

A CARSON CUMBERBATCH COMPANY

EQUITY
ONE
LIMITED

EQUITY ONE LIMITED | ANNUAL REPORT 2023/24

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This report can be accessed online at
<http://www.carsoncumberbatch.com>

Chairman's Statement

Dear Shareholder,

In my position as your newly appointed Chairman, I take immense pleasure in welcoming you to the 42nd Annual General Meeting of the Company. On behalf of the Board, I am pleased to set before you the Annual Report and Audited Financial Statements for the financial year ended 31st March 2024.

During 2023, Sri Lanka embarked on a notable recovery path, following the economic downturn of 2022, with decisive policy interventions and ongoing debt restructuring expediting such recovery. However, I believe that we need more reforms to build a stronger economy which can secure the future of generations to come. This endeavour also requires a concentrated and collective effort of multiple stakeholders along with innovative strategies and prudent fiscal management. On a more positive note, I am glad to see the promising rebound of the tourism sector in the interest of the many livelihoods dependent on the connected industries while reigniting the prospects of potential development activities.

Moving on to our industry, I see many opportunities for growth and innovation, together with certain challenges that we need to overcome. One of the immediate challenges is the high construction costs that are likely to slow down new developments with stretched paybacks in a subdued business environment. This may benefit us as existing players, however, we also continue to face increased operational costs such as insurance, repair and maintenance, challenges in staff retention and recruitment, and escalating capital expenditure.

Furthermore, the widespread adoption of work-from-home models has reduced demand for the commercial property sector. Certain corporates have resorted to downsizing their teams or shifting to hybrid working models, resulting in higher vacancy rates and decreased demand for traditional office spaces. This shift has led property owners to adapt by offering more flexible leasing options and redesigning spaces to support hybrid work environments.

With respect to operational performance, the Group posted a total revenue of Rs. 381.5 Mn and a profit before tax of Rs. 757.9 Mn, inclusive of a Rs. 497.5 Mn fair value gain in

investment properties. Two interim dividends totalling Rs. 1.35 per share were declared and paid for the financial year ended 31st March 2024, translating into a dividend payout ratio of 47% out of the Company's profit after tax adjusted for the above fair value gain on investment properties, and related deferred tax.

As I look ahead to the future of Sri Lanka's real estate industry, our journey towards unlocking its full potential is far from complete. The focus should be on strengthening investment infrastructure to attract multinational corporations that can fill up the inventory, especially in the premium segment with the recent additions of new properties into the market. Additionally, the growth of IT and BPO sectors in the country along with an entrepreneurial ecosystem are likely to enhance the demand for flexible and modern commercial spaces. The country remains well-poised to harness these opportunities to propel the real estate sector to new heights, such that the benefits of growth can be felt across the industry.

As I sign off, I take this opportunity to place on record our deep gratitude to Mr. D.C.R. Gunawardena for his exemplary leadership and invaluable contributions for over two decades as the Chairman of the Company in taking Equity One Limited to new tangents of growth. I also wish to thank my fellow Board members for their counsel and contribution. I would also like to offer my sincere gratitude to our shareholders, valued tenants, regulatory authorities, and other stakeholders for the continued support extended and the confidence they have placed in us. Last but not least, I wish to extend my heartfelt gratitude to all our staff members for their unwavering commitment demonstrated through the years.

(Sgd.)
E.H. Wijenaike
Chairman

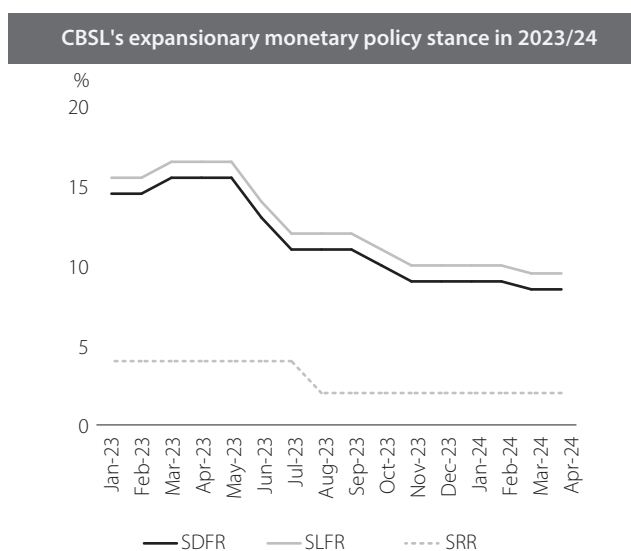
Colombo
31st May 2024

Management Discussion and Analysis

MACROECONOMIC OVERVIEW

Amidst continuing macroeconomic challenges, Sri Lankan GDP contracted by 2.3% in 2023, further to the 7.3% contraction observed in the previous year. The construction industry also posted a de-growth of 20.8%, similar to the previous year, mainly due to the continuing delays in construction projects.

To stimulate economic growth and investment, the Central Bank of Sri Lanka ("CBSL") implemented an expansionary monetary policy marked by a substantial 550 bps reduction in interest rates during the fiscal year.



Source: CBSL Annual Economic Review - 2023

Followed by gearing macroeconomic variables towards swift disinflation, Sri Lanka reached single-digit inflation levels by the end of 2023. However, there was a temporary increase in inflation during early 2024, primarily due to the increase in and introduction of Value Added Tax to some of the previously concessioned sectors. Additionally, the Sri Lankan rupee strengthened over the year, indicating a gradual recovery in the country's external sector.

INDUSTRY SNAPSHOT

With the positive movement in key economic indicators and the gradual recovery of businesses, the short-term prospects of the real estate leasing sector have improved via renewed interest in inquiries. However, the sustainability of the achieved progress over the medium term remains debatable since larger macroeconomic challenges continue to persist. Therefore, it is essential to stay vigilant and agile in responding to emerging market conditions.

Major projects transforming the Colombo skyline elevate the overall prospects of the real estate industry, with competition intensifying in the market. As a result, existing operators are compelled to raise their standards while managing costs to remain competitive. Nevertheless, this will benefit the local real estate industry as a whole driving the continuous evolution of the sector in tandem with economic progress.

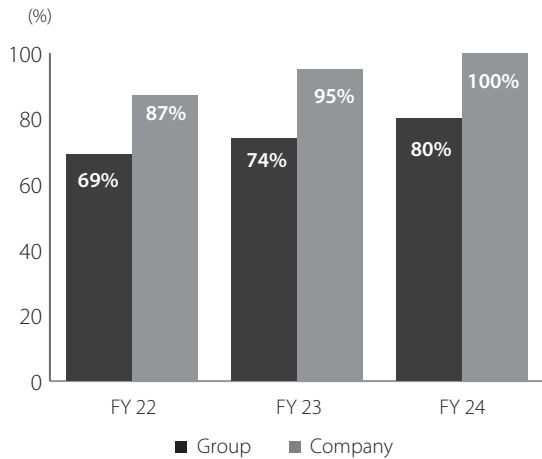
Furthermore, the recovery of the tourism industry will stimulate the economy and ancillary industries including real estate. Progress in infrastructure projects enhances accessibility and connectivity, making certain real estate more attractive opportunities for development and investment, thus driving further growth and opportunity within the sector. Reflecting on the movements in the sector, loans and advances granted to the private sector construction activities remained at Rs. 1.4 Tn by the end of 2023, which is similar to that of the previous year.

Overall land pricing in Colombo recorded a growth of 7.1% in 2023, while commercial properties also recorded a growth of 6.7% as per the CBSL's Land Value Index, which is slower than the strong appreciation of 14.8% of prior year.

OUR BUSINESS

Occupancy levels of our properties increased from 95% of last year to 100% at the Company level, while the same increased from 74% to 80% at the Group level. This occupancy enhancement together with upward adjustments to rental rates played a pivotal role in driving the Group's top-line to Rs. 381.5 Mn, marking a 17% increase compared to the previous year.

Occupancy comparison



The Group witnessed a 13% rise in direct costs in the financial year, predominantly driven by escalations in insurance and staff-related expenditure. Consequently, the Group achieved a gross profit of Rs. 221.6 Mn, which is a 20% increase compared to the prior year.

Based on the property valuation conducted at the end of the period, the investment properties of the Group recorded a fair valuation gain of Rs. 497.5 Mn, in comparison to the Rs. 460 Mn gain reported in the prior year.

Accordingly, the Group achieved an operating profit of Rs. 678.8 Mn, a 11% increase from the previous year. Furthermore, the Group recorded a 65% increase in net finance income, reaching Rs. 79.1 Mn, largely influenced by securing long-term deposits at higher rates.

Deferred taxation reduced by 64% from last year to Rs. 141.1 Mn, primarily due to the one-time charge of last year arising from the increase in the corporate income tax rate from 24% to 30% effective from October 2022. Accordingly, the Group achieved a profit after tax of Rs. 527.9 Mn for the financial year, reflecting a 155% growth compared to the prior year. Excluding the fair valuation gain and related deferred tax, the Group achieved a profit after tax of Rs. 185 Mn.

On a standalone basis, Equity One Limited witnessed an 8% increase in revenue, reaching Rs. 186.6 Mn, driven by the upward revisions in rent and improved occupancy levels. However, the

Company also faced a 10% rise in direct costs, due to reasons similar to that of the Group. Consequently, the Company posted a 7% increase in gross profit, totalling Rs. 110.1 Mn. Based on the property valuation conducted at the end of the period, investment properties of the Company recorded a fair valuation gain of Rs. 241.7 Mn, in comparison to the Rs. 256 Mn gain reported in the prior year. Accordingly, the Company achieved an operating profit of Rs. 329.7 Mn, translating to a marginal reduction of 3% compared to the prior year. With reasons similar to the Group, net finance income saw an 8% increase at the Company level. Deferred taxation saw a reduction of 68% from the prior year to Rs. 73.3 Mn, due to reasons similar to that of the Group. Resultantly, the Company reported a profit after tax of Rs. 283.6 Mn, representing a 101% increase from the previous year. Excluding the fair valuation gain and related deferred tax, the Company's post-tax profitability was Rs. 115.3 Mn.

The Company declared and paid a total dividend of Rs. 1.35 per share for the financial year ended 31st March 2024, translating into a dividend pay-out ratio of 47% on the Company's profit after tax adjusted for above fair value gain on investment properties, and related deferred tax.

FUTURE OUTLOOK

Moving forward, our investment properties stand well-poised to capitalise on the positive trajectory of the industry. Leveraging our value proposition characterised by superior service standards, prime locations, and competitive pricing, we are strategically positioned to thrive alongside the industry. Our commitment to uphold health and safety while maintaining a culture of well-being for all stakeholders involved is deeply woven into the service standards we offer.

Furthermore, we are evaluating the refurbishment of our Dharmapala Mawatha, Colombo 07 property to elevate tenant offerings and uphold our position as a leading, modern property in the locality to remain competitive in our market segment. By aligning our strategies with these favourable market dynamics, we anticipate sustained growth and enhanced market positioning in the coming years.

Carsons Management Services (Private) Limited
Managers

31st May 2024

Profiles of Directors

ERANJITH WIJENAIKE (Chairman - w.e.f. 16th July 2023)

Eranjith Wijenaike is a Director of Equity Two PLC, Equity One Limited and Managing Director of Central Finance Company PLC. He is also a Director of Tea Smallholder Factories PLC and Central Industries PLC. He holds a Bachelor's Degree in Commerce and a Postgraduate Diploma in Finance and Management.

AJITH WEERATUNGE

Ajith Weeratunge is presently a non- Executive Director of Carsons Management Services (Private) Limited, which is the management arm of Carson Cumberbatch PLC's Sri Lankan operations.

He is also a non-executive Director of Group's Real Estate Sector's Equity One Limited and the Group's Investment Holding Sector's Ceylon Investment PLC, Rubber Investment Trust Limited and Guardian Fund Management Limited and Leisure Sector's Equity Hotels Limited. He is also a non-executive Director of Group's oil palm plantation sector holding company, Goodhope Asia Holdings Ltd.

He carries over 40 years of finance related experience in several leading companies in the mercantile sector, which includes 27 years of service with Carsons Group.

He is a Fellow member of the Chartered Institute of Management Accountants of UK.

SUBRAMANIAM MAHENDRARAJAH

Subramaniam Mahendrarajah is a Director of Equity One Limited and Leechman & Company (Private) Ltd. He is also the Group Finance Director of Sri Krishna Group of Companies. Mr.Mahendrarajah was also a Director of Indo-Malay PLC, Selinsing PLC and Shalimar (Malay) PLC. He has over 45 years experience in the fields of manufacturing, trading, financial services and management. He is also the Past President of the Rotary Club of Colombo Down Town and is the recipient of the prestigious 'Service above Self' award from Rotary International.

NALAKE FERNANDO

Nalake Fernando is a Director of the Property Management Companies of the Carson Cumberbatch Group, namely Equity One Limited, Equity Two PLC and Equity Three (Private) Limited.

He is also a Director of Carsons Management Services (Private) Limited, as well as Association for Individuals with learning Differences. He was the Country Representative for Sri Lanka of Dalekeller & Associates Ltd, Designers and Skidmore Ownings & Merrill Architects. He was also a Director of SKC Management Services Ltd.

He counts over 40 years of work experience and holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

DONALD FERNANDO

Donald Fernando is a Director of Equity One Limited, Equity Two PLC and is the Managing Director of Fernando Rajapakse Associates (Private) Limited - Consulting Engineers and Project Managers. He is also a Director of Saramanda Lanka (Guarantee) Limited.

In 1965, earned a B.Sc (Eng.) Degree in civil engineering from the University of Ceylon. He worked as a Civil Engineer with The Sri Lanka Ports Authority till 1969. From 1969 to 1982 worked as a Chartered Civil Engineer in London. In 1969 he became a Member of the Institution of Civil Engineers, London. He is also a Member of the Institution of Engineers, Sri Lanka and a Member of the Society of Structural Engineers, Sri Lanka.

SIVANANDAN MARIMUTHU

Siva Marimuthu is a Director of Equity One Limited, Equity Two PLC, Industrial Asphalts PLC, Knightsbridge Technologies (Pvt) Ltd. and Silverfalls (Pvt) Limited.

Siva is a career banker with over 25 years of experience having served international banks in senior leadership capacities. He holds a Masters in Business Administration from the University of Wollongong – Australia, a Bachelor of Commerce from Loyola College, India and is also a CIMA Passed Finalist.

Siva's experience in the banking sector is extensive, being a part of the country management team for Standard Chartered Bank Sri Lanka. He has contributed across all key functions such as Retail Banking, Banking Operations, Operational Risk Management, Compliance and Assurance, Project Implementations, Administration and Audit. He also has headed the Country Audit and Operational Risk Function for Standard Chartered Bank, Sri Lanka.

Siva played a key role in ensuring bank's risk and compliance processes are in order, having implemented the operational risk framework, customer due diligence, anti-money laundering processes, design of risk assessment tools and core bank system implementations at Standard Chartered bank.

Currently, Siva consults SME's and shares his extensive experience with them.

MR. D.C.R. GUNAWARDENA

- Resigned as Director & Chairman w.e.f. 15th July 2023

Chandima Gunawardena served as a Director of the Company and resigned with effect from 15th July 2023. During his tenure at Carson's group, he has served on the Boards of most of its subsidiaries in Sri Lanka and overseas and continues to serve on some of the subsidiary boards as of date.

Mr. Gunawardena has over five decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Equity One Limited have pleasure in presenting to the Shareholders their Report together with the Audited Financial Statements for the year ended 31st March 2024.

The details set out herein provide the pertinent information required by the Companies Act, No. 07 of 2007 and are guided by recommended best Accounting Practices.

The Annual Report was approved by the Board of Directors on 31st May 2024.

1. GENERAL

Equity One Limited (the "Company") is a public limited liability Company incorporated in Sri Lanka in 1981.

2. THE PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES

The principal activities of the Company and its subsidiaries are letting of office and warehouse premises for commercial purposes.

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

3. REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement and Management Discussion & Analysis on pages 01 to 03 provide an overall assessment of the business performance of the Company and the Group and its future developments. These reports together with the audited consolidated financial statements reflect the state of affairs of the Company and the Group.

4. FINANCIAL STATEMENTS

The consolidated financial statements which comprise the Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes to the financial statements of the Company and the Group for the year ended 31st March 2024 are set out on pages 13 to 51. These financial statements do comply with the requirements of the Companies Act, No. 07 of 2007.

4.1. Revenue

Detailed analysis of the revenue of the Company and the Group are set out in Note 11 to the Financial Statements.

4.2. Financial results and appropriation

An abridgement of the financial performance of the Company and the Group is presented in the table below:

(In Rupees thousands) For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Profit for the year	527,878	207,082	283,581	140,907
Other comprehensive income/ (expenses) for the year	(1,161)	292	(506)	65
Total comprehensive income for the year	526,717	207,374	283,075	140,972
Retained earnings as at the beginning of the year	722,755	656,794	252,775	199,647
Surcharge tax for the year of assessment 2020/21	-	(41,037)	-	(24,893)
Retained earnings before appropriations/ adjustments	1,249,472	823,131	535,850	315,726
Forfeited dividends	201	40	48	15
Acquisition of additional interest in a subsidiary	140	-	-	-
Dividends paid/ payable	(54,434)	(36,290)	(54,434)	(36,290)
Transfer to fair value adjustment reserve	(342,910)	(52,749)	(168,234)	(26,676)
Total comprehensive income attributable to NCI	(26,384)	(11,377)	-	-
Retained earnings as at the end of the year	826,085	722,755	313,230	252,775

Annual Report of the Board of Directors on the Affairs of the Company

4.3. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are given on pages 17 to 27.

4.4. Investment Properties

The Company and the Group have recognised the carrying value of investment properties held to earn rental income and for capital appreciation in the Balance Sheet on 'fair value' in accordance with Sri Lanka Accounting Standards (LKAS 40) – 'Investment Property'.

A professional valuation was performed in March 2024 by Mr. S. Sivaskantha, F. I. V (Sri Lanka) of Perera Sivaskantha and Company, incorporated Valuers. The details of the movements in fair value of investment properties of the Company and the Group during the year and their carrying value as at 31st March 2024 are presented in Note 17 to the financial statements.

4.5. Property, plant and equipment

Details of property, plant and equipment are given in Note 18 to the financial statements.

4.6. Capital Expenditure

The details of capital expenditure of the Group are given in Notes 17, 18, and 32 to the Financial Statements.

4.7. Reserves

The movements of total reserves of both the Company and Group are set out in the Statement of Changes in Equity and Notes 24 and 25 to the financial statements.

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibilities of the Directors, in relation to the Financial Statements are detailed in the following paragraphs, whilst the responsibilities of the Auditors are set out in the Independent Auditors' Report.

According to the Companies Act, No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, the Directors are required to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the performance for the said period.

The financial statements comprise of inter alia:

- a Statement 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,
- a Statement of Profit or Loss and Other Comprehensive Income of the Company, which presents a true and fair view of the Profit and Loss and Other Comprehensive Income of the Company for the financial year.

In preparing these financial statements, the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently, while material departures, if any, have been disclosed and explained;
- all applicable Accounting Standards have been complied with;
- reasonable and prudent judgments and estimates have been made; and
- provides the information required by and otherwise comply with the Companies Act, No. 07 of 2007.

The Directors are responsible for ensuring that the Company and the Group maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company in order to ensure that its Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and meet with the requirements of the Companies Act, No. 07 of 2007.

They are also responsible for taking reasonable measures to safeguard the assets of the Company and the Group and in this regard to give proper consideration to the establishment and effective operation of appropriate systems of internal control with a view to prevent, detect and rectify fraud and other irregularities.

These financial statements have been prepared on a going concern basis since the Directors are of the view that the Company and the Group have adequate resources to continue in operation in the foreseeable future from the date of approving these financial statements. The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

The Directors confirm that to the best of their knowledge,

- all taxes, duties and levies payable to the statutory bodies,
- all contributions, levies and taxes payable on behalf of and in respect of the employees and
- all other known statutory dues that were due and payable by the Company and the Group as at the reporting date have been paid, or where relevant provided for in these financial statements.

6. OUTSTANDING LITIGATION

There is no litigation currently pending against the Company or the Group.

7. INTERESTS REGISTER

The Company maintains an Interest Register conforming to the provisions of the Companies Act, No. 07 of 2007.

All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid.

The relevant details as required by the Companies Act, No. 07 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act, No. 07 of 2007.

7.1. Remuneration of Directors

Directors' remuneration, for the financial year ended 31st March 2024 is given in Note 13.3 to the Financial Statements.

7.2. Directors' Interest in Contracts and Shares

Directors' Interest in contracts of the Company and the Group are disclosed under Related Party Transactions in Note 34 to the financial statements and have been declared at Meetings of the Board of Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company nor in the ordinary shares of the Company as of 31st March 2024.

8. DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the inner back cover of the Annual Report.

8.1 Appointment of Directors who are over 70 years of age

Messrs. P. D. D. Fernando, K.C.N. Fernando and S. Mahendrarajah who were over 70 years of age were re-appointed as Directors of the Company in terms of Section 210 of the Companies Act, No.07 of 2007 at the Annual General Meeting (AGM) held on 28th June 2023 for a further period of one year commencing from the conclusion of the said AGM. i.e. till 27th June 2024.

The Nomination Committee noted that Messrs. P. D. D. Fernando, K. C. N. Fernando, and S. Mahendrarajah are fit and proper and based on the recommendation of the Nomination Committee of the Company and the Board, it is recommended that Messrs. P. D. D. Fernando, K. C. N. Fernando, and S Mahendrarajah who are over 70 years of age be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to them and has recommended to re-appoint them at the Annual General Meeting on 27th June 2024.

8.2 Director to Retire by Rotation

In terms of Articles 71, 72 and 73 of the Articles of Association of the Company, Mr. A.P. Weeratunge retires by rotation and being eligible offers himself for re-election.

The Nomination Committee of Carson Cumberbatch PLC, which function as a Nomination Committee of the Company noted that Mr. A.P. Weeratunge is fit and proper and has recommended to re-elect Mr. A.P. Weeratunge to the Board at the Annual General Meeting to be held on 27th June 2024.

8.3 Board of Directors

The following Directors held office during the period under review.

Mr. E.H. Wijenaik (Appointed as Chairman w.e.f. 16th July 2023)
Mr. K.C.N. Fernando
Mr. A.P. Weeratunge
Mr. S. Mahendrarajah
Mr. P.D.D. Fernando
Mr. S. Marimuthu
Mr.D.C.R Gunawardena (Chairman/Director resigned w.e.f. 15th July 2023)

Annual Report of the Board of Directors on the Affairs of the Company

9. INDEPENDENT AUDITORS

Company's Auditors during the year under review were Messrs. KPMG, Chartered Accountants.

A sum of Rs. 480,000/- and Rs. 975,000/- was paid to them by the Company and the Group respectively, as audit fees for the year ended 31st March 2024 (2023 - Rs. 430,000/- and Rs. 870,000/-). Fees paid to Auditors on audit related services are given in Note 13 to the financial statements. The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as auditors of the Company and authorising the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and its relationship with the Company and its subsidiaries, including the level of audit and non-audit fees paid to the Auditors.

9.1. Auditors' relationship or any interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors do not have any interest with the Company and its subsidiaries that would impair their independence.

9.2. Independent Auditors' Report

The Independent Auditors' Report on the financial statements is given on pages 11 to 12 of the Annual Report.

10. SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events for the Company and the Subsidiaries during the year.

11. INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a Group-wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the element of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallisation of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

Effective maintenance of internal controls and risk identification and mitigation is handed down to the respective members of senior management within the guidelines of benchmark policies, procedures and authority limits clearly laid down.

Group Internal Audit, whose scope of scrutiny is entirely driven by the grading of the risk involved will be monitoring and providing the feedback to the management and the Audit Committee. Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the Directors abreast of the position of the Company and the Group's resource base and governance requirements.

This allows the Board to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. More detailed description of the risk management strategies of the Group is given in notes to the financial Statements.

12. HUMAN RESOURCES

The Company and the Group continued to invest in human capital development and implement effective human resource practices and policies to develop and build an efficient and effective workforce aligned to its business priorities and to ensure that its employees are developing the skills and knowledge required for future success of the Company and the Group.

The number of persons employed by the Company and the Group as at 31st March 2024 were 11 and 20 (2023-11 and 17) respectively.

13. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company endeavours at all times to ensure equitable treatment to all shareholders.

14. DIVIDENDS

The Company paid a First Interim Dividend of Cents 75 per ordinary share for the year ended 31st March 2024 amounting to Rs. 30,241,297/50 on 21st August 2023.

A Second Interim Dividend of Cents 60 per ordinary share for the year ended 31st March 2024 amounting to Rs.24,193,038/- was paid on 17th April 2024.

15. SOLVENCY TEST

At the time of approving the above distributions the Directors were satisfied that the Company would meet the solvency requirement under Section 56 (2) of the Companies Act, No. 07 of 2007 immediately after the said distribution.

The Company's Auditors, Messrs. KPMG, Chartered Accountants have issued a Certificate of Solvency for the dividends mentioned above confirming the same.

16. STATED CAPITAL

The Stated Capital of the Company as at 31st March 2024 was Rs.1,085,585,040/- consisting of 40,321,730 ordinary shares. There was no change in the Stated Capital of the Company during the year.

17. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements.

18. GOING CONCERN

The Board of Directors is satisfied that the Company and the Group have adequate resources to continue its operations in the foreseeable future. Accordingly, these financial statements are prepared based on the going concern concept.

19. ENVIRONMENTAL PROTECTION

The Company and the Group are sensitive to the needs of the environment and makes every endeavour to comply with the relevant environmental laws, regulations and best practices applicable in the country. After making adequate inquiries from the management, the Directors are satisfied that the Company and its subsidiaries operate in a manner that minimises the detrimental effects on the environment and provides services that have a beneficial effect on the customers and the communities within which the Company and its subsidiaries operate.

20. MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS

There were no material issues relating to employees and industrial relations during the year ended 31st March 2024.

21. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements.

22. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The contingent liabilities and commitments made as at 31st March 2024 are given in note 32 to the Financial Statements.

23. ANNUAL REPORT

The Board of Directors have approved the Audited consolidated financial statements of the Company and the Group together with the Reviews and other Reports, which form part of the Annual Report on 31st May 2024. The Annual Report would be submitted to the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies within the given time frames.

24. ANNUAL GENERAL MEETING

The 42nd Annual General Meeting of the Company will be held on Thursday, 27th June 2024 at 3.45 p.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 7, Sri Lanka.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on page 53 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)
E.H. Wijenaike
Chairman

(Sgd.)
K. C. N. Fernando
Director

(Sgd.)
K. D. De Silva (Mrs.)
Director
Carsons Management Services (Private) Limited
Secretaries

Colombo
31st May 2024

Financial Calendar

Financial year end	31st March 2024
41st Annual General Meeting	28th June 2023
42nd Annual General Meeting	27th June 2024

Independent Auditor's Report



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

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
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Internet www.kpmg.com/lk

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Equity One Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Equity One Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at March 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 13 to 51.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at March 31, 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical

requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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.

Other Information

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

Our opinion on the financial statements does not cover the other information and we 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. We have nothing to report in this regard.

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Ms. P.M.K. Sumanasekara FCA

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Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
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W. W. J. C. Perera FCA
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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)

Independent Auditor's Report



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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.

A handwritten signature in black ink, appearing to read 'KPMG', written in a cursive style.

Chartered Accountants
Colombo, Sri Lanka

31st May 2024

Statement of Profit or Loss and other Comprehensive Income

(All figures are in Sri Lankan Rupees thousands)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
Revenue	11	381,467	326,861	186,604	172,229
Direct costs		(159,872)	(141,519)	(76,507)	(69,258)
		221,595	185,342	110,097	102,971
Other income	12	1,034	6,172	67	2,841
Net gain arising from changes in fair value of investment properties	17	497,498	460,040	241,688	256,024
		720,127	651,554	351,852	361,836
Administrative and other operating expenses		(41,344)	(40,489)	(22,185)	(21,301)
Operating profit	13	678,783	611,065	329,667	340,535
Finance income	14.1	92,399	59,972	75,435	69,175
Finance costs	14.2	(13,286)	(11,966)	(6,217)	(5,075)
Net finance income	14	79,113	48,006	69,218	64,100
Profit before taxation		757,896	659,071	398,885	404,635
Income tax expense	15.1	(88,899)	(64,372)	(41,976)	(34,571)
Deferred taxation	15.1	(141,119)	(387,617)	(73,328)	(229,157)
Profit for the year		527,878	207,082	283,581	140,907
Profit for the year attributable to:					
Equity holders of the parent		501,421	195,731	283,581	140,907
Non controlling interest		26,457	11,351	-	-
		527,878	207,082	283,581	140,907
Other comprehensive income					
Items that will not be reclassified to profit and loss					
Actuarial gain/ (loss) from valuation of employee benefits	28.3	(1,659)	417	(723)	93
Related tax on employee benefits	27	498	(125)	217	(28)
Other comprehensive income/ (expense) for the year		(1,161)	292	(506)	65
Total comprehensive income for the year		526,717	207,374	283,075	140,972
Total comprehensive income attributable to:					
Equity holders of the parent		500,333	195,997	283,075	140,972
Non controlling interest		26,384	11,377	-	-
		526,717	207,374	283,075	140,972
Earnings per share (Rs.)	16	12.44	4.85	7.03	3.49
Dividend per share (Rs.)	35	1.35	0.90	1.35	0.90

The notes from pages 17 to 51 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Financial Position

(All figures are in Sri Lankan Rupees thousands)

As at 31st March	Note	Group		Company	
		2024	2023	2024	2023
ASSETS					
Non-current assets					
Investment properties	17	6,024,532	5,480,383	3,285,933	3,042,238
Property, plant and equipment	18	822	1,493	822	1,493
Investment in subsidiaries	19	-	-	552,733	552,048
Investment in fixed deposits		386,163	316,378	169,000	138,391
Total non-current assets		6,411,517	5,798,254	4,008,488	3,734,170
Current assets					
Trade and other receivables	20	105,959	91,000	290,279	206,652
Investment in fixed deposits		102,117	119,390	23,737	50,446
Fair value through profit or loss financial assets	21	38,180	-	-	-
Tax receivable		3,950	2,744	-	-
Cash and cash equivalents	22	32,585	26,447	24,200	12,516
Total current assets		282,791	239,581	338,216	269,614
Total assets		6,694,308	6,037,835	4,346,704	4,003,784
EQUITY AND LIABILITIES					
Equity					
Stated capital	23	1,085,584	1,085,584	1,085,584	1,085,584
Capital reserves	24	13,236	13,236	13,236	13,236
Revenue reserves	25	3,628,135	3,181,895	2,219,784	1,991,095
Total equity attributable to equity holders of the parent		4,726,955	4,280,715	3,318,604	3,089,915
Non controlling interest		195,040	171,187	-	-
Total equity		4,921,995	4,451,902	3,318,604	3,089,915
Non-current liabilities					
Refundable rental deposits	26	87,399	104,479	46,725	43,911
Deferred tax liability	27	1,559,581	1,418,960	908,761	835,650
Employee benefits	28	5,412	2,983	2,841	1,697
Total non-current liabilities		1,652,392	1,526,422	958,327	881,258
Current liabilities					
Trade and other payables	29	53,609	31,404	35,688	14,687
Deferred revenue	30	33,420	17,297	9,659	11,820
Loans and borrowings	31	18,143	-	18,143	-
Current tax liabilities		14,749	10,810	6,283	6,104
Total current liabilities		119,921	59,511	69,773	32,611
Total liabilities		1,772,313	1,585,933	1,028,100	913,869
Total equity and liabilities		6,694,308	6,037,835	4,346,704	4,003,784
Net assets per share (Rs.)		117.23	106.16	82.30	76.63

The notes from pages 17 to 51 form an integral part of these financial statements.

I certify that these financial statements are in compliance with the requirements of Companies Act No. 7 of 2007.

(Sgd.)

L.C.D. Prasanga

Senior Vice President - Finance
Carsons Management Services (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 31st May 2024.

Approved and signed on behalf of the Managers,

Approved and signed on behalf of the Board,

(Sgd.)

V.R. Wijesinghe

Director
Carsons Management Services (Private) Limited

(Sgd.)

E.H. Wijenaik

Chairman

(Sgd.)

K.C.N. Fernando

Director

Colombo
31st May 2024

Statement of Cash Flows

(All figures are in Sri Lankan Rupees thousands)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
Cash flows from operating activities					
Profit before taxation		757,896	659,071	398,885	404,635
Adjustments for:					
Finance costs	14.2	13,286	11,966	6,217	5,075
Interest income	14.1	(91,719)	(53,971)	(63,726)	(54,754)
Net change in fair value through profit or loss financial assets	14.1	(680)	(6,001)	-	(2,720)
Dividend income	14.1	-	-	(11,709)	(11,701)
Net gains arising from changes in fair value of investment properties	17	(497,498)	(460,040)	(241,688)	(256,024)
Depreciation on property, plant and equipment	18	671	552	671	552
Amortisation of deferred revenue	30	(12,285)	(8,151)	(5,391)	(3,457)
Write off of advances		-	1,679	-	-
Provision for employee benefits	28.2	770	672	421	347
Operating profit before working capital changes		170,441	145,777	83,680	81,953
(Increase)/ decrease in trade and other receivables		(14,959)	(8,454)	(9,417)	(8,252)
Increase/ (decrease) in trade and other payables		(39,053)	11,880	(21,551)	2,793
Operating profit after working capital changes		116,429	149,203	52,712	76,494
Rental deposits received	26	4,339	29,393	846	15,299
Rental deposits refunded	26	(4,466)	(8,795)	-	(8,795)
Cash generated from operations		116,302	169,801	53,558	82,998
Income tax paid		(46,727)	(50,838)	(23,301)	(30,167)
Surcharge tax paid	15.6	-	(43,070)	-	(24,893)
Net cash generated from/ (used in) operating activities		69,575	75,893	30,257	27,938
Cash flows from investing activities					
Additions to the investment properties	17	(46,651)	(28,105)	(2,007)	(3,735)
Purchase of property, plant and equipment	18	-	(1,191)	-	(1,191)
Investment in a subsidiary		(685)	-	(685)	-
Net movement in investment in fixed deposits		17,078	(250,058)	26,355	(95,632)
Net movement of amount due from related companies		-	-	(48,560)	(56,743)
Interest received		22,129	22,104	7,821	40,712
Net movement in fair value through profit or loss financial assets		(37,500)	101,956	-	54,956
Dividends received		-	-	11,709	11,701
Net cash generated from/ (used in) investing activities		(45,629)	(155,294)	(5,367)	(49,932)
Cash flows from financing activities					
Loans obtained during the year	31	160,000	100,000	80,000	50,000
Loans repaid during the year	31	(142,000)	(100,000)	(62,000)	(50,000)
Interest paid	31	(1,688)	(3,784)	(876)	(1,892)
Dividend paid		(34,120)	(40,177)	(30,330)	(36,391)
Net cash generated from/ (used in) financing activities		(17,808)	(43,961)	(13,206)	(38,283)
Net increase/ (decrease) in cash and cash equivalents		6,138	(123,362)	11,684	(60,277)
Cash and cash equivalents at the beginning of the year		26,447	149,809	12,516	72,793
Cash and cash equivalents at the end of the year	22	32,585	26,447	24,200	12,516

The notes from pages 17 to 51 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees thousands)

1. REPORTING ENTITY

Equity One Limited is a Limited Liability Company incorporated and domiciled in Sri Lanka.

The Company's registered office and principal place of business are located at No. 61, Janadhipathi Mawatha, Colombo 1, and No. 65C, Dharmapala Mawatha, Colombo 7, respectively.

The consolidated financial statements as of and for the year ended 31 March 2024 comprise financial information for the Company and its Subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The group's business activities are focused on the real estate sector, providing office and warehouse premises on a rental basis. During the financial year under review, there were no significant changes to the nature of the group's principal activities.

A list of subsidiaries is set out in Note 19 to the financial statements. Out of the two subsidiaries, Equity Two PLC is listed on the Colombo Stock Exchange.

At the reporting date, the Group and the Company had 20 and 11 (2023 – 16 and 10) employees, respectively.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group 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 notes to the financial statements.

The consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS / SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act, No. 7 of 2007.

These consolidated financial statements were authorised for issue by the Board of Directors on 31st May 2024.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position;

- Investment properties are measured at fair value as explained in Note 17;
- Defined benefit obligations are measured at its present value, based on an actuarial valuation as explained in Note 28; and
- Investments in unit trusts are measured at fair value as explained in Note 21.

2.3 Going concern basis of accounting

These financial statements have been prepared assuming that the Group will continue as a going concern for the foreseeable future.

2.4 Functional and presentation currency

Items included in the Group entities financial statements are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency.

2.5 Materiality and aggregation

Each material class of similar items is presented in aggregate in the financial statements. Items of dissimilar nature or function are presented separately unless immaterial.

3. USE OF ESTIMATES AND JUDGMENTS

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3.1 Judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes;

- Note 4.6 : Determination of owner-occupied properties and investment properties

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees thousands)

In determining whether a property qualifies as an investment property, the Group make a judgment on whether the property generates independent cash flows other than those that are attributable not only to the property but also to the other assets. Judgment is also applied in determining if ancillary services provided are significant, to arrive at whether a property does or does not qualify as an investment property.

3.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the next financial year are included in the following notes:

- Note 28: Employee benefits
- Note 17: Investment properties

The assessment of the defined benefit obligation involves a significant element of assumptions, including discount rates, future salary increases, and mortality rates and due to the long-term nature of these plans, such estimates are subject to uncertainty.

The assessment of fair value of investment properties involves a significant element of assumptions, including occupancy rate, capitalisation rate, construction cost, repairs and insurance, and such estimates are subject to uncertainty.

3.2.1 Measurement of fair values

A number of the Group's accounting policies and disclosures require measuring fair values for both financial and non-financial assets and liabilities.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third-party information is used to measure fair values, the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses as much observable market data as possible. Fair values are categorised into different levels in a fair value hierarchy based on the following inputs used in the valuation techniques.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If 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 value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values are included in the following notes:

- Note 17 – Investment Properties
- Note 4.8 – Financial Instruments

4. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these financial statements.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 01st April 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

4.1 Basis of consolidation

The Group's Financial Statements comprise consolidated Financial Statements of the Company and its subsidiaries in terms of the Sri Lanka Accounting Standards- SLFRS 10 on "Consolidated Financial Statements".

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business,

the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

4.1.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

The cost of acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. After acquisition, the Company continues to recognise the investment in Subsidiaries at cost.

The total profit / loss of the subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income, and the proportion of the profit or loss after taxation applicable to outside shareholders is shown under the heading ‘Non-Controlling Interest’. All assets and liabilities of the Company and its Subsidiaries are included in the Group Financial Position. The interest of the outside shareholders in the net assets of the Group is stated separately in the Consolidated Statement of

Financial Position within Equity under the heading ‘Non-controlling Interest’.

There are no restrictions on the ability of subsidiaries to transfer funds to the Company (The Parent) in the form of cash dividends or repayment of loans and advances.

The directors have concluded that the Group controls its subsidiaries, as it has majority control and voting rights over them.

Set out below are the Group’s subsidiaries as at 31st March 2024.

Name of entity	Place of business	% of Ownership Interest held by the Group	Principal activities
Equity Two PLC	Colombo, Sri Lanka	88.9%	Real estate sector providing office premises on rental basis
Equity Three (Private) Limited	Colombo, Sri Lanka	100%	Real estate sector providing office premises on rental basis

4.1.2 Non-controlling interest

For each business combination, the Group elects to measure any non-controlling interests in the acquiree at their proportionate share of the acquiree’s identifiable net assets, which are generally at fair value.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in the statement of profit or loss.

4.1.3 Loss of control

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

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees thousands)

4.1.4 Goodwill

Goodwill recognised in a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.

4.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

4.1.6 Accounting for Investment in Subsidiaries

When separate financial statements are prepared, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries are stated in the Company's Statement of financial position at cost less accumulated impairment losses.

4.2 Revenue

The Group revenue represents sales to customers outside the Group and sales within the Group which are intended for internal consumption.

In arriving at the revenue for consolidation financial statements, sales within the Group are eliminated.

The following specific criteria are used for the purpose of recognition of revenue:

4.2.1 Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other properties are recognised as other income.

4.2.2 Other Income - on accrual basis

Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the statement of profit or loss and disposal of investments are accounted for in the statement of profit or loss on the basis of realised net profit.

4.3 Expenditure Recognition

4.3.1 Operating expenses

All expenses incurred in day-to-day operations of the business and in maintaining the property, plant & equipment in a state of efficiency have been charged to revenue in arriving at the profit or loss for the year.

4.3.2 Finance income and finance costs

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in the statement of profit or loss, using the effective interest method.

Dividend income is recognised in the statement of profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

4.4 Income tax expense

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

The Group has determined that any interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes and has therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

4.4.1 Current taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting

date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. Current tax payable also includes any tax liability arising from the declaration of dividends.

4.4.2 Deferred taxation

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; and
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at 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 if they relate to 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, based on the level of future taxable profit forecasts and tax planning strategies.

4.5 Fair Value Measurement

SLFRS 13 "Fair value measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

A number of Group's accounting policies and disclosures require measuring fair values for both financial and non-financial assets and liabilities.

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

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction

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(All figures are in Sri Lankan Rupees thousands)

price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

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

4.6 Investment property

Investment property is property held to earn rental income or capital appreciation or for both, but not for sale on the ordinary course of business, use in production, or supply of goods and services, or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in the statement of profit or loss.

Investment properties are derecognised when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by commencement/ end of owner occupation, commencement of development with a view to sale, commencement of an operating lease to another party or completion of construction or development.

For a transfer from Investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at

the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an Investment property, the Group accounts for such a property in accordance with the policy stated under property, plant & equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss. When the Group completes the construction or development of a self-constructed Investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of profit or loss. When an Investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

4.7 Property, plant and equipment

4.7.1 Recognition and measurement

Property, plant & equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the following:

- the cost of material and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

4.7.2 Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

4.7.3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives as follows:

Class of Asset	Number of years
Plant & machinery	5-27
Motor vehicles	4-5
Furniture, fittings & office equipment	5-16
Computers	3-5

Depreciation begins when an asset is available for use, whereas it ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

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

4.7.4 Disposal

The gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised net within other income in the statement of profit or loss.

4.8 Financial instruments

4.8.1 Recognition and Initial Measurement

Trade receivable and debt securities issues are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability not at FVTPL, is initially measured at fair value plus 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.

4.8.2 Classification and Subsequent Measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (Fair Value through Other Comprehensive Income) – debt investment; FVOCI – equity investment; or FVTPL (Fair Value Through Profit or Loss).

Financial assets are not reclassified subsequent to their initial recognition unless the Group entities change 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.

The Group's financial assets classified under amortised cost include trade and other receivables, investment in fixed deposits, and cash and cash equivalents.

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 Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Group 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.

Investments in unit trust are classified as FVTPL.

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(All figures are in Sri Lankan Rupees thousands)

4.8.3 Financial assets – Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within 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 expectation about future sales activity.

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

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

4.8.4 Financial Assets – Assessment of whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as 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 Group consider

the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual cash flows such that it would not meet this condition.

4.8.5 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 the statement of 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 the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

4.8.6 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

Financial liabilities measured at amortised cost include loans and borrowings, refundable rental and other deposits, and trade and other payables.

4.8.7 Derecognition

4.8.7.1 Financial assets

The Group derecognise 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 the risks and rewards of ownership of

the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership, and it does not retain control of the financial asset.

The Group 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.

4.8.7.2 Financial liabilities

The Company and the Group derecognises a financial liability when its contractual obligation is discharged, cancelled, or expired. The Group 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 the 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 the statement of profit or loss.

4.8.8 Offsetting

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

4.8.9 Impairment

4.8.9.1 Non-derivative financial assets

The Group recognise loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs using the simplified approach in accordance with SLFRS 09.

When determining whether a financial asset's credit risk has increased significantly since initial recognition and when estimating ECLs, The Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

4.8.9.2 Credit-impaired financial assets

At each reporting date, the Group assess whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events have a detrimental impact on its estimated future cash flows.

Evidence that a financial asset is credit-impaired include the following observable data:

- significant financial difficulty of the debtors;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of the original contractual arrangement with the debtor on terms that the Group would not consider otherwise.

Write-off

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

The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4.8.9.3 Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of an impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

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(All figures are in Sri Lankan Rupees thousands)

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

4.9 Stated capital

4.9.1 Ordinary shares

Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognised as an expense.

4.10 Leases

At inception, the Group assess 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 a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company and the Group use the definition of a lease in SLFRS 16.

4.10.1 As a Lessor

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

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in SLFRS 9 to the receivables from the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Property Rental Revenue."

4.11 Employee benefits

4.11.1 Short-term employee benefits

The Company and the Group have a present legal or constructive obligation to pay this amount as a result of past service provided by the employees, and the obligation can be estimated reliably.

4.11.2 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the periods during which related services are rendered by employees.

4.11.2.1 Employees' Provident Fund

The Group's employees are members of the Employees' Provident Fund, to which the Group contributes 12% of their basic salary.

4.11.2.2 Employees Trust Fund

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

4.11.3 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The liability recognised in the Financial Statements in respect of defined benefit plan is the present value of the defined benefit obligation as at the reporting date.

The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits.' Such actuarial valuations will be carried out every year. The liability is not externally funded. All actuarial gains or losses are recognised immediately in other comprehensive income.

A provision has been made for retirement gratuities from the first year of service for all employees in conformity with the LKAS 19. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The liability is not externally funded.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognise gains or losses on the settlement of a defined plan when the settlement occurs.

4.12 Provisions

A provision is recognised if, as a result of a past event, the Group have 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.

5. RELATED PARTY TRANSACTIONS

Transactions with the related parties, regardless of whether a price is charged, have been disclosed when a person or an entity can control or exercise significant influence over the reporting entity.

6. EVENTS AFTER THE REPORTING PERIOD

All material and important events which occur after the reporting date have been considered and disclosed in notes to the financial statements.

7. STATEMENT OF CASH FLOWS

Interest paid and dividend paid are classified as financing cash flows while interest received and dividend received are classified as investing cash flows, for the purpose of presentation of Cash Flow Statement which has been prepared using the "Indirect Method."

7.1 Cash and cash equivalents

Cash and Cash Equivalents comprise cash balances that are subject to insignificant risk of changes in fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

8. EARNINGS PER SHARE

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

9. DIVIDENDS ON ORDINARY SHARES

Dividends on ordinary shares are recognised 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.

10. SRI LANKA ACCOUNTING STANDARDS CHANGES WITH EFFECT FROM 01 JANUARY 2024

The following amendments have been made to the Accounting Standards with effect from annual periods beginning on or after 1 January 2024. However, the Group and the Company have not early adopted the amended standards in preparing these financial statements.

- a) LKAS 1 Presentation of Financial Statements- Classification of Liabilities as Current or Non-current
- b) LKAS 1 Presentation of Financial Statements-Non-current Liabilities with Covenants
- c) LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instrument Disclosures-Supplier Finance Arrangements
- d) LKAS 12 Income Taxes-International Tax Reform-Pillar Two Model Rule
- e) SLFRS 16 Leases-Lease Liability in a Sale and Leaseback

The Group does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group and Company.

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(All figures are in Sri Lankan Rupees thousands)

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
11. REVENUE				
Property rental income	381,467	326,861	186,604	172,229
	381,467	326,861	186,604	172,229

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
12. OTHER INCOME				
Parking fees from tenants	900	600	-	-
On other services provided to tenants	134	5,572	67	2,841
	1,034	6,172	67	2,841

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
13. PROFIT FROM OPERATIONS				
Profit from operations is stated after charging all expenses including the following:				
Auditors' remuneration - audit services	975	870	480	430
Auditors' remuneration - audit related services	351	162	171	81
Professional services cost (note 13.1)	1,233	1,076	435	737
Depreciation (note 13.2)	671	552	671	552
Support service fee	15,308	15,066	7,677	7,530
Personnel costs (note 13.3)	83,502	77,589	42,122	40,014
13.1 Professional services cost				
Valuation services	1,148	991	378	652
Other services	85	85	57	85
	1,233	1,076	435	737
13.2 Depreciation				
Depreciation is included in the Statement of Profit or Loss under the following headings:				
Administrative and other operating expenses	671	552	671	552
	671	552	671	552

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
13.3 Personnel costs				
Salaries, wages and other related expenses	78,443	73,226	39,665	37,836
Defined benefit plan cost - Employee benefits (note 28.2)	770	672	421	347
Defined contribution plan cost - EPF and ETF	4,289	3,691	2,036	1,831
	83,502	77,589	42,122	40,014
The above includes:				
Directors' emoluments	-	-	-	-
Non-executive directors' fees	4,619	2,160	3,246	1,200
	4,619	2,160	3,246	1,200

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
14. NET FINANCE INCOME				
14.1 Finance income				
Interest income	91,719	53,971	38,076	25,290
Interest income on related party lendings	-	-	25,650	29,464
Net change in the fair value through profit or loss financial assets	680	6,001	-	2,720
Dividend income	-	-	11,709	11,701
	92,399	59,972	75,435	69,175
14.2 Finance costs				
Interest expenses on short term bank borrowings	1,831	3,784	1,019	1,892
Unwinding of interest on refundable deposits (note 26)	11,455	8,182	5,198	3,183
	13,286	11,966	6,217	5,075
Net finance income	79,113	48,006	69,218	64,100

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
15. CURRENT TAXATION				
15.1 Income tax expense				
Income tax expense for the year (note 15.2)	87,641	62,761	42,441	35,025
Under / (over) provision in respect of previous years	(808)	(454)	(465)	(454)
Tax on intercompany dividends	2,066	2,065	-	-
	88,899	64,372	41,976	34,571
Deferred Taxation				
On origination and reversal of temporary differences (note 27)	141,119	387,617	73,328	229,157
	141,119	387,617	73,328	229,157
Current tax expense for the year	230,018	451,989	115,304	263,728

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(All figures are in Sri Lankan Rupees thousands)

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
15.2 Reconciliation between accounting profit and taxable profit				
Accounting profit before taxation	757,896	659,071	398,885	404,635
Aggregate disallowable expenses	15,039	13,855	8,956	10,021
Aggregate allowable expenses	(18,465)	(29,728)	(3,830)	(3,695)
Dividend income	(11,709)	(11,701)	(11,709)	(11,701)
Net gain arising from changes in fair value of investment properties	(497,498)	(460,040)	(241,688)	(256,024)
Notional adjustments arising on application of LKAS/SLFRS	(8,807)	(6,169)	(9,145)	(13,516)
Finance income	(92,399)	(59,972)	(63,726)	(57,473)
Tax losses incurred during the year (note 15.5 (c))	43,972	55,461	-	-
Transactions adjusted on consolidation	11,709	11,701	-	-
Utilisation of tax losses (note 15.5 (c))	(3)	(2)	-	-
Adjusted business income	199,735	172,476	77,743	72,247
Investment income - interest Income	92,399	59,972	63,726	57,473
Total Taxable Income	292,134	232,448	141,469	129,720
Income tax on business profit (note 15.4 (a),15.5 (b))	52,227	46,569	23,323	19,507
Income tax on interest income (note 15.4 (a),15.5 (b))	35,414	16,192	19,118	15,518
Income tax expense for the year	87,641	62,761	42,441	35,025
15.3 Analysis of tax losses				
Tax losses brought forward	99,359	43,748	-	-
Tax loss incurred during the year (Subsidiaries)	43,972	55,461	-	-
Adjustment on finalisation of tax liability	159	152	-	-
Utilisation of tax losses during the year (note 15.5 (c))	(3)	(2)	-	-
Tax losses carried forward	143,487	99,359	-	-

15.4 Company

(a) In terms of the provisions of the Inland Revenue Act, No. 24 of 2017 and amendments thereto, the Company was liable to income tax at 30% (2023- 24% up to 30th September 2022 and 30% thereafter).

(b) As per the Inland Revenue (Amendment) Act No.45 of 2022, 15% withholding tax is deducted from the dividend distribution at the paying company.

15.5 Group

(a) Group tax expenses is based on the taxable profit of individual companies within the Group. At present, the tax laws of Sri Lanka do not provide for Group taxation.

(b) In terms of the provisions of the Inland Revenue Act, No. 24 of 2017 and amendments thereto, companies within the Group were liable to income tax at 30% (2023- 24% up to 30th September 2022 and 30% thereafter).

- (c) As per section 19 of the Inland Revenue Act No. 24 of 2017 and amendments thereto, any unclaimed tax losses incurred during the year could be carried forward for further six years. Such losses can be set off against profits without any limitation but subjecting to income tax rate applicable for the source of income as provided in the Act. Equity Three (Private) Limited in the Group have carried forward tax losses which are available to be set off against the future tax profits of the subsidiary company.
- (d) Deferred tax has been computed using a tax rate of 30% (2023-30%).

15.6 Surcharge tax

In 2022/23, as per the provisions of Surcharge Tax Act No. 14 of 2022, although Equity One Limited, the Company, and its subsidiaries did not become liable to pay surcharge tax as stand-alone entities, the Company and the Group were liable for surcharge tax on the basis that the companies are part of the Carson Cumberbatch PLC group, of which the aggregate taxable income exceeded the threshold as stipulated in the aforesaid Act.

Accordingly, in 2022/23, the Company and the Group were liable for a surcharge tax of Rs. 24,892,651/- and Rs. 43,070,292/-, out of the taxable income of Rs. 99,570,602/- and Rs. 172,281,168/-, respectively pertaining to the year of assessment 2020/21. The Company and the Group paid the surcharge tax liability in two equal installments on 18th April 2022 and 18th July 2022.

The expense of surcharge tax was accounted in accordance with the "Addendum to Statement of Alternative Treatment on Accounting for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022" issued by the Institute of Chartered Accountants of Sri Lanka on 10th August 2022.

16. EARNINGS PER SHARE

Earnings per share is calculated on the profit attributable to the shareholders of the Company over the weighted average number of ordinary shares outstanding, as required by the Sri Lanka Accounting Standard (LKAS 33) - "Earnings per share".

The following reflect the income and share data used in the earnings per share computation:

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Amounts used as the numerator				
Profit attributable to the ordinary shareholders of the Company	501,421	195,731	283,581	140,907
Amounts used as the denominator				
Weighted average number of ordinary shares outstanding during the year (In thousands)	40,322	40,322	40,322	40,322
Earnings per share (Rs.)	12.44	4.85	7.03	3.49

16.1 Diluted earnings per share

There were no potentially dilutive ordinary shares as at 31 March 2024 and there have been no transactions involving ordinary shares or potential ordinary shares as at the reporting date which would require restatement of earnings per share.

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	Freehold land	Freehold building	Other equipment	Total as at 31st March 2024	Total as at 31st March 2023
For the year ended 31st March					
17. INVESTMENT PROPERTIES					
17.1 Group					
Balance as at the beginning of the year	4,309,290	1,092,264	78,829	5,480,383	4,992,238
Additions during the year	39,499	-	7,152	46,651	28,105
Changes in fair value of investment properties	358,471	155,984	(16,957)	497,498	460,040
	4,707,260	1,248,248	69,024	6,024,532	5,480,383
Company					
Balance as at the beginning of the year	2,575,459	442,330	24,449	3,042,238	2,782,479
Additions during the year	-	-	2,007	2,007	3,735
Changes in fair value of investment properties	205,347	41,912	(5,571)	241,688	256,024
	2,780,806	484,242	20,885	3,285,933	3,042,238

17.2 During the year, the Group purchased a plot of land adjacent to the existing Colombo 13 property, to enhance its road frontage and marketability.

17.3 Details of investment properties

Property and location	Method of valuation	Land Extent (Perch)	Historical cost	Fair value 2024	Fair value 2023
Equity One Limited					
Dharmapala Mawatha, Colombo 7	Investment approach	94	132,916	2,056,160	1,895,000
Vauxhall Lane, Colombo 2	Market/ Depreciated replacement cost	180.05	237,348	1,229,773	1,147,238
Equity Two PLC					
No. 61 Janadhipathi Mawatha, Colombo 01	Investment approach	28.51	134,408	741,289	629,373
No. 55 Janadhipathi Mawatha, Colombo 01	Investment approach	57.55	437,552	1,165,743	1,082,562
Equity Three (Private) Limited					
George R. De Silva Mawatha, Colombo 13	Market/ Depreciated replacement cost	85.23	150,112	831,567	726,210
				6,024,532	5,480,383

The Investment Properties of the Group comprise commercial properties that are leased to external and related party tenants. The lease agreements are typically entered in to two to five year periods with the option for subsequent renewals.

Changes in fair value adjustments on investment properties (gain/ loss), which are unrealised, are recognised in the Statement of Profit or Loss. Accordingly, the total net gain/ loss on such changes in fair value, net of related deferred tax, is recorded in the fair value adjustment reserve as at the reporting date.

17.4 Fair value hierarchy

The fair value of the investment properties was determined by an external, independent property valuer, Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company, having appropriate recognised professional qualifications and recent experience in the location and category of the properties valued. Fair values were determined with reference to the entities' ability to generate economic benefits by using the asset and recent market transactions for similar properties in the same location as the respective investment properties of the Group.

The fair value measurement for the investment properties have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Description	Location	Valuation technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurements
Land & Building	Colombo	Investment Approach		The estimated fair value would increase/ (decrease) if –
		The valuation method considers the present value of net cash flows to be generated from the property taking into account the expected rental income, occupancy rate and other costs not paid by the tenants. The expected net cash-flows are capitalised using expected rate of return.	<p>Contractual rentals agreed with the tenants.</p> <p>Occupancy Rate 75% - 90%</p> <p>Capitalisation rate 5%- 6.5%</p> <p>Repair and Insurance 20%</p> <p>Valuer has used market price per perch for excess land in existing location using a range of prices for similar lands based on adjusted fair value taking in to account of other valuation considerations Market price per perch range between Rs. 10,500,000/- to Rs. 15,250,000/-</p>	<p>Contractual rentals were higher/ (lower)</p> <p>Occupancy rate was higher/ (lower)</p> <p>Capitalisation rate was (higher) / lower</p> <p>Repair and insurance was (higher) / lower</p> <p>Market value per perch was higher/ (lower)</p>
Land & Building	Colombo	Market/ Depreciated replacement cost approach	Construction cost per square feet Rs. 7,250 - Rs. 10,000.	Cost per square feet was higher/ (lower)
		In this approach, the market value of a property is estimated as a function of the current cost to purchase or replace the property. Accordingly, adjustments are made to account for all forms of depreciation (physical, functional, and economic; as applicable) to determine the market value of the property.	<p>Valuer has used market price per perch for entire land in existing location using a range of prices for similar lands based on adjusted fair value taking in to account of other valuation considerations.</p> <p>Market price per perch range between Rs. 6,000,000/- to Rs. 8,000,000/-</p> <p>Depreciation rate for the usage of assets 55% - 72.5%</p>	<p>Market value per perch was higher/ (lower)</p> <p>Depreciation rate for usage (higher) / lower</p>

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(All figures are in Sri Lankan Rupees thousands)

Sensitivity Analysis

Significant judgement is required when evaluating the inputs into fair value determination of investment properties. Reasonably possible changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have affected the fair value of the properties by the amounts shown below.

As at 31st March	Group		Company	
	Increase	Decrease	Increase	Decrease
Discount rate				
2024: 1% movement	(472,391)	684,289	(266,427)	400,040
2023: 1% movement	(424,985)	616,031	(243,090)	365,000
Occupancy rate				
2024: 10% movement	376,615	(376,609)	177,794	(177,794)
2023: 10% movement	350,347	(350,353)	162,223	(162,223)
Repairs and Insurance				
2024: 10% movement	(571,680)	571,680	(295,920)	295,920
2023: 10% movement	(513,533)	513,533	(270,000)	270,000
Construction cost per sqft				
2024: Rs.1000/- movement	23,026	(23,026)	8,896	(8,896)
2023: Rs.1000/- movement	19,751	(19,751)	8,896	(8,896)

Leases as Lessor

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 4.10 sets out information about the operating leases of investment property.

The investment properties that are leased to tenants are under operating leases with rentals payable on a monthly basis. The Group's rental contracts carry rental payments which are fixed in nature.

Rental income recognised by the Group and Company during the year was Rs. 381.5 Mn and Rs. 186.6 Mn (2023: Rs. 326.9 Mn and Rs. 172.2 Mn), respectively.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

As at 31st March	Group		Company	
	2024	2023	2024	2023
Less than one year	321,649	258,081	164,241	158,688
One to two years	230,981	168,137	122,490	138,583
Two to three years	205,671	121,323	103,406	108,093
Three to four years	196,373	110,949	93,439	97,056
Four to five years	126,995	99,374	77,684	88,676
More than five years	78,909	158,692	77,684	155,369
	1,160,578	916,556	638,944	746,465

17.5 Restrictions on title and investment properties pledged as security for liabilities

No items of the investment properties of the Company and the Group were pledged as security for liabilities as at the reporting date. There were no restrictions on titles of the investment properties of the Company and the Group, as at the reporting date.

17.6 Capitalisation of borrowing costs into investment properties

No borrowing cost capitalised for the year ended 31st March 2024 (2023 - Rs. Nil).

17.7 Contractual obligations to construct and develop investment properties

There were no contractual obligations entered to construct and develop investment properties as at the reporting date.

17.8 All the direct operating expenses of the Company and the Group are incurred on investment properties generating rental income.

	Machinery and equipment	Furniture and fittings	Motor vehicles	Total as at 31st March 2024	Total as at 31st March 2023
18. PROPERTY, PLANT AND EQUIPMENT					
18.1 Group / Company					
Cost					
As at the beginning of the year	4,768	808	9,200	14,776	13,585
Additions during the year	-	-	-	-	1,191
As at the end of the year	4,768	808	9,200	14,776	14,776
Accumulated depreciation					
As at the beginning of the year	3,405	678	9,200	13,283	12,731
Charge for the year	656	15	-	671	552
As at the end of the year	4,061	693	9,200	13,954	13,283
Carrying amount as at the end of the year	707	115	-	822	1,493

18.2 Details of fully depreciated assets in property, plant and equipment are as follows:

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Machinery and equipment	2,939	2,615	2,939	2,615
Furniture and fittings	657	657	657	657
Motor vehicles	9,200	9,200	9,200	9,200
	12,796	12,472	12,796	12,472

18.3 There were no restrictions to the title of property, plant and equipment of the Company and the Group, as at the reporting date. Further, no items were pledged as security.

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(All figures are in Sri Lankan Rupees thousands)

For the year ended 31st March		Company	
		2024	2023
19. INVESTMENTS IN SUBSIDIARIES			
Investments in subsidiaries (note 19.1)		552,733	552,048
		552,733	552,048

As at 31st March	2024		2023	
	No. of shares	Cost	No. of shares	Cost
19.1 Details of investment in subsidiaries				
Quoted				
Equity Two PLC	27,549,456	449,519	27,532,525	448,834
		449,519		448,834
Unquoted				
Equity Three (Private) Limited	5,399,997	103,214	5,399,997	103,214
		103,214		103,214
Total investment in subsidiaries		552,733		552,048

As at 31st March	Group		Company	
	2024	2023	2024	2023
20. TRADE AND OTHER RECEIVABLES				
Financial				
Trade receivables	90,450	76,625	63,135	54,159
Other receivables	13,597	9,911	748	443
Amounts due from related companies (note 34.4)	-	-	225,040	150,830
Loans given to company staff (note 20.1)	459	688	120	47
	104,506	87,224	289,043	205,479
Non-financial				
Prepaid expenses	1,453	3,776	1,236	1,173
	1,453	3,776	1,236	1,173
	105,959	91,000	290,279	206,652
20.1. Loans given to company staff				
Balance as at the beginning of the year	688	222	47	71
Loans granted during the year	533	1,290	259	286
Settlements during the year	(762)	(824)	(186)	(310)
Balance as at the end of the year	459	688	120	47

As at 31st March	Group		Company	
	2024	2023	2024	2023
21. FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS				
Investments in Unit Trusts (note 21.1)	38,180	-	-	-
	38,180	-	-	-

As at 31st March 2024	No. of units	Group		Company		
		Cost	Fair value	No. of units	Cost	Fair value
21.1 Investments in Unit Trusts						
CT CLSA Asset Management (Pvt) Ltd- Money Market Fund	1,289,563	37,500	38,180	-	-	-
		37,500	38,180		-	-

Valuation of unit trusts is based on the unit price published by the Investment Managers (CT CLSA Asset Management (Pvt) Ltd) as at 31st March.

	Level 1	Level 2	Level 3	Total
21.2 Fair value hierarchy				
Group				
As at 31st March 2024				
Investments in Unit Trusts	-	38,180	-	38,180
	-	38,180	-	38,180
As at 31st March 2023				
Investments in Unit Trusts	-	-	-	-
	-	-	-	-
Company				
As at 31st March 2024				
Investments in Unit Trusts	-	-	-	-
	-	-	-	-
As at 31st March 2023				
Investments in Unit Trusts	-	-	-	-
	-	-	-	-

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(All figures are in Sri Lankan Rupees thousands)

As at 31st March	Group		Company	
	2024	2023	2024	2023
22. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	32,585	26,447	24,200	12,516
Cash and cash equivalents for the purpose of cash flow statement	32,585	26,447	24,200	12,516

23. STATED CAPITAL

The stated capital of the Company as at 31st March 2024 was Rs. 1,085,585,040/- consisting of 40,321,730 ordinary shares.

As at 31st March	Group		Company	
	2024	2023	2024	2023
Issued and fully paid				
As at the beginning of the year (40,321,730 ordinary shares)	1,085,584	1,085,584	1,085,584	1,085,584
As at the end of the year (40,321,730 ordinary shares)	1,085,584	1,085,584	1,085,584	1,085,584

The holders of ordinary shares are entitled to receive dividends as declared from time to time and on a poll are entitled to one vote per share at General Meetings of the Company.

As at 31st March	Group		Company	
	2024	2023	2024	2023
24. CAPITAL RESERVES				
Capital accretion reserve	158	158	158	158
Machinery replacement reserve	5,109	5,109	5,109	5,109
Other capital reserves	7,969	7,969	7,969	7,969
	13,236	13,236	13,236	13,236

24.1 Capital accretion reserve, machinery replacement reserve and other capital reserves represent amounts set aside by the Directors for future expansion and to meet any contingencies.

The movements of the above reserves are given in the Statement of Changes in Equity.

As at 31st March	Group		Company	
	2024	2023	2024	2023
25. REVENUE RESERVES				
General reserve (note 25.1)	39	39	39	39
Fair value adjustment reserve (note 25.2)	2,802,011	2,459,101	1,906,515	1,738,281
Retained earnings	826,085	722,755	313,230	252,775
	3,628,135	3,181,895	2,219,784	1,991,095

25.1 General reserve

General reserve represents the amounts set aside by the Directors for future expansion and to meet any contingencies.

25.2 Fair value adjustment reserve

The fair value adjustment reserve holds unrealised fair valuation gains on investment properties net of related deferred taxation as at the balance sheet date. Accordingly, gains arising net of related deferred taxes from fair value adjustment of investment properties will be transferred from retained earnings to fair value adjustment reserve and any losses arising net of related deferred taxes will be transferred to retained earnings from fair value adjustment reserve to the extent that loss does not exceed the balance held in the said reserve.

The movement of the above reserves are given in the Statement of Changes in Equity.

As at 31st March	Group		Company	
	2024	2023	2024	2023
26. REFUNDABLE RENTAL DEPOSITS				
Balance as at the beginning of the year	104,479	86,698	43,911	40,065
Receipts during the year	4,339	29,393	846	15,299
Transferred to deferred revenue (note 30)	(28,408)	(10,999)	(3,230)	(5,841)
Refunds during the year	(4,466)	(8,795)	-	(8,795)
Unwinding of interest on refundable deposits (note 14.2)	11,455	8,182	5,198	3,183
	87,399	104,479	46,725	43,911

27. DEFERRED TAX LIABILITIES

Group

2024	As at the beginning of the year (net)		Recognised in other comprehensive income	As at the end of the year		
	Recognised in profit or loss	Net deferred tax liability/ (asset)		Deferred tax liability	Deferred tax asset	
Investment properties	1,449,663	154,588	-	1,604,251	1,604,251	-
Employee benefits	(895)	(231)	(498)	(1,624)	-	(1,624)
Tax losses	(29,808)	(13,238)	-	(43,046)	-	(43,046)
Net deferred tax liability/ (asset)	1,418,960	141,119	(498)	1,559,581	1,604,251	(44,670)

2023	As at the beginning of the year (net)		Recognised in other comprehensive income	As at the end of the year		
	Recognised in profit or loss	Net deferred tax liability/ (asset)		Deferred tax liability	Deferred tax asset	
Investment properties	1,042,372	407,291	-	1,449,663	1,449,663	-
Employee benefits	(655)	(365)	125	(895)	-	(895)
Tax losses	(10,499)	(19,309)	-	(29,808)	-	(29,808)
Net deferred tax liability/ (asset)	1,031,218	387,617	125	1,418,960	1,449,663	(30,703)

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(All figures are in Sri Lankan Rupees thousands)

Company

2024	As at the beginning of the year (net)	Recognised in profit or loss	Recognised in other comprehensive income	As at the end of the year		
				Net deferred tax liability/ (asset)	Deferred tax liability	Deferred tax asset
Investment properties	836,159	73,454	-	909,613	909,613	-
Employee benefits	(509)	(126)	(217)	(852)	-	(852)
Net deferred tax liability/ (asset)	835,650	73,328	(217)	908,761	909,613	(852)

2023	As at the beginning of the year (net)	Recognised in profit or loss	Recognised in other comprehensive income	As at the end of the year		
				Net deferred tax liability/ (asset)	Deferred tax liability	Deferred tax asset
Investment properties	606,811	229,348	-	836,159	836,159	-
Employee benefits	(346)	(191)	28	(509)	-	(509)
Net deferred tax liability/ (asset)	606,465	229,157	28	835,650	836,159	(509)

The deferred tax effect on undistributed reserves of subsidiaries has not been recognised since the Company can control the timing of the reversal of these temporary differences.

27.1 Taxation on fair value gains and the impact on the rate increase

As per the Inland Revenue Act No. 24 of 2017 and amendments thereto, gains on sale of business assets including lands which are used in the production of income are liable for taxation at 30% (2023- 24% up to 30th September 2022 and 30% thereafter). An additional deferred tax liability of Rs. 151.7 Mn and Rs. 256.6 Mn on the temporary differences were recognised for the Company and the Group, for the year ended 31st March 2023 due to increase in tax rate to 30% from 24% with effect from 1st October 2022, in accordance with the Amendment Act No. 45 of 2022 to the Inland Revenue Act.

As at 31st March	Group		Company	
	2024	2023	2024	2023
28. EMPLOYEE BENEFITS				
28.1 The movement in the liabilities recognised in the Statement of Financial Position is as follows:				
Balance as at the beginning of the year	2,983	2,728	1,697	1,443
Current service cost	218	257	107	128
Interest cost	552	415	314	219
Actuarial (gain)/loss	1,659	(417)	723	(93)
Payments made during the year	-	-	-	-
Balance as at the end of the year	5,412	2,983	2,841	1,697
28.2 The amounts recognised in the Statement of Profit or Loss are as follows:				
Current service cost	218	257	107	128
Interest cost	552	415	314	219
Charge for the year	770	672	421	347
28.3 The amount recognised in the Statement of Other Comprehensive Income is as follows:				
Actuarial (gain)/loss	1,659	(417)	723	(93)
	1,659	(417)	723	(93)
Amounts recognised in the total comprehensive income	2,429	255	1,144	254

28.4 Liability on employee benefits as at 31st March 2024 amounting to Rs. 2,841,127/- and Rs. 5,412,125/- (2023 - Rs. 1,697,421/- and Rs. 2,983,219/-) for the Company and the Group respectively is made based on an actuarial valuation carried out by Mr. M. Poopalanathan (AIA) of Messrs. Actuarial and Management Consultants (Pvt) Ltd. As recommended by the Sri Lanka Accounting Standards (LKAS 19) - 'Employee benefits', the 'Projected Unit Credit (PUC)' method has been used in this valuation.

The principal assumptions used are:

Rate of discount	11.7% p.a. (2023 -18.5% p.a.)
Rate of pay increase	10% p.a. (2023 - 10% p.a)
Retirement age	60 years (2023: 60 years)
Mortality	A 1967/70 mortality table, issued by the Institute of Actuaries, London was used.
Withdrawal rate	5% for age up to 54 and thereafter zero (2023: 5% for age up to 54 and thereafter zero)

The Group is a going concern.

Present value of the defined benefit plan is calculated using a discount rate determined by reference to long term interest rate. Accordingly, a decrease in the long term interest rate will increase the plan liability.

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28.5 Sensitivity Analysis

Reasonably possible changes to one of the relevant actuarial assumptions as at the reporting date, holding other assumptions constant, would have affected the employee benefits by the amounts shown below.

As at 31st March	Group		Company	
	2024	2023	2024	2023
1% increase in discount rate	(409)	(171)	(190)	(91)
1% decrease in discount rate	464	189	213	100
1% increase in salary escalation rate	474	219	215	119
1% decrease in salary escalation rate	(424)	(200)	(196)	(109)

28.6 Maturity analysis of the payments

The following payments are expected on employee benefit plan in future years.

As at 31st March	Group		Company	
	2024	2023	2024	2023
Less than one year	333	295	180	165
One to two years	453	442	165	216
Two to five years	602	433	230	177
Five to ten years	1,972	1,161	1,691	966
More than ten years	2,052	652	575	173
Total	5,412	2,983	2,841	1,697
Weighted average duration (years) of defined benefit obligation	8.90	7.11	8.00	6.61

28.7 The liability on employee benefits is not externally funded.

As at 31st March	Group		Company	
	2024	2023	2024	2023
29. TRADE AND OTHER PAYABLES				
Financial				
Trade payables	186	668	135	-
Other payables	42,441	20,815	28,044	7,637
	42,627	21,483	28,179	7,637
Non financial				
Provisions and accrued expenses	10,982	9,921	7,509	7,050
	10,982	9,921	7,509	7,050
	53,609	31,404	35,688	14,687

As at 31st March	Group		Company	
	2024	2023	2024	2023
30. DEFERRED REVENUE				
Balance as at the beginning of the year	17,297	14,449	11,820	9,436
Amount transferred from refundable deposits (note 26)	28,408	10,999	3,230	5,841
Amortisation of deferred revenue	(12,285)	(8,151)	(5,391)	(3,457)
Balance as at the end of the year	33,420	17,297	9,659	11,820
31. LOANS AND BORROWINGS				
Balance as at the beginning of the year	-	-	-	-
Loans obtained during the year	160,000	100,000	80,000	50,000
Accrued Interest	1,831	3,784	1,019	1,892
Repayments during the year	(143,688)	(103,784)	(62,876)	(51,892)
Balance as at the end of the year	18,143	-	18,143	-

The unsecured short term facilities were obtained from Commercial Bank of Ceylon PLC at an interest rate equivalent to the market rate based on AWPLR.

32. COMMITMENTS AND CONTINGENCIES

32.1 Capital expenditure commitments

There were no significant financial commitments for the Company and the Group as at 31st March 2024.

32.2 Contingent liabilities

There were no material contingent liabilities as at the reporting date.

32.3 Litigations and claims

There were no material litigations and claims against the Company and the Group as at the reporting date.

33. FINANCIAL INSTRUMENTS

Financial risk management - Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Market risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and supervision of the Group's risk management framework. The Board of Directors has delegated this function to Carsons Management Services (Private) Limited, the management company, which is responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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The Audit Committee of Carson Cumberbatch PLC, the parent company, oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its supervision role by Group Internal Audit. Group 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.

33.1 Credit risk

Credit risk is the risk of a financial loss to the Group, if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and which arises primarily from the Group's receivables from customers, and placements in deposits with banking institutions.

33.1.1 Exposure to credit risk

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

As at 31st March	Group		Company	
	2024	2023	2024	2023
Credit risk				
Trade and other receivables	104,506	87,224	289,043	205,479
Less: Revenue on lease agreements recognised on straight line basis	(67,776)	(60,579)	(59,055)	(50,104)
	36,730	26,645	229,988	155,375
Investment in fixed deposits	488,280	435,768	192,737	188,837
Fair value through profit or loss financial assets	38,180	-	-	-
Cash and cash equivalents	32,585	26,447	24,200	12,516
	595,775	488,860	446,925	356,728

33.1.2 Trade receivables

The Group's exposure to credit risk on 'Trade receivables' is influenced mainly by the individual characteristics of each customer, and primarily arising on the rent receivable from its tenants.

The Group has obtained refundable rental deposits from non-related party tenants, covering the rental income for a period of 3-6 months, which provides cover to the Group in the event of a default. Details of the refundable rental and other deposits held by the Group as at the reporting date is as follows.

As at 31st March	Group		Company	
	2024	2023	2024	2023
Refundable rental deposits				
Carrying value	87,399	104,479	46,725	43,911
Face value	123,168	123,294	57,648	56,801

The sector also follows a careful credit evaluation process for new tenants before entering into rent agreements with such parties.

The terms of the lease agreements provide that the tenants should pay rental in advance on a monthly basis, which provides further cover against a default.

The age analysis of trade receivables at the end of the reporting period that were not impaired was as follows.

As at 31st March	Group		Company	
	2024	2023	2024	2023
Trade receivables	90,450	76,625	63,135	54,159
Less: Revenue on lease agreements recognised on straight line basis	(67,776)	(60,579)	(59,055)	(50,104)
Net trade receivables	22,674	16,046	4,080	4,055
1–30 days	17,652	15,277	3,817	3,423
31–90 days	3,632	175	208	99
Over 90 days	1,390	594	55	533
	22,674	16,046	4,080	4,055

There were no circumstances that would require impairment in respect of trade and other receivable as at the year end (2023 - Nil).

33.1.3 Other receivables

A significant component of other receivables of the Group comprises deposits placed with suppliers in securing their services, with whom the Group regularly transacts with and have dues outstanding against.

33.1.4 Investment in fixed deposits

The Company and the Group have invested in fixed deposits with banking and financial institutions. The Company and the Group continuously monitors the stability and credit worthiness including credit ratings of these financial institutions in order to assess and mitigate the credit risk. The Company and the Group held fixed deposits of Rs.192.7 Mn and Rs.488.3 Mn as at 31st March 2024, respectively, which represents its maximum credit exposure on these assets. The fixed deposits are held with the banking and financial institution counterparties, which are rated A-(lka) to A(lka), based on Fitch Ratings.

33.1.5 Cash and cash equivalents

The Group and the Company held cash and cash equivalents of Rs.32.6 Mn and Rs.24.2 Mn as at 31st March 2024 respectively (2023: Rs. 26.4 Mn and Rs 12.5 Mn), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A-(lka) to AAA(lka) based on Fitch Ratings.

As at 31st March	Group		Company	
	2024	2023	2024	2023
Cash at bank and in hand	32,585	26,447	24,200	12,516
	32,585	26,447	24,200	12,516

33.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees thousands)

33.2.1 The following are the remaining contractual maturities of financial liabilities as at the end of the reporting period:

Group

As at 31st March 2024	Carrying amount	Contractual cash flows					
		Total	3 months or less	4-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Refundable rental deposits	87,399	123,168	4,422	39,151	14,093	52,772	12,730
Trade payables	186	186	186	-	-	-	-
Other payables	42,441	42,441	42,441	-	-	-	-
	130,026	165,795	47,049	39,151	14,093	52,772	12,730

As at 31st March 2023	Carrying amount	Contractual cash flows					
		Total	3 months or less	4-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Refundable rental deposits	104,479	123,294	8,222	51,441	35,291	15,713	12,627
Trade payables	668	668	668	-	-	-	-
Other payables	20,815	20,815	20,815	-	-	-	-
	125,962	144,777	29,705	51,441	35,291	15,713	12,627

Company

As at 31st March 2024	Carrying amount	Contractual cash flows					
		Total	3 months or less	4-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Refundable rental deposits	46,725	57,648	4,422	22,292	10,703	8,295	11,936
Trade payables	135	135	135	-	-	-	-
Other payables	28,044	28,044	28,044	-	-	-	-
	74,904	85,827	32,601	22,292	10,703	8,295	11,936

As at 31st March 2023	Carrying amount	Contractual cash flows					
		Total	3 months or less	4-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Refundable rental deposits	43,911	56,801	5,096	5,098	21,557	13,113	11,937
Trade payables	-	-	-	-	-	-	-
Other payables	7,637	7,637	7,637	-	-	-	-
	51,548	64,438	12,733	5,098	21,557	13,113	11,937

The amounts disclosed in the above table represent the contractual undiscounted cash outflows relating to non-derivative financial liabilities and which are usually not closed out before contractual maturity.

33.2.2 Management of liquidity risk

The Group maintains a portion of its current assets in highly liquid form - demand deposits in order to meet its contractual obligations during the normal course of its operations. As at the reporting date, the Group maintains 'cash and cash equivalents' amounting to Rs. 32.6 Mn (2023 - Rs. 26.4 Mn), in fixed deposits amounting to Rs. 488.3 Mn (2023 - Rs. 435.8 Mn) and investments in fair value through profit or loss – unit trust amounting to Rs.38.2 Mn (2023 - Rs. Nil).

Rental deposits are refundable when rent agreements expire, The Company is of the view that most of its tenants will renew their rent agreements for another term before the expiry. Typically, the Company's rent agreements are entered into for two years when a renewal clause.

33.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates which will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

33.4 Accounting classifications and fair values

Financial instruments are measured either at fair value or amortised cost. Accounting Policies in notes to the financial statements describe how the classes of financial instruments are measured, and how the relevant income and expenses, including fair value gains and losses, are recognised. The following table analyses the fair value of financial instruments of the Group together with the carrying amounts shown in the Statement of Financial Position.

As at 31st March 2024	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial assets at fair value through Other Comprehensive Income	Financial liabilities at amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	32,452	-	-	32,452	32,452
Investment in fixed deposits	-	488,280	-	-	488,280	488,280
Fair value through profit or loss financial assets	38,180	-	-	-	38,180	38,180
Net trade receivables	-	22,674	-	-	22,674	22,674
	38,180	543,406	-	-	581,586	581,586
Refundable rental deposits	-	-	-	87,399	87,399	87,399
Trade and other payables	-	-	-	42,627	42,627	42,627
	-	-	-	130,026	130,026	130,026

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees thousands)

As at 31st March 2023	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial assets at fair value through Other Comprehensive Income	Financial liabilities at amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	26,314	-	-	26,314	26,314
Investments in fixed deposits	-	435,768	-	-	435,768	435,768
Net trade receivables	-	16,046	-	-	16,046	16,046
	-	478,128	-	-	478,128	478,128
Refundable rental deposits	-	-	-	104,479	104,479	104,479
Trade and other payables	-	-	-	21,483	21,483	21,483
	-	-	-	125,962	125,962	125,962

34. RELATED PARTY TRANSACTIONS

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

34.1 Parent and ultimate controlling entity

Carson Cumberbatch PLC is the parent company of Equity One Limited and Bukit Darah PLC is the Ultimate Parent and Controlling entity of Equity One Limited.

34.2 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS 24) - "Related party disclosures", Key Management personnel (KMP) are those having authority and responsibility for planning and controlling the activities of the entity directly or indirectly including, any director (whether executive or otherwise) of that entity. Accordingly, the Board of Directors of the company and Director - Finance of Carsons Management Services (Private) Limited have been classified as Key Management Personnel of the same.

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
34.2.1 Key Management Personnel compensation				
Short-term employee benefits - Directors fees	4,619	2,160	3,246	1,200
- Nomination committee fees	-	-	-	-
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
	4,619	2,160	3,246	1,200

No other transactions have taken place during the year, other than those disclosed above, between the Group and Company and their KMP.

34.3 Transactions with related companies

Name and the nature of the relationship	Name/s of the common Director/s	Nature of transactions	Value of the transaction		
			Group	Company	Company
			2024	2023	2023
Parent company					
Carson Cumberbatch PLC		Dividend paid, net of WHT	-	-	32,271
					25,446
Subsidiaries					
Equity Two PLC	E.H. Wijenaikie	Dividend received, net of WHT	-	-	11,701
	K. C. N. Fernando	Cost reimbursement received	-	-	12,953
	A.P. Weeratunge				11,718
	P. D. D. Fernando				
	S. Marimuthu				
Equity Three (Private) Limited	K. C. N. Fernando	Short-term loan provided	-	-	45,450
		Interest on short term loan provided	-	-	25,650
		Cost reimbursement received	-	-	3,918
Fellow subsidiaries					
Carsons Management Services (Private) Limited (CMSL)	K. C. N. Fernando	Support service fees paid	15,308	15,066	7,530
	A. P. Weeratunge	Secretarial fees paid	1,441	1,152	628
		Computer charges paid	585	577	308
		Rental income received	31,413	24,935	-
		Parking fees received	630	420	-
Guardian Fund Management Limited	A. P. Weeratunge	Rental income received	6,834	8,281	-
		Parking fees received	180	120	-
Agro Harapan Lestari (Private) Limited		Rental income received	23,938	22,266	22,266

Rent charged from related companies are based on the rent agreements signed between the respective companies.

Support service fees and other expenses charged are based on the respective services provided by Carsons Management Services (Private) Limited (CMSL) as per the service agreements signed between the companies.

Related Company lending and borrowings are charged interest at market rate linked to AWPLR.

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees thousands)

As at 31st March	Group		Company	
	2024	2023	2024	2023
34.4 Amounts due from related companies				
Equity Three (Private) Limited	-	-	225,040	150,830
	-	-	225,040	150,830

As at 31st March	% of equity interest	
	2024	2023
34.5 Group entities		
Equity Two PLC	88.9%	88.8%
Equity Three (Private) Limited	100.0%	100.0%

34.6 Transactions, Arrangements and Agreements involving KMP and their close family members (CFM)

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

- (a) the individual's domestic partner and children;
- (b) children of the individual's domestic partner; and
- (c) dependents of the individual or the individual's domestic partner's CFM are related parties to the entity.

There were no transactions with CMF during the year.

For the year ended 31st March	Company	
	2024	2023
35. DIVIDEND PER SHARE		
Dividends proposed and paid during the year		
First interim dividend 2022/23 (90 cents per share)	-	36,290
First interim dividend 2023/24 (75 cents per share)	30,241	-
Dividends proposed during the year		
Second interim dividend 2023/24 (60 cents per share) (Note 35.1)	24,193	-
Total dividends	54,434	36,290
Dividend per share (Rs.)	1.35	0.90

- 35.1** After satisfying the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007, the Directors of the Company have approved a second interim dividend of Rs.0.60 (60 cents) per Ordinary share for the year ended 31st March 2024 amounting to Rs.24,193,038/- on 26th March 2024. The above second interim dividend was paid on 17th April 2024 to the shareholders of the Company existed as of 26th March 2024.

36. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosures in the financial statements.

37. GOING CONCERN

The Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the Company's and the Group's ability to continue as a going concern. Accordingly, the financial statements are prepared based on the going concern concept.

38. COMPARATIVE FIGURES

Previous period's figures and phrases have been re-arranged wherever necessary to conform to the current period's presentation.

39. DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and presentation of these financial statements. This is more fully described under the relevant clause in the Directors' Report.

Five Year Summary

(All figures are in Sri Lankan Rupees thousands)

For the year ended/As at 31st March	2024	2023	2022	2021	2020	
Trading results						
Revenue	381,467	326,861	282,287	280,421	296,001	
Profit before taxation	757,896	659,071	616,470	254,090	217,930	
Income tax and deferred taxation (expense) / reversal	(230,018)	(451,989)	(147,869)	89,716	(57,309)	
Profit for the year	527,878	207,082	468,601	343,806	160,621	
Shareholders' funds						
Stated capital	1,085,584	1,085,584	1,085,584	1,085,584	1,085,584	
Reserves	3,641,371	3,195,131	3,076,421	2,658,493	2,412,714	
Minority interest	195,040	171,187	163,574	154,067	146,305	
Total equity	4,921,995	4,451,902	4,325,579	3,898,144	3,644,603	
Assets employed						
Current assets	282,791	239,581	483,832	452,258	487,918	
Current liabilities	(119,921)	(59,511)	(30,701)	(80,861)	(194,247)	
Working capital	162,870	180,070	453,131	371,397	293,671	
Non-current assets	6,411,517	5,798,254	4,993,092	4,545,536	4,488,890	
Assets employed	6,574,387	5,978,324	5,446,223	4,916,933	4,782,561	
Non-current liabilities	(1,652,392)	(1,526,422)	(1,120,644)	(1,018,789)	(1,137,958)	
Net assets	4,921,995	4,451,902	4,325,579	3,898,144	3,644,603	
Cash flow statement						
Net cash inflows / (outflows) from:						
Operating activities	69,575	75,893	78,406	77,604	57,691	
Investing activities	(45,629)	(155,294)	119,966	(77,592)	(1,990)	
Financing activities	(17,808)	(43,961)	(63,489)	(172,621)	100,000	
Net increase / (decrease) in cash & cash equivalents	6,138	(123,362)	134,883	(172,609)	155,701	
Ratios and statistics						
Dividend per share*	(Rs.)	1.35	0.90	1.00	1.00	1.10
Dividend payout	(%)	19.20	25.79	11.83	16.86	58.20
Return on shareholders' funds	(%)	10.61	4.57	10.98	8.83	4.33
Earnings per share	(Rs.)	12.44	4.85	11.33	8.20	3.76
Net assets per share	(Rs.)	117.23	106.16	103.22	92.85	86.76
Current ratio	(times)	2.36	4.03	15.76	5.59	2.51

Notes :

* Based on proposed / interim dividends.

Notice of Meeting

NOTICE is hereby given that the 42nd Annual General Meeting of **EQUITY ONE LIMITED** will be held at the 8th Floor of No.65C, Dharmapala Mawatha, Colombo 7, Sri Lanka on **Thursday, 27th June 2024 at 3.45 p.m.** for the following purposes

1. To consider the Annual Report of the Board of Directors including the financial statements of the Company for the financial year ended 31st March 2024, together with the Report of the Auditors thereon
2. To re-elect Mr. A.P. Weeratunge, who retires by rotation in terms of Articles 71, 72 and 73 of the Articles of Association of the Company.
3. To re-appoint Mr. P. D. D. Fernando as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution;

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. P. D. D. Fernando who is 81 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

4. To re-appoint Mr. K. C. N. Fernando as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution;

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. K. C. N. Fernando who is 77 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

5. To re-appoint Mr. S Mahendrarajah as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution;

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. S Mahendrarajah who is 71 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

6. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No.07 of 2007 and to authorise the Directors to determine their remuneration.

By Order of the Board

(Sgd.)
K. D. De Silva (Mrs)
Director

Carsons Management Services (Private) Limited
Secretaries

Colombo
31st May 2024

Notice of Meeting

Notes:

1. The Annual Report 2023/24 and the Notice convening the Annual General Meeting (AGM) will be made available on the Group's website **www.carsoncumberbatch.com**
2. A member is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
3. To be valid the Completed **Form of Proxy** should be submitted to the Company **not later than 4.45 p.m. on 25th June 2024,**
 - via email to **EONEAGM2024@carcumb.com**, or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.
4. A person representing a Corporation is required to submit a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
5. The transfer books of the Company will remain open
6. Security Check -

We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.

Form of Proxy

* I/We
of
being *a Shareholder/Shareholders of **EQUITY ONE LIMITED**
hereby appoint
ofbearing NIC No./ Passport No.
..... or failing him/her.

Eranjith Harindra Wijenaike	or failing him,
Kurukulasuriya Calisanctus Nalake Fernando	or failing him,
Ajith Prashantha Weeratunge	or failing him,
Subramaniam Mahendrarajah	or failing him,
Panthiage Donald Dunstan Fernando	or failing him,
Sivanandan Marimuthu	

As *my/our proxy to attend the 42nd Annual General Meeting of **EQUITY ONE LIMITED** to be held at the 8th Floor of No.65C, Dharmapala Mawatha, Colombo 7, Sri Lanka on **Thursday, 27th June 2024 at 3.45 p.m.** and at any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To re-elect Mr. A.P. Weeratunge, who retires by rotation in terms of Articles 71, 72 and 73 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-appoint Mr. P. D. D. Fernando who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-appoint Mr. K. C. N. Fernando who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-appoint Mr. S. Mahendrarajah who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5.	To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No.07 of 2007 and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day ofTwo Thousand and Twenty Four.

.....
Signature/s

Notes

- *Please delete the inappropriate words.
- A Shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a Shareholder of the Company.
A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the Shareholders.
- A Shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
- Instructions are noted on the reverse hereof.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address, and sign in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 53 of the Articles of Association of the Company:
 - (i) Any Shareholder entitled to attend and vote at a meeting shall be entitled to appoint another person (whether a Shareholder or not) as his proxy to attend and vote instead of him. A proxy so appointed shall have the same right as the Shareholder to vote on a show of hands or on a poll and to speak at the meeting.
 - (ii) The instrument appointing a proxy shall be in writing and:
 - a) in the case of an individual shall be signed by the appointor or by his attorney; and
 - b) in the case of a Corporation shall be either under its common seal or signed by its attorney or by an authorised officer on behalf of the Corporation.
4. In terms of Article 49 of the Articles of Association of the Company:

Where there are joint-holders of any share any one (01) of such persons may vote and be reckoned in a quorum at any meeting either personally or by Proxy as if he were solely entitled thereto and if more than one (01) of such joint-holders be so present at any meeting one (01) of such persons so present whose name stands first in the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Shareholder in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.
5. To be valid the completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 25th June 2024,
 - via email to EONEAGM2024@carcumb.com or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.

Please fill in the following details:

Name & contact no. of Shareholder :

Folio No. :

Name & contact no. of Proxyholder :

NIC No. of the Proxyholder :

Corporate Information

NAME OF THE COMPANY

Equity One Limited
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NO.

PQ 19 PB

LEGAL FORM

A Public Company with Limited Liability Incorporated in Sri Lanka in 1981

PARENT AND CONTROLLING ENTITY

Carson Cumberbatch PLC is the Parent Company of Equity One Limited and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Equity One Limited.

DIRECTORS

Mr. E. H. Wijenaike (Appointed Chairman w.e.f. 16th July 2023)
Mr. K.C.N. Fernando
Mr. A. P. Weeratunge
Mr. S. Mahendrarajah
Mr. P.D.D. Fernando
Mr. S. Marimuthu
Mr. D.C.R. Gunawardena (Chairman/Director resigned w.e.f. 15th July 2023)

PLACE OF BUSINESS

No. 65C, Dharmapala Mawatha,
Colombo 7,
Sri Lanka.

BANKERS

Standard Chartered Bank
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Nations Trust Bank PLC
DFCC Bank PLC
National Development Bank PLC
Sampath Bank PLC
SBI Sri Lanka

AUDITORS

Messrs. KPMG
Chartered Accountants,
No 32A, Sir Mohamed Macan Marker Mawatha,
Colombo 03,
Sri Lanka.

MANAGERS & SECRETARIES

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 01,
Sri Lanka.
Telephone No: +94-11-2039200
Fax No: +94-11-2039300

REGISTERED OFFICE

No.61, Janadhipathi Mawatha,
Colombo 01,
Sri Lanka.
Telephone No: +94-11-2039200
Fax No: +94-11-2039300

CORPORATE WEBSITE

www.carsoncumberbatch.com

