capital Alliance Holdings Ltd	283,297,152	86.00%
2 Seylan Bank PLC/ H.M.S.Perera	4,618,604	1.40%
3 Deutsche Bank AG - National Equity Fund	1,043,080	0.32%
4 Ashthi Holdings (Private) Limited	1,000,012	0.30%
5 Mr. P.A. Schaffter	867,980	0.26%
6 Mr. K.L.D.N.N.M. Liyanage	850,000	0.26%
7 Dr. A.M.A.D.S. Abeyasinghe	706,120	0.21%
8 Seylan Bank PLC/ ARRC Capital (Pvt) Ltd	662,354	0.20%
9 Mr. N R Goonasekera	560,564	0.17%
10 Mr. C.T.A. Schaffter	550,000	0.17%
11 Citizens Development Business Finance PLC /T. Ruchira	516,151	0.16%
12 Mrs. T.T.A. De Silva Weerasooria	511,444	0.16%
13 MAC Holdings (Pvt) Ltd	475,000	0.14%
14 Mr. E.J.B.U. Fernando	450,000	0.14%
15 Senkadagala Finance PLC /M.E.Amarasinghe	370,000	0.11%
16 Mr. L.H.S.L. Silva	339,650	0.10%
17 Ms. H.A. Wijerama	333,660	0.10%
18 Mr. A.R. Gunasekara	317,500	0.10%
19 Mrs. R.S. Mortier	313,600	0.10%
20 Mr. N.P.W. Delgoda	312,016	0.09%

Notes to the Financial Statements

For the Year Ended 31st March 2024

35.3 Shareholding of the Directors/ Chief Executive Officer

Name	Designation	Shareholding
Mr. W A T Fernando	Director/ CEO	Nil
Mr. D A De Zoysa	Chairman	Nil
Mr. R J Arasaratnam	Director	3,312
Mr. C S R S Anthony	Director	2,600
Ms. A I C Nandasena	Director	Nil
Ms. K A D Siriwardene	Director	Nil

35.4 Compliance relating to the Public Floating

Disclosure in accordance with the Section 7.13.1 (b) of CSE Listing Rules

Float adjusted market capitalisation as at 31st March 2024 (Rs)	2,106,969,963
Public holding percentage	12.07%
Number of public shareholders	4,200

The Company had complied with the Minimum Public Holding requirement under Option 2 of CSE Listing Rule 7.13.1 (b)

Investor Information

Share Price Movement

Information on shares of the Company for the Year ended	31-Mar-24	31-Mar-23
Closing Price Per Share (LKR)	53.00	32.60
Highest Price per share (LKR)	93.40	37.00
Lowest Price per share (LKR)	27.00	8.00

List of Twenty Major Shareholders

Name of Shareholder/Company	As at 31-Mar-24		As at 31-Mar-23	
	No. of Shares	Holding (%)	No. of Shares	Holding (%)
1 Capital Alliance Holdings Ltd	283,297,152	86.00%	261,598,476	79.41 %
2 Mr. W.A.T. Fernando	-	-	21,698,676	6.59 %
3 Seylan Bank PLC/ H.M.S. Perera	4,618,604	1.40%	4,724,340	1.43 %
4 Deutsche Bank AG – National Equity Fund	1,043,080	0.32%	-	-
4 Ashthi Holdings (Pvt) Ltd	1,000,012	0.30%	1,000,012	0.30 %
5 Mr. P. A. Schaffter	867,980	0.26%	-	-
6 Mr. K.L.D.N.N.M. Liyanage	850,000	0.26%	600,000	0.18 %
7 Dr. A. M. A. D. S. Abeysinghe	706,120	0.21%	-	-
8 Seylan Bank PLC/ ARRC Capital (Pvt) Ltd	662,354	0.20%	-	-
9 Mr. N.R. Goonasekera	560,564	0.17%	-	-
10 Mr. C. T. A. Schaffter	550,000	0.17%	-	-
11 Citizen Development Business Finance PLC/ T Ruchira	516,151	0.16%	730,260	0.22 %
12 Mr. T. T. A. De Silva Weerasooriya	511,444	0.16%	-	-
13 MAC Holdings (Pvt) Ltd	475,000	0.14%	-	-
14 Mr. E.J.B.U. Fernando	450,000	0.14%	675,000	0.20 %
16 Mr. L.H.S.L. Silva	339,650	0.10%	500,000	0.15 %
17 Ms. H. A. Wijerama	333,660	0.10%	-	-
18 Mr. A. R. Gunasekara	317,500	0.10%	-	-
19 Mrs. R.S. Mortier	313,600	0.10%	-	-
20 Mr. N.P. W. Delgoda	312,016	0.09%	-	-
Total	298,094,887	90.49%	291,526,764	88.48%

DISTRIBUTION OF SHARE HOLDINGS

Analysis of Share Holdings by Size

As at 31st March 2024

Shareholding	Resident			Non-Resident			Total		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
1-1000	2,017	637,517	0.19	2	336	0.00	2,019	637,853	0.19
1,001-10,000	1,606	5,786,210	1.76	2	13,005	0.00	1,608	5,799,215	1.76
10,001-100,000	510	15,665,663	4.76	2	39,800	0.01	512	15,705,463	4.77
10,0001-1,000,000	71	17,316,505	5.26	-	-	0.00	71	17,316,505	5.26
Over 1,000,000	4	289,958,848	88.02	-	-	0.00	4	289,958,848	88.02
Total	4208	329,364,743	99.99	6	53,141	0.01	4,214	329,417,884	100.00

Investor Information

As at 31st March 2023

Shareholding	Resident			Non-Resident			Total		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
1-1000	903	303,702	0.09	1	5	0.00	904	303,707	0.09
1,001-10,000	987	3,181,612	0.97	3	23,000	0.01	990	3,204,612	0.98
10,001-100,000	265	10,232,581	3.11	1	20,000	0.01	266	10,252,581	3.12
10,0001-1,000,000	84	23,175,208	7.04	-	-	0.00	84	23,175,208	7.04
Over 1,000,000	7	292,481,776	88.79	-	-	0.00	7	292,481,776	88.79
Total	2,246	329,374,879	99.98	5	43,005	0.02	2,251	329,417,884	100.00

Analysis of Share Holdings by Category

Categories of Shareholders	31-Mar-2024			31-Mar-2023		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Individual	3,937	31,589,182	10.61%	2,075	50,125,372	15.22%
Institutional	277	297,828,702	84.95%	176	279,292,512	84.78%
Total	4,214	329,417,884	100.00%	2,251	329,417,884	100.00%

Categories of Shareholders	31-Mar-2024			31-Mar-2023		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Resident	4,028	329,364,743	99.99%	2,246	329,374,879	99.99%
Non-Resident	6	53,141	0.01%	5	43,005	0.01%
Total	4,214	329,417,884	100.00%	2,251	329,417,884	100.00%

Shareholding of the Directors/ Chief Executive Officer

Name	Designation	Shareholding	
		31-Mar-2024	31-Mar-2023
Mr. W A T Fernando	Director/CEO	Nil	21,698,676
Mr. R J Arasaratnam	Director	3,312	3,312
Mr. D A De Zoysa	Director/ Chairman	Nil	Nil
Mr. C S R S Anthony	Director	2,600	2,600
Ms. A I C Nandasena	Director	Nil	Nil
Ms. K A D Siriwardene	Director	Nil	Nil

Compliance relating to the Public Floating

	31-Mar-24	31-Mar-23
Float adjusted market capitalisation (LKR)	2,106,969,963	1,300,006,127
Public holding percentage	12.07%	12.11 %
Number of public shareholders	4,200	2,238

The Company had complied with the Minimum Public Holding requirement under Option 2 of CSE Listing Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

Five Year Summary

Statement of Profit or Loss and other Comprehensive Income

For the Year Ended 31st March,	2024	2023	2022	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Income	10,504,518,985	4,720,189,909	508,341,479	1,075,181,078	1,439,556,700
Interest Expenses	(6,641,372,092)	(3,127,944,659)	(284,028,315)	(707,137,564)	(1,100,034,407)
Net Interest Income	3,863,146,893	1,592,245,250	224,313,164	368,043,514	339,522,293
Net Gain/(Loss) from Trading	19,005,251,921	609,575,468	(202,893,988)	1,345,009,255	898,346,842
Net Gain / (Loss) from remeasurement of Financial Assets at FVTPL	874,512,729	2,660,964,068	(16,022,056)	(132,025,344)	77,525,742
Direct Expenses	(33,074,086)	(11,006,189)	(6,680,015)	(16,433,846)	(13,258,460)
Other Income	19,336,409	14,850	7,438,593	5,345,044	10,414,633
Net Operating Income	23,729,173,866	4,851,793,447	6,155,698	1,569,938,623	1,312,551,050
Operating Expenses					
Personnel Expenses	(2,775,753,100)	(523,007,810)	(109,427,411)	(202,937,870)	(179,050,458)
Depreciation and Amortisation	(15,668,881)	(6,753,856)	(7,770,871)	(9,404,921)	(9,956,452)
Other Expenses	(839,740,454)	(627,148,978)	(95,249,211)	(87,369,677)	(115,737,129)
Profit/(Loss) Before Tax	20,098,011,431	3,694,882,803	(206,291,795)	1,270,226,155	1,007,807,011
Income Tax (Expenses)/Benefits	(6,204,827,939)	(867,876,159)	34,916,243	(303,745,017)	(270,415,130)
Profit/(Loss) for the year	13,893,183,492	2,827,006,644	(171,375,552)	966,481,138	737,391,881
Other Comprehensive Income/ (Expense) for the year	(8,387,173)	(4,733,422)	4,161,806	(3,526,610)	(36,746,388)
Total Comprehensive Income/(Expense) for the year	13,884,796,319	2,822,273,222	(167,213,746)	962,954,528	700,645,493

Five Year Summary

Statement of Financial Position

As At 31st March,	2024	2023	2022	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS					
Cash and Cash Equivalents	353,008,092	28,962,086	14,265,035	10,472,382	5,180,973
Financial Assets measured at Amortised Cost	1,015,901,338	372,829,607	40,167,893	47,184,373	776,555,344
Financial Assets measured at FVTPL	59,533,287,818	37,574,397,952	8,075,894,287	11,464,111,249	13,522,791,058
Amount due from Related Companies	11,766,209	21,788,960	886,146	3,437,023	6,589,447
Other Receivables	260,547,704	13,701,998	23,966,904	10,097,759	39,321,220
Financial Assets measured at FVOCI	-	-	-	1,000,000	1,000,000
Deferred Tax Asset	24,583,978	16,861,765	43,977,351	9,401,526	7,117,607
Intangible Assets	4,506,832	1,414,824	932,103	2,541,625	5,394,852
Right-of-use Asset	3,055,983	7,130,643	11,205,302	13,413,645	2,908,339
Equipment	51,569,663	3,582,166	3,595,286	2,992,394	3,510,529
Total Assets	61,258,227,617	38,040,670,001	8,214,890,307	11,564,651,976	14,370,369,369
LIABILITIES AND EQUITY					
Liabilities					
Financial Liabilities at Amortised Cost	37,346,396,228	30,055,282,689	5,465,983,373	8,461,113,826	11,905,242,064
Amounts due to Related Companies	61,846,733	107,959,732	7,046,054	86,857,147	21,331,179
Loan from Related Party	-	1,023,143,835	-	-	-
Other Payables	2,740,283,723	541,635,648	9,592,308	78,590,712	65,420,851
Lease Liability	3,716,278	7,974,191	11,772,683	13,550,810	3,073,714
Retirement Benefit Obligation	81,309,710	54,808,736	38,506,345	40,783,555	30,480,213
Income Tax Payable	4,627,787,838	759,836,711	14,234,307	160,308,628	334,520,021
Total Liabilities	44,861,340,510	32,550,641,542	5,547,135,070	8,841,204,678	12,360,068,042
EQUITY					
Stated Capital	723,348,421	723,348,421	723,348,421	311,576,061	311,576,061
Special Risk Reserve	2,316,818,030	927,499,681	644,799,017	644,799,017	548,150,903
Retained Earnings	13,356,720,656	3,839,180,357	1,299,607,799	1,767,072,220	1,150,574,363
Total Equity	16,396,887,107	5,490,028,459	2,667,755,237	2,723,447,298	2,010,301,327
Total Liabilities and Equity	61,258,227,617	38,040,670,001	8,214,890,307	11,564,651,976	14,370,369,369

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GRI 102-55

GLOBAL REPORTING INITIATIVE (GRI)

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Basis of Ratios

Ratio	Definition
Earnings/ (loss) per share (EPS) (Rs.)	Profit/ (loss) attributable to ordinary shareholders / Average number of shares
Net assets value per share (NAPS) (Rs.)	Total shareholders' equity / Average number of shares
Dividend per Share (Rs.)	Total Gross Dividend (Proposed) / Number of Shares as at the reporting date
Dividend yield (%)	Dividend per ordinary share / Market price per share X 100
Dividend cover (Times)	Profit/loss attributable to ordinary shareholders / Total dividend paid to shareholders
Dividend payout (%)	Total dividend paid to shareholders / Profit/loss attributable to ordinary shareholders X 100
Earnings yield (%)	Earnings per share / Market price per share x 100
Return on equity (ROE) (%)	Profit/loss attributable to ordinary shareholders/ Average shareholders' equity X 100
Return on asset (ROA) (%)	Profit/loss attributable to ordinary shareholders / Average total assets X 100
Debt to equity (Times)	Borrowings / Total shareholders' equity
Cost to income ratio (%) (Excluding VAT on FS)	Total operating cost without VAT on financial services / Total operating income X 100
Net interest margin (%)	Net interest income / Average total assets x 100
Capital adequacy ratio (%)	Tier 1 & Tier 11 capital / Total risk weighted assets
Cost to income ratio (times)	Total expenses / Total income
Debt to equity ratio (times)	Total debt/ Total equity
Interest cover (times)	Profit before interest and tax expense / Interest expenses
Net profit margin (%)	Profit / (loss) for the year / Income
Operating profit margin (%)	Operating profit / (loss) for the year/ Income

Glossary of Financial Terminology

A

Accounting Policies

The specific principles, bases, conventions, rules, and practices adopted by an entity in preparing and presenting financial statements.

Accrual Basis

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

Actuarial Gain/ (Loss)

The differences between an employer's actual pension payments relative to the expected payments.

Amortisation

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Amortised Cost

The amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

Asset

A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

Asset Backed Securitisations

Short or long-term financial securities which are backed by financial assets and also referred to Securitisations.

B

Basis Points

A standard measure for interest rates and other percentages in finance. One basis point equals 1/100th of 1%, or 0.01%.

C

Capital adequacy ratio (CAR)

A measure of a Primary Dealer's capital and is a prudential requirement reflecting the dealer's level of stability. Two categories of capital are measured by the CAR namely Tier 1 and Tier 2.

- Tier 1 capital in view of local Primary Dealers consists of shareholders' equity, retained earnings or other surpluses and preference shares types as selectively set out by the Central Bank of Sri Lanka.
- Tier 2 capital includes revaluation reserves, subordinated term debt, perpetual subordinated debt and cumulative preference shares as selectively set out by the Central Bank of Sri Lanka.

Capital Employed

The sum of shareholders' equity and debt Capital denoting the total amount of capital used in the acquisition of profits.

Capital Reserves

The profits of a company which (for various reasons) are not regarded as distributable to shareholders as dividends. These include gains on the revaluation of capital assets.

Cash Equivalents

Short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Commercial Paper

A short term unsecured promissory note issued in the open market by quoted public companies representing an obligation of the issuing entity.

Contingent Liabilities

Conditions or situations at the reporting date, the financial effects of which are to be determined by future events which may or may not occur.

Control

The power over an investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its powers over the investee to affect the amount of the investor's returns.

Corporate Governance

The Process by which corporate entities are governed to promote stakeholder interest. Shareholders exert collective pressure on management to ensure equitable decision making on matters that may affect the value of their holdings and base their response on statutory requirements or on so called "Best Practice".

Cost Method

Cost method is a method of accounting for an investment whereby the investment is recognised at cost. The investor recognizes income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.

Credit rating

An evaluation of a corporate's ability to repay its obligations or likelihood of not defaulting, carried out by an independent rating agency.

Credit risk

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

D

Debt Market

This also refers to as the bond market. A financial market where participants can issue new fixed income securities, known as the primary market, or buy and sell fixed income securities, known as the secondary market.

Deferred Tax

Sum set aside in the financial statements that may become payable/receivable in a financial year other than the current financial year. It arises because of temporary differences between tax rules and accounting conventions.

De-recognition

Removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

Glossary of Financial Terminology

Derivatives

A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable (e.g. an interest rate), that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date.

Dividend Cover

Profit after tax divided by gross dividends. This measures the number of times the dividend is covered by distributable profits.

Depreciation

The systematic allocation of the depreciable amount of an asset over its useful life.

Dividend Payout

It is the percentage of earnings paid to shareholders in dividends.

Dividend yield

Dividend earned per share as a percentage of its market value.

Earnings Per Share

Profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue.

E

Effective Interest Method

A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Events Occurring After the Reporting Period

Significant events that occur between the reporting date and the date on which financial statements are authorised for issue.

Equity Instrument

Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities

Expected Credit Losses

Expected credit losses are a probability – weighted estimate of credit losses over the expected life of the financial instrument.

- 12 Month expected Credit Losses: The portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.
- Lifetime Expected Credit Losses: The expected credit losses that result from all possible default events over the expected life of a financial instrument.

F

Fair Value

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

Financial Assets Recognized through profit or loss -measured at fair value

These financial assets are held within a business model with the objective to sell financial assets.

Financial Assets at Amortised cost

These financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. These assets are tested for impairment.

Financial Assets - fair value through other comprehensive income

These financial assets are held within a business model with the objective to both hold financial assets in order to collect contractual cash flows and sell financial assets.

Financial Asset or Financial Liability at Fair Value through Profit or Loss

Financial asset or financial liability that is held for trading or upon initial recognition designated by the entity as 'at fair value through profit or losses'.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Fixed Income Securities

Securities whose current income is fixed or based on some underlying index. These are also known as debt securities since they represent a fixed obligation of the company unlike equity, which pays dividends only when the company makes profits.

G

Gross Dividends

The portion of profit inclusive of tax withheld distributed to shareholders.

Guarantee

A promise made for a fee by a third party (Guarantor), who is not a party to the contract between two others, that the guarantor will be liable if one of the parties fails to fulfil the contractual obligations.

I

Impairment

This occurs when recoverable amount of an asset is less than its carrying amount.

Impairment Allowances

Impairment allowances are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss. An impairment allowance may either be identified or unidentifiable and individual (specific) or collective respectively.

Intangible Asset

An identifiable non-monetary asset without physical substance held for use in the production/supply of goods/ services or for rental to others or for administrative purposes.

Interest Rate Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Cover

A ratio showing the number of times interest charges is covered by earnings before interest and tax.

Initial Public Offering (IPO)

The first sale of a company's shares to the public, leading to the listing of its shares on the stock market.

Issue

The issuance of new shares for sale to public by a company that has already held its Initial Public Offering (IPO).

K**Key Management Personnel (KMP)**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

L**Lease**

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Liabilities

Debt or obligations of a business.

Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Listed

A company or its financial securities which are admitted for trading on a stock exchange.

Loans and Receivables

Non derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those intended to sell immediately or in the near term and designated as fair value through profit or loss or available for sale on initial recognition.

M**Market Value per Share**

The price at which an ordinary share is transacted in the stock market.

Market Capitalization

The market value of a company at a given date obtained by multiplying the share price by the number of issued shares.

Materiality

The relative significance of a transaction or an event, the omission or misstatement of which could influence the decisions of users of financial statements.

N**Net Assets Per Share (NAV)**

Net assets (total assets fewer total liabilities) divided by the number of shares issued.

O**Operational Risk**

The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

P**Policy Rates**

The rates that are used by a central bank to implement or signal its monetary policy stance. The Central Bank of Sri Lanka uses the Standing Deposit Facility Rate and Standing Lending Facility Rate as policy rates.

Primary Dealer

A dealer in government securities licensed by the Central Bank of Sri Lanka.

R**Related Parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related Party Transactions

A transfer of resources, services, or obligations between related parties, regardless of whether a price is charged or not.

Repurchase Agreement

An agreement (Repo for short) is the simultaneous sale and repurchase of a security on different settlement dates.

Reverse Repurchase Agreement

An agreement (Reverse Repo for short) is the simultaneous purchase and resale of a security on different settlement dates.

S**Shareholders' Funds**

The Shareholders funds consist of issued and fully paid ordinary share capital plus capital and revenue reserves.

Statutory Reserve Requirement (SRR)

A sum equivalent to 10% of profit after tax of a primary dealer has been transferred to Special Risk Reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

T**Transaction Costs**

Incremental costs which are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

U**Unlisted**

A financial instrument that is not traded on a stock exchange. This also refers to a company that has not been admitted to the stock exchange or acquired 'listed' status.

Y**Yield Curve**

The graphical depiction of the relationship between the yield on Treasury securities and the corresponding period.

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Notice of Meeting

Notice is hereby given that the 03rd Annual General Meeting of the shareholders of Capital Alliance PLC (the Company) will be held at the “Ground floor Auditorium”, Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02, on 05th September 2024 at 11.30 a.m. to conduct the following business:

AGENDA

Regular Business

1. Notice of Meeting.
2. To receive and consider the Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2024 together with the Report of the Auditors thereon.
3. To approve the recommended dividend of Rs. 4.50 per share as the final dividend for the Financial Year ended 31st March 2024.
4. To re-elect as a Director, Mr. Dinesh Ajith De Zoysa, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.
5. To re-elect as a Director, Ms. Aloka Irudiyani Chathurangani Nandasena, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.
6. To re-appoint Messrs. KPMG Sri Lanka, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorize the Directors to determine their remuneration.
7. To authorize the Board of Directors to determine contributions to charities and other donations for the year 2024/25.

Special Business

8. To consider and if deemed appropriate, to pass the following resolution as a Special Resolution to amend the Articles of Association of the Company,

“IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT ;

DIRECTORS

Article 72 - Number of Directors

The existing Article 72 of the Articles of Association of the Company be amended by deletion of the said Article in its entirety and substitution with the following:

72. The Board of Directors of the Company shall not be less than Five (5) and no more than Ten (10) in number. Subject to the provisions contained in the Statutes, the Company may from time to time by Special Resolution, increase or reduce the number of Directors.

ALTERNATE DIRECTORS

Article 98 - Provisions for appointing and removing Alternate Directors

The existing Article 98 of the Articles of Association of the Company be amended by deletion of the said Article in its entirety and substitution with the following:

98. (1) Any Director who is abroad or about to go abroad or who by reason of his /her illness is unable to perform his/her functions as a Director may at any time with the approval of the Board by notice in writing left at the Office appoint any person who meets the criteria set out in (6) and (7) below and approved by the Board to be an Alternate Director of the Company to act in his/ her place only in exceptional circumstances and for a maximum period of one (1) year from the date of appointment and the following provisions of this Article shall apply to any person so appointed.
- (2) A person appointed to be an Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company nor be required to hold any share qualification but the Directors may repay the Alternate Director such reasonable expenses as he/she may incur in attending and returning from meetings of the Directors which he/she is entitled to attend or which he/she may otherwise properly incur in or about the business of the Company or may pay such allowances as they may think proper in respect of these expenses.
- (3) An alternate Director shall (on his/her giving an address for such notices to be served upon him/her) be entitled to receive notices of all meetings of the Directors and Board sub committee meetings of which his/her appointor is a member and to attend and vote as Director at any such meeting at which the Director appointing him/her is not personally present and generally at such meeting to perform all the functions of his/her appointor as a Director in the absence of such appointor including the signing of resolutions in writing to be passed by circulation under Article 97 hereof. An Alternate Director who is also a Director in his/her own right shall be entitled to one vote in his/her

Notice of Meeting

own right as a Director and to an additional vote as an Alternate Director. The attendance of any Alternate Director at any meeting, including a Board sub Committee Meeting shall be counted for the purpose of quorum.

- (4) An Alternate Director may be appointed for a specified period or until the happening of a specified event. A person appointed to be an Alternate Director shall ipso facto cease to be an Alternate Director in any of the following events, that is to say:
- upon his/her Appointor resuming his/her duties as a Director;
 - if his/her Appointor ceases for any reason to be a Director;
Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him/her pursuant to this Article which was in force immediately prior to his/her retirement shall continue to operate after his/her re-election as if he/her had not so retired;
 - if the Alternate Director shall have a receiving order made against him/her or compounds with his/her creditors or is adjudicated an insolvent;
 - if the Alternate Director be lunatic or becomes of unsound mind;
 - if the appointment of the Alternate Director is revoked by notice in writing left at the office by his/her Appointor;
 - if a majority of the Directors resolve that the appointment of the Alternate Director be terminated; Provided that such termination shall not take effect until the expiration of thirty days after the date of the resolution of the Directors;
 - if he/she becomes subject to any of the provisions of Articles 80 of these presents which, if he/she were a Director of the Company, would render his/her office vacated.
 - if he/she resigns by writing under his/her hand left at the Office.
- (5) A Director shall not vote on the question of the approval of an alternate Director to act for him/her or on the question of the termination of the appointment of such an Alternate Director under the last foregoing sub clause of this Article, and if he/she do so his/her vote shall not be counted; nor for the purpose of any resolution for either of these purposes shall he be counted in the quorum present at the meeting.
- (6) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Company.
- (7) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in the Listing Rules and the Company shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.
- (8) The Company shall make an immediate announcement to Colombo Stock Exchange regarding the appointment of an Alternate Director, incorporating the requirements specified by the Listing Rules for such announcement."

By Order of The Board of Directors of
CAPITAL ALLIANCE PLC



S S P CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries

Colombo, Sri Lanka.
06th August 2024

Notes:

- A shareholder entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote on his/her behalf.
- A form of proxy accompanies this notice.

The Annual Report of the Company is available on the;

- Corporate Website of the Company - Annual Report for Year Ended 31st March 2024 and the website of the CSE
<https://cal.lk/wp-content/uploads/2024/07/CAL-Annual-Report-23-24-1.pdf>
- Members may also access the Annual Report and Financial Statements on their mobile phones by scanning the following QR code



Form of Proxy

I/We* (please indicate full name)
 holder of NIC No. of
 being a member/*members of Capital Alliance PLC hereby appoint: Mr/Ms
 (please indicate full name) holder of NIC No. of
 or failing him/her

Mr. D A De Zoysa of Colombo or failing him
 Mr. W A T Fernando of Colombo or failing him
 Mr. R J Arasaratnam of Colombo or failing him
 Mr. C S R S Anthony of Colombo or failing him
 Ms. A I C Nandasena of Colombo or failing her
 Ms. K A D Siriwardena of Colombo

as my/*our Proxy to represent me/*us and to vote as indicated below on my/*our behalf at the Annual General Meeting of the Company to be held on 05th September 2024 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

		For	Against
(1)	To receive and consider the Report of the Directors and the Statements of Accounts for the year ended 31st March 2024 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(2)	To approve the recommended dividend of Rs. 4.50 per share as the final dividend for the Financial Year ended 31st March 2024.	<input type="checkbox"/>	<input type="checkbox"/>
(3)	To re- elect Mr. Dinesh Ajith De Zoysa as a Director, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(4)	To re- elect Ms. Aloka Irudiyani Chathurangani Nandasena, as a Director who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(5)	To re-appoint Messrs. KPMG Sri Lanka, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
(6)	To authorize the Board of Directors to determine contributions to charities and other donations for the year 2024/25.	<input type="checkbox"/>	<input type="checkbox"/>
(7)	Amendment of Articles of Association of the Company To adopt the Special Resolution as set out in the Notice of the Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand set hereto this day of Two Thousand and Twenty Four.

.....
 Signature

Note:
 Instructions as to completion are given below. Please delete the words which are not applicable and mark 'X' in the appropriate cages to indicate your instructions as to voting.

A proxy need not be a member of the Company.

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name, NIC No, address, instructions as to voting and by signing and filling in the date of signature in the space provided.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given, the Proxy in his/her discretion may vote as he/she thinks fit.
3. To be valid , the completed Form of Proxy should be deposited at the Registered Office of the Company , Level 5, "Millennium House",46/58, Nawam Mawatha, Colombo 2, not less than 48 hours before the time appointed for holding the Meeting.
4. If the Shareholder is a Company or a body corporate, a form of Corporate Representation executed under the Common Seal in accordance with the Articles of Association or the Constitution should be submitted.
5. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of proxy.
6. In case of Margin Trading Accounts (Slash Accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/ Banker with whom the account is maintained.
7. A Shareholder/ Proxy attending the Annual General Meeting is kindly requested to bring with him/ her the National Identity Card or any other form of valid identification and produce same at the time of Registration.

Corporate Information

Name of the Company

Capital Alliance PLC (Formally Capital Alliance Limited)

Legal Form

Date of Incorporation: 10th August 2000
Date of Listing in CSE: 15th December 2021

Company Registration No.

PQ.00252285

Accounting Year End

31st March

Tax Payer Identification Number (TIN)

134008938

Board of Directors

Mr. D A De Zoysa
Chairman, Non-Executive Non-Independent Director
Mr. W A T Fernando
Chief Executive Officer, Executive Director
Mr. R J Arasaratnam
Non-Executive Non-Independent Director
Mr. C S R S Anthony
Non-Executive Non-Independent Director
Ms. A I C Nandasena
Non-Executive Independent Director
Ms. K A D Siriwardene
Non-Executive Independent Director

Registered Office

Capital Alliance PLC
Level 5, "Millennium House"
46/58, Navam Mawatha,
Colombo 2, Sri Lanka.
Tel : +94 11 231 7777
Fax : +94 11 231 7788
E Mail : info@cal.lk
URL : www.cal.lk
SWIFT Code : CALDLKL XXXX

Auditors

Messer. KPMG, Chartered Accountants
32A, Sir Mohamed Macan Marker Mawatha
Colombo 03
Sri Lanka
Tele : +94 11 542 6426
Fax : +94 11 244 5872 / +94 11 244 6058

Company Secretaries

SSP Corporate Services (Pvt) Limited
101, Inner Flower Road
Colombo 03
Sri Lanka
Tele : +94 11 257 3894
Fax : +94 11 257 3609
Email : sspsec@sltnet.lk

Bankers

Seylan Bank PLC
Sampath Bank PLC
Nations Trust Bank PLC
Commercial Bank of Ceylon PLC
Peoples Bank
DFCC Bank PLC
National Development Bank PLC

Lawyers

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216, De Saram Place
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Sri Lanka
Tele : +94 11 460 5100
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CAPITAL ALLIANCE PLC
www.cal.lk