Our Value Creation Story

Holding true to our purpose

Integrated Annual Report 2024/25

Cargills
SINCE 1844

Decades ago, we set out on a journey to create value for all Sri Lankans by integrating our communities both economically and socially. We met farmers with dreams of brighter futures for their children, and we met their children, with greater ambitions and aspirations of their own. We empowered strong, enterprising men and women who never wavered in the face of challenges. We invested and took our operations across the country, from North to South, East to West, rebuilding both lives and livelihoods. We evolved as a business, from an upmarket department store concept to an island-wide supermarket chain connecting rural farming communities with a marketplace, to become the leading buyer of agri produce and fresh milk in the country. From manufacturing to distribution and logistics, from real estate to global franchise restaurants, continuously growing our reach across the country, making resources and opportunities accessible to rural communities, fostering a sense of belonging and shared prosperity alongside our Group's success.

Presenting to you, the visual narrative of this, our value creation story.

Our Value Creation Story:
Holding true to our purpose

Cargills (Ceylon) PLC

Integrated Annual Report 2024/25

Scan the QR code or visit
https://www.cargillsceylon.com/cargills-ceylon-plc/

Contents

Our Vision

To be a global corporate role model in community-friendly national development

Our Mission

Serve the rural community, our customers and all other stakeholders, through our core business – food with love – and other related businesses, based on the three main principles of:

– Reducing the cost of living
– Enhancing youth skills
– Bridging regional disparity

by enhancing local and global markets.

SINCE 1844
Cargills

Preamble

The Cargills *Journey*

1844

From a traditional retailer to a leading food company serving the needs of the community, this is the story of our evolution over the years:

The Cargills business model evolved step by step, transforming it from a traditional retailer to a food company serving the needs of all communities across the country. Prior to 1983, the business was limited to four (4) upmarket department stores in Colombo, Nuwara Eliya, Kandy, and Bandarawela, catering to an urban demographic. At its inception in 1844, Cargills was a general warehouse, import, and wholesale business.

Cargills Fort building in Colombo (Left)
Cargills building in Kandy (Right)

1983

Today, Cargills is Sri Lanka's largest food company, renowned for its role in building communities and creating sustainable markets for local producers. This change in the business model started in 1983, when the first "Cargills Food City" supermarket was opened at Staple Street in Colombo.

While many in Sri Lanka regard Cargills as the pioneer of modern trade in the country, in reality, there were a handful of standalone supermarkets before us. However, recognising the opportunity in the market, Cargills entered the supermarket industry and more importantly, took on the mantle of taking supermarkets beyond the urban elite, introducing the concept to communities across the country. This milestone marked Cargills' first meaningful entry into the food industry. During the years that followed, we gradually expanded the supermarket business to different parts of the country.

Opening of the first supermarket at Staple Street Colombo 02, on the 26 of October 1983 (Top)

First supermarket at Staple Street Colombo 02 (Bottom)

1993

Going beyond retailing

In 1993, we ventured into the smallgoods processing industry, acquiring the "Goldi" brand and a processing facility to support our retail operation.

We had identified destination categories within our supermarkets. Fresh meat and processed meats were such destination categories, which had a loyal customer base. The acquisition helped us improve our destination category across the retail chain, by providing a better and larger offering. Over time, we expanded our brand to all parts of the country, making it a national brand serving all channels. More recently, we expanded capacity by setting up a new halal-certified plant, to cater to diverse market segments. A venture which started with the main focus of serving our own supermarkets has now developed to become the leading smallgoods processing business in the country, with our products also penetrating markets beyond Sri Lanka.

Aerial view of the Processing Facility (Top)
The Goldi Processing Facility (Bottom)
Inside the Goldi Processing Facility (Right)

1996

When we entered the Quick Service Restaurants (QSR) business in 1996 with the introduction of the KFC franchise to Sri Lanka, we had a vision to develop the local poultry industry. However, our journey was not without challenges. A major roadblock came early on in 1997, when an island-wide power crisis caused substantial economic losses to our business. Despite these setbacks, we continued to learn from our experiences and innovate, maintaining our commitment to providing what the local consumer wanted – an international product with a local twist.

By customising our menu to cater to Sri Lankan taste preferences, we introduced new products such as KFC Biryani and KFC Kottu which became local favourites. This was the first time in KFC's history that a franchisee had introduced a rice dish – namely KFC Biryani, to the menu. These innovative products became instant hits and have been a key part of the success of KFC Sri Lanka.

Today, over 90% of the raw materials used in our QSR business are sourced locally, building markets for local poultry farmers and raw material suppliers. KFC continues to lead the Sri Lankan QSR industry, cementing its position as the market leader, while contributing to the growth of the local economy.

KFC "Chicken on Wheels" — a double-decker bus converted into a mobile restaurant, with an in-built kitchen — brought a unique dining experience to Colombo in the early 2000s, serving freshly prepared meals on board as customers toured the city of Colombo (Top)

KFC is the leading Quick Service Restaurant chain in Sri Lanka today (Bottom)

1999

The turning point

The real turning point came in 1999. That year, a visit to Hanguranketha located in the central hills of Sri Lanka, by Ranjit Page – current CEO and Deputy Chairman, brought a transformative shift in Cargills' philosophy.

During this encounter, we heard the cries of the farming community. The farmers' dependence on middlemen, lack of access to credit, and weak logistics that led to significant post-harvest losses were evident.

This pivotal encounter inspired us to address these issues directly and reimagine our approach. We shifted from primarily serving urban areas to engaging with and supporting the rural economy. By connecting small producers directly with the market and eliminating middlemen, we were able to offer farmers better prices and improve their livelihoods. This marked our transition from a traditional retailer to one that actively serves the community and creates shared value.

In 1999, we set up our first Fresh Collection Centre (FCC) in Hanguranketha, which was the beginning of an impactful and transformative journey. This encounter also inspired us to change the Company's vision and mission statement in 2007 to the ones that stands today, to reflect our new purpose and philosophy.

Farmer handing over the produce to a Cargills agriculture extension officer (Top)

Beneficiary of the model stated in 1999 (Bottom)

As of 1999, Cargills had only 18 Food City stores, 1 processing facility, and 1 restaurant.

Energised by our new philosophy, the following years saw a rapid expansion of the retail network and marked an expansion in our FMCG presence.

What started out as a single truck of produce from Hanguranketha to Colombo quickly turned into several trucks, and in no time, we established several FCCs across the country to create markets for farmers all over the island. These strategically located FCCs in various agro-ecological zones allowed us to ensure the availability of fresh produce year-round, further enhancing our ability to serve both the farmers and customers. In the years that followed, we rapidly expanded our reach.

We invested in supply chain logistics, improved handling, and introduced refrigerated transport and storage to maintain freshness. These initiatives significantly minimised post-harvest losses. Taking a step further, we started our farmer extension services which to date provides technical inputs to farmers. Our innovative approach to building up the capacity and profitability of the farming community was recognised locally and internationally.

Our outgrower farmers engaged in climate smart agriculture practices

Our model was studied by the World Bank and the Gates Foundation, which highlighted the benefits arising from the supply chain, with a higher price for the farmer, lower prices for the consumer, and reduced wastage.

Many years later, we were invited to share our thoughts about this successful operating model at leading forums, including the Consumer Goods Forum, Cornell University, Michigan State University, and the Gates Foundation.

"We propose that a case study be developed about Cargills which highlights the information supply and technical support networks which have been developed to benefit smallholders, consumers, and Cargills alike. Special attention will be given to the multiplier impact that Cargills has had on the broader agricultural sector in Sri Lanka. Lessons will be drawn from this country-wide success story for the benefit of private and public sector initiatives in both South Asia and Sub-Saharan Africa."

WorldAgInfo Project Report

Bill and Melinda Gates Foundation

June 2007

Gates Foundation officials visiting a collection centre

Our outgrower farmers engaged in climate smart agriculture practices

This journey which commenced in 1999 with a single truck transporting produce from Hanguranketha to Colombo has evolved to become the largest agriculture-based supply chain in the country. Today, we are the single largest collector of fruits and vegetables in Sri Lanka.

"Another example of a leap-of-faith goal comes from Cargills (Ceylon) PLC, the biggest producer and retailer of food in Sri Lanka. Under the leadership of CEO Ranjit Page, Cargills has embarked over the last decade on an innovative approach to building up the capacity and profitability of the farming community in Sri Lanka."

Reinventing Management: Smarter Choices for Getting Work Done, Julian Birkinshaw, 2010

(Professor of Strategy and Entrepreneurship, London Business School)

2002

Inside the Banduragoda Dairy Facility (Top)

Cargills Dairy Facility in Banduragoda (Bottom)

When a multinational company exited Sri Lanka in 2002, leaving behind its ice cream manufacturing facility, Cargills stepped in to acquire the plant. We viewed this not merely as a business opportunity but as a means to reduce the outflow of foreign exchange and strengthen local production capacity. The factory, which had previously relied on imported milk powder and vegetable fat, was transformed into a fresh milk-based ice cream operation by integrating it with Sri Lanka's network of smallholder dairy farmers. In doing so, we reinstated the factory's workforce – right down to the third and fourth tiers – safeguarding their livelihoods and preserving institutional knowledge.

Inspired to build a truly inclusive dairy model, we looked to India, where a cooperative system centred around smallholder farmers had revolutionised the industry – turning the country from a milk-deficit nation into a milk exporter. During our visit, we met Dr Verghese Kurien, the architect of India's White Revolution, whose conviction and insight convinced us that Sri Lanka could follow a similar path. We invited his support, and upon his recommendation, a senior dairy expert from India came to lead our dairy business. This became the cornerstone of our long-term success in the dairy sector.

Two decades on, Cargills has become the leading milk collector in Sri Lanka. Our progress has been driven by continuous innovation and a steadfast focus on value addition, which in turn has broadened opportunities for dairy farmers across the island.

Beyond fresh milk, we pioneered the use of locally sourced fresh fruit in our ice cream, creating unique, homegrown offerings for Sri Lankan consumers. Through sustained investment in product development and value addition, we contributed to the transformation of the local ice cream industry. The national ice cream industry transformed from a 12-million – liter market in 2002 to nearly 90 million litres annually today.

Where once a single legacy brand dominated, our ice cream products now hold over 40% market share, earning us leadership in the industry.

That same year, we acquired the KIST brand, then primarily focused on manufacturing jams, cordials, and sauces. While we continued to develop and strengthen these core product lines, the real turnaround came with the introduction of fruit nectars – a category we entered shortly after the acquisition. We focused on crafting fruit-based beverages made with fruits unique to Sri Lanka, leveraging local flavours to create differentiated offerings.

This innovation enabled us to expand beyond the traditional food segment and transform KIST into the country's leading fruit-based beverage company.

In recent years, we have continued to diversify the portfolio by introducing energy drinks and carbonated beverages, positioning KIST as a complete and competitive beverage company.

Magic ice cream freezer truck


KIST Processing Facility in Katana

2005

Sri Lanka was struck by the devastating tsunami on 26 December 2004, which claimed countless lives and inflicted severe economic hardship. In the aftermath, we reflected deeply on how we could contribute meaningfully to the country's rebuilding efforts – particularly by empowering our youth.

One of the key initiatives born from this reflection was the establishment of the Albert A Page Institute (AAPI)—a training academy launched in 2005 with the vision of equipping young people with skills and professionalism in the food and retail sectors.

It provided us with a platform to document our own learnings and share them with the next generation. Over time, the institute became our internal training hub, helping to professionalise the food retail workforce and upskill young Sri Lankans with competencies that make them employable both locally and globally.

To further elevate training standards, we introduced structured learning programmes and global certifications through our partnership with the US-based Independent Grocers Alliance (IGA), exposing our team to international best practices.

In 2022, we took a bold step forward by fully digitalising the training academy – making all courses and learning materials accessible anytime, anywhere, via smart phones and computers.

An AAPI training session (Top)

Cargills team members accessing online training modules and certifications (Bottom)

2007

Cargills became the first private enterprise to establish operations in the Northern Province in 2004 with the opening of a Cargills Food City outlet in Vavuniya. In 2007, we extended our presence to the Eastern Province by opening our first store in Trincomalee – once again becoming the first leading blue-chip company to enter the region.

Following the end of the civil war in 2009, we accelerated our investments in both the North and the East, driven by a commitment to support the hard-won peace by fostering sustainable livelihoods and inclusive economic opportunities.

Our aim was not just to expand business, but to help rebuild communities that had long been marginalised by conflict.

Collection of agri produce in the Northern Province (Left)

Farmer in Northern Province (Right)

2008

In 2008, we launched the *Sarubima* Fund – a dedicated welfare initiative for our agriculture and dairy farmer network.

What began as a modest effort has since evolved into a broad-based empowerment platform. Through *Sarubima*, Cargills supports farming communities with educational scholarships for children, training resources for professional advancement, credit insurance, and strategic investments in local infrastructure development – all aimed at building a more resilient rural economy.

Scholarship distribution ceremony of the *Sarubima* Fund (Left)

Rural school infrastructure upgraded with support from the Cargills *Sarubima* Farmer Welfare Fund (Right)

2010

Kotmale Dairy Processing Facility (Top)

Matale Confectionery Plant acquired in 2010 (Left)

Knuckles Water Bottling Plant (Right)

In 2010, we acquired Kotmale – a small value-added dairy company at the time – with the aim of deepening our engagement with the rural dairy farming community, a journey that had begun in 2002.

Since then, Kotmale has grown to become the largest value-added dairy company in Sri Lanka, reflecting our unwavering commitment to creating value across the entire supply chain—from farmer to consumer.

That same year, we expanded further in the FMCG sector by acquiring a confectionery plant in Matale. Our objective was not merely to enter the category, but to capitalise on a market opportunity by offering high-quality, value-added confectionery products at an affordable price—capable of standing alongside imported alternatives.

We also acquired a water bottling facility nestled in the scenic Knuckles Mountain Range. What made this facility unique was its natural spring source, yielding just 25,000 litres per day—a gentle reminder of both the beauty and scarcity of our natural resources. Bottled at source, the product embodies our philosophy of balancing commercial ambition with environmental sensitivity.

2013

In 2013, we launched the KIST Kilinochchi fruit processing facility with a vision to reinvigorate the region's agricultural economy and tap into previously unexplored markets. The project also played a vital social role – providing employment to war widows and helping transform their lives through meaningful, dignified work.

To further integrate the Northern and the Eastern regions into the national economy, we established vegetable and milk collection centres, and made significant investments in logistics infrastructure. These efforts created vital links between the region's agricultural communities and markets across the country.

That same year, we also opened Cargills Square Jaffna – the first shopping and entertainment complex in the Northern Province and, at the time, the largest private sector investment in the region.

Through this landmark initiative, we introduced an international franchise to the North for the very first time by opening a KFC restaurant, creating both novel employment opportunities and a sense of normalcy and aspiration for the local community.

KIST Kilinochchi Fruit Processing Facility (Top)

Team members engaged in primary food processing in Kilinochchi (Bottom)

Jaffna Cargills Square mall (Right)

2014

One of the cries of the farmers we met in 1999 was the difficulty in accessing credit. In 2011 we saw the opportunity to address this issue, and hence the Cargills Bank was first conceptualised, and later launched in 2014, with a vision to be the most inclusive bank in the country by leveraging the distribution strength of Cargills and its trusted brand heritage.

With the opening of the Bank, our intention was to support the farmers and the micro, small, and medium-scale enterprise (MSME) entrepreneurs who face significant challenges in accessing credit. With access to the extensive Cargills Food City supermarkets through an Agency Banking arrangement, the Cargills Bank provides added convenience and banking hours to customers. The Bank benefits from the numerous partners and touchpoints across the Cargills Group ecosystem, and beyond.

Cargills Bank Head Office building (Top)

A customer making a banking transaction at a Cargills Food City outlet (Bottom)

Cargills Bank booth at a Cargills Food City outlet (Right)

2018

In 2018, we established the Cargills Foundation to lead new community development initiatives that extend beyond our core businesses. The Foundation's first major undertaking was in early childhood education – a focus area we identified as crucial for Sri Lanka's long-term development.

Since its inception, the programme has reached over 51,000 preschool children across 752 schools in 15 districts spanning 7 provinces. In parallel, we have trained and upskilled more than 4,066 preschool teachers and 363 divisional officers, building capacity while raising the quality of early education across the country.

Preschool children exposed to a blended learning models that develop English language skills from an early age (Top)

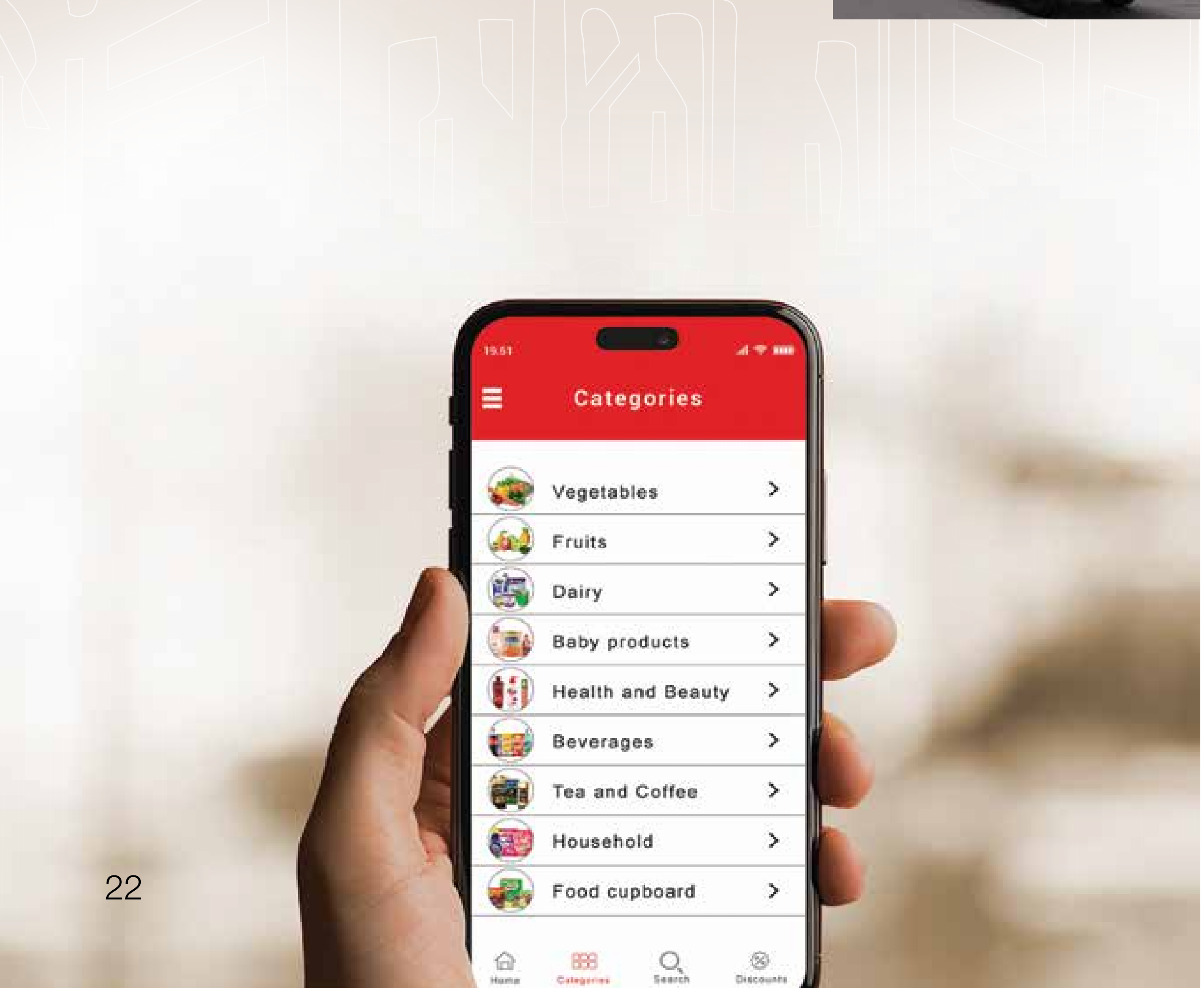
Cargills Foundation's Early Childhood Education programme for preschools (Bottom)

2020

When the pandemic struck in 2020, it brought with it an entirely new set of challenges. Our immediate priority was to safeguard and build the confidence of our team. At the same time, we rapidly re-engineered our operations to meet the urgent needs of our customers– launching our e-commerce platform, Cargills Online, to enable doorstep delivery of essential goods. To reach even more communities, we introduced Sri Lanka's first supermarket on wheels – a container stocked with essentials and mounted on a truck – bringing groceries directly to households during lockdowns and periods of restricted mobility.

The pandemic also severely disrupted market access for farmers and SMEs. But we stood by them. True to our philosophy, we continued collecting every ounce of milk, just as we had before, ensuring our farmers had a steady market and income during a time of great uncertainty. Our factories and distribution operations remained active throughout, operating under strict health and safety protocols to ensure uninterrupted access to food for families across the country.

In response to the challenges faced by small-scale entrepreneurs, we also launched **Cargills Village to Home** – an initiative designed to connect rural and home-based producers with urban markets by leveraging our Food City retail network and deep experience in product distribution. Since its inception, the programme has supported **over 1,200 SMEs,** helping them sustain their businesses and expand their customer reach during one of the most difficult periods in recent history.



Cargills 2 Home: Supermarket on Wheels (Top)
Cargills Online app and web platform (Bottom)

2022

In 2022, we celebrated a major milestone with the opening of our 500th retail store, marking 39 years since the launch of our very first outlet in 1983.

Throughout this journey, Cargills has remained committed to building sustainable markets for farmers and small entrepreneurs, providing affordable nutrition to consumers, and bridging regional disparities, taking its investments and modern retail experiences to all parts of the island.

Inside the 500th outlet (Top)

Opening of the 500th Cargills Food City outlet (Left)

Cargills Food City team at the 500th outlet (Right)

2023

In 2023, we opened a state-of-the-art distribution centre – designed to support our next phase of expansion and streamline logistics operations. This facility now serves hundreds of suppliers, including small and medium enterprises, helping them access markets throughout the country.

Our evolution – from a heritage department store serving an urban clientele to a leading food company serving people across the country – has touched communities across Sri Lanka in countless ways. And while the path forward will bring its own challenges, we remain steadfast in our purpose: to build people, uplift communities, and bring hope where it is needed most.

Team member using a forklift at the state-of-the-art facility (Top)

Aerial drone view of the Katana Distribution Centre (Left)

Inside the Katana Distribution Centre (Right)

More than just a company now

"Today we are more than a retailer,more than a manufacturer; we do more than buy, sel l, and produce. We build people and communities and take hope to where it is needed the most. Today we are proud that CSR is our BUSINESS."

– Ranjit Page

Key *Highlights*

"Cargills offers me more than an employment opportunity and financial stability. As a Cargills team member, I have earned the respect of being part of a company that is valued and admired for their commitment towards developing our communities, and improving our living standards and quality of life"

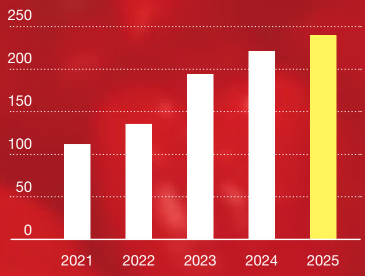
Team Member, Cargills Food City Kandana

Financial Highlights

2024/25 (Group)

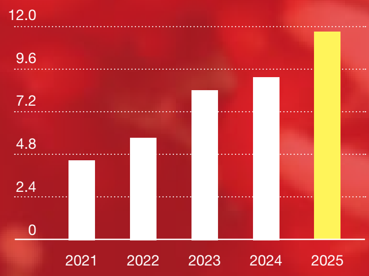
Revenue

Rs. Bn.



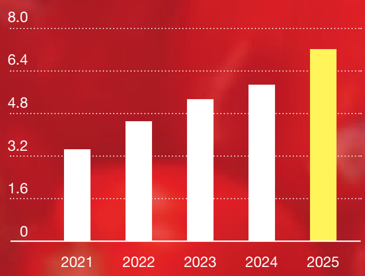
Profit before tax

Rs. Bn.



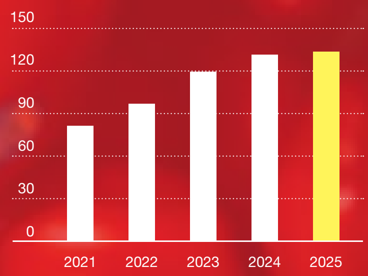
Profit after tax

Rs. Bn.



Total assets

Rs. Bn.



	2025 Rs. '000	2024 Rs. '000	Change %
Operations			
Continuing Operations			
Revenue	**241,839,620**	223,440,484	8.23
Profit from operations	**15,212,461**	13,512,745	12.58
Profit before taxation	**11,829,244**	9,245,923	27.94
Profit after taxation	**7,270,295**	5,936,119	22.48
Financial Position			
Non-current assets	**86,948,193**	88,953,625	(2.25)
Current assets	**48,994,084**	44,201,004	10.84
Current liabilities	**70,201,313**	67,818,127	3.51
Non-current liabilities	**26,311,066**	29,014,041	(9.32)
Capital and reserves, minority interest and other equity	**39,429,898**	36,322,461	8.56
Per Share Data (Rs.)			
Basic earnings per share	**28.03**	22.85	22.67
Dividends per share	**15.30**	13.00	17.69
Net assets per share	**137.73**	125.86	9.43
Market value per share	**436.00**	360.00	21.11
Cash Flow			
Net cash generated from/(used in)			
– Operating activities	**13,920,470**	12,785,332	
– Investing activities	**(4,117,422)**	(4,999,152)	
– Financing activities	**(8,706,685)**	(5,739,795)	

Value Creation and Impact Highlights

2024/25

Trusted Brand Legacy

Voted Supermarket Brand of the Year by consumers at **SLIM-KANTAR People's Awards in 2025,** the fourth consecutive win in this category

People Development

10,667 permanent team members

6,959 new jobs created

50:50 gender equality achieved at Group level

70% team members outside Western Province

1,085 team members with 15+ years of service

Rs. 22.7 Mn. revenue per team member

Reducing The Cost of Living

14 new Cargills Food City outlets opened, bringing the total to **543** outlets

Only supermarket chain present across **all 25 districts in Sri Lanka**

Lowest price for high quality produce and essential consumer goods among all local supermarket chains

Enhancing Youth Skills and Early Education

39,107 training hours completed

8,341 new students, **507** preschool teachers, and **250** new preschools onboarded to the Early Childhood Education (ECE) Programme

1,331 total teachers trained through the ECE Programme

Reached **3,336** children in **110** preschools through the Cargills Kids Garden

Partnered with state universities to support R&D

Bridging Regional Disparity

Over **Rs. 22.1 Bn.** in direct income generated for agri and dairy farmers

Rs. 6.3 Mn. invested in community infrastructure development and welfare projects

1,223 SMEs registered under Village to Home entrepreneur development programme

Rs. 28.9 Mn. in total incentives for dairy farmers

Rs. 9.5 Mn. invested in Community Meals programmes

Healthy, Safe, and Affordable Nutrition

Approximately **46 million kilograms** of fresh produce procured and delivered to the market

Approximately **65 million litres** of fresh milk procured and delivered to the market

8 new products introduced to market

Playing Our Part for the Planet

214,205 GJ of renewable energy generated with over **Rs. 228 Mn.** in investments

61 megalitres of water recycled

168 MT of plastic waste diverted from landfill

209 MT of waste oil collected for conversion to biodiesel

3 new locations including **6** chargers added to the electric vehicle charging network

Chairman's *Message*

"Cargills, as a leading player in the private sector in Sri Lanka, remains committed to supporting the economic recovery through our investments and operations. Over the last six years, amidst political, economic, and health crises, the Group has invested over Rs. 42 Bn. into the national economy, creating numerous direct and indirect economic opportunities."

Dear Shareholder,

I am pleased to present the Annual Report and Financial Statements of Cargills (Ceylon) PLC for the year ended 31 March 2025.

The past year saw many significant changes in our country. Most notably, we have seen encouraging progress in the country's economic recovery —widely acknowledged as a story of remarkable resilience. While macro-economic indicators point toward growing stability and renewed optimism, it is imperative that all stakeholders remain vigilant, as Sri Lanka's debt position still makes the economy extremely fragile and sensitive to external shocks.

During the year, Sri Lanka successfully concluded its debt restructuring programme, enabling the country to exit default status and regain international creditworthiness. 2024 was also a year of elections for Sri Lanka. Following the elections and the strong mandate received by the new NPP government, there is renewed hope that Sri Lanka will now move decisively towards a future grounded in rule of law, accountability, and transparency. In our view, global economic conditions and geopolitical risks pose the greatest external threats to Sri Lanka's outlook, provided the country remains on course in terms of fiscal discipline and its commitment to structural economic reforms.

Cargills, as a leading player in the private sector in Sri Lanka, remains committed to supporting the economic recovery through our investments and operations. Over the last six years, amidst political, economic, and health crises, the Group has invested over Rs. 42 Bn. into the national economy, creating numerous direct and indirect economic opportunities. These investments have been directed towards establishment of new supermarkets, restaurants, agricultural facilities, development of the dairy sector, capacity expansion to factories, improvements to the logistics and the cold chain, developing entrepreneurs, and the digitalisation of our supply chains. These investments reflect our unwavering belief in Sri Lanka's long-term potential, confidence in our Management team, and the opportunities we see in the categories we operate in. We are equally proud of our ongoing contribution to rural livelihoods. During the year, we made over Rs. 22 Bn. in direct payments to farming communities through our procurement of fresh produce and milk. This represents a significant injection of income into the rural economy and reflects our long-standing commitment to inclusive, shared value creation.

Business Performance

During the year under review, the Group recorded a revenue of Rs. 242 Bn., an 8.2% year-over-year (YoY) increase. EBITDA increased to Rs. 22.1 Bn., recording a growth of 9.8% from the previous year. Profit After Tax (PAT) was Rs. 7.2 Bn. marking a 22.4% YoY increase. PAT improved on account of volume led topline growth, cost optimisation measures, lower overheads mainly arising from downward revisions to the electricity tariffs, and lower interest costs. The Group's net debt remained steady, and our ability to service the debt remains healthy, supported by strong operating cash flows.

Dividends

The Group declared an interim dividend of Rs. 4.80 per share for the reporting period, paid on 14 November 2024. This represents an increase from the interim dividend of Rs. 4.50 per share in the previous financial year. Subsequent to the reporting period, the Board of Directors proposed a second interim dividend of Rs. 11.70 per share for the reporting period, which was paid on 3 June 2025, up from the second and final dividend of Rs. 10.50 per share in the previous financial year.

Looking Ahead

With improved consumer sentiment and growing optimism across the economy, we will continue to make focused investments to extend our reach, get closer to our consumers, and further strengthen our brands—many of which are now leaders in their categories. Our capital expenditure will continue to prioritise retail and restaurant expansion, as well as digital transformation across the value chain.

Our strategic focus remains on driving volumes and capturing market share across all business segments through disciplined, forward-thinking decisions. While the recently announced increase in electricity tariffs (effective June 2025) will elevate operating costs, the Management is committed to improving productivity and containing cost pass-through to consumers—an approach that reflects the enduring Cargills ethos.

Appreciation

It is with profound sadness that I note the passing of our former Chairman—and my brother—Mr Anthony Page, fondly known to all as Baba. Anthony joined the Board of Cargills (Ceylon) PLC in 1981, following a decisive moment in our history when Ceylon Theatres Limited (now CT Holdings PLC) acquired a majority stake in Millers Limited, then the holding company of Cargills. In 1982, when I was also working at the Company, I persuaded my brother—and our current Deputy Chairman—Ranjit to join Cargills from Cornells Supermarkets, where he was employed at the time. This ultimately led to the establishment of our first supermarket at Staple Street in October 1983. It was our then General Manager, Mr Markar, who proposed the name "Food City", connecting it to "Majestic City", which was proposed to be developed by the Group.

I mention this to borrow the words of Shakespeare's Mark Antony: "The good that men do is oft interred with their bones." Let us not forget the immense contributions of individuals like Mr Markar, and of course Mr Priya Edirisinghe, who was a tower of strength to both my late father, Mr Albert Page, and to my brother Anthony. There are also many other fine individuals who supported and built this organisation—then and now—whose efforts continue to shape our journey. The Company's growth paralleled a period of rising consumer demand and economic expansion in the country. With that came a wave of new opportunities—some successful, others not—but each offering us valuable lessons.

Anthony Page was appointed a Director and, in February 1991, became Deputy Chairman. He played a pivotal role in shaping the Company during those early years. Anthony succeeded our late father, Mr Albert Page, who himself succeeded Sir Chittampalam A Gardiner —who led the Ceylonisation of Millers and Cargills. They all shared a vision for the Group to be an association dedicated to the welfare of Albert Page's descendants, team members, shareholders, partners, and society at large.

Under Anthony's early Chairmanship, the Company's rapid expansion brought with it several operational challenges. He correctly identified inventory management as a key constraint and introduced systems that significantly improved our stocking practices—frameworks that remain in use to this day. His disciplined approach to financial management and his deep focus on supporting Sri Lanka's national development were both strategic and purpose driven.

He stepped down as Chairman of Cargills in March 2008 but continued to serve as a Director with unwavering commitment. His invaluable contribution to the Group will always be remembered and upheld. I am certain he would echo my heartfelt appreciation to every member of the organisation—past and present—for their service and belief in our collective purpose.

To our shareholders who continue to support the vision of our patriarch, Mr Albert Page, we reaffirm our commitment: the Group will continue to be led by the best executive talent, guided always by meritocracy—an ideal Anthony deeply valued.

Finally, I extend my sincere appreciation to our team across the country for their tireless efforts and dedication. To our shareholders, customers, and partners—thank you for your continued confidence and trust. And to my esteemed colleagues on the Board—thank you for your guidance and collaboration as we work together to lead the Company towards continued success.

(Signed)

Louis Page
Chairman

27 June 2025

Group Managing Director's *Message*

"The Group's performance during the year was driven by its core sectors—Retail, FMCG, and Restaurants. Adjusting for the revaluation gains on the Group's investment property in both the current and previous financial years, the underlying PAT growth stands at 34.0%. Free cash flow generation exceeded Rs. 16 Bn., supporting a healthy debt servicing capacity."

Operating Environment and Economic Overview

The Sri Lankan economy recorded a growth rate of 5% in 2024, marking a welcome recovery following two consecutive years of contraction in the wake of the 2022 economic crisis. Consumer demand—accounting for more than two-thirds of GDP—gathered momentum throughout the year, underpinned by stabilised price levels, reductions in utility and energy tariffs, lower interest rates, and improving consumer confidence.

Economic indicators showed marked improvement across the board, signalling that the country is gradually moving in the right direction. Notably, stronger inflows from tourism and worker remittances bolstered foreign exchange reserves—critical sources of income to meet debt obligations and support imports. The new government presented its inaugural budget to Parliament in February 2025, reaffirming its commitment to fiscal consolidation. The budget outlined several reforms aimed at enhancing revenue collection and curbing unproductive public expenditure, signalling a more disciplined approach to economic management.

A notable deflationary trend emerged from September 2024 and continued into April 2025, largely due to high base effects, supporting a steady recovery in demand. The Central Bank of Sri Lanka (CBSL) projects that inflation will stabilise around its medium-term target of 5% during the second half of 2025. However, volatility in the prices of certain essential goods— such as rice, coconuts, and salt—persisted due to intermittent supply constraints. In particular, the price of rice surged owing to limited market availability of paddy. In response, the government intervened by importing key rice varieties and imposing wholesale and retail price caps to stabilise the market.

A prolonged monsoon and heavy rainfall presented challenges during parts of the year, disrupting trade distribution, dampening consumer demand for certain product categories, and leading to temporary closures of supermarkets and restaurants. While adverse weather conditions also affected the production of some agricultural crops, the overall impact remained limited.

Financial Review

The Group's performance during the year was primarily driven by its core sectors—Retail, FMCG, and Restaurants. Group revenue increased by 8.2%, while EBITDA rose by 9.8%, despite the notable impact of the introduction of VAT on the dairy sector, as elaborated in the Operational Review. Profit After Tax (PAT) recorded a growth of 22.4%. Adjusting for the revaluation gains on the Group's investment property in both the current and previous financial years, the underlying PAT growth stands at 34.0%.

The Group's financial position also strengthened, with net debt reducing from Rs. 22.5 Bn. in the previous year to Rs. 20.3 Bn. Free cash flow generation exceeded Rs. 16 Bn., supporting a healthy debt servicing capacity.

Operational Review

Retail

The Retail sector recorded topline growth of 9.1%, driven by a moderate increase in the basket value and a stronger rise in customer transactions. Same-store sales grew by 8.5% during the year. We expanded our footprint by opening 16 new stores—comprising 4 Cargills Food City supermarkets and 12 Cargills Express stores—while closing 2 underperforming locations. A revival in consumer confidence, improved product availability, and compelling low-price promotions supported a rebound in volumes.

We continued to deliver on our promise of everyday low prices across our network of 543 stores. Our focus on cost efficiencies has allowed us to pass savings directly to consumers. Notably, Cargills Food City was named Supermarket Brand of the Year at the 2025 SLIM-Kantar People's Awards—for the fourth consecutive year—reaffirming our commitment to affordability, accessibility, and quality for Sri Lankan consumers.

The downward revision in electricity tariffs, following multiple increases in the prior year, provided a welcome boost to margins. In parallel, our Group-wide energy efficiency initiatives and the ongoing rollout of solar power installations across the retail network contributed meaningfully to cost savings. Over 100 stores are now equipped with solar energy capacity. As a result, operating profit rose by 39% to Rs. 7.4 Bn. Savings on finance costs further strengthened performance, with Profit After Tax (PAT) doubling to Rs. 3.3 Bn.—representing 1.8% of sales.

Maintaining our lowest-price guarantee and enhancing customer convenience remains our highest priority. Throughout the year, we consistently delivered best-value pricing across a wide range of essential products. Leveraging our island-wide fresh produce collection network and robust cold chain infrastructure, we deepened our presence in the fresh category. In collaboration with our supplier partners, we also offered deep discounts on leading branded products—driving both transaction growth and increased basket value.

FMCG

The FMCG sector recorded an encouraging performance during the reporting period, with all categories recording both sales and volume growth. However, net revenue (revenue after deducting sales taxes) growth was moderate at 2.8%, indicative of the 18% VAT impact on dairy products. Locally produced dairy products were VAT exempt prior to January 2024. The removal of the VAT exemption had a significant impact on profitability, as smallholder milk producers are not liable for VAT which limits us from recovering the input VAT. The Group took multiple measures to mitigate this impact—including selective price increases and volume-driven growth strategies, while part of the additional cost was absorbed. The incremental VAT impact to the dairy category was Rs. 6.1 Bn. for the year.

Despite these headwinds, the dairy category maintained its market leadership. Kotmale continued to consolidate its position as the country's leading dairy brand, while Magic remained the top ice cream brand across both modern and general trade. The Group also reinforced its standing as Sri Lanka's largest milk collector, generating over Rs. 13 Bn. in direct income annually for rural dairy farmers through a network of more than 1,100 milk collection societies island wide. The Dairy category volumes grew by 10% during the year, despite disruptions from the prolonged monsoon season.

We revitalised our beverage portfolio during the year, including the relaunch of the RIDE energy drink with a bold new design. The refresh helped reposition the brand more strongly among youth audiences. We also relaunched the KIST Sparkling carbonated fruit drink range and introduced Knuckles natural spring water in glass bottles, catering to the HORECA channel. The glass bottle marks a pivotal step in our long-term transition away from single-use plastics. With these strategic changes, the KIST brand will now focus primarily on fruit-based beverages and culinary products such as sauces and jams. The beverage category recorded 7% volume growth, while food products—such as jams, sauces, and other condiments—grew 15% in volume.

To strengthen our product portfolio, we rationalised low-performing SKUs and redirected resources toward strategic categories. This improved operational efficiency, reduced production costs, and contributed to profitability.

In our convenience foods category, we launched the new Sara's range of halal-certified processed meats after securing the halal certification. Our convenience foods category had already established market leadership despite previously lacking a halal offering. The introduction of Sara's not only enables us to serve previously untapped domestic consumer segments but also opens the door to regional export markets. Lower retail prices of seafood and poultry moderated demand for sausages and meatballs during the year. Furthermore, the convenience foods category also faced challenges due to the outbreak of African Swine Flu (ASF) which impacted raw material availability, reduced consumer demand, and led to inventory write-offs. As a result of these factors, we did not see the anticipated growth in the category, though volumes still rose 14.8%.

Our confectionery category saw a strong recovery with 21% volume growth, following two challenging years. We continue to focus on our value-added offerings, such as chocolate-enrobed products, Olo, and wafers—positioning our brands as competitive alternatives to imports in a market with clear gaps in local supply.

Restaurants

The Restaurants sector added 7 new KFC locations during the reporting period, expanding the network to a total of 78 KFC restaurants across the country, in addition to the standalone TGI Fridays restaurant. Revenue for the year grew by 13.7%, supported by a 7.0% increase in same-store sales. Both average ticket size and transaction volumes saw growth, with the rise in transactions being the key contributor.

Raw material costs, particularly poultry—the core input for the business—stabilised during the year, supporting margins. Profitability remained steady, aided by strong topline performance, downward revisions in electricity tariffs, and the positive impact of energy efficiency initiatives, including the continued expansion of rooftop solar installations across the network.

Our TGI Fridays restaurant continued to deliver a stable performance. The recent bankruptcy filing of the global TGI Fridays entity in the United States does not affect our operations in Sri Lanka, which are managed independently under a franchise agreement.

Real Estate

The five Cargills Square malls are operating at near full occupancy, with new tenants onboarded during the year to address previously unutilised space. A significant portion of the mall space continues to be occupied by Group brands, reinforcing internal synergies. Renovation work is currently underway at the Jaffna Cargills Square mall, which first opened in 2013, and is expected to be completed by July 2025. These upgrades are being carried out without disruption to ongoing operations.

While the real estate sector typically has a longer payback period compared to our other business lines, the strategic role of these malls—as anchor locations for Cargills Food City, KFC, and Regal Cinema - continues to deliver considerable value to the Group. No major new investments are planned in the near term, apart from ongoing maintenance capital expenditure.

Sustainability

We continued to advance our environmental stewardship efforts during the year, focusing on reducing our ecological footprint and promoting responsible practices across our value chain. Key initiatives included supporting our outgrower farmer network in adopting sustainable agricultural methods, expanding solar energy capacity across our operations, reducing reliance on single-use plastics, promoting recyclable packaging, and implementing recycling programmes in line with extended producer responsibility and plastic collect-back initiatives.

We have actively collaborated with government bodies, non-governmental organisations, and private sector partners to scale and enhance the impact of our sustainability agenda. Further details can be found in the Playing Our Part for the Planet section of this Annual Report.

As a proud signatory to the United Nations Global Compact (UNGC), we remain committed to upholding its principles throughout our operations. Our approach is aligned with the UN Sustainable Development Goals (SDGs), ensuring our sustainability strategy supports broader global efforts for a more inclusive and sustainable future.

Governance

We continued to strengthen governance, processes, and internal controls across the Group through a series of structured initiatives. Governance has been reinforced at all levels, starting from the Board and cascading throughout the organisation. A core enabler of this progress has been our continued investment in technology to digitalise key operational processes, thereby enhancing oversight, accountability, and efficiency.

These efforts include the digitalisation of our milk and agricultural produce collection systems, as well as the rollout of a new sales distribution platform—introduced in the previous year—to monitor and track sales in the general trade (GT) channel. These tools have significantly improved transparency and responsiveness across our supply chains. Ongoing initiatives will further strengthen governance frameworks, enabling the Group to operate with greater agility, consistency, and integrity.

We remain firmly committed to upholding the highest ethical standards across all aspects of our business. We have a strict policy against bribery and corruption, supported by robust internal controls and regular awareness initiatives to reinforce compliance. As one of the country's largest employers, we are equally dedicated to cultivating an inclusive and equitable workplace that provides equal opportunities for all team members—regardless of gender, ability, background, or belief.

Contribution to the Nation

Cargills remains deeply committed to contributing meaningfully to Sri Lanka's economy and society. Our operations contribute over Rs. 42 Bn. per annum to the Government Treasury through the collection of sales and income taxes. In addition, we injected Rs. 22 Bn. in direct income during the year to rural agriculture and dairy farming communities through our procurement activities, supporting livelihoods of over 23,000 smallholder farmers across Sri Lanka.

We continue to provide a stable and inclusive market for smallholder farmers, ensure affordable pricing for consumers, and create valuable employment and business opportunities for our team members and partners. These contributions are central to our mission of creating shared value across the nation.

Outlook

There are several positive developments supporting a gradual recovery in consumer spending. The recent increase in the national minimum wage, the public sector pay revision, and the adjustments to personal income tax thresholds are all expected to boost disposable incomes. While these measures provide strong tailwinds for consumption, we anticipate that the recovery in spending will be measured, as consumers have adjusted to more cautious spending habits in recent years—particularly with regard to discretionary expenditure.

Despite external uncertainties, including geopolitical tensions and global economic shifts, we remain optimistic about Sri Lanka's medium-term consumer outlook. The fundamentals point toward a recovery over the next 2-3 years and beyond. However, it is important to acknowledge that Sri Lankan households have experienced a severe erosion in real incomes and savings over the past three years, following the economic collapse in 2022, marked by hyperinflation and a significant currency devaluation. Any large increases in energy tariffs remain a key downside risk to consumer demand.

Weather patterns also pose a significant risk to agricultural output and, by extension, food prices and supply chain stability. Against this backdrop, we will continue to invest in expanding our reach to consumers and strengthening our brands. We also plan to invest in our supply chains to improve access to raw materials, improve product offerings, and reinforce our leadership across the core categories in which we operate. Enhancing our digital capabilities will remain a priority as we seek to drive greater efficiency and productivity across operations. With market-leading positions already established in multiple sectors, we aim to consolidate and grow these advantages in the years ahead.

Appreciation

I extend my sincere appreciation to our entire team for their unwavering commitment and dedication in serving our customers and uplifting the wider community. Your resilience and passion continue to drive our purpose forward. I also wish to express my heartfelt thanks to our partners, shareholders, and the Board of Directors for their continued trust and confidence in the Management. Your support remains central to everything we strive to achieve.

On a personal note, I would like to express my deep sadness at the passing of our former Chairman, Mr Anthony Page. I had the privilege of working closely with him, particularly during key initiatives to strengthen inventory management systems across the Group. His sharp insight, principled leadership, and unwavering commitment had a profound impact not only on the Company but also on my own professional journey.

Imtiaz Abdul Wahid
Group Managing Director
27 June 2025

Taking stock

Operational *Review*

"With the digitalisation of our fresh produce collection and distribution centres, my team and I are able to ensure the freshest, best quality produce is made available to our consumers, who have become dependent on Cargills for their essential food items. I'm part of a team that nourishes Sri Lanka from village to city, and it is a job role I perform with great pride."

Team Member, Cargills Distribution Centre Katana

Operating Segments

Overview

With its origins anchored to long-standing investments in local agriculture, sourcing, manufacturing, and procurement, Cargills is today Sri Lanka's largest supply chain operation across distinct agriculture verticals as well as commodities, processed food, beverages, pharmaceuticals, and dry goods.

A growing island-wide network of retail outlets, food processing facilities, and restaurants gives Cargills an unparalleled reach across the island, enabling us to deliver on our promise of providing affordable nutrition to all Sri Lankans.

Over the years, Cargills continued to develop unmatched capabilities and introduce support services such as replenishment and sourcing, inventory optimisation, and end-to-end logistics and delivery, while also expanding to other sectors such as banking to address various consumer market gaps in Sri Lanka.

Retail

Cargills lays claim to Sri Lanka's most expansive modern retail (supermarket) network, with 543 stores spread across all 25 districts in Sri Lanka. Cargills Retail (Pvt) Ltd. oversees a decentralised operation that comprises 14 fresh produce collection centres including 1 distribution centre for fresh produce, a seafood distribution centre, a bulk distribution centre for commodities, and a state-of-the-art central distribution centre for packaged goods. This island-wide operation is supported by 24-hour delivery logistics inclusive of a comprehensive cold chain.

No.	Collection/Processing Unit	Province
1.	Wattala	Western
2.	Nuwara Eliya	Central
3.	Tispane	Central
4.	Dambulla	Central
5.	Hanguranketha	Central
6.	Thambuttegama	North Central
7.	Norochcholai	North Western
8.	Bandarawela	Uva
9.	Boralanda	Uva
10.	Thanamalvila	Uva
11.	Ruwalwella	Uva
12.	Kilinochchi	Northern
13.	Alaveddy	Northern
14.	Nedunkerny	Northern

No.	Distribution Centres
1.	Katana – Central Distribution Centre for Packaged Goods
2.	Ambathale – Bulk Distribution Centre for Commodities
3.	Kurunegala – Distribution Centre for Commodities
4.	Negombo – Processing Unit and Distribution Centre for Seafood

Cargills Online

The e-commerce arm of Cargills Retail, while initially established to address pandemic-related lockdowns and mobility restrictions, continued to evolve with upgrades carried out to its web and mobile applications to meet growing consumer demand. Online orders are fulfilled via two dark stores located in the Colombo District, with an expanded service radius to adjacent cities.

With a growing database of accrued customer data over the past few years, Cargills Online leverages data analytics to launch promotional offers and campaigns, increasing reach and online purchases.

Delivery schedules are curated around the most convenient times for customers and guarantee an unparalleled customer experience. Cargills Online also conducts surveys such as focus group discussions and in-depth interviews, with the aim of gaining a better understanding of the online shoppers purchase patterns and sentiments.

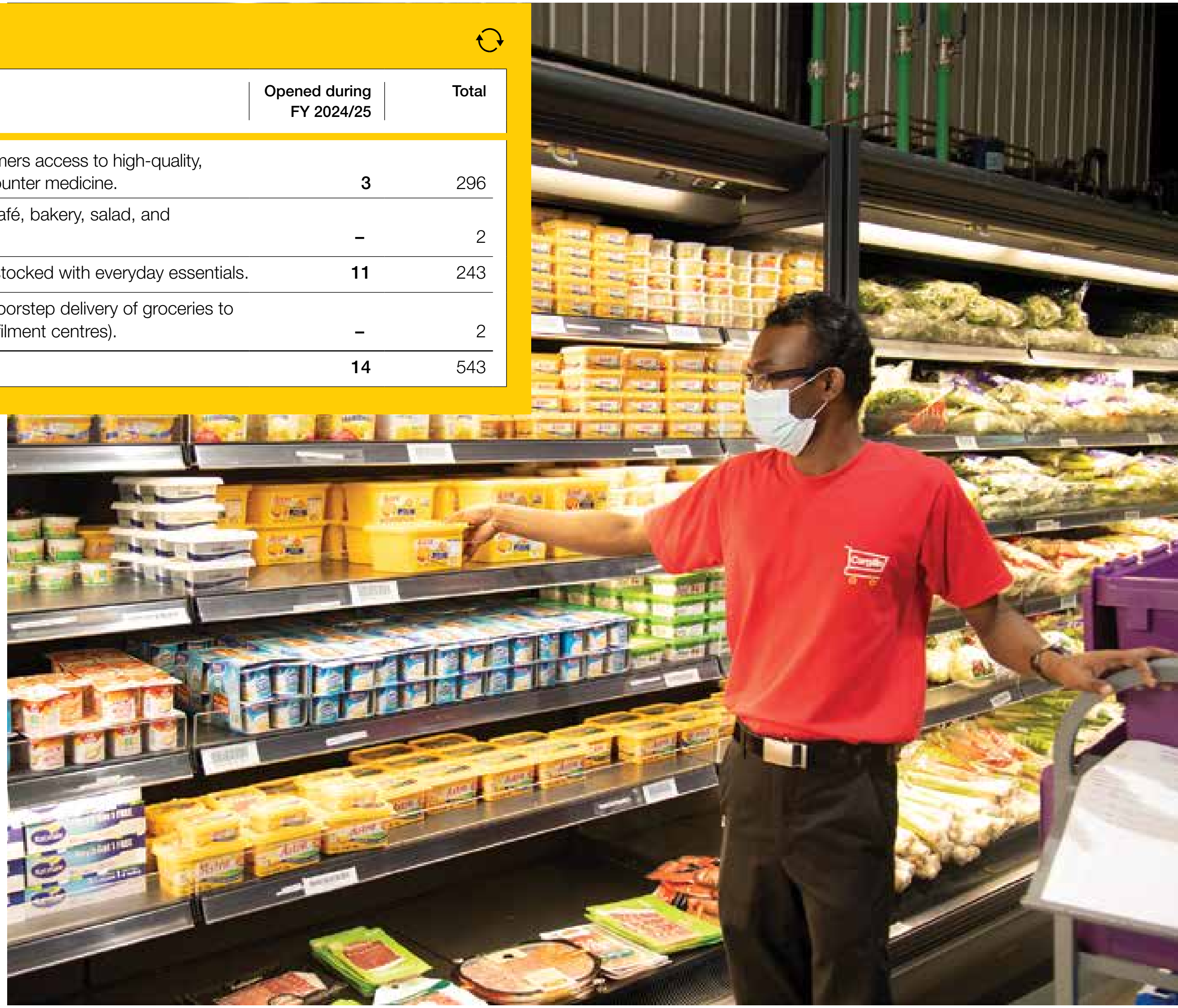
Cargills Gifting Platform

Cargills launched the Online Gifting Platform in December 2024 – a convenient channel for anyone, anywhere in the world to send hampers and gift vouchers to friends and family in Sri Lanka. Starting with a selection of Christmas hampers, gift vouchers, and holiday treats, Cargills plans to expand the platform over time to offer gifting options to suit any occasion, connecting people across the globe with their loved ones in Sri Lanka with thoughtful gift ideas throughout the year.

Furthermore, the platform plans to encourage philanthropic gifting by introducing an option to send gift cards/care packs to vulnerable groups belonging to children's homes and elderly care homes, as well as victims of natural disasters that occur in Sri Lanka. The gifts can be collected from over 100 Cargills store pickup locations across the country, or be delivered to any doorstep for added convenience.

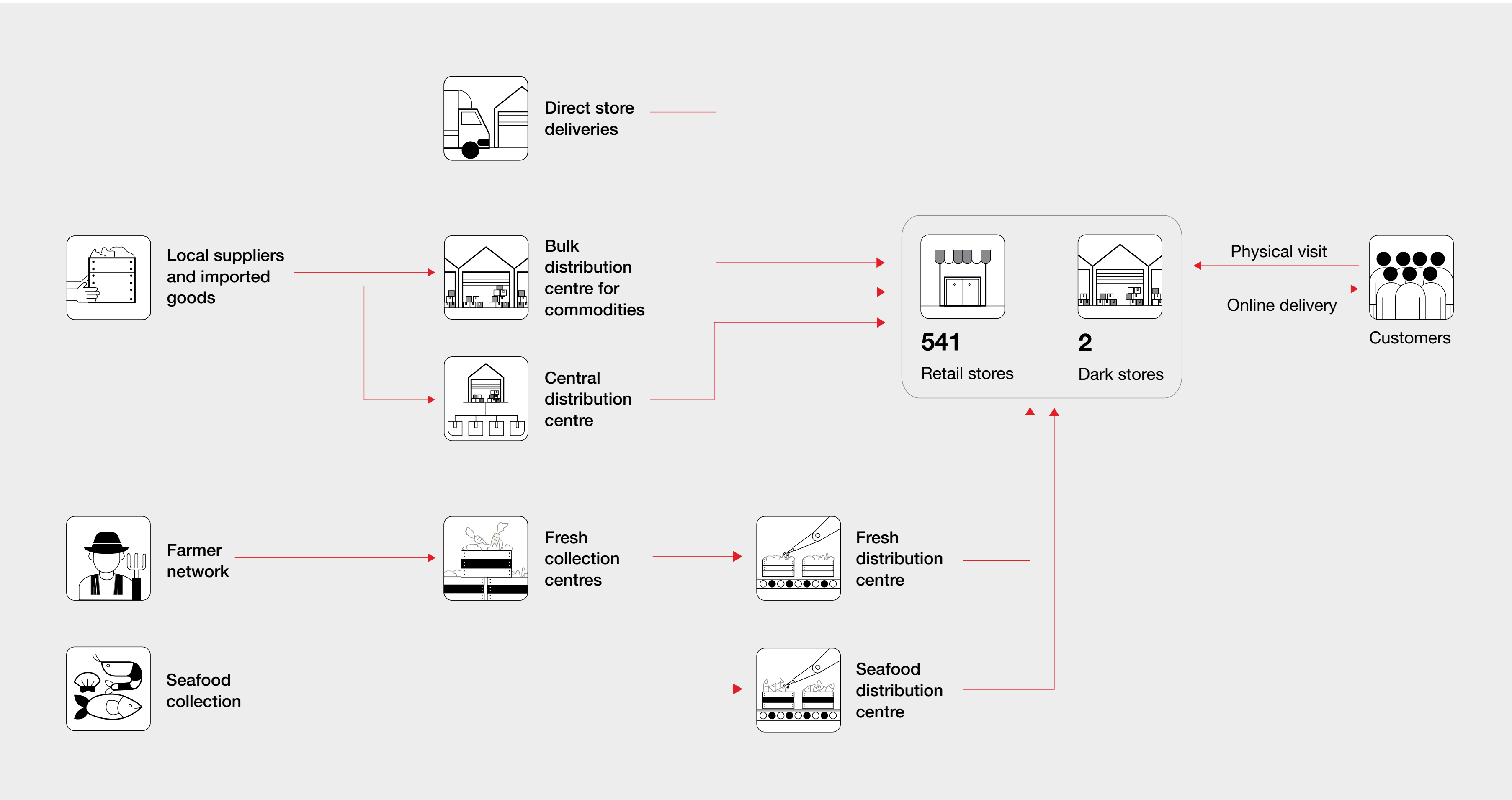
2024/25 Update

Retail Outlet	Description	Opened during FY 2024/25	Total
Cargills Food City	Modern retailing experience providing consumers access to high-quality, affordable produce, products and over the counter medicine.	**3**	296
Cargills Food Hall	A gourmet supermarket experience with a café, bakery, salad, and juice bar alongside live action stations.	**–**	2
Cargills Express	A convenience store format, smaller stores stocked with everyday essentials.	**11**	243
Cargills Online	The e-commerce platform which provides doorstep delivery of groceries to consumers operates via two dark stores (fulfilment centres).	**–**	2
Total		**14**	543



Retail

69.8%*



* Contribution to Group Revenue

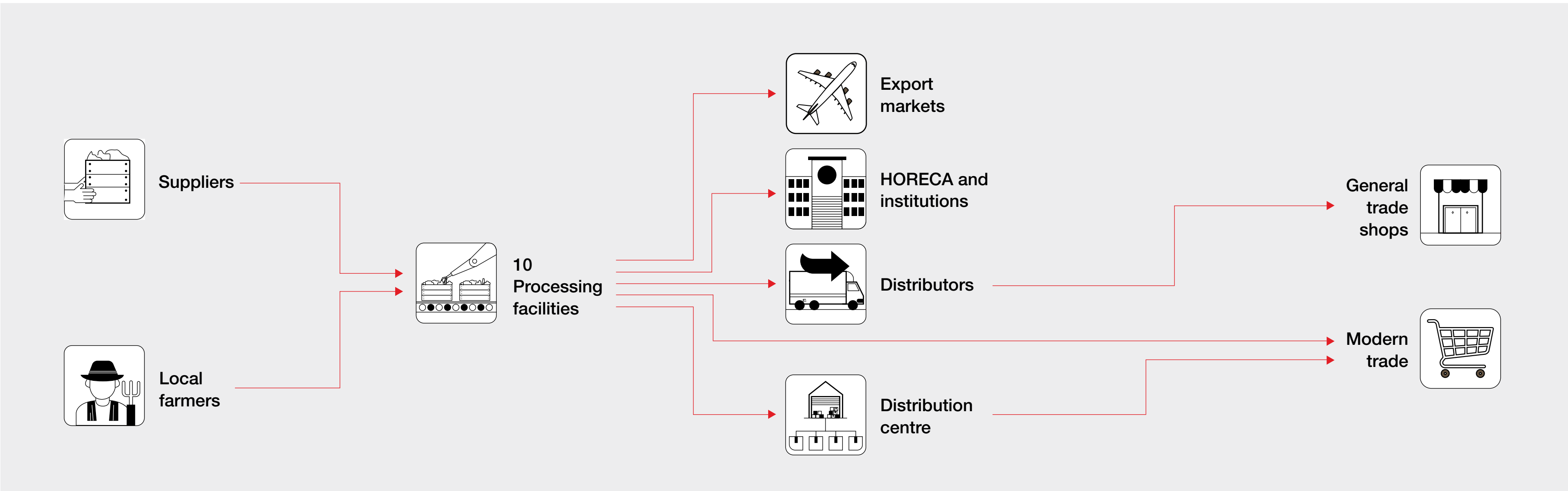
FMCG

The Cargills FMCG sector continues to produce a number of much loved and highly demanded food and beverage brands, from dairy and convenience foods to condiments and culinary products.

These brands are widely distributed in Sri Lanka across and outside of the Cargills Food City chain, reaching nearly 67,000 general trade stores and the (Hotels, Restaurants and Catering) (HORECA) sector island-wide. Limited product volumes are also exported to the United States, Europe, Middle East, and Africa regions (EMEA), as well as other countries in Asia.

The dairy segment connects over 15,000 dairy smallholder farmers across 1,000+ farmer societies and 41 Milk Chilling Centres. The collective food and beverage manufacturing operation is powered by 10 state-of-the-art production facilities.

FMCG 25.5%*



* Contribution to Group Revenue

Our Manufacturing Facilities

Powering our FMCG operation are a total of 10 state-of-the-art food and beverage manufacturing facilities, which strictly adhere to industry-recognised compliance standards as well as Government regulations that pertain to our manufacturing operations.

Dairy

three manufacturing plants in Banduragoda, Kelanimulla, and Bogahawatte

Beverages, Confectionaries, and Culinary

5 manufacturing plants in Katana, Kilinochchi, Matale (Confectionaries), Kandy (Knuckles Water), Katana (Spices)

Convenience Food

Two manufacturing plants in Ja Ela

Dairy

Cargills Dairies (Private) Limited

Standards

- Good Manufacturing Practices System (GMP)
- Hazard Analysis and Critical Control Points System (HACCP)
- ISO 9001:2015 Quality Management System
- ISO 22000:2018 Food Safety Management System
- ISO 14001:2015 Environment Management System
- FSSC 22000 (Version 5.1) Food Safety System Certification
- Environment Protection License
- Greenhouse Gas Verification Opinion
- Halal Accreditation Council (HAC) Sri Lanka Certification

Kotmale Dairy Products (Private) Limited

Standards

- ISO 22000:2018 Food Safety Management System (This certification incorporates regulatory and legal elements covered by HACCP and GMP certifications)
- ISO 9001:2015 Quality Management System
- Environment Protection License
- Greenhouse Gas Verification Opinion
- Halal Accreditation Council (HAC) Sri Lanka Certification
- FSSC 22000 Food Safety System Certification

Brands Magic, Kotmale, Heavenly

Products

- Dairy Ice Cream
- Fresh and Flavoured Milk
- Yoghurt and Yoghurt Drinks
- Curd
- Cheese
- Butter

Beverage and Culinary

Cargills Food & Beverage Limited

Standards

- ISO 22000:2018 Food Safety Management System
- ISO 9001:2015 Quality Management System
- Good Manufacturing Practices System (GMP)
- Hazard Analysis and Critical Control Points System (HACCP)
- SLS Mark Product Certification by the Sri Lanka Standards (SLS) Institute for:
  – SLS265 – Jams
  – SLS214 – Fruit cordials
  – SLS221 – Artificial cordials and flavoured drinks
  – SLS730 – Squash concentrates
  – SLS835 – Chilli sauce and hot chilli sauce
  – SLS729 – Ready to drink fruit beverages
- Environment Protection License
- Halal Certification for entire product portfolio
- FSSC 22000 (Food Safety System Certification)

Brands KIST, RIDE

Products

- Jams
- Sauces
- Cordials
- Fruit-based Nectars
- Fresh Juices
- Energy Drinks
- Mineral Water
- Condiments

CPC Lanka Limited (Water Bottling Plant)

Standards	• ISO 22000:2018 Food Safety Management System • ISO 9001:2015 Quality Management System • SLS894 Product Certification by the Sri Lanka Standards (SLS) Institute for Bottled Drinking Water • Good Manufacturing Practices System (GMP) • Greenhouse Gas Verification Opinion • Hazard Analysis and Critical Control Points System (HACCP) • Environment Protection License
Brands	**Knuckles**
Products	Water

CPC Lanka Limited (Spice Unit)

Standards	• ISO 22000:2018 Food Management System (This certification incorporates regulatory and legal elements covered by HACCP and GMP certifications) • Halal Certification from the Halal Accreditation Council (HAC) of Sri Lanka for Chicken Flavoured Seasoning Powder
Brands	**My Choice, Festiva**
Products	Spices

Processed meats

Cargills Convenient Foods Limited

Standards	• ISO 22000:2018 Food Management System • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environment Management System • Good Manufacturing Practices System (GMP) • Hazard Analysis and Critical Control Points System (HACCP) • SLS1218 Product Certifications by the Sri Lanka Standards (SLS) Institute for Goldi Chicken Sausages (Skinless), Goldi Chicken Meat Balls, Goldi Supreme Chicken Sausages (Skinless) • Halal- Halal Accreditation Council Sri Lanka- Certification (HAC) • Environment Protection License • Greenhouse Gas Verification Opinion
Brands	**Goldi, Sara's**
Products	• Fresh and Processed Meats • Ready to Eat Convenience Foods

Confectionary

Cargills Confectionaries (Private) Limited	
Standards	• ISO 22000:2018 Food Management System (This certification incorporates regulatory and legal elements covered by HACCP and GMP certifications) • Environment Protection License • Halal Certification for entire product portfolio • Greenhouse Gas Verification Opinion
Brands	KIST, Magic
Products	• Biscuits and Confectionery

Restaurants

As the exclusive franchisee of Kentucky Fried Chicken (KFC) in Sri Lanka, Cargills operates the largest quick service restaurant chain in the country in terms of revenue and volume.

Since obtaining the franchise license in 1996, we have expanded the KFC operation to cover all nine provinces in Sri Lanka, bringing international fast-food experiences to the local market.

This continued expansion has also built sustainable markets for the local poultry industry and for suppliers of key raw materials, simultaneously raising the standards of their businesses to meet KFC's international standards. We source over 90% of our raw materials from within Sri Lanka, driving income back to local communities. The KFC Sri Lanka menu added a fusion of localised items that have proven to be part of the chain's success with the Sri Lankan public, with some of the Sri Lankan-inspired dishes now added to the franchise's regional product catalogue. Cargills also became the exclusive franchisee for TGI Fridays in Sri Lanka in 2013, to meet the growing demand for similar, internationally benchmarked casual dining experiences.

Restaurants

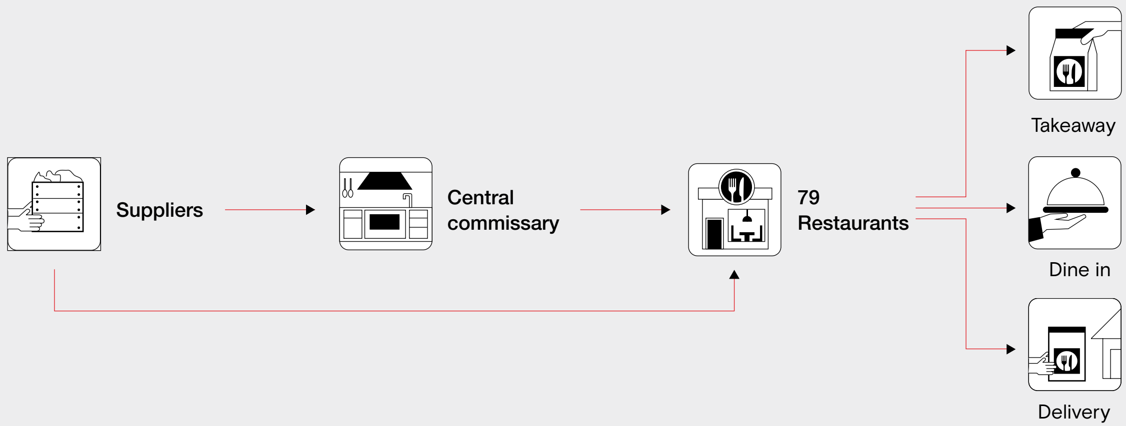
Cargills Restaurants (Private) Limited		
Standards	• FSSC 22000 (Version 6) for Central Commissary • FSSC 22000 (Version 6) for Central Warehouse • Environment Protection License for KFC Restaurants and the Central Commissary • Trade License for KFC Restaurants and the Central Commissary	
Brands	KFC	
Products	• Crispy Chicken • Burgers • Rice – biryani	• Kottu • Beverages

Cargills Food Services (Private) Limited		
Standards	• Trade License • License for the sale of liquor, including foreign liquor and locally made malt liquor in a refreshment room or restaurant	
Brands	TGI FRIDAYS	
Products	• Pasta • Burgers	• Desserts • Beverages

2024/25 Update

Cargills continued to grow its restaurant operation during the reporting period by adding 7 new restaurants to the KFC franchise, increasing the total to 78 locations providing employment to over 900 Sri Lankan youth at the close of the year in review. The TGI Fridays brand continued to reach its target demographic, backed by a team of 15 team members.

Restaurants 4.7%*



* Contribution to Group Revenue

Banking – Cargills Bank PLC (Associate)

Established in 2014 with the aim of advancing financial inclusion among Sri Lanka's farming communities and micro-to-small businesses, Cargills Bank focused on providing these marginalised segments with access to much needed credit facilities, financial advice, and assistance, thereby empowering them to contribute positively to Sri Lanka's economy.

Cargills Bank offers an extensive range of products and services including savings accounts, investments plans, credit/debit cards, consumer loans, agriculture and microfinance, SME and business banking loans, and trade facilities. Customers can also avail digital banking services for increased accessibility. Furthermore, Cargills Bank accounts can be accessed through Cargills Food City stores across the nation, providing ease of access and ultimate convenience to the customer.

2024/25 Update

Cargills Bank celebrated a decade of service during FY 2024, and recorded a 48% YoY increase in profit after tax to reach Rs. 651 Mn. The Bank's asset base increased to Rs. 80 Bn., a growth that is attributable to the effective execution of its overall strategy. During the year in review, Cargills Bank extended its supermarket banking facility across 53 more Cargills Food City locations, with the most frequently used banking services now offered in 532 Cargills Food City stores island-wide, complementing the Bank's 24 branches. Supermarket banking offers extended hours and 365-day banking through the Cargills Food City network, further benefiting the Bank's 245,000+ customer base. The teenage and pensioner demographics were also penetrated with the introduction of targeted new products.

In 2024, the Bank invested Rs. 99.7 Mn. in enhancing its digital capabilities, resulting in significant improvements across the Bank. Key achievements include upgrading the Cargills Bank website and mobile application for a more user-friendly experience, automating key processes such as Fixed Deposit alerts and NIC verification, and streamlining transaction processing through system integrations.

The Bank also continued to invest in its 690-member strong team, investing heavily in training and development programmes to enhance their skills and capabilities by delivering approximately 9,000 hours of training.

In the immediate future, following its successful implementation of a new pawning system during FY 2024, Cargills Bank will look at introducing new pawning and leasing products, with a more long-term goal to promote the adoption of digital banking facilities among its retail customers.

See updates

https://www.cargillsbank.com/wp-content/uploads/2025/03/Cargills-Bank-AR-2024-Web-Upload-File.pdf

Property and Entertainment

Real Estate

A concept first introduced in 2013 with the objective of providing family entertainment and shopping experiences outside Colombo city limits. These mini malls host Cargills Food City, KFC, and Regal Cinemas as anchor tenants, with the inaugural Cargills Square opening in Jaffna in 2013.

The remarkable reception by the public led Cargills to invest in opening several more mini malls across the island; the second in Gampaha in 2017, third in Dematagoda in 2020, followed by the successful opening of two more locations in Katubedda and Bandarawela in 2024.

Nearly all mini malls are at full occupancy by tenants.

Cinema

Ceylon Theatres has been a long-established leader in Sri Lanka's entertainment sector. The company specialises in movie exhibition, offering a wide variety of cinematic experiences to audiences across Sri Lanka through Regal Cinemas.

Cargills (Ceylon) PLC holds a 31% stake in Ceylon Theatres and has been a significant contributor towards increasing accessibility and reach for the general public by operating Regal Cinemas in Cargills Square locations island-wide, with state-of-the-art theatre screens allowing for 2D and 3D theatre experiences.

Bandarawela Hotel

Established in the early 20th century during British colonial rule, the Bandarawela Hotel was originally designed to accommodate British plantation managers and travellers to the hill country, with its interiors featuring high ceilings, wooden floors, and vintage furnishings of a bygone era, reflecting the distinct British colonial influence. The 33-room hotel also holds the title of being Sri Lanka's first mountain resort, located over 4,000 feet above sea level, and lies in close proximity to lush tea estates and the scenic Bandarawela Railway Station constructed under British rule, highlighting its historical importance in accommodating significant visitors during the time.

With its management currently under Cargills Group, the hotel continues to experience a strong pick-up in room occupancy alongside the recovery of Sri Lanka's tourism sector.


GREEN APPLE

Shared Services and Core Systems

Across The Cargills Group, a number of support functions and shared services continued to deliver greater efficiencies to better serve our growing diversified business operation. These shared service functions are supported by cutting-edge core systems that continue to scale and evolve, benefiting the business by streamlining processes, reducing manual tasks, and greatly improving service delivery.

This data-driven system contributes greatly towards enhancing the team member experience and satisfaction levels, evidencing the success of the transition as well as the improved operational efficiency, compliance, and productivity of the HR function.

All Cargills (Ceylon) PLC offices, factories, collection and processing centres, retail and restaurant outlets were equipped with biometric attendance capturing devices for both facial and fingerprint recognition, enabling attendance verification for payroll processing.

During the year in review, Cargills appointed a new Group Chief Information Officer to direct the Group's overall technology strategy to the next stage of its evolution, to better align with the overall business objectives of Cargills and drive greater efficiencies through technology innovation.

Human Resources

With a growing team of over 10,600 Sri Lankans, Cargills continues to invest heavily in advancing our Human Resource function, and has fully-deployed an end-to-end digitised, cloud-based Human Resource Information System (HRIS) with an integrated payroll system, greatly increasing efficiencies and productivity in Human Resource Management.

Agri Supply Chain

Cargills successfully completed the end-to-end digitalisation and automation of the Cargills agriculture supply chain, from farmgate to the nearest Cargills Fresh Collection Centre (FCC), and from there onto the Fresh Distribution Centre (FDC) for delivery.

This modernisation of the process has greatly increased the end-to-end visibility and transparency of the Cargills agriculture supply chain, while also improving supply chain efficiencies.

Real-time data gathering has significantly improved land logistics as well as the monitoring of supply and demand, decision-making, and optimisation of collection and storage centres, leading to less waste and greater food safety.

During the year in review, the end-to-end digitisation of the dairy supply chain was also successfully rolled out as scheduled, with the necessary hardware devices for milk collection automation installed across all Milk Chilling Centres island-wide.

Of these, 18 Chilling Centres have gone live with the end-to-end payment system, further enhancing operational efficiencies and transparency. The remaining centres are expected to go live during the subsequent financial year as per schedule.

At the close of the year, the IT Division was in the process of automating the Seafood Distribution Centre, showcasing Cargills' leadership in leveraging technology to drive growth and sustainability across Sri Lanka's agriculture sector.

Sales

To cover the growing scale and scope of the Cargills sales and distribution operation, Cargills migrated to a new Sales Force Automation (SFA) System, boosting sales performance, sales productivity and efficiency by automating non-revenue generating tasks.

We also successfully migrated to the new Distributor Management System (DMS), with all Cargills distributors using the globally acclaimed Accenture DMS for sales and distribution management, improving visibility and greater data accuracy.

This combined digital power has resulted in better management of the sales team across the island, as well as the growing distributor network. The collection of on-field sales data also contributes to the generation of detailed reports that provide data-driven sales and performance insights that were previously unavailable to Cargills, thereby enhancing the motivation and satisfaction of the sales teams.

Cyber Security

With the rapid pace of digitalisation of various business operations and processes across Cargills, the IT Division continued to strengthen the Group's security perimeter of all IT infrastructure and data assets, to maintain business continuity, and ensure compliance with data privacy standards.

We continued to collaborate with our cybersecurity partners to advance cybersecurity measures during the year in review, and as a result did not experience any major security breaches in the reporting period.

Community Friendly National *Development*

"Do I call them customers, or family? Cargills is their go-to outlet not only because of our promise to deliver the lowest prices, but because we have built a very strong bond of loyalty, one that has helped us overcome many challenges together over the years, like a family."

Team Member, Cargills Food City Kandy

Our Approach to Sustainability

Cargills' approach to sustainability remains multifaceted and integrates economic, social, and environmental considerations across all our business operations, with the overarching intention of creating sustainable value for all our stakeholders. We continued to drive sustainable economic growth, foster social development, reduce our carbon footprint, and advance the prosperity of the nation during the year in review, with our commitment earning us the strong reputation as one of the country's most respected and accountable corporate citizens.

Our sustainability efforts spread across six distinct focus areas:

- Reducing the Cost of Living
- Bridging Regional Disparity
- Healthy, Safe, and Affordable Nutrition
- Enhancing Youth Skills
- Building Equality, Diversity, and Inclusivity
- Playing our Part for the Planet

Cargills continues to demonstrate our commitment to transparency, good governance, and adherence to responsible business practices across all our business verticals as well as extended initiatives and programmes. The sustainability agenda at Cargills is driven from the top, with our visionary leadership setting the course for sustainable growth and financial profitability, which in turn enables us to successfully achieve performance targets against identified sustainability indicators. Armed with both purpose and profitability, Cargills continued to make strategic investments in projects that promote social and environmental sustainability, uplifting communities, and improving the lives and livelihoods of generations of Sri Lankans throughout the years.

Contribution to SDGs

Cargills aligns with the UN Sustainable Development Goals (SDGs) to better contribute to a more sustainable and equitable future for Sri Lanka, while also identifying and capitalising on new business opportunities. Cargills creates value across the agriculture supply chain and retail value chain by collaborating with multiple stakeholders, generating new revenue through market differentiation, expansion, new market penetration, and growth.

Furthermore, Cargills is a member of the United Nations Global Compact (UNGC); a global movement of sustainable companies taking strategic action to advance societal goals and align operations with universal principles on human rights, labour, environment, and anti-corruption. It is in line with such commitments that our Group-wide strategies, governance structures, corporate policies, commitment statements, and codes of conduct are developed so that sustainability and corporate responsibility are imbued into our everyday operations.

SUSTAINABLE DEVELOPMENT GOALS

Reducing the Cost of Living

The Sri Lankan economy continued to recover steadily in 2024, with post-crisis reforms having started to show positive outcomes throughout the reporting period. During the year, we saw inflation moving into negative territory (year over year decline in price levels) from September 2024, driven largely by electricity and fuel price reductions. Prices of overall food and non-food items saw a declining trend during the year, as per the Colombo Consumer Price Index (CCPI) and the National Consumer Price Index (NCPI), with prices of food items increasing during June - July 2024 due to off season and adverse weather conditions. This was soon followed by a decline in food prices as a result of the Yala harvest. December 2024 saw a price increase again due to festive season demand.[1]

While food prices were moderated, the cost of living has experienced a marginal increase in 2024 as per the Annual Economic Review 2024 published by the Central Bank of Sri Lanka. The estimated average monthly consumption expenditure for a household increased marginally from 2023. While the marginal increase itself reflects signs of slowdown in increasing household expenses, consumers continued to feel constraints on household budgets, adopting coping mechanisms like prioritising the quantity of food over quality, and choosing cheaper, less nutritious options to stretch their budgets. It is also important to keep in mind that food prices have increased substantially compared to levels seen in 2021 and early 2022 (prior to the devaluation of the currency). This is reflected in the CCPI and NCPI, where the index is up over 100% compared to the base year 2021.

www

[1] https://www.cbsl.gov.lk/sites/default/files/cbslweb documents/publications/aer/2024/en/Full_Text.pdf

[2] https://www.ohchr.org/sites/default/files/Documents/Publications/FactSheet34en.pdf

Commitment to Food Security and Affordable Nutrition by Cargills

As Sri Lanka's largest food company and largest consumer retailer, Cargills is committed to providing the Sri Lankan consumer with access to affordable, healthy, and nutritious food products, backed by nutrition-centric sourcing and pricing management. We deliver on this promise with an expanding retail network covering all 25 districts of Sri Lanka, reaching beyond urban and suburban areas to provide rural townships and communities with easy and convenient access to modern trade.

As per the United Nations Human Right to Adequate Food,[2] this commitment by Cargills provides all Sri Lankans "the right to have regular, permanent, and unrestricted access, either directly or by means of financial purchases, to quantitatively and qualitatively adequate and sufficient food, corresponding to the cultural traditions of the people to which the consumer belongs, and which ensures a physical and mental, individual and collective, fulfilling and dignified life free of fear"

Contribution to SDGs

2 ZERO HUNGER

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

Consumer Focused Pricing Management

As Cargills evolved and expanded, we reshaped local supply chains and local communities, creating markets for farmers and entrepreneurs, while also increasing employment and income levels, establishing Cargills as a company that ensures the sustainable development of its communities alongside our own business.

Today, Cargills plays an integral, and committed role as a key contributor to enhancing food security in Sri Lanka across three focus areas.

Initiatives at farmgate:

While key agricultural inputs were available in the market as a result of the country's improving economy, farmers continued to experience high prices or fluctuations that continued to impact production costs. To ensure the farmer's income remains unimpacted, Cargills agri-extension teams continued to engage with outgrower farmers, sharing knowledge and expertise to improve yields and manage production costs. Access to a reliable marketplace with fair prices are guaranteed by the Cargills Retail Chain, as well as the FMCG operations.

Under Bridging Regional Disparity (pages 66-89), we discuss in detail how Cargills has modernised Sri Lanka's agriculture sector over the past 25 years, introducing modern precision agriculture practices and milk production technologies, further increasing production volumes and reducing costs to manage pricing for end consumers.

Initiatives across the supply chain:

The Digitisation of the Agriculture and Dairy Supply Chains

Cargills has fully digitised its agriculture supply chain and will be completing the digitisation of its dairy supply chain during the subsequent financial year, providing Cargills with data-backed knowledge to monitor and efficiently manage supply and demand across the island. The digitisation of the Seafood Distribution Centre was also initiated during the reporting period.

Driving supply chain efficiencies has directly contributed towards reducing costs associated with land logistics, elimination of supply chain waste, and the overall reduction of supply chain costs enables Cargills to provide consumers with low prices for fresh and dairy produce in the local market.

Under Supply Chain Traceability (pages 91-92), we discuss how digitisation has greatly improved efficiencies, enhancing traceability and transparency, leading to lower production costs overall, and more stable pricing for consumers.

Maximising our Efforts for Local Sourcing

Cargills continued to predominantly source raw materials locally. While import restrictions continue to be lifted, pricing pressure on certain product categories was also lessened. We continued our engagement with local suppliers and farmers to source raw material and other inputs required for production across all Cargills manufacturing plants.

2024/25 Update

Within the FMCG portfolio, we have taken steps to reduce the price of selected SKUs and pass the benefit of cost savings to consumers. The introduction of smaller pack sizes with a lower price point has supported a recovery in volumes with consumers greatly appreciating the enhanced affordability, budget-friendliness, and convenience.

Establishment of state-of-the-art Distribution Centre

Cargills invested Rs. 4.4 Bn. to build our new state-of-the-art Distribution Centre (DC) in Katana, which is the largest distribution centre operated by a food company in Sri Lanka. Launched in 2023, the DC has streamlined logistics, and is powered by cutting-edge technology for inventory control and distribution which conforms to global standards. With a growing supplier base, the DC greatly enhanced supply chain efficiencies and logistics operations, from demand planning to cost reductions, with benefits directly passed on to consumers as well as suppliers. An extensive distribution fleet supports the process by reaching all corners of Sri Lanka each day to meet market demand. The DC is also equipped with a 1MW solar power installation that offsets its electricity bills, further reducing any spill-over of operating expenses to the end consumer.

Initiatives at retail level:

Providing Affordable Choices to Consumers through Price Management

Cargills Food City continues to offer the lowest price for a range of essential consumer stock keeping units (SKUs), promoting specific offers throughout the reporting period. Cargills delivers on our promise of "lowest price" by carrying out price checks across other major modern trade and general trade outlets, to ensure our claim remains accurate during the specific promotion. The long-standing relationships we have nurtured with suppliers over the years also affords us the ability to provide lowest price promotions, further benefitting consumers. These lowest price promotions are communicated to consumers via both traditional and digital media.

The dairy business had to make selective price increases from January 2024 onwards to mitigate the impact of the VAT introduction on locally produced dairy products. The VAT introduction came as a part of Sri Lanka's efforts to streamline its tax system and align with the IMF's Extended Fund Facility programme and related structural reforms to the economy. With effect from April 2025, the Government of Sri Lanka decided to remove the VAT on select dairy products such as UHT milk and yoghurts to provide more affordable nutrition, in particular for schoolchildren. We have taken immediate steps to reduce the prices of these SKUs and pass the benefit to consumers, which has resulted in a pickup in consumption.

Across the Cargills Restaurant sector, most SKUs retained the same price during the reporting year, offering value for money to the consumer. The KFC restaurant chain further established its presence as the most affordable Quick Service Restaurant (QSR) chain in the country during the year.

Minimising Operating and Overhead Costs

Cargills Food City continued to drive cost optimisation initiatives across its operations with stringent and disciplined measures; key among them being energy management and optimisation. The Cargills Food City supermarket chain is arguably the largest cold chain in the country. In addition to the cold storage facilities which ensure freshness of items like fresh produce, meats, seafood, dairy, and frozen foods, the air conditioning and lighting across each retail store is also heavily energy dependent.

While electricity tariff revisions during 2023 resulted in significant increases in our energy bills, Cargills minimised the pass-on of these growing operating expenses to consumers. The revisions carried out by the Public Utilities Commission of Sri Lanka (PUCSL) in March and July 2024, have provided a form of relief by putting a pause to the surge in operating expenses.

While existing solar installations helped offset our utility bills, we also continued our expansion of solar power installations at retail outlets to reduce our dependence on the grid. We installed 38 outlets with new solar installations during the reporting period. Further plans are underway to increase the coverage of solar rooftops across the retail store network.

Tapping New Channels

Cargills ventured into fuel retail in 2023 by leveraging our ongoing collaboration with Lanka IOC, setting up Lanka IOC fuel stations at two major Cargills retail stores. Having previously set up Cargills Express outlets at a number of Lanka IOC fuel stations, adding fuel stations to existing retail stores was the next step in extending our sales channels, offering greater convenience to customers through a one-pit-stop-shop to purchase their essentials while refuelling their vehicles.

Supporting Vulnerable Communities

Cargills continues to partner with local as well as global organisations to support vulnerable communities achieve food security through multiple initiatives that improves their access to healthy, safe, and nutritious food.

Through the Community Meals Programme (page 77) launched in 2022, Cargills provides nutritious meals to students from selected schools hailing from low-income households and facing food insecurities.

In September 2024, Cargills commenced a new initiative to extend support to the Lifeline Hope Foundation, to provide nutrition packs to patients undergoing palliative care.

Cargills will continue to leverage its island-wide distribution network, to ensure that all Sri Lankans have undisrupted physical and economic access to healthy, nutritious, and sufficient food, thereby delivering on our commitment, and contributing towards achieving Food Security in Sri Lanka.

Bridging Regional Disparity

Sri Lanka achieved macroeconomic stability in 2024, with continued focus on debt restructuring, fiscal consolidation, and prudent monetary policy. However, the island continued to grapple with income inequality during the reporting period, with significant disparities expected to persist across the country.

According to the Sri Lanka Development Update published by the World Bank in October 2024, poverty and vulnerability remain elevated in Sri Lanka.

Income inequality has been a persistent phenomenon in Sri Lanka for the last five decades, with income levels in urban areas being higher than that of other districts.

Over the years, Cargills took a focused approach to bridging regional disparities, providing rural communities with opportunities and access to economic participation, steady employment and income, as well as educational attainment.

Cargills is also a member of the Ceylon Chamber of Commerce, advocating for policies that benefit the country's growing business community in our position as an industry leader in Sri Lanka, guiding the country towards a more favourable economic environment filled with opportunities for growth.

The following section provides more insight into our decades-long efforts and outcomes of programmes carried out with the aim of bridging regional disparities in Sri Lanka.

Value Delivered in 2024/25

Direct income to local agri and dairy farmers during the year

Rs. 22.1 Bn.

Total investment in farmer community infrastructure development and welfare initiatives

Rs. 6.3 Mn.

Total incentives to dairy farmers

Rs. 28.9 Mn.

Total invested in community meals programmes

Rs. 9.5 Mn.

Contribution to SDGs

- 1 No Poverty
- 4 Quality Education
- 6 Clean Water and Sanitation
- 8 Decent Work and Economic Growth
- 10 Reduced Inequalities
- 11 Sustainable Cities and Communities
- 17 Partnerships for the Goals

The 25-Year Evolution of Sri Lanka's Agriculture Supply Chain

In 1999, Cargills established the first fresh produce collection centre in Hanguranketha, purchasing produce directly from farmers and eliminating middlemen from the supply chain. Today, 25 years later, Cargills takes great pride in the comprehensive supply chain solution with credit for inputs, continuous produce collection and handling, modern storage and logistics solutions, and guaranteed market access to farmers, who can now enjoy greater profit margins.

This farm-to-table supply chain operation that began with the transportation of 500kg of fresh produce in a single truck from Hanguranketha, is today a national-scale initiative with 13 collection centres spread across the island, handling approximately 125,000kg of fresh produce daily.

Each Cargills Fresh Collection Centre is managed by qualified agriculture officers and graduates who continue to provide field supervision, technical and technological support, and offer extension services to farmers, further strengthening our long-standing relationships with Sri Lanka's farming communities.

2024/25 Update

The agriculture sector experienced an overall expansion in 2024 as per the Central Bank's Data Bulletin, with the sector contributing steadily towards the country's 5% GDP growth during the year.

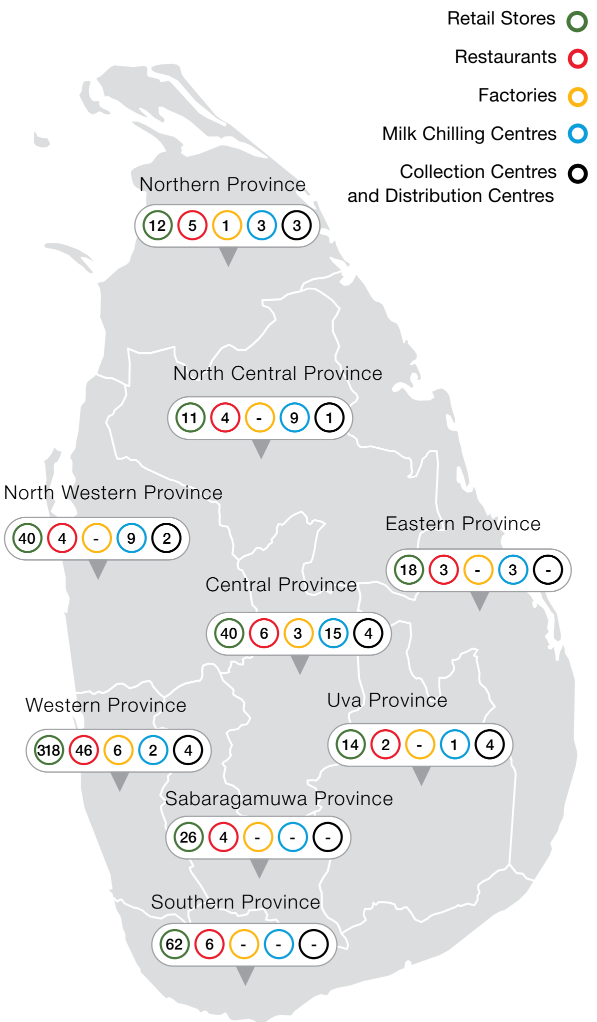
In 2024, the Cargills agriculture supply chain sourced a total volume of over 46 million kilos of fresh produce, and approximately 65 million litres of fresh milk collected, generating direct income of over Rs. 22 Bn. in total for the farming community through our purchases. This redirection of capital strengthens the rural economy, while at the same time enriching the nation with a healthy and fresh supply of nutritious produce.

	Fresh Produce	Milk
Volume	45,746,720 kg	64,995,074 litres
Value	Rs. 9,424,237,891	Rs. 12,702,350,074

The Cargills Ecosystem

As the Cargills retail network continues to grow and extend its island-wide presence, it becomes a direct sales channel for the smallholder agriculture and dairy farmers, as well as other micro, small, and medium enterprises (MSMEs) who supply to the Cargills Group. At the close of 2024, 13 fresh produce collection centres were located outside the Western Province. Additionally, the Cargills dairy network extended its reach by adding 1 more Milk Chilling Centre during the year in review, bringing the total to 41.

Cargills Island-Wide Reach and Connectivity



The Agriculture Modernisation Project

Launched in: 2019

Purpose: To address the issue of rural youth moving away from generational farming and traditional agriculture livelihoods in search of high-income service sector jobs in urban areas as a result of declining profitability and increasing expenses in agriculture and farming.

Description: Cargills Agri Solutions (CAS) launched the Agriculture Modernisation Project by introducing local farmers to modern precision agriculture techniques utilised in India, strategically applying these techniques across select farms to result in a significant reduction of water and agrochemical usage over the past few years. The proven techniques and increased, year-round yields have appealed to rural youth who are returning back to their farming roots.

Case Study: Scaling Up Sustainable Land Management Models

Citation: FAO. 2022. Terminal evaluation of the project "Rehabilitation of Degraded Agricultural Lands (RDAL) in Kandy, Badulla and Nuwara Eliya Districts in the Central Highlands" Project Evaluation Series, 10/2022. Rome.

Cargills and Sri Lanka's Department of Agriculture (DoA) worked together with the Food and Agriculture Organisation of the United Nations (FAO) to successfully implement sustainable production practices using Good Agricultural Practices (GAP) principles for smallholder farmers in the country's central highlands.

The project demonstrated a strong partnership with Cargills Ceylon – representing the private sector – in providing technology, value addition, marketplace access, and finance, while the Government (especially the GAP division of the DoA, Provincial Departments of Agriculture, Uva and Central) provided the necessary technology transfer and training.

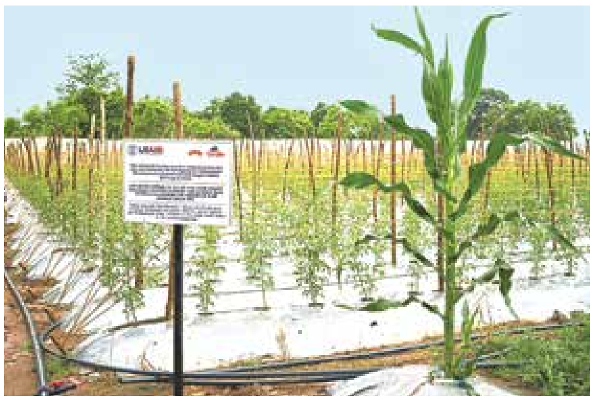
A number of new technologies were used for the project, including plastic mulch to prevent water evaporation and micro-irrigation systems. Farmlands were managed through mechanical and systemic improvements. Chemical usage was brought to a minimum by controlling pests and diseases through insect-proof nets and other means. These farms have demonstrably improved productivity, both in quantity and quality.

Social/economic benefits:

- 50-60% reduction on water usage compared to manual watering
- 70-80% reduction of chemical fertiliser use
- 30-40% reduction of agrochemical usage from insect proof nets and IPM
- 30-40% reduction of labour usage (both family labour and hired labour) mainly due to minimum tillage, reduced weeding, watering and fertiliser application
- 10-20% yield increment (use of quality seeds/plating materials, IPNM, IPM, and Irrigation, etc.)
- Farmers frequently referred to co-benefits such as increased water efficiency, reduced labour cost, reduced fertiliser cost, improved product quality, improved fertiliser efficiency, which are closely linked to improved soil condition and productivity
- Farmers mentioned that the quality of their produce has improved remarkably, and they receive a premium price

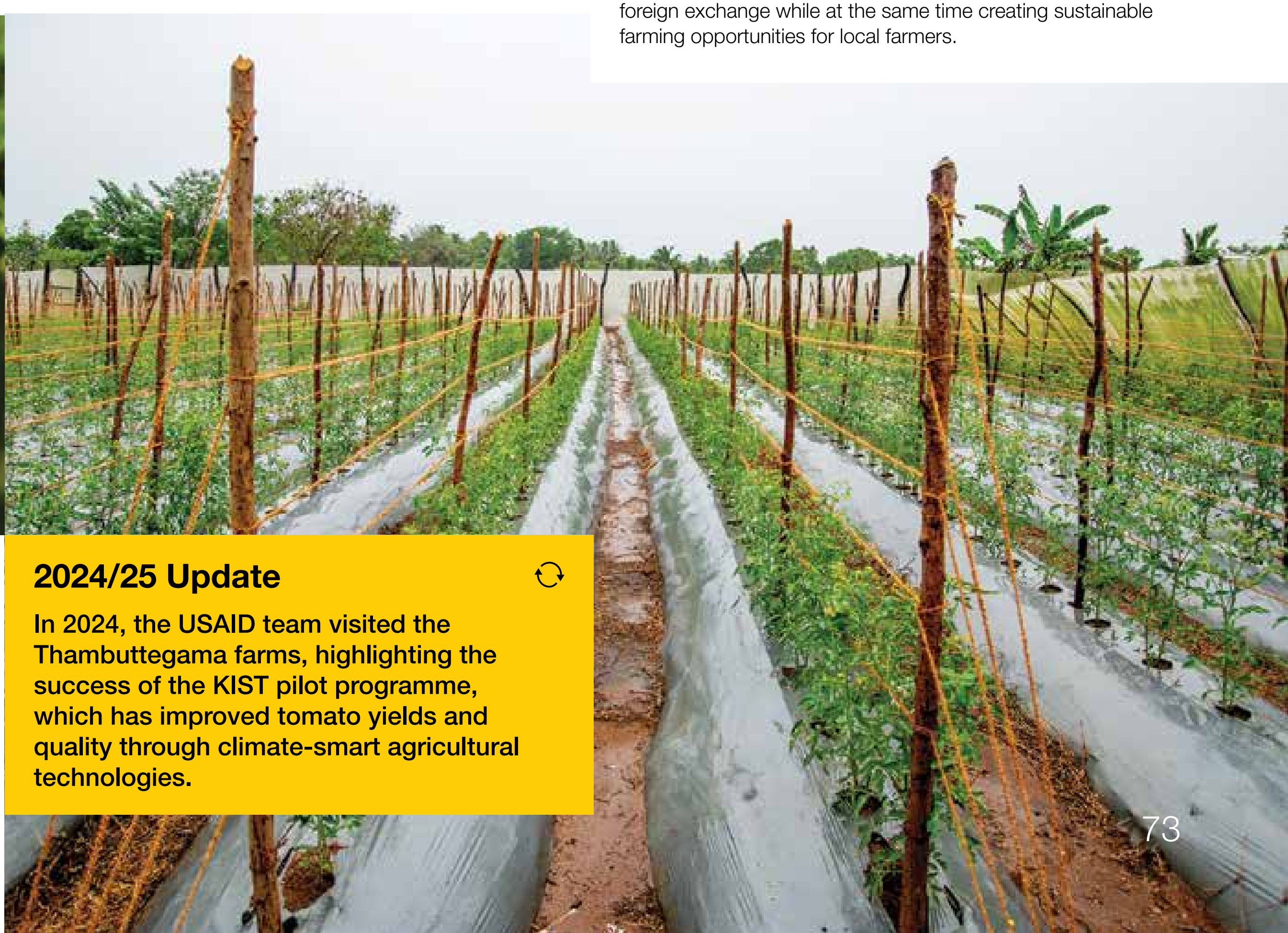
Local and Global Partnerships

Following the proven success of the Cargills, DoA and FAO collaboration, the FAO continued to encourage the implementation of GAP principles among smallholder farmers across the country, with the assurance of direct market linkage through the Cargills retail chain, as well as access to modern agricultural tools and methodologies through the FAO. The complete modernisation package includes drip irrigation, mulching and insect-proof nets, providing farmers the necessary tools to successfully adopt GAP principles to progress in their agricultural business.



Tomato Cultivation Project in partnership with USAID CATALYZE Sri Lanka

Cargills entered into a strategic partnership with the USAID CATALYZE Sri Lanka Private Sector Development (PSD) Activity, launching a pioneering pilot programme under its KIST brand to produce high-quality and climate-resilient tomatoes. With Cargills entering into a buy-back agreement with selected farmers, this collaboration aims to enhance Sri Lanka's export capabilities and deepen our integration into global value chains. Locally, Cargills aims to reduce the import of tomato paste and other tomato-based products at higher prices, saving valuable foreign exchange while at the same time creating sustainable farming opportunities for local farmers.



2024/25 Update

In 2024, the USAID team visited the Thambuttegama farms, highlighting the success of the KIST pilot programme, which has improved tomato yields and quality through climate-smart agricultural technologies.

The North, the East, and Deep-South (NEDS) Community Development Project

Cargills initiated a Community Development Project with the objective of supporting communities in the North, the East, and deep South of Sri Lanka, by integrating them to the growing Cargills value chain.

Cargills has been heavily invested in the post-war recovery of the Northern region of Sri Lanka immediately following the end of the civil war in 2009. Farmers in the northern region were provided access to production inputs, knowledge, and training, linking farmers to Sri Lanka's consumer markets. A number of produce collection centres were set up by Cargills in the region for direct purchasing and to regulate price stability for local produce in the region. Cargills began operations at the KIST Kilinochchi processing unit in 2013, processing a total of 7 MT fresh produce per day, and generating regular employment for farming families, especially women in the region. The efforts continue to this day, with Cargills extending initiatives such as Village to Home to the Northern region, to further support the enterprising farming communities.

2024/25 Update

Our strategic investments reaped significant results for the Northern region's smallholder farmers and SMEs for the year in review. The total purchases of fruit and vegetables, fresh milk and products from Northern SMEs were Rs. 1.1 Bn.


Cargills increased the purchasing volume from small and medium enterprises (SMEs) in the North. This also gave consumers from the South direct access to traditional, authentic products from the North, further bridging regional divides and strengthening regional economic integration. Additionally, the Cargills Village to Home initiative (pages 81-86) also focused on supporting SMEs in the North during the year in review, facilitating multiple Village to Home events that saw enterprising SMEs from Jaffna, Batticaloa, and Trincomalee benefitting greatly from the opportunities provided.

Driving the Steady Growth of the Domestic Dairy Industry

Sri Lanka's dairy sector has undergone a significant evolution, especially since the 1970s when open economic policies were adopted in the country. Dairy consumption has continued to increase over the past five decades, with the domestic dairy sector becoming a high-potential industry with a vision for achieving self-sufficiency in fresh milk production. However, the country currently produces only around 40% of its domestic milk demand, and relies heavily on imported milk products to meet the remaining 60%.

With livestock and dairy farming becoming a crucial aspect of rural livelihoods in Sri Lanka, Cargills diversified into the dairy business in 2002, successfully replicating our agriculture supply chain model. Over the past 20+ years, Cargills has continuously enhanced the livelihoods of smallholder dairy farmers by connecting them to the Cargills consumer market, enabling them to increase their profit margins, further bridging regional income disparities.

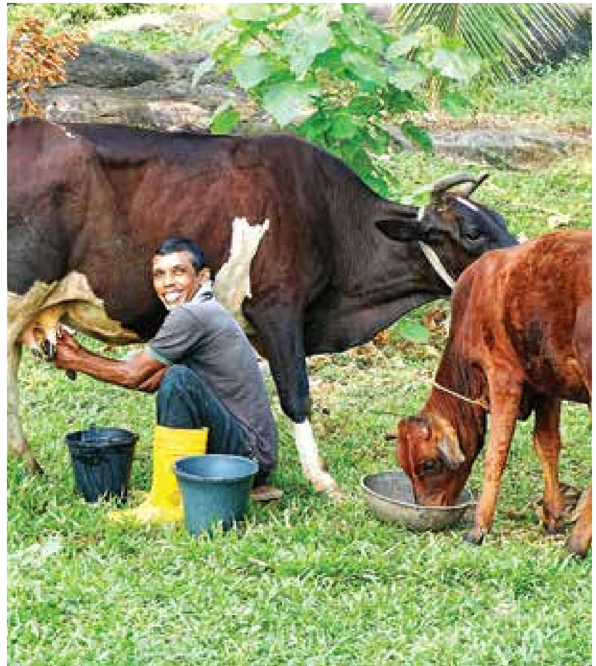
The Cargills dairy sector consists of the Cargills Dairies Pvt Ltd. and Kotmale Holdings PLC, and has driven catalytic growth within the sector over the past two decades, contributing to incremental milk production volumes year-on-year. Our ongoing collaborative partnership with the Department of Animal Production and Health (DAPH) ensures technical guidance is provided to the livestock industry and its stakeholders. Today, our digitised milk procurement spans across the Central, North Western (Wayamba) and North Central Provinces of Sri Lanka, directly contributing to the rise in yearly household income for dairy farmers belonging to these communities.

The Dairy Enterprise Development Initiative (DEDI)

Launched in: 2021

Purpose: A five year programme facilitated by Kotmale Dairy Products (Pvt) Ltd, with the goal of increasing milk production by 80 million litres annually by the year 2026.

Description: To work towards achieving self-sufficiency in fresh milk production in Sri Lanka and reaching the full processing capacity of our dairy facilities, thereby also reducing foreign exchange outflow on dairy imports from our country. Dairy herds that are genetically upgraded through artificial insemination (AI) have been introduced to improve milk production capacities. A commercial-scale fodder and silage production unit was established to provide high quality feeding materials, and financial as well as planning assistance has also been provided for farm management, dairy development, and farmer extension.



2024/25 Update

Description	2024/25	2023/24	2022/23
Chilling Centres	**41**	40	36
Annual Milk Collection (litres)	**64,995,074**	64,310,365	58,478,424
Average Annual Growth (%)	**1**	10	1.7

Capacity Building and Skill Development

Our capacity-building programmes aim to improve overall farm productivity, enhance the quality and safety of the milk produced, improve the management of animals, educate farmers on the importance of environmental sustainability, increase dairy farm profitability, and develop an industry-wide understanding of sustainable dairy business models that benefit the nation.

Improved Fodder/Silage Cultivation

Silage production increased significantly compared to the previous financial year, with commercial silage units increasing from three to four at the close of the year. The continuous output of good quality silage and the resulting improvement of feeding systems contributed towards the increase in milk production during the year.

Financial Assistance

Dairy farmers are provided financial assistance to cover a number of initiatives such as improved feeding systems, irrigation systems for fodder cultivation, purchasing of machinery to improve productivity, improvements or expansions of cattle sheds, and installation of solar power units to increase energy independence.

During the year in review, a total of 431 selected farmers under the DEDI programme received financial assistance to the value of Rs. 203 Mn. through Cargills Bank.

Community Development

Regional imbalances and disparities have continued to hinder overall economic growth and social progress in Sri Lanka for decades. Bridging these disparities in a more holistic and sustainable manner calls for a multifaceted approach, one which Cargills has been cognisant of from the onset.

2024/25 Update

Cargills initiated the first Community Meals Programme in 2022 as a response to Sri Lanka's economic crisis and its resultant food crisis that continues to this day among underprivileged communities. During the 2024/25 financial year, the programme invested Rs. 9,464,852/- to provide meals to such identified demographics.

The second Cargills Community Meals Programme was initiated by the Katugastota Cargills Food City outlet, which adopted Dharma Vijaya Vidyalaya, Katugastota as a beneficiary of the programme. Sparked by a viral video of a school student with no means to have breakfast attending school in hunger, Cargills looked into the backgrounds of the students and their families, and identified a wholesome way to address the situation. By setting up a system to deliver fresh food items and ingredients to the school free of charge throughout the week, Cargills ensures the children receive a nutrient-packed meal cooked by a team of parents, addressing the food security while incentivising students to attend school regularly.

Sarubima Fund

Launched in: 2008

Purpose: To uplift the lives of farming communities by contributing 50 cents for every kilogramme of fresh produce, or every litre of fresh milk sourced from local farmers.

Description: The fund has evolved into a platform that advances the lives of our farming communities by offering educational scholarships, and restoring and upgrading in local infrastructure.

2024/25 Update

Providing rural communities with access to clean water and sanitation

During the year in review, Cargills continued to implement and handover several community development projects through the *Sarubima* Fund, with greater focus on providing disadvantaged farming communities access to clean water and sanitation.

In July 2024, Cargills Dairies, through the Cargills *Sarubima* Fund, handed over a new water purification system to Konkadawala Primary School in Nawagattegama, a Divisional Sectretariat of the Puttalam District. This initiative addresses a critical health issue, as over 30% of the population in the Nawagattegama suffer from kidney diseases caused by the presence of heavy metals in drinking water as a result of the excessive use of pesticides and fertilisers in the longterm.

The newly installed water purification system will ensure a consistent supply of clean and safe drinking water for more than 750 individuals, including students, staff, and the extended community. While improving health and sanitation and reducing the impact of water borne diseases, this project also underscores our unwavering commitment to enhance the quality of life among our farming communities alongside their livelihoods.

Other Key Philanthropic Initiatives

Supporting flood victims with Knuckles Water in partnership with the Sri Lanka Red Cross Society

To support the communities affected by the severe weather conditions and resulting floods that occurred towards the end of the reporting financial year, Knuckles Water collaborated with the Sri Lanka Red Cross Society (SLRCS) to provide safe drinking water, which was identified as a fundamental necessity for flood victims.

Well over 1,000 families benefited from the Knuckles water distribution programme which focused on the Bollagala and Gagabadapara GS divisions, while over 500 families from across the Katana AGA division, which included residents from areas such as Madawala, Heenastiyana, Aramba, and Kotugoda also received much needed drinking water from Knuckles. The Knuckles team volunteered to distribute water together with the SLRCS team, providing immediate relief to families in need.

Increasing access to emergency healthcare in the North

Cargills adopted two ambulances in support of the 1990 *Suwa Seriya* Foundation's "Adopt an Ambulance" programme, with the purpose of increasing access to emergency healthcare services across Sri Lanka. 1990 *Suwa Seriya* is a national ambulance service providing free pre-hospital emergency services across the island with the support of responsible corporates such as Cargills, thereby strengthening the nation's healthcare infrastructure and ensuring swift access to emergency medical services for all Sri Lankans.

The first ambulance is currently serving Achchuveli in the Jaffna region, while the second ambulance has been deployed in Kilinochchi, empowering the disadvantaged communities in the Northern Province.

Creating magic and memories on World Children's Day

Cargills celebrated World Children's Day at *Sathutu Uyana*, Viharamahadevi Park on the 1st of October 2024, bringing together children from several preschools from the Western and Southern provinces, curating a day filled with entertainment, fun, and laughter for the participating children and their families.

Children from the Ceylon School for the Deaf and Blind in Ratmalana also participated, showcasing their unique abilities and inspiring everyone with their talents. A variety of activities including games and performances provided the children with a platform to express themselves creatively while enjoying quality time with their families.

All Cargills brands including Cargills Food City, Cargills Online, Kotmale, Magic, KIST, Ride, Knuckles, KFC, and Goldi participated in the event. Each brand contributed to a unique experience by offering interactive activities and family-friendly games. Guests indulged in an array of delicious food and beverage options and enjoyed refreshing ice cream treats throughout the day. Cargills Bank was also present at the event, encouraging parents to open savings accounts for their children, and assisting these families to build a secure financial future for the next generation.

Cargills
ගමෙන් ගෙදරට
கிராமத்திலிருந்து வீட்டுக்கு
VILLAGE TO HOME

Cargills Village to Home

Contributing to a more diversified and resilient economy

Launched in September 2020, Cargills Village to Home was established to support Sri Lanka's small and medium enterprises (SMEs) impacted by COVID-19, by providing them with access to consumer markets that they lost during the pandemic.

SME's account for over 75% of registered enterprises in Sri Lanka and contributes over 50% to the country's GDP, yet were the hardest hit by pandemic-related shocks, especially confinement measures. With Village to Home, select Cargills Food City car parks were transformed into pop-up markets with multiple stalls showcasing a variety of traditional Sri Lankan products ranging from Ayurvedic herbal products, food, handloom and artisanal handicraft, and cane and reed craft products.

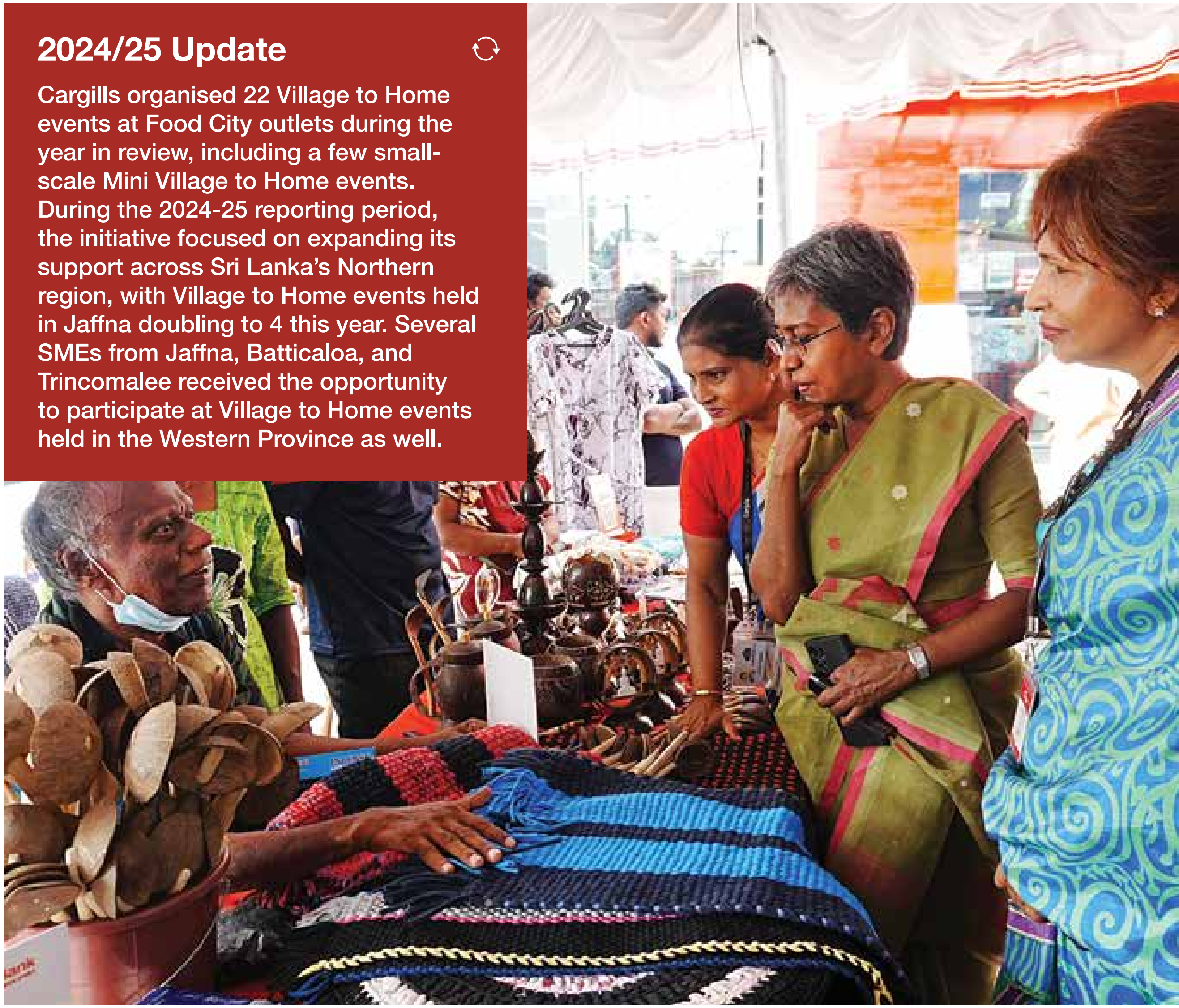
The initiative evolved into monthly sales events, with the SMEs provided with technical assistance and guidance by Cargills in terms of packaging, labelling, marketing, communication, social media presence, quality assurance, and quality standards, in order to strengthen each individual brand and increase their market appeal.

Furthermore, Cargills covers all expenses for demarcated stalls during the events, as well as water, electricity, and other facilities required to meet strict health and safety guidelines. For managing their finances, each registered participant is given the opportunity to open a Cargills Bank Account, and is provided with a QR Code for transaction purposes.

Cargills augmented its efforts by launching the "Gondola" programme in March 2022 to further support the SMEs. Best-selling products were displayed on Village to Home Bays or Gondola shelves inside select Cargills Food City outlets, allowing for greater visibility and continuous market access at a low shelf cost.

2024/25 Update

Cargills organised 22 Village to Home events at Food City outlets during the year in review, including a few small-scale Mini Village to Home events. During the 2024-25 reporting period, the initiative focused on expanding its support across Sri Lanka's Northern region, with Village to Home events held in Jaffna doubling to 4 this year. Several SMEs from Jaffna, Batticaloa, and Trincomalee received the opportunity to participate at Village to Home events held in the Western Province as well.



Cargills Village to Home collaborates with several governmental and non-governmental organisations to ensure the success of the initiative. The Small Enterprises Development Division (SED) of the Ministry of Sports and Youth Affairs, the National Enterprise Development Authority (NEDA) of the Ministry of Industries and Commerce, the Ministry of Cane, Brass, Clay, Furniture, and Rural Industry Promotion, and the Provincial Department of Agriculture (Western Province) have all assisted Cargills in identifying potential SMEs.

Number of Village to Home events held during the year:

Village to Home Events	Total to-date since 2020	2024/25	2023/24
Cargills Village to Home Events	64	**22**	21
Number of events held in Jaffna* (including Mini Village to Home events)	16	**04**	02

*Cargills Village to Home increased support to SMEs across the northern region of Sri Lanka

The number of directly registered SMEs reached 388 during the reporting period, with the total number of SMEs including village societies and worker societies surpassing 1,200. Of this growing number, 56 SMEs were from Jaffna.

Number of SMEs registered under the Village to Home programme:

Village to Home Events	Number of SMEs
Total to-date since 2020	1,223*

*Includes 56 SMEs from Jaffna

Nearly 400 new products were introduced through the Village to Home events held during the reporting period through registered SMEs. Since the introduction of Village to Home in 2020, over 3,900 unique products have been introduced to the local market.

Number of products introduced to the local market through the Village to Home programme:

Village to Home Events	Total to date since 2020	2024/25	2023/24
SMEs	388	**41**	127
Products introduced	3,900	**400**	1,000

During the reporting period, 16 Cargills retail outlets displayed 48 unique products belonging to Village to Home SMEs on dedicated Bay/Gondola displays, with displayed products and their SMEs listed at each relevant food city outlet for more brand visibility. Among these products were several healthy and nutritional products that have found a growing consumer demographic (page 94).

In addition to the dedicated Bay/Gondola displays at the 16 Cargills retail outlets, several Village to Home products are also listed in 330 Food City locations island-wide, bringing the total number of locations where the Village to Home products are listed to 346.

	Total to-date since 2020	2024/25
Listed SMEs*	14	**06**
Listed Products (SKUs)	48	**21**
Total revenue earned by SMEs from Cargills Food City stores	Approximately Rs. 59.6 Mn.	**Approximately Rs. 34.4 Mn.**

* 346 Cargills Food City Stores carried 48 products belonging to Village to Home SMEs

Opportunities for the Differently-Abled

The Village to Home programme continued to provide opportunities to differently-abled individuals through the programme, working closely with the following organisations that committed to the betterment and inclusivity of differently-abled adults and children for this purpose:

- Kalutara District organisation of Disabled – Adults
- Cocoon Foundation-Children
- EASE Foundation

The Village to Home programme engages with the above organisations to provide their resident members with disabilities a platform to showcase and sell their products, providing market access and creating equal income opportunities for this under-represented demographic in the local market.

Training Programme

Village to Home Training Programme in collaboration with the USAID CATALYZE Sri Lanka Private Sector Development (PSD) Programme

Cargills Square, Jaffna

10 May 2024

A training session for small business owners under the Village to Home programme covering topics such as food packaging and labelling, food safety and nutrition, basic quality assurance, and food regulations. It also provided the business owners with an understanding of product registration in modern trade and also created awareness on financial literacy. The training programme featured experts from Cargills, the Cargills Bank, and representatives of USAID CATALYZE PSD.

Number of Beneficiaries

A total of 50 small business owners from northern region of Sri Lanka participated.

Special Case Study: Shepherd's Delight Cookies

For nearly 160 years, the Good Shepherd Sisters have worked tirelessly to support vulnerable and marginalised communities, with particular focus on helping women and children. The Shepherd's Delight Cookies – produced by the young women who have undergone vocational training under the guidance and care of the Good Shepherd Sisters – is one of the more sweeter success stories of Cargills Village to Home.

Recognising the challenges faced by the young women under their care in finding employment after completing their training, the Good Shepherd Sisters expanded their Cookie production efforts through a small-scale business venture.

This initiative not only provides job opportunities and income, but also empowers these young women to take on entrepreneurial roles, manage, and develop the business.

Cargills has played a crucial role in enhancing the market opportunities for Shepherd's Delight Cookies by improving their packaging to meet regulatory requirements. This collaboration aims to empower these young women to become confident entrepreneurs, ready to engage with society and gain financial independence.

Cargills Village to Home Success Stories

The Cargills Village to Home team identified the high potential of the product, and provided Ms Vasuki and her SME with the necessary guidance across all technical aspects to further improve the marketability and reach of her product, from label development and certifications to quality maintenance.

Amma Traditional Industries (Pvt) Ltd. – A Northern Star

Amma Traditional Industries is a Jaffna-based SME under the enterprising ownership of Ms Vasuki, sourcing high quality sesame oil from the North, packaging the product in Dehiwala for distribution across urban townships. In February 2025, the company received an opportunity to list their product in Cargills retail outlets by meeting packaging and regulatory requirements.

The quality of the product saw Amma Traditional Industries gain notable market exposure island-wide, which led the company to consider further business development. When Cargills extended the Village to Home programme to the Northern region of the island in March 2024, Ms Vasuki registered her SME to gain the necessary assistance to meet the growing market demand for Amma's quality sesame oil based on its numerous health benefits.

As a result, Ms Vasuki has scaled her business, recruiting 4 new team members and 3 new raw material suppliers since joining Cargills Village to Home, bringing the number of total team members to 11 and suppliers to 5. Ms Vasuki's monthly income has increased over three-fold. Marking a great milestone in their journey, Amma Traditional Industries began their own sesame cultivation with their own plantation in Trincomalee and Anuradhapura recently. Ms Vasuki's next step is to invest in new machinery to expand the production, in order to keep abreast with the growing demand for her product among Cargills consumers.

Ms Vasuki credits the support received from the Cargills Village to Home Programme in building her confidence as a business woman, and for providing her the necessary guidance to develop her business and establish the Amma Traditional Industries brand across the country within a short time period.

Cacthus by Dineth from E A S E Foundation – Overcoming Life's Greatest Challenges

Dineth Oshitha is a young entrepreneur and a differently-abled member of the EASE (Educate, Advocate, Support and Empower) Foundation, a non-profit that creates productive, stimulating lives for people with disabilities. Dineth, requiring the support of a wheelchair for his mobility – aspired to be an independent and successful entrepreneur to overcome his financial concerns, and established Cacthus by Dineth – a small-scale business that involves growing and selling plants including cactus, indoor plants, outdoor plants, and fertilisers. Dineth's brother, who was also permanently injured by a serious accident, supports his endeavours by producing handicrafts items to sell at pop-up stores and other markets they participate in.

Having witnessed the courage and determination of Dineth, the Cargills Village to Home team took Dineth under their wings in April 2024, supporting him by improving market opportunities to increase his reach and customer base with a pop-up store at the Pelawatta Cargills Food City outlet.

With the steady support from Cargills, Dineth developed his business and increased his income from around Rs. 5,000.00 per month to Rs. 35,000.00, empowering him to now bear his own medical expenses, which were previously made by his retired senior parents. Backed by the support of his growing customer base as well as his own growing confidence, Dineth has been able to scale his business by accepting cactus gift pot orders for weddings and other events.

The next step for Dineth is to open his own showroom to sell plants and handicrafts items. He is immensely proud of his achievements, is happy with his improved livelihood, and is grateful to Cargills for the continuous support and guidance he receives in his quest to become an inspiration to society, demonstrating how physical disability can be overcome with the right determination and support.

Cargills
KIST Kilinochchi – Progressing hand-in-hand

Cargills understood the urgency to address potentially long-lasting socio-economic challenges resulting from decades of conflict in the north following the end of the civil war in 2009. Kilinochchi, previously a thriving agricultural hub with a population of over 100,000, was left heavily damaged and destroyed as a result of the 26-year-long conflict. As the inhabitants trickled back, resilient in their quest to rebuild their lives and livelihoods, Cargills was quick to step in and give the people of Kilinochchi hope for a better and brighter future, with a promise to rebuild their hometown together, hand-in-hand.

A team from Cargills visited Kilinochchi in 2009, wishing to replicate its agricultural value chain success in the North and revive their horticulture sector. In order to fully understand their needs, Cargills first conducted a large-scale needs assessment of 2,500 smallholder farmers, with face-to-face dialogue with farmer communities as well field studies with Jaffna University students, to clearly understand their ground realities.

As a first step, with the data gathered, Cargills swiftly implemented a three-year project anchored to years of experience in linking farmers across Sri Lanka to mass markets. We built an extended horti-enterprise by vertically aligning field production practices and produce handling with market driven processing and trade. Field staff were recruited from the area in order to coordinate with the farmers and facilitate farmer-group formations. Knowledge was imparted on loss-free post-harvest produce handling. A number of produce collection centres were set up across the region so that Cargills can purchase produce directly by eliminating intermediaries.

Driven by the resilience, heart, and untapped potential of the townspeople, Cargills began operations at the Kilinochchi KIST Fruit Processing Plant in 2013, processing a total of 7 MT fruits and vegetables per day. The facility also generated regular employment, particularly for women in the region, and established price stability to local produce.

Cargills remained instrumental in the steady revival of Kilinochchi's agriculture business, empowering farming communities through our constant support as well as constant presence, with value addition that helped farmers improve the quality and volume of their produce.

In 2020, during the COVID crisis, the Kilinochchi KIST Plant went the extra mile to support farmers in the region who were not registered with Cargills and struggling to sell their harvest by purchasing their fruit crops. These extra crops were immediately transported to the state-of-the-art KIST Katana Factory for the production of much-loved KIST products.

In 2023, the Urban Development Authority of Sri Lanka published the Kilinochchi Development Plan 2023-2033, identifying KIST as part of the rapidly growing industrial sector of the region providing job opportunities across the region and enriching the economy of the local communities.

Cargills continues to empower the people of Kilinochchi, bringing their enterprising hopes and dreams into fruition, and continuing to support them as they reach their fullest agricultural potential.

Healthy, Safe, and Affordable Nutrition

Non-Communicable Diseases (NCDs) including diabetes and cardiovascular diseases have become a major health concern in Sri Lanka, accounting for 83% of the country's mortality rate. Poor dietary habits have been identified as a major contributor to the rising prevalence of NCDs across the country, according to a recently published Ministry of Health report[1]. However, nutritional security is no longer a priority where food insecurity is concerned. Sri Lankans across rural and urban households have struggled to maintain a balanced diet, employing various coping mechanisms and sacrificing nutrition for quantity in the face of economic instability.

Cargills remains committed in strengthening its sustainable, nutrition-sensitive food supply chain with the aim of meeting the current and future nutritional needs of Sri Lankans. We took on a central role in navigating Sri Lanka's food sector towards the latest advances in nutritional science, translating good nutrition into good business by enabling the consumer to make healthier choices. Many Cargills food products already have their healthier version in the market, with reformulated products steadily shifting consumer desire towards long-term nutritional benefits. Most importantly, these healthy food options are made affordable and accessible to the Sri Lankan mass consumer market through the growing Cargills retail network spread island-wide.

This chapter provides an insight on multiple initiatives Cargills has pioneered over the years to address three pressing challenges faced by local consumers; access to nutritious produce, guaranteed food safety, and access to healthier food options.

Value Delivered in 2024/25

Purchasing value of Good Harvest produce

Rs. 17.1 Mn.

Purchasing value of BeeSafe produce

Rs. 48.2 Mn.

Purchasing value of Organic Rice crops

Rs. 28.5 Mn.

Purchasing value of Traditional Rice Flour

Rs. 4.2 Mn.

Number of new products introduced to the market

8

Contribution to SDGs

2 Zero Hunger; 3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 12 Responsible Consumption and Production; 15 Life on Land; 17 Partnerships for the Goals

BeeSafe

(Agrochemical Free Farming)

Launched in: 2019

Purpose: To directly address growing health concerns resulting from pesticide exposure, as well as the growing market demand for organic fresh produce at affordable prices.

Description: Branded as "BeeSafe" meaning "safe for bees", Cargills has established toxin-free ecological zones where farmers employ a scientifically proven mix of microorganisms, natural herbicides and pesticides including biopesticides, to reduce reliance on synthetic chemicals. This approach maximises yields while reducing pesticide exposure, which bees are known to avoid as they are unable to survive in environments laced with harmful chemicals.

[1] https://knowledge-action-portal.com/en/content/sri-lanka-national-multisectoral-action-plan-prevention-and-control-chronic-non

Cargills Rice

(Traditional Organic Rice)

Launched in: 2019

Purpose: To produce a range of traditional rice varieties that are high in nutritional value, low in the glycemic index, and free of agrochemicals and toxins.

Description: Anchored to Sri Lanka's rich history in rice production, Cargills collaborated with the Parabowa Farmer Association to produce a range of traditional rice varieties that are high in protein, iron, and antioxidants. Cargills Rice has to date introduced six varieties of traditional rice produced under special conditions, with each variety possessing their own unique health and nutritional benefits. Last year, Cargills Rice launched Ceylon Traditional Rice Flour (white/red) produced from traditional rice for the first time in the domestic market, as a gluten-free alternative for cooking and baking needs.

Good Harvest

(Sri Lanka's First GAP-certified Produce)

Launched in: 2019

Purpose: To promote Good Agricultural Practices (GAP) to ensure all farm products meet quality standards, and are environmentally friendly, socially acceptable, and economically profitable to the Cargills farmer network.

Description: Having practiced GAP principles for years, Cargills partnered with the Department of Agriculture to formally introduce Sri Lanka's own SL-GAP certification in 2019. All produce packaged under the GAP-certified Good Harvest label use fertilisers and pesticides in adherence to regulatory standards with globally accepted, safe levels of residue. Control mechanisms are in place to continuously monitor participating farmers' crop record books at ground level. Each package of Good Harvest branded produce contains a distinct QR code for traceability, greatly increasing food safety, and farmer accountability.

Supply Chain Traceability

A key aspect of food safety, supply chain traceability enables the tracking of food products from its origin, which remains crucial for identifying and addressing the source of a contamination or any other potential food-related hazard. Cargills made great strides in enhancing traceability across its supply chain during the preceding financial year, digitising farmer and produce details at the origin with unique QR codes that contain information on the type and volume of produce, packed and expiry dates, information of the farmer including GAP certification number, and Quality Controller (QC) details for further accountability. The initiative kicked off with the agri-farmer-network, with the QR tags affixed to each pack of fresh produce. By scanning the QR code, additional cultivation details can be accessed via the Department of Agriculture website.

1 **Food Safety and Quality Standards:**
Tracking produce from their source allows for rapid identification of path and swift action and effective recalls in case of an issue.

2 **Consumer Trust and Confidence:**
Transparency and traceability across the supply chain enables consumers to verify origin and quality of produce, building consumer trust in the food they consume as well as the in Cargills' commitment to food safety.

3 **Efficient Logistics and Storage:**
Traceability helps to optimise logistics across the supply chain as well as storage at collection centres, mapping the most efficient paths and minimising spoilage and wastage of produce.

4 **Risk Mitigation:**
Visibility and traceability across the supply chain helps identify potential risks and implement preventive measures.

5 **Accountability:**
Traceability ensures accountability at every stage of the supply chain, holding each stakeholder responsible for food safety and quality.

2024/25 Update

Following the successful end-to-end digitalisation and automation of the fresh produce supply chain, Cargills rolled out the end-to-end digitisation of our milk collection process as scheduled during the year in review. All 41 Milk Collection Centres were installed with the necessary hardware, with 18 Collection Centres going live with the end-to-end payment system, greatly increasing traceability as well as operational efficiencies across the Cargills dairy supply chain. The Seafood Distribution Centre was also being automated at the close of the year, further extending the scope of digitising and automating the entire Cargills supply chain. For more details on the digitalisation of the Cargills Agri Supply and other IT advancements, visit page 63.

Enriched Nutrition

Cargills has a dedicated Research and Development (R&D) team that focuses on delivering superior, enriched food products to meet evolving nutritional expectations of our consumers, with zero compromise on quality, taste or accessibility. The R&D Team strives to maintain the unique taste of our FMCG products by testing and re-engineering recipes to control sugar, salt, and fat levels, using lower than allowed maximum levels of preservatives such as nitrates and nitrites. Fresh fruits and dairy are responsibly and safely sourced from Cargills farmer networks when manufacturing these products, preserving their goodness, and nutritional content. Furthermore, we collaborate with R&D departments across a number of state universities as well as with nutritional experts to further our research and introduce healthier consumer options in Sri Lanka.

New Product Development (NPD) at Cargills

At Cargills, our Product Development Teams abide by locally and globally declared policies, regulatory frameworks and standards, with the entire NPD process centred around the needs of the consumer. To navigate through the complex NPD process when introducing a new or improved product, Cargills follows a six step cycle as shown below:

Market Research

Understanding consumer expectations and overall market sentiment is key to successful NPD. Cargills conducts consumer surveys to gauge customer preferences, leveraging insights gained to identify opportunities in nutrition, and translating them into products that satisfy our customers and meet their evolving needs.

Product Conceptualisation

With insight gained from market research, Cargills moves on to product conceptualisation. A number of other factors such as global/ regional market trends, new business ideas and overall business potential are weighed in at this stage of the cycle.

Research and Development

Throughout this stage of the cycle, Cargills evaluates new product ideas against local and international health and safety regulations to guarantee product quality and food safety. This includes the Food Act and the SLSI among other standards. Once all food safety and quality standards are expected to be met, and a shelf-life analysis is carried out, the Product Development Team greenlights the pilot launch and consumer testing of the new or improved product.

Manufacturing and Production

Once the product meets necessary criteria, it moves to the production and manufacturing stage of the cycle. Cargills follows established protocols to ensure that raw materials, processed products, and final products meet specific health and safety requirements and regulations. In addition to routine physical, chemical, and microbiological in-house analyses, samples of products are randomly selected and sent to accredited third party laboratories for testing and verification of their health and safety standards.

Marketing and Promotion

Pilot sensory testing is conducted at Cargills Retail outlets for immediate feedback. All Cargills promotional material for new as well as existing products demonstrate our commitment to high-quality management and food safety standards, as well as responsible marketing. Annual training programmes help ensure sales teams and distributors stay informed and up to date on these standards. If product details are modified, the public is informed. Product performance is then monitored, coupled with consumer feedback surveys.

Product Improvement

Products are improved, reformulated or newly developed based on feedback and suggestions provided by customers. Cargills is encouraged by the market response to the nutritious, healthier food options we introduce to the mass market to meet rapidly evolving consumer needs, while also improving market competitiveness.

2024/25 Update

During the year under review, we introduced eight new consumer products to the market:

KIST

1. Carbonated Flavoured Drink – Sparkling Green Apple
   - ☑ No artificial flavours
2. Carbonated Flavoured Drink – Sparkling Orange
   - ☑ No artificial flavours
3. Carbonated Flavoured Drink – Sparkling Strawberry
   - ☑ No artificial flavours

Magic

4. Faluda Ice Cream with Strawberry Sauce
   - ☑ Made with fresh cow's milk

Kotmale

5. Faluda Pasteurised Milk
   - ☑ Made with fresh cow's milk
6. Kotmale Garlic Butter
   - ☑ No added colours and preservatives
7. Faluda Ice Cream
   - ☑ Made with fresh cow's milk

Ceylon Since 1844

8. Organic Spice Gift Pack

New healthy consumer products introduced to the market, developed by SMEs

Moringa Powder

- Is a rich source of vitamins (A, B, C, D, E), minerals (calcium, magnesium, zinc, iron, copper), and antioxidants, potentially supporting overall health and well-being

Purple Yam Powder

- Is a source of antioxidants, vitamins, and minerals, with potential to aid in blood sugar control and gut health

Sesame Oil

- Is rich in antioxidants, healthy fats, and essential nutrients, potentially supporting heart health, blood sugar regulation, and even skin health

Dehydrated Mango

- Is a good source of vitamins C and A, fibre, and antioxidants, potentially supporting immunity, digestion, and overall health

Fostering a Strong Regulatory Environment

We have nurtured a strong regulatory framework for Food Safety at Cargills to ensure our products meet benchmark standards in nutritional value, quality, safety, and as a result – affordability. Our product development teams remain uncompromising when meeting specific nutrient criteria along the Cargills food value chain.

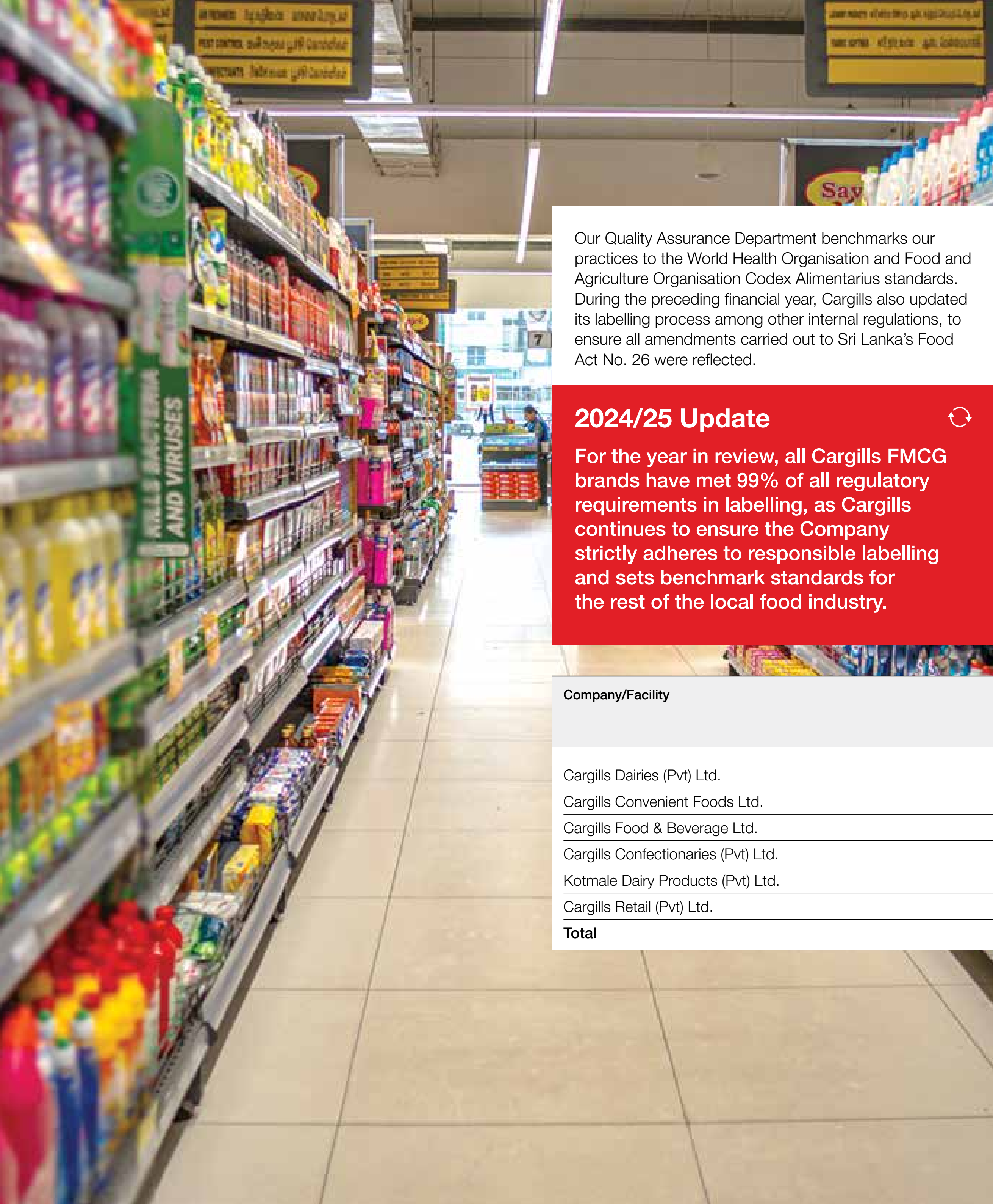
Our automated manufacturing processes take place in sterile environments with anti-bacterial cold rooms, cold storage, and manufacturing facilities that are ISO certified (Please refer pages 46-48). All Cargills Production Facilities are ISO 22000: 2018 certified for Food Safety Management Systems. The year in review saw all our facilities maintain and/or renew necessary certifications in the areas of food manufacturing, safety, and quality standards by conducting audits and testing processes. While the ISO 22000 certification covers the management of food safety hazards throughout the manufacturing process, and requires organisations to maintain that encompass good manufacturing practices (GMP), Cargills has also certified its main dairy and agri production facilities among others with Hazard Analysis and Critical Control Points (HACCP) and GMP certifications, as well as ISO 9001: 2015 for Quality Management.

In 2024, the Company's newly commissioned convenience food production facility also received Halal certification from the Halal Accreditation Council (HAC) of Sri Lanka, building on the Company's commitment to food safety and quality. In addition, Halal Accreditation under the Gulf Standard (GSO) was extended for selected product categories, including Dairies, Confectioneries, and Food & Beverages, to support the Group's growing export ambitions. It should be noted that some specialised product lines, which are not eligible for Halal certification, are manufactured separately in dedicated facilities.

For storage, distribution, and delivery, warehouses are designated for specific manufactured products. Batch picking is used to fulfil multiple orders simultaneously, resulting in improved efficiency, and optimised utilisation of time and resources. The Supply Chain QR code system is used to identify each product to ensure the traceability. Strict temperature monitoring is employed in warehouses storing dairy and other products, with 24 thermos loggers installed to meet food safety requirements. During distribution, all vehicles are outfitted with GPS to track temperature and other parameters in real-time. QA teams visit supermarkets/ retail shops monthly to check storage conditions, expiry dates, and provide advice when needed. Furthermore, annual training sessions are held to keep distributors up to date and advise them on how to uphold food safety and quality standards in products.

Responsible Marketing and Labelling

To educate consumers and enable informative decision-making, we have a Nutritional Information Table on all Cargills FMCG product labels, which gives accurate information on energy, protein, total fat, saturated fat, carbohydrate, sugar and salt per serving, as well as per 100g/ml. We also ensure that our products, ingredients, labels, and claims are factually correct, endorsed by scientific evidence, and consistent with Sri Lanka Food Act standards.



Our Quality Assurance Department benchmarks our practices to the World Health Organisation and Food and Agriculture Organisation Codex Alimentarius standards. During the preceding financial year, Cargills also updated its labelling process among other internal regulations, to ensure all amendments carried out to Sri Lanka's Food Act No. 26 were reflected.

2024/25 Update

For the year in review, all Cargills FMCG brands have met 99% of all regulatory requirements in labelling, as Cargills continues to ensure the Company strictly adheres to responsible labelling and sets benchmark standards for the rest of the local food industry.

During the reporting period, Cargills continued to extend its regulatory oversight to the Lak Bojun programme, with the Cargills Quality Assurance (QA) team performing regular audits of all Lak Bojun units to ensure that the quality, safety, and nutrition factors meet all set regulations. (Please refer to the Lak Bojun write-up in the Building Equality, Diversity, and Inclusion on pages 111 to 113 for more details)

Winning Partnerships and Collaborations

Cargills advocates and encourages collaboration with research institutions, regulatory bodies and other relevant organisations, sharing knowledge and introducing more effective practices to make healthy, safe, and affordable nutrition accessible to all Sri Lankans.

We have nurtured winning partnerships with Sri Lanka's state universities to stimulate research and innovation through New Product Development (NPD) initiatives, where students are presented with the opportunity and resources to translate their advanced research ideas into healthier and more nutritious products under the Cargills brand.

Company/Facility	Instructions for Storage Yes (%)	Disposal Logo Yes (%)	Complete List of Ingredients in Descending Order Yes (%)
Cargills Dairies (Pvt) Ltd.	100	100	100
Cargills Convenient Foods Ltd.	100	100	100
Cargills Food & Beverage Ltd.	98	69	100
Cargills Confectionaries (Pvt) Ltd.	100	100	100
Kotmale Dairy Products (Pvt) Ltd.	100	100	100
Cargills Retail (Pvt) Ltd.	100	89	97
Total	99	94	99

2024/25 Update

Collaboration/Partnership	Project Details	Status	
Department of Chemical and Process Engineering (DCPE), University of Moratuwa	Five final year students of the BSc Engineering Programme collaborated with Cargills Dairies as their industrial Partner to complete their mandatory seventh-semester mini project, which is focused on leveraging biotechnology to address bottlenecks in the food industry.	**Successfully completed,** with the students submitting a report detailing proposed solutions on **"Applying Biotechnological Solutions to Enhance Yoghurt Production"**	
Scaling Up Nutrition (SUN) People's Forum supported by the World Food Programme (WFP)	KIST partnered with SUN People's Forum for Sri Lanka's first ever Fruit Festival in February 2025, to highlight the importance of fresh fruits in a healthy diet while also promoting sustainable agricultural practices that have enhanced the production of healthy, nutritious produce in Sri Lanka.	**Successfully completed,** with attendees gaining insight on the range of quality fruit-based products introduced to the market by KIST, as well as the positive impact made by Cargills to strengthen the nation's agricultural economy.	
USAID CATALYZE Sri Lanka Private Sector Development (PSD) Activity	The pioneering Tomato Outgrower Project under the Cargills KIST banner to produce high-quality and climate-resilient tomatoes was designed to enhance local tomato production, reducing the reliance on imports and driving income back to the rural agriculture communities. The pilot programme included farmer training sessions on Good Agricultural Practices (GAP), financial literacy workshops, and technology transfer of climate-smart production practices to empower rural farmers.	**Ongoing,** Launched in November 2023 under the KIST banner, Cargills signed a buy-back agreement with selected farmers to ensure stable pricing and consistent production, with added opportunities for supply chain financing and avenues for export. Through this on-going partnership, KIST is guaranteed with the supply of high-quality yields of bright red tomatoes with the right taste and texture required for KIST Tomato Sauces, eliminating the need to add any artificial colours or flavours. During the reporting period, the USAID Team visited KIST outgrower farms in Thambuttegama, further strengthening the partnership, and highlighting the success of leveraging climate-smart agricultural technologies. Rs. 20,022,459.00 worth of tomatoes were purchased under this initiative during 24/25	

Ceylon Since 1844

Launched in: 2022

Purpose: To develop and introduce a premium brand of local products that showcase Sri Lanka's rich cultural heritage, to penetrate the rapidly growing tourism market for souvenir/gifting purposes

Description: Ceylon Since 1844 was created to showcase authentic Sri Lankan heritage. A total of 18 products have thus far been introduced, all with no additives, no artificial colours, flavours, or preservatives. The products have been made available at select Cargills Food City outlets in Colombo and other tourist destinations across Sri Lanka, with customers being made aware of their contribution towards uplifting the livelihoods of the smallholder farmers these products are sourced from.

2024/25 Update

During the year in review, in response to identified market demand, Ceylon Since 1844 introduced an Organic Spice Gift Pack comprising whole black pepper, Ceylon cinnamon powder and whole cloves to the market.

Ceylon Since 1844 Product Range

This premium product range comprises 100% pure organic Ceylon tea, artisanal coffee, organic coconut-based products, organic spices, and other items. The Herbal Tea (Ceylon Cinnamon Leaf Tea) is a special patented product that resulted from the successful research and development carried out by the Faculty of Agricultural Science of Sabaragamuwa University. Cargills then entered into a licencing agreement with the University, launching the product under the Ceylon Since 1844 brand.

Enhancing Youth Skills

Sri Lanka's youth demographic constitutes a significant portion of the country's population, and plays a crucial role in the sustainable development of Sri Lanka. Investing in youth capacity building and skill development becomes paramount in driving economic growth, innovation, social progress, and environmental stewardship across Sri Lanka, thereby engaging them in addressing community issues such as inequalities and regional disparity.

Over the past few decades, Cargills has actively contributed towards enhancing skills and knowledge of local youth by means of providing them purposeful, gainful employment and development opportunities.

As per the latest statistics from Sri Lanka's Department of Census documented in 2023, the youth population between the ages of 15-29 was approximately 5.125 million, constituting 23.6% of the country's total population.[1]

At Cargills, 56.7% of our total cadre falls under the youth classification (please refer to workforce profile on page 118), with Cargills continuously investing in creating opportunities for the demographic to participate in strengthening our economy, while also ensuring their voices are heard in shaping the future of the country.

The following section provides further details on our contribution towards empowering the youth of Sri Lanka, as they progress in their careers and explore new opportunities to fulfil their true potential.

[1] https://www.moys.gov.lk/about#:~:text=(Department%20of%20census)%20This%205.125,%2C%20inmates%2C%20and%20indigenous%20youth.

Value Delivered in 2024/25

Total training hours

39,107

Team members utilising the Cargills AAPI eLearning Platform

Over 30%
of all Cargills team members

Total number of new students joining the Early Childhood Education Programme

8,341
new students,

250
new preschools

Total number of professionals trained through the Early Childhood Education Programme

1,331
preschool teachers,

51
Divisional Officers

Contribution to SDGs

4 QUALITY EDUCATION
5 GENDER EQUALITY
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

Albert A Page Institute

The Albert A Page Institute (AAPI), established in 2005 to address the issue of youth unemployment in Sri Lanka, functions as a non-profit independent entity that provides vocational training and professional development to Cargills team members island-wide, awarding locally and globally recognised certifications that increase credibility, validate skills and knowledge, and open doors to new career prospects.

Established in 2005 to address the issue of youth unemployment in Sri Lanka by providing access to professional training and qualifications.

266 courses covering retail, manufacturing, food services, support services, sales, soft skills, technical skills, and leadership development are offered by the AAPI.

AAPI bridges skill gaps that have resulted from skilled migration in Sri Lanka, rebuilding the talent pool in the country and strengthening their career prospects.

AAPI is registered with the US-based IGA institute – also a non-profit educational foundation devloped by the Independent Grocers Alliance (IGA) – for international accreditation.

A year-long Management Trainee Programme developed by the AAPI provides training, mentorship and guidance across multiple business verticals to local university graduates each year.

The Cargills AAPI eLearning Platform was launched in January 2022 to offer anytime anywhere access to digitised course content, which is updated biannually by internal experts.

The eLearning Platform also doubles as an internal communication channel, encouraging team members to share ideas, network, and become part of an inclusive community.

Practical sessions continue to be conducted at relevant retail outlets and manufacturing plants when necessary.

A competitive ranking system on the eLearning Platform encourages and promotes self-learning.

	2024/25	2023/24	2022/23
Total number of training hours	**39,107**	67,894	64,510
Total number of team members trained	**15,956**	47,529	10,554
Average training hours per participant	**2.45**	1.42	6.11

A total of 289 Cargills team members engaged in 72 hours of training on the IGA platform, with 48 team members successfully completing the programme by the end of the year. The HR team will also be planning and implementing more focused practical training sessions at select locations to improve outlet performance, customer service, and retention.

The Cargills Manager Development Programme has also evolved into a continuous series of strategic training sessions where team members with leadership potential are trained, monitored, and empowered through continuous improvement to realise their full potential.

Cargills also ensured the continued efforts to maintain the service standards across our Restaurant business vertical, with 822 KFC team members clocking in 7,255 hours of training during the reporting period.

In addition to above, online portal trainings run through the “Vault” e-learning platform for KFC, including “Customer Mania” training sessions were carried out across KFC outlets as part of the programme's global implementation, which involves training KFC team members to improve their customer service and provide customers with exceptional experiences, becoming “Customer Maniacs” in going above and beyond to meet customer needs.*

*Training hours and the number of participants for training sessions run through “The Vault” e-learning platform for KFC were not reported under the total training breakdown for 2024/25.

The Cargills Foundation

Established in 2018 with the intention of enhancing economic and social prosperity in the communities in which we operate, the Cargills Foundation demonstrates our deep-rooted commitment as a company to serve these communities beyond our business obligations.

We believe in strengthening the nation through community development, and investing in the future by means of educating Sri Lanka's future generations with the promise of a better tomorrow.

Over the years, the Cargills Foundation has launched a number of programmes that continues to positively impact our communities:

The Early Childhood Education Programme

The Early Childhood Education (ECE) programme was the Foundation's inaugural project, given the importance of early childhood experiences in the development of an individual. The ECE programme introduced English as a second language to preschool-aged children, along with the basic concepts of STEAM (Science, Technology, Engineering, Arts, and Mathematics).

The programme, which uses blended learning, helps develop the social, emotional, cognitive, and physical capabilities of preschoolers, with a view to building a strong foundation for lifelong learning and well-being.

The curriculum has been developed to align with local learning guidelines.

The pilot programme which commenced in May 2019 reached 737 students aged 3-5 years across 48 preschools in the Western Province, and has since been endorsed by the National Institute of Education as a supplementary programme to the local preschool curriculum in Sri Lanka. Furthermore, the Foundation also conducts capacity building of preschool teachers on a regular basis, training and mentoring them to implement the programme and to enhance their English literacy.

2024/25 Update

During the year in review, approximately 250 new preschools were onboarded to the ECE programme, reaching around 8,341 new preschool students and 507 teachers.

Since its inception, the Programme has successfully engaged over 51,000 students from 752 preschools island-wide. A total 1,331 preschool teachers and 51 Divisional Officers participated in the capacity building initiative for professionals under the ECE programme, bringing the total of trained professionals to 4066 preschool teachers and 363 Divisional Officers to date.

Cargills English as a Second Language (ESL) Storybooks

The Cargills Foundation made printed editions of ESL storybooks available at all Cargills retail outlets, with the books sold at Rs. 370/- per copy. This deployment of printed copies serves to raise funds for the ECE Programme, which is facilitated at preschools free of charge by the Cargills Foundation.

2024/25 Update

During the year in review, five new titles were added to the ESL storybooks series, bringing the total number of titles of ESL storybooks to 16 at the close of the reporting period.

Partnership Charana TV with SLT PEO TV

The Cargills Foundation formalised a partnership with SLT PEO TV in 2022, to broadcast an edutainment programme for children titled "BADANAMU" on variety channel Charana TV. This is the first programme broadcast in English on Charana TV, aimed at helping young learners become proficient in English as a Second Language (ESL) in a fun and emotionally engaging manner, while being introduced to concepts in Science, Technology, Engineering, Arts, and Math (STEAM). The Programme – now broadcast thrice per week due to a strong reception from viewers – is expected to fill a void in terms of educational video content available to young learners in Sri Lanka, and Charana TV's wide reach provides maximum coverage of this content to help bridge second language gaps in local communities.

The programme was aired until end May 2024.

The Cargills Kids Garden

In 2023, Cargills launched the Kids Garden programme, to instil the concept of home gardening from a very young, impressionable age. The initiative was leveraged as an opportunity to educate children on the importance of household food security, where they grow up with the understanding that home gardens are an integral part of local food systems. Apart from encouraging healthy eating habits, gardening activities are also expected to improve sensory development, motor skills, as well as social skills of preschool students, all the while laying the foundation for greater psychological wellbeing in a fun environment.

2024/25 Update

This initiative reached 3,336 students from 110 preschools during the year in review, educating children as well as parents and teachers through activity videos on how to plan and design their home gardens. The preschools were provided with the required seeds to start off their home gardens.

Workplace Engagement

An Engaging Workplace Culture

With a growing network of retail outlets, restaurants, business verticals, and support services, Cargills continues to prioritise the engagement of our 10,667-strong team through various inter-company and inter-department events, boosting morale, strengthening relationships, and creating an inclusive workplace culture. We have improved internal engagement with our team through the implementation of our cloud-based HRIS system, while also enabling greater collaboration, communication and team building through physically-interactive events that have strengthened the Cargills employer brand as we continue to attract Sri Lanka's promising talent. We encourage our teams to grow both personally and professionally, celebrating their success and achievements.

Celebrating Teamwork and Collaboration

During the year in review, Cargills hosted its much-anticipated annual Open Challenge, the inter-company cricket tournament designed to promote healthy competition, strengthen team spirit, and celebrate camaraderie across the organisation.

The tournament brought together teams from across the Group and was followed by annual get-togethers that provided an opportunity for team members and their families to connect.

In the restaurant sector, KFC team members also organised their own **inter-KFC cricket tournament,** reinforcing unity and collaboration among outlet teams. These sporting engagements were complemented by monthly crew meetings at each location, which continued to serve as valuable platforms for team building and peer engagement. Additionally, an **inter-KFC branding competition** was held to encourage creative thinking and strengthen collaboration, showcasing the energy and innovation of our restaurant teams.

Voice of Cargills

The first edition of Voice of Cargills was held at the Cargills Head Office, establishing a vital platform for meaningful engagement between team members and senior leadership.

This interactive session featured an insightful panel discussion where senior leaders candidly shared their personal career journeys, highlighting challenges they overcame and the resilience required to succeed. They inspired participating team members to continuously seek learning opportunities and embrace growth.

The event also included a dynamic question-and-answer segment, allowing team members to engage directly with leaders, fostering transparency, open communication, and a stronger sense of connection across all levels of the organisation.

Protecting Our Coastlines

Demonstrating a continued commitment to environmental stewardship, Cargills celebrated International Coastal Clean-up Day by organising a coastal clean-up at Mount Lavinia Beach.

A group of Cargills volunteers participated in this initiative, conducted in collaboration with Pearl Protectors, a volunteer-driven organisation dedicated to preserving Sri Lanka's marine ecosystems. The activity underscored the company's broader sustainability efforts and reinforced the role of team members as active contributors to community and environmental wellbeing.

Honouring Women in the Workforce

To commemorate International Women's Day, Cargills honoured the remarkable women working across its FMCG factories who play a vital role in delivering quality food and beverages to communities throughout Sri Lanka and beyond.

Special celebrations were held at all FMCG locations to recognise their dedication, resilience, and achievements.

As part of these celebrations, an inspiring speaker session on **Maintaining Mental Health** was conducted, providing valuable insights into sustainable well-being. This session resonated deeply with our teams on both personal and professional levels. It was broadcast live across all FMCG factories, enabling team members at multiple sites to participate, while others joined in person for an interactive experience.

Enhancing Team Cohesion and Wellbeing

Throughout the year, a series of small-scale and time-efficient engagement activities were conducted across our locations, providing team members with timely breaks from their daily routines, helping them to re-energise while promoting wellbeing, teamwork, collaboration, motivation, and productivity. Each activity was planned and executed internally by the team.

Importantly, these programmes contributed to fostering a positive workplace culture and demonstrated appreciation for the hard work of our teams.

By encouraging participation in fun and creative activities, team members were able to reconnect with their creativity, bringing joy and renewed enthusiasm to their workday.

Empowering Future Professionals

Cargills collaborated with the University of Kelaniya and its Career Guidance Unit to host a workshop titled "A Beginner's Guide to LinkedIn" for undergraduate students. During this initiative, our team members led engaging sessions, sharing valuable experiences and guiding students on how to strengthen their LinkedIn profiles and leverage the platform to explore career opportunities.

The workshop also highlighted how Cargills can support career growth, inspiring the future professionals as they developed skills to enhance their online presence and take proactive steps toward their career development.

Caring Beyond the Workplace

CSR activities and volunteerism were also promoted among the Cargills teams as a high-impact engagement activity which extended beyond the team to strengthen our relationship with the communities in which we operate.

Beyond the opportunity for engagement, CSR events have also helped team members foster a sense of purpose in line with the overarching vision of Cargills, bringing team members together to support vulnerable groups with compassion and care.

In partnership with the Indira Cancer Trust's Suwa Arana Volunteering Program, team members spent meaningful time with children undergoing cancer treatment and their caregivers. Activities included crafting friendship bracelets, decorating paper fans, and colouring sessions, complemented by the distribution of small gifts to bring comfort and joy to these brave young kids.

Additionally, the Nawodaya School Volunteering Program was conducted to engage with children with special needs through creative activities such as crafting Christmas hats and paper Santa puppets, colouring, and dancing. Breakfast and gifts were also provided to all participating children, creating a warm and inclusive atmosphere.

The HR Division will continue to focus on hosting more impactful and wholesome engagement activities for the team including sporting events, cultural events and CSR activities, bringing our team together and nurturing a workplace culture that is highly conducive to one and all alike.

Building DEI

Cargills continues to make progress by breaking structural barriers and societal norms to address inequalities that persist in economic participation through workplace opportunities and other income-generating activities across Sri Lanka.

Over the decades, Cargills has fostered a culture where people are respected, empowered, and encouraged regardless of gender, race, ethnicity, disability, sexual orientation, or religion, with a strict zero-tolerance policy for any form of discrimination.

We have strengthened our reputation as a company that has embraced and embodied diversity, equity, and inclusion (DEI) practices organically by the nature of our operation. The Cargills team is constantly educated on their rights and opportunities, backed by productive conversations and proactive action that advances our DEI agenda across the Group.

Beyond the Group, the growth and island-wide expansion of the Cargills supply chain network has seen our commitment to integrate DEI practices across a wider demographic, playing a significant role in enabling female participation in Sri Lanka's recovering economy.

We provide entrepreneurial opportunities for female which can help them in acquiring a more active role in the labour market, thus leading to the upliftment of their households, communities, and living standards. Our role as one of the largest conglomerates in the country enables us to bridge divides and present better economic and employment prospects to under-represented and under-served demographics.

Our commitment to advancing good DEI practices also extends to disability inclusion and equal employment opportunities for differently-abled individuals, providing equal access to financial security, productive employment, and skill development. We employ staff with diverse abilities for both front-end (serving customers) and back-end job roles, while also educating other team members on how to best support their differently-abled co-workers. Regular communication is maintained with the families/guardians of differently-abled team members to ensure that their needs are sufficiently met. The United Nations Sustainable Development Goals (UN SDGs) continue to be an integral part of our efforts to create a physically inclusive and equitable workplace.

This section of our Annual Report further elaborates how Cargills continued to nurture and advance DEI practices across our work environments and communities.

Contribution to SDGs

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Promoting Gender Equality

Work Place

Cargills successfully achieved overall gender parity during the year in review. This number reflects the decades-long commitment made by Cargills to maintain our status as an equal opportunity employer, providing impartial recruitment, remuneration, and promotion opportunities to a well-balanced workforce.

Cargills fosters a more inclusive and equitable work environment where all team members feel valued, welcomed and embraced for their diversity.

Cargills is a member of the Target Gender Equality Programme working group, which is a UN Global Compact-sanctioned accelerator designed to help businesses set and reach aspirational targets for gender equality.

2024/25 Update

Gender Parity across the Group

Total number of team members: **10,667**

Female team members: **5,318**

Percentage: **50%**

Cargills Leadership Representation

Female Supervisors and above: **773**

Percentage: **14.5%**

Supply Chain

Cargills has continued to create new opportunities for women to enter Sri Lanka's agriculture supply chain and retail sector through farming, food production, and direct market participation.

By highlighting the woman's irreplaceable role in our strategy to achieve sustainable food security, we have empowered women across the country with the capacity to contribute to the Cargills agriculture value chain and other entrepreneurial food production initiatives. This has increased household incomes and the standard of living in local farming communities, while also providing their children with improved nutrition and brighter futures through access to education and scholarships.

Microfinancing possibilities continue to be promoted among female farmers to encourage more women to take ownership of their farming businesses as entrepreneurs.

2024/25 Update

Agriculture Modernisation Project

Total number of farmers:
Aproximately **2,062**

Female ownership:
Approximately **424**

Percentage: **20%**

Community

Over the years, Cargills continued to prioritise unlocking the potential of women, supporting their business aspirations, and equipping them with skills and knowledge to participate in the labour market and access better opportunities. These empowered women continue to lift themselves, their families and communities out of poverty, and contribute greatly to social stability and economic growth with the continued steady support of Cargills.

Cargills Village to Home (pages 81 to 86) was established to support women-owned small and medium enterprises (SMEs) by providing them with access to consumer markets.

Cargills Lak Bojun (pages 111 to 113) was launched soon after to provide women an opportunity for a steady source of income by producing locally sourced healthy food items, also benefitting consumers with access to nutritious meals.

The Early Childhood Education (ECE) Programme launched by the Cargills Foundation (pages 102 and 103) empowered the predominantly female-driven preschool teacher demographic, developing their digital and English literacy standards to ensure their own professional progress alongside that of their students.

2024/25 Update

Village to Home: Approximately **215 female-owned** SMEs registered with the Programme

Lak Bojun: 21 female-run SMEs surpassing approximately **Rs.18 Mn.** in income

Cargills ECE Programme: **1,331** Pre-school Teachers Trained

ECE Programme Testimonials

Bringing Hope to the Future Generations of Karuwalagaswewa

Ms Swarnalatha

Sri Wijaya Preschool, Karuwalagaswewa

North Western Province

The introduction of the English as a Second Language (ESL) programme by the Cargills Foundation at Sri Wijaya Preschool in Karuwalagaswewa marked a significant milestone in its 18-year history. This initiative has positively impacted the lives of the teacher, the 55 students under her care, and their parents who struggle to make ends meet on a daily basis to provide a better future for their children.

For Ms Swarnalatha, learning English was not a necessity due to the predominantly Sinhala-speaking environment she worked in. Now, with the help of the ESL teacher's guidebook and digital tools, Ms Swarnalatha has committed to improving her own English skills, while reading storybooks and singing nursery rhymes for her students to enrich their early childhood learning experience. She also utilises the online assessments introduced by the programme to recognise the gaps in her own teaching, while seeking additional learning support for essential skill development for her students where necessary.

With a majority of parents being low-income earners with their livelihoods entwined with the cascading water tanks in Karuwalagaswewa, the ESL programme is being perceived by the community for its potential to break long-standing socioeconomic barriers. Parents have recognised the programme as a crucial step towards enhancing their children's future prospects, so that they are empowered to access new knowledge and broader opportunities by enhancing a new linguistic skillset.

Overall, the Karuwalagaswewa community believes the ESL programme has not only introduced English language skills, but has also opened doors to new possibilities for their children, providing hope for a brighter tomorrow and better future.

Promoting Sustainable Skill Development and Entrepreneurship

Ms Chamila

Mihiri Preschool, Horana

Western Province

Mihiri Preschool is a testament to the success of the ECE programme which is now its sixth year of implementation. Initially, Ms Chamila embraced the programme as a personal and professional challenge. Despite not having had the opportunity to learn English during her schooling years, she dedicated herself to bridging this gap by studying the ECE curriculum intensively. She also improved her pronunciation by utilising digital materials provided by the programme.

One of the key success stories resulting from the ECE programme at Mihiri Preschool is the remarkable progress made by one of its teachers, Ms Kanchana. Under Ms Chamila's guidance during the academic year 2024–2025, Ms Kanchana excelled in delivering lessons aligned with ECE programme guidelines. Her exceptional teaching skills were recognised during a provincial refresher training session held in Colombo in February 2025, where she participated in a read-aloud during a demonstration session, which evidenced the continuous learning established by Ms Chamila at Mihiri Preschool through the ECE programme.

Empowered by her experience with the Cargills programme, Ms Kanchana plans to return to her hometown located in another province in 2026 to establish her own preschool, and nurture long-lasting community development through her acquired skillset. Her journey reflects how the programme fosters sustainable skill development and an entrepreneurial spirit among aspiring teachers who enrol with the ECE programme across the country.

Inclusion by Design

Taking a significant step towards inclusivity of visually impaired consumers, Knuckles Water became the first brand in Sri Lanka to introduce Braille inscriptions on its glass bottles. In today's evolving retail landscape where social responsibility impacts consumer trust and loyalty, braille becomes more than a tactile reading tool – it demonstrates our commitment towards inclusivity as well as accessibility. The single, impactful braille line – reading "Water You Can Trust" – has been validated by the Ceylon School for the Deaf and Blind for accuracy.

Cargills *Lak Bojun*

Championing Women-owned Micro, Small, and Medium Enterprises (WMSMEs)

In May 2022, Cargills collaborated with *Hela Bojun* – the Women's Agriculture Extension Programme under the Department of Agriculture to launch the Cargills *Lak Bojun* initiative. The dual-purposed project empowers female entrepreneurs by providing dedicated spaces for WMSMEs to operate and earn a steady source of income, while also encouraging the public to consume locally produced healthy and nutritious food items. The initiative, while highlighting the goodness of traditional Sri Lankan cuisine, also improves the livelihoods and quality of life of these enterprising women, their families, and extended communities. The Cargills *Lak Bojun* initiative comes under full ownership of Cargills, and is an extension of the Cargills Village to Home initiative (pages 111 to 113).

Female entrepreneurs were filtered from the Cargills Village to Home database, as well as through government-operated initiatives such as "*Vidatha*", and the Ministry of Industry and Commerce-NEDA and Women Bureau with Cargills presenting deserving and disadvantaged women the opportunity based on specific selection criteria. Following the selection process, Cargills facilitates training sessions for the WMSMEs, with technical guidance provided by the *Hela Bojun* team.

In 2024, the Cargills *Lak Bojun* initiative ventured outside of Colombo for the first time, where a cart was set up at the Karapitiya Cargills Food City outlet in Galle, garnering a positive response from both patrons and public. The same year, several carts also transitioned into action-stations, offering freshly cooked food items that have been well received by customers.

Cargills bears all costs related to *Lak Bojun*, while all income generated through the initiative goes directly to the female entrepreneurs, ensuring their hard work is fully rewarded. WMSMEs are an important source of employment, poverty reduction and social stability in Sri Lanka, and Cargills *Lak Bojun* assists these women to actively contribute to the social and economic growth of their local communities.

Meeting Compliance and Quality Benchmarks

The Cargills team monitors food safety and excellence regulations in compliance with the standards set by *Hela Bojun*, including the ban on wheat-flour-based products. Weekly audits of all programme participants are conducted by Cargills to ensure they consistently provide high-quality food. Sustainable packaging options are encouraged to ensure the long-term sustainability of the initiative.

Performance Summary

For the year ended 31 March	2024/25	2023/24
Number of SMEs	**21 (note)**	18
Number of carts/locations	**11**	9
Total income	**Approximately Rs. 18.2 Mn.**	Approximately Rs. 19.5 Mn.
Training sessions	**Main Training Session – 01** **Practical Training Session – 01**	Main Training Session – 01 Practical Training Session – 9
External engagements	**Participation by invitation at special events due to positive brand recognition, i.e. UN Day, The Fruit Festival organised by the SUN Business Network** **53 catering orders**	45 catering orders

Note: In addition to the 21 direct SMEs, there are 18 SMEs indirectly benefiting from this programme.

2024/25 Update

At the close of the financial year in review, the number of SMEs directly linked to and registered with *Lak Bojun* were 21, with 18 SMEs indirectly linked to the programme, across 11 Cargills locations, recording an income of approximately Rs. 18.2 Mn. for the reporting period.

In April 2024, 10 WMSMEs operated Sinhala and Tamil New Year themed action stations that served "*Avurudu Kewili*" (traditional Sri Lankan sweets and treats) to celebrate and promote the holiday spirit among customers at select Cargills Food City locations.

The third annual SME training programme was organised by the Cargills *Lak Bojun* team in collaboration with the Ministry of Agriculture at the Cargills Head Office premises in August 2024. This event aimed to empower SMEs with essential skills and knowledge, with Cargills Bank playing a crucial role by improving financial literacy, helping SMEs to nurture a saving mindset, and better manage their finances and grow their businesses sustainably.

Cargills *Lak Bojun* Success Stories

Kithul **Treacle**
Supuni's Sweet Story of Success

Registered with Cargills *Lak Bojun* in 2022

Supuni, a determined young entrepreneur, was able to launch her *kithul* treacle bottling and selling business with the invaluable guidance and support of the Cargills *Lak Bojun* team. The *Kithul* treacle is produced by farmers in the Knuckles Mountain range. The primary challenge for these farmers is the lack of a reliable market and fair pricing for their products. Supuni started purchasing the treacle in bulk, and with the support of the Cargills logistics ecosystem, was able to transport it to Colombo to undertake the bottling process. This venture ensures a sustainable market and fair price for the farmers. Through the *Lak Bojun* carts and the Village to Home programme, customers can now enjoy pure treacle while supporting both smallholder farmers and SMEs.

This success story is the perfect example of a win-win resulting from Cargills *Lak Bojun*, preserving traditional Sri Lankan food staples while also promoting rural development that can make a long-lasting positive impact on farming communities.

A Mindset of Growth
Nandawathi's Journey to Success

Registered with Cargills *Lak Bojun* in May 2023

An enterprising woman focused on winning in life, Nandawathi grabbed the opportunity to become part of Cargills *Lak Bojun* in May 2023, earning a steady income of Rs. 3,000/- per day by selling fast-moving dinner packs from the Kollupitiya Cargills *Lak Bojun* Cart.

A resident of Mount Lavinia, Nandawathi fully committed to her food business, eagerly grasping and absorbing the training and guidance provided by the Cargills *Lak Bojun* team to further improve her business. Participating in practical and technical training sessions, Nandawathi continued to build her own capabilities and capacity, soon earning her well-deserved spot at the *Lak Bojun* cart at the Cargills Head Office.

Now offering healthy and nutritious breakfast options to a growing number of regular customers and fixed daily orders, Nandawathi has successfully surpasses Rs. 10,000/= in daily earnings via her breakfast and dinner operation, overcoming her financial struggles and greatly improving her standard of living, while also saving for her future. Today, Nandawathi is proud of her journey with Cargills *Lak Bojun*, and considers herself a successful and exemplary female entrepreneur thanks to this impactful initiative.

A Mother's Love
Pushpa's Tale of Triumph

Registered with Cargills *Lak Bojun* in August 2023

Pushpa, a wife and mother of a family of four from Kelaniya, began utilising her cooking skills as a last resort to free her family from debilitating debt. Due to the lack of a stable avenue of income, Pushpa would undertake various food orders to a few select shops, but failed to gain a steady footing with no consistent orders and no reach.

An opportunity to restart her food venture as an actual business came with an invitation to join Cargills *Lak Bojun* in August 2023. What was equally impactful was the backing Pushpa received by the Cargills *Lak Bojun* team, from proper guidance and advice, to training sessions and skill development in all areas. Pushpa was equipped with new knowledge on a wide range of topics from customer servicing and marketing to savings and better management of finances.

Pushpa's unrelenting spirit has seen her prosper through Cargills *Lak Bojun*, overcoming her financial struggles and paying off her loans to ensure a better and brighter future for her two sons. The opportunity that Pushpa received from the Cargills *Lak Bojun* programme has enabled her to secure regular large scale catering orders where her average income now exceeds Rs. 60,000/- per month. Pushpa plans to direct her savings towards improving her kitchen facilities, so that she will be able to develop her large-scale catering business that she has now ventured into. Yet another success story from the Cargills *Lak Bojun.*

HR Governance and Policies

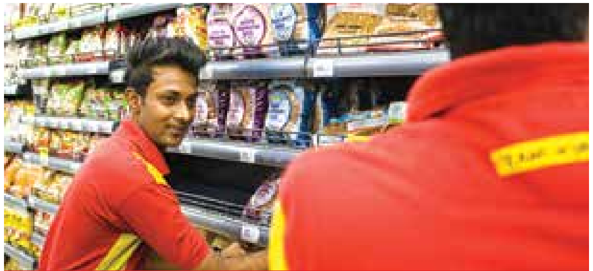
The Cargills human resource function operates within a strong governance framework consisting of resilient policies, ensuring our HR operations remain compliant and up-to-date with all relevant regulations. This framework also enables Cargills to maintain a safe, equitable, and progressive workplace for all team members across their entire team member journey from recruitment to retirement.

The HR team ensures Cargills remains aligned with national (and where relevant – international) human rights codes, labour laws and employment standards, and stringently maintains benchmarked occupational health and safety regulations that continue to boost team member morale as well as productivity.

Recruitment and Retention

The fair, transparent, and effective acquisition of talent at Cargills continues to be powered by our comprehensive Recruitment Policy, which ensures all vacant positions across the Cargills Group are filled with the personnel most qualified for each role, free from discrimination on the basis of age, gender, ethnicity, religion, language, civil status, or sexual orientation. Cargills places priority on selecting suitable individuals for roles that require direct engagement with customers and those performing daily operations, with all recruitment processes conducted in an equitable manner.

We focus our recruitment efforts within the local communities in which we establish retail outlets and other supply chain functions, improving livelihoods and living conditions across the island, one village at a time. Multiple recruitment tools, such as skills assessments are used to guarantee fairness throughout the recruitment process. Induction and onboarding programmes, mentoring, and development initiatives are also in place to familiarise new recruits with the Company's processes and culture.



2024/25 Update

With a strong reputation as a sought-after employer in Sri Lanka, Cargills created 6,959 new jobs across the country during the year in review, with 74% of these jobs based outside the Western Province.

During this reporting period, Cargills also created additional employment opportunities for 162 individuals through internships and contract staffing.

Workers who are not team members for 2023/24	Number
Internships	99
Contract staffing	63
Total	**162**

As the Sri Lankan economy continued to stabilise during the year in review, the job market also recovered and showed signs of increased competition, with new opportunities within the Modern Trade sector being created as a result of new entrants. Other recovering industries such as apparel and tourism also offered new career opportunities with competitive salary scales that attracted young talent. Cargills continued to strategically strengthen its team member value proposition, increasing compensation according to evolving market standards,

New team member hires during reporting period by age group, gender, and region

Region	Male				Female				
By Province	**Under 30 Years old**	**30 - 50 Years old**	**Over 50 Years Old**	**Total**	**Under 30 Years old**	**30 - 50 Years old**	**Over 50 Years Old**	**Total**	**Total**
Central	416	33	3	452	558	48	1	607	1,059
Eastern	223	22	0	245	167	13	0	180	425
North	132	16	0	148	113	5	0	118	266
North Central	200	13	0	213	200	20	0	220	433
North Western	251	29	2	282	321	48	4	373	655
Sabaragamuwa	274	29	5	308	329	39	1	369	677
Southern	354	36	1	391	457	64	3	524	915
Uva	308	30	5	343	375	34	0	409	752
Western	691	113	11	815	810	146	6	962	1,777
Total	2,849	321	27	3,197	3,330	417	15	3,762	6,959

localised employment opportunities, financial stability of a fixed income, alongside the respect earned by being employed at a long-established, valued and admired corporate entity in Sri Lanka.

Of the new recruits, 54% were female, reflecting our continued commitment to empower women in our communities by providing them equal opportunities to contribute to the economy. Notably, of the executive level recruitment that took place during the reporting period, 59% of the new recruits were female, a higher statistic than previous periods, and one that is highly reflective of Cargills' strong reputation as an equal opportunity employer. A total of four new team members for Senior Management positions were hired from local communities to further demonstrate our positive rural market presence, increasing economic benefits that are directed back to the same locales.

Continuous island-wide recruitment was proactively carried out to fill any emerging skills gaps across the Cargills retail and restaurant networks from within their own local communities.

Grievance Handling

Transparency and open communication is encouraged across all levels of the Organisation, with Cargills maintaining an open-door policy for team members to share their grievances with the Management. Team members at all Cargills offices, facilities, and outlets are educated on the grievance process and channels set up by the HR Department to sensitively and fairly handle team member grievances.

All grievances including those reported via a 24-hour hotline are duly monitored and recorded while they are investigated and resolved within stipulated timelines. Cargills facilitates Team member clinics island-wide with a special focus on locations that report higher attrition rates, to gain better insight into team member sentiment and a better understanding to any grievances that they wish to air. Exit interviews are also conducted to identify areas of improvement within the HR function, gain a better understanding on improving retention rates and enriching the team member experience, in order to promote a more empowering workplace where the team member feels valued and protected.

2024/25 Update

During the year in review, Cargills introduced a new grievance module through our newly launched cloud-based HR Information System (HRIS), enabling and further empowering team members to channel any grievance to their line management, or directly to HR. This enhanced accessibility was welcomed and appreciated by the team members. A total of 28 grievances were recorded during the year in review, with all grievances resolved at the close of the year.

Sexual Harassment

At Cargills, there is a zero-tolerance policy for sexual harassment, intimidation or victimisation in the workplace. Our Sexual Harassment Policy defines conduct that can be classified as sexual harassment if it is unwanted, inappropriate, or offensive, as well as an atmosphere where the recipient is made to feel humiliated, intimidated, or threatened. Bullying in all forms, including cyberbullying, is also addressed in the policy, encouraging team members to report any such instances to their Line Manager or Human Resources. Should workers feel uncomfortable doing so, the policy allows a formal complaint to be filed in such instances. All complaints lodged are thoroughly investigated under the Company's Disciplinary Policy and Procedure, after which necessary corrective action is taken.

2024/25 Update

Zero sexual harassment complaints were received during the year in review.

Whistleblowing Policy

Cargills has implemented a comprehensive Whistleblower Policy across the Group to promote transparency, accountability, and ethical business practices, encouraging all stakeholders to make good faith reports of any suspected fraud, corruption, or any other improper activity or misconduct related to the business. The policy assures confidentiality, anonymity, and protection of the whistleblower and enables team members and other stakeholders to report any suspicious or unethical activities without fear of reprisal.

The complaints received are critically scrutinised, and two-way communication is facilitated if there is an unavoidable need for additional information or clarification. The complaints which are found to be authentic are investigated and detailed reports are submitted to the relevant Directors, who in turn will take appropriate actions.

2024/25 Update

During the year in review, Cargills made the whistleblowing process more accessible and discreet by introducing an online whistleblowing portal to both team members and other stakeholders to report their concerns.

Performance Management

The performance of Cargills team members is measured annually against established Key Performance Indicators (KPIs). These indicators include work ethic, competencies, and day-to-day performance and productivity requirements. Overall Company performance and achievements are taken into consideration when determining recognition and rewards, disregarding all other intangibles.

Remuneration and Benefits

The Cargills Remuneration and Benefits Policy supports our mandate in creating a more transparent workplace culture, clearly outlining competitive compensation and benefit that are applied to all team members consistently and fairly. The policy ensures salaries are paid promptly on the last working day of each month regardless of any business and operational challenges faced by the Company.

The Company also awards bonus, and *ex-gratia* based on company performance offering an additional layer of financial security to our team members. Auxiliary benefits including medical insurance and claims, staff transport, duty meals, and a death benefit fund are also provided. A healthy work-life balance is promoted with family-friendly benefits such as annual and casual leave entitlement, maternity leave, and dedicated feeding hours for new mothers.

This comprehensive compensation and benefits package offered to full-time team members at Cargills continued to boost team member motivation and engagement at Cargills, while also contributing towards strengthening our repute in the job market as a sought-after employer.

2024/25 Update

In September 2024, Cargills proactively took measures to comply with changes mandated by the National Minimum Wage of Workers amendment. Salaries were increased to ensure the Group remained in compliance with newly mandated minimum wage requirements. All eligible permanent team members were also awarded bonus and *ex-gratia* during the year. The HR Division will continue to revisit the Group's remuneration and benefits policy each year, increasing retention and team member satisfaction by offering productivity-and performance-based compensation and benefits.

Cargills continued to further improve facilities for new and expectant mothers during the reporting period, with all female team members who availed their maternity leave from Head Office returning back to work. Overall however, the return rate for the year in review was 51%, even though Cargills offers new mothers feeding hours as well as preferential morning shifts at outlets during the child's first year. Further investigation into the statistic showed us that the majority of mothers unable to return worked for Cargills retail, and lacked the necessary physical assistance and family support in caring for a new born.

Indicator	Total
Number of team members who took parental leave and due to return during 2024/25	188
Number of team members who returned to work after parental leave during 2024/25	97
Return to work rate (%)	51

Benefit	Number Availed
Death claims	294
Medical claims	4,560
Wedding allowances	5
New born baby vouchers	147

Occupational Health and Safety (OHS)

Cargills maintains a safe and healthy work environment for all team members, reducing the risk of accidents and injuries, and improving overall productivity and morale of our team across all offices, facilities, and outlets. Stringent health and safety measures are in place at all locations, and are continuously monitored to ensure a safe and hazard-free environment for all Cargills team members. Regular reviews on internal controls are conducted to ensure compliance with health and safety regulations are up to date. We ensure that all users of any machinery or equipment at Cargills are provided with the necessary training to ensure their safety during use. All Cargills team members are also educated on the overall health and safety procedures across the Company through various modes of internal communication on OHS, increasing awareness as we strive for zero-incident rates in workplace accidents.

Description	Number of Incidents
Cases of recordable work-related injuries	60
Cases of recordable work-related ill health	NA

Anti-Corruption and Anti-Bribery Policies

Cargills is a member of the United Nations Global Compact (UNGC) and has vowed to act in accordance with the Sustainable Development Goals and Principles, including Principle 10 on Anti-Corruption, declaring commitment to work against corruption in all forms. The Company on founding principle exercises a zero-tolerance policy towards corruption and bribery in all its dealings and transactions, striving to nurture a culture of transparency, honesty, and accountability, thereby maintaining an unequivocal commitment to ethical business practices across its operations.

Cargills remains in compliance with all local laws relating to anti-corruption. We diligently keep abreast with current regulations and comply with the Anti-Corruption Act, No. 9 of 2023 in all our dealings including third parties. The Company's position on anti-corruption and anti-bribery has been amply reflected in its audited financial reporting and corporate reporting practices.

We have taken proactive measures to educate all team members including the Senior Management on ethical practices. Our Group HR Policy stipulates a focused emphasis on preventing, reporting, and managing cases of anti-corruption and bribery. Acceptance of corporate gifts, hospitality, and/or entertainment is only allowed in line with protocol and in strict compliance with the HR Policy.

We continue to strengthen our transparency and disclosures for anti-corruption and anti-bribery practices in corporate reporting, maintaining a leading position among Sri Lanka's top corporates in Transparency and Corporate Reporting (TRAC).

The Cargills Anti-Corruption and Anti-Bribery Policy explicitly applies to all team members and Directors. Should team members breach any of our anti-corruption and anti-bribery principles, disciplinary action will be taken, from a fair warning to dismissal, based on the degree of misconduct. Anti-corruption and anti-bribery programmes are reviewed regularly for their suitability, adequacy and effectiveness, with improvements implemented when required.

Diversity of workforce by grade, age, and gender

	Male				Female				
	Under 30 Years old	31 – 50 Years old	Over 50 Years Old	Total	Under 30 Years old	31 – 50 Years old	Over 50 Years Old	Total	Total
Management		20	19	39		9	8	17	56
Executive	72	793	108	973	133	490	51	674	1,647
Supervisory	100	160	30	290	44	35	3	82	372
Junior	2,482	1,446	119	4,047	3,216	1,261	68	4,545	8,592
Total	2,654	2,419	276	5,349	3,393	1,795	130	5,318	10,667

Workforce by province and gender

Province	Male	Female	Total
Central	903	934	1,837
Eastern	203	201	404
North	194	166	360
North Central	257	215	472
North Western	410	427	837
Sabaragamuwa	455	524	979
Southern	592	816	1,408
Uva	609	585	1,194
Western	1,726	1,450	3,176
Total	5,349	5,318	10,667

Service analysis of workforce

Service	Male	Female	Total
00-05 years	3,212	4,035	7,247
06-10 years	767	613	1,380
11-15 years	594	361	955
15-20 years	458	190	648
20-25 years	214	90	304
26-30 years	76	24	100
30+ more	28	5	33
Total	5,349	5,318	10,667

Taking a Stand on Child Labour and Forced Labour

Cargills confirms our long-standing commitment to eradicate child labour or forced labour, and will not tolerate such unlawful labour practices across our operations and supply chain. Cargills does not hire individuals under the legal working age of 16 (under the Employment of Women, Young Persons, and Children Act No. 2 of 2021 of Sri Lanka), and request all suppliers, subcontractors, and business partners (collectively referred to as "Suppliers") to align with this commitment, and not employ or utilise child labour or forced labour in any manner. We also continue to reduce the vulnerability of children to child labour by supporting farming communities by enhancing income generation, providing access to education, and employment opportunities.

Playing our Part for the Planet

Cargills understands how environmental sustainability is crucial for the livelihood of our farming communities, and has taken careful measures over the years to introduce sustainable farming practices that optimise the use of natural resources while ensuring their conservation for future generations. Beyond the impact created at farm level, we have also implemented a number of initiatives that demonstrates Cargills' commitment to playing our part for the planet.

From integrating fundamental practices across our operations such as resource and waste management, Cargills has also introduced broader, high-impact, nation-wide projects that are creating a positive shift in mindset among our stakeholders, and are contributing to the sustainability of the environment.

Value Delivered in 2024/25

Total renewable energy generation
Solar: **41,501 GJ**

Biomass: **172,704 GJ**

Total carbon emissions saved from renewable energy generated
4,811 MT

Total investments in renewable energy
Rs. 228.2 Mn.

Total quantity of waste oil collected for conversion to biodiesel
209.5 MT

Total quantity of carbon emissions saved from waste oil conversion to biodiesel
656.8 MT

Total plastic waste diverted from landfill
168.4 MT

Total quantity of water recycled
61 Megalitres

Contribution to SDGs

6 Clean Water and Sanitation | 7 Affordable and Clean Energy | 12 Responsible Consumption and Production | 13 Climate Action | 15 Life on Land | 17 Partnerships for the Goals

Emissions

Reducing Emissions at Farm Level

In Sri Lanka, Chronic Kidney Disease (CKD) has become a major health concern, with its prevalence higher among agricultural communities in the North Central Province. This heavy concentration of the disease among farmers is related to their direct and continuous exposure to excessive amounts of agrochemicals and fertilisers, an occupational hazard.

To address the issue, Cargills introduced "Save our Soil" back in 2014 – a soil test-based fertiliser application programme – to help prevent the overuse of agrochemicals in farming, thereby improving soil health and reducing GHG (Green House Gas) emissions.

In 2019, Cargills introduced GAP-certified produce under our "Good Harvest" banner, and agrochemical-free farming through our "BeeSafe" range, further minimising the exposure of farmers towards agrochemicals and pesticides, reducing the risk of CKD and other adverse health conditions.

Reducing Emissions at Organisation Level

In 2020, Cargills became the first company in Sri Lanka's dairy sector to undertake a voluntary audit of GHG emissions, conducting assessments for both Cargills Dairies and Kotmale Dairy Products with the Sri Lanka Climate Fund. The voluntary audit of GHG emissions was thereafter followed by all Cargills FMCG facilities as well as our retail chain.

2024/25 Update

During 2024, Cargills conducted GHG audits across the FMCG facilities for the preceding year, to better understand our overall carbon footprint and identify our greatest emission sources. This will help Cargills develop a clear roadmap towards emission reduction with strategically set targets. By demonstrating our commitment towards reducing our environmental impact, we have also been able to further strengthen the reputation of the Cargills brand as a responsible and environmentally conscious business.

	Direct Emissions Scope 1 ($MTCO_2e$)		Indirect Emissions Scope 2 + Scope 3 ($MTCO_2e$)	
Facility	**2023**	**2020 (Baseline)**	**2023**	**2020 (Baseline)**
Cargills Dairies (Pvt) Ltd.	7,443	8,740	11,612	12,662
Kotmale Dairy Products (Pvt) Ltd.	3,476	2,985	3,080	3,468
Cargills Food and Beverages Ltd. + CPC Lanka Ltd.	2,807	1,771	1,776	1,904
Cargills Confectionaries (Pvt) Ltd.	659	897	1414	1311
	2023/24	**2021/22 (Baseline)**	**2023/24**	**2021/22 (Baseline)**
Cargills Convenient Foods Ltd.	2,731	1,783	2,538	2,939

The Baseline years of 2020 and 2021/22 reflect the years during which the initial GHG audits were carried out at the respective facilities mentioned above.

Environmental Protection

Our commitment towards environmental protection is demonstrated by our stringent compliance with regulatory environmental standards, laws, licences, and certifications, with Cargills upholding benchmark environmental standards across our manufacturing facilities, retail outlets, and other business units.

These certifications and standards promote waste reduction, pollution prevention, resource efficiency, and sustainable manufacturing practices, enabling us to greatly improve our environmental stewardship.

Facility	EMS	GHG Verification	EPL	GMP	HACCP
Cargills Dairies (Pvt) Ltd.	✓	✓	✓	✓	✓
Kotmale Dairy Products (Pvt) Ltd. (IDH + Bogahawatta facilities)		✓	✓	✓	✓
Cargills Convenient Foods Ltd.	✓	✓	✓	✓	✓
Cargills Confectioneries (Pvt) Ltd.		✓	✓	✓	✓
Cargills Food and Beverage Ltd.		✓	✓	✓	✓
CPC Lanka Ltd.		✓	✓	✓	✓

- EMS: ISO 14001-2015 Environmental Management System
- GHG Verification: Greenhouse Gas Verification Opinion
- EPL: Environment Protection License
- GMP: Good Manufacturing Practices System (contributes indirectly to environmental sustainability through reduced waste and better resource management)
- HACCP: Hazard Analysis and Critical Control Points System (contributes indirectly to environmental sustainability by promoting efficient and sustainable food production practices)

2024/25 Update

During the year in review, Cargills recorded a significant year-on-year increase of 96% in energy generated from renewable sources across the Group. Other stringent energy management measures also saw a decrease in energy generated from non-renewable sources.

Energy Management

The energy consumption across Cargills remains the major contributor to our scope 2 GHG emissions, which result from the generation of purchased energy. As such, Cargills continues to actively monitor and regulate energy consumption across the Group by tracking, measuring, consolidating, and reporting the energy use for each business unit. The main power source for Cargills is the national grid, with Cargills Retail (Pvt) Limited (the retail chain) being the primary energy consumer within the Group.

Energy Source	2024/25 (GJ)	2023/24 (GJ)	Year-on-Year Comparison
Non-Renewable Energy Sources			
*Electricity from National Grid	**552,562**	559,360	
Diesel	**37,738**	35,635	
Gas	**45,614**	34,911	
Furnace Oil	**47,487**	84,024	
	683,401	713,931	-4%
Renewable Energy Sources			
Solar	**41,501**	20,673	
Biomass	**172,704**	88,387	
	214,205	109,060	96%
Total	**897,606**	822,991	

* At CCPLC Sector, out of 7 locations, 1 does not measure its consumption.

* At the CRL-Retail (Outlets) Sector, out of 499 locations, 4 do not measure their consumption.

* At CRS-KFC Sector, out of 71 locations, 11 do not measure their consumption

2024/25 Update:

During the reporting fiscal year, we extended our solar installations to 38 Cargills Food City locations, bringing the total number of Cargills Group locations with solar installations to 97 at the close of the reporting period. These strategic investments saw a significant increase in solar energy generation, which was also reflected in an equally noteworthy increase in our annual carbon reductions during the reporting period.

	Annual Carbon Reduction (kg)		Annual Generation of Renewable Energy (kWh)	
Facility	**2024/25**	**2023/24**	**2024/25**	**2023/24**
Cargills Dairies (Pvt) Ltd.	**546,567**	609,260	**1,309,770**	1,424,170
Cargills Food and Beverage Ltd.	**246,353**	194,252	**590,351**	454,072
Cargills Convenient Foods* Ltd.	**–**	89,409	**–**	208,998
Cargills Retail (Pvt) Ltd.	**3,873,575**	1,563,724	**9,282,470**	3,655,269
Total	**4,666,495**	2,456,645	**11,182,591**	5,742,509
Year-on-year Increase	**90%**		**95%**	

*The solar installation at Cargills Convenient Foods was disconnected during the year in review due to an energy-related project being carried out at the plant.

Renewable Energy

We integrate two renewable energy sources into our energy mix; solar energy and biomass, to collectively reduce the volume of GHG emissions, while also lowering energy costs across the Group in the long-term.

Solar Installations

Cargills contributes towards the goal set by the Sri Lankan Government to achieve 70% renewable energy generation by 2030[1], by generating solar energy from multiple Cargills properties, and directly supplying the generated energy to the national grid. While the income generated offsets a portion of Cargills energy bills, thereby reducing our energy costs, the solar power generated also provides Sri Lankans with electricity generated by renewable energy sources, meeting the island's growing demand for energy.

Biomass Boilers

In 2023, the Cargills Dairies facility at Banduragoda completed the installation of a state-of-the-art biomass boiler at an investment of Rs. 274 Mn. This initiative further strengthened our commitment to reducing GHG emissions, while also substantially reducing the facility's annual consumption of furnace oil, and costs related to oil imports.

2024/25 Update:

With the new installation, the Banduragoda facility achieved a substantial reduction of 1,317 MT of furnace oil consumption during the year, and approximately 4,500 MT of carbon emissions, greatly supporting Cargills Dairies' efforts towards achieving carbon neutrality.

Water Management

Our water is predominantly sourced from the National Water Supply and Drainage Board (NWSDB), while the balance requirement is fulfilled by approved suppliers and groundwater sources. Cargills strives to optimise the use of water across all production requirements as well as day-to-day operations, while usage monitoring and reporting is undertaken to better manage our overall water consumption.

2024/25 Update

During the reporting period, Cargills reduced the use of groundwater, ensuring the long-term sustainability of our groundwater sources through prevention of over-extraction, and overall responsible management of natural water resources.

Water Source	2024/25 (Megalitres)	2023/24 (Megalitres)
Groundwater	**110**	137
Acquired from NWSDB*	**725**	659
Acquired from a registered supplier	**216**	231
Total water purchased for the year	**1,051**	1,027
Total water recycled for the year	**61**	**70**

*In CCPLC, out of 5 locations, 1 does not measure consumption
At CRS-KFC Sector, out of 72 locations, 11 do not measure their consumption

Wastewater

We consider responsible wastewater management at our manufacturing facilities to be a crucial aspect of the Cargills mandate to protect the environment, and reduce pollution.

Effluent water is initially treated in Cargills treatment plants as per the stipulated treated water quality standards of the Central Environmental Authority (CEA) of Sri Lanka, before discharging or using within the premises for irrigation purposes.

2024/25 Update

Facility	Average daily effluent water discharge 2024/25 (Megalitres/day)	Average daily effluent water discharge 2023/24 (Megalitres/day)
Cargills Dairies (Pvt) Ltd.	**0.510**	0.552
Kotmale Dairy Products (Pvt) Ltd.	**0.162**	0.143
Cargills Food and Beverage Ltd.	**0.211**	0.235
Cargills Convenient Foods Ltd.	**0.213**	0.172
Cargills Confectionaries (Pvt) Ltd.	**0.015**	0.014
Total	**1.111**	1.116

2024/25 Update

During the year in review, Cargills handed over 9.52 MT of waste to the Waste to Energy (WtE) Power Plant for conversion to electricity.

Waste Management

All Cargills FMCG facilities practice a sustainable and efficient solid waste management process that is guided by the Environmental Protection Laws (EPLs) regulated by the Central Environmental Authority (CEA) of Sri Lanka.

All solid waste generated at Cargills facilities is treated and disposed of according to specific requirements for each type of waste under these stringent regulations.

In 2023, Cargills Distribution Centre commenced a collaboration with Western Power Company (Pvt) Ltd., to handover waste to be converted to electricity through their Waste to Energy (WtE) Power Plant.

	2024/25	2023/24
Waste converted to energy (MT)	**9.52**	7.44
Year-on-year increase (%)	**28**	
Plastic waste diverted from landfill (MT)	**168.38**	130.04
Year-on-year increase (%)	**29**	

Plastic Reduction

Cargills is committed to reducing single-use plastic, and achieving 100% recyclable, reusable, or industrially compostable packaging. We have backed this ambitious commitment by implementing multiple initiatives to collect plastic waste for recycling at the post-consumer stage of the life cycle.

In terms of packaging, Cargills has fully replaced plastic packaging with paper-based or glass-based packaging in some instances, while in other instances the packaging itself is designed to promote and support recycling after end-use.

One such impactful initiative in our commitment to plastic reduction was the successful launch of the Knuckles glass bottle range in 2024.

The efforts to reduce plastic across the food value chain are complemented by setting up plastic collection bins along selected consumer touchpoints to encourage the responsible disposal of plastic waste.

Bottled at Source: Knuckles Water in Glass Bottles

Knuckles Water, bottled by Cargills' fully owned subsidiary Cargills Food & Beverage Ltd, is now available in glass bottles—a shift that reinforces our commitment to sustainable packaging. Glass is both recyclable and reusable, offering a more eco-conscious alternative to single-use PET plastic and supporting our broader goals for responsible manufacturing.

What sets Knuckles Water apart is its source: a natural spring in the pristine Knuckles Mountain range. Bottled at source with no added chemicals, it retains the natural elements and essential minerals that make it a superior source of hydration. The product meets the highest food safety standards—certified by the Ministry of Health and the Sri Lanka Standards Institute (SLSI) under SLS 894:2003—and is bottled in a facility accredited with ISO 22000, GMP, HACCP, and an Environmental Protection License from the Central Environmental Authority. In addition to mandatory external testing by the Industrial Technology Institute (ITI), internal lab assessments are regularly conducted to ensure consistent purity and quality.

Knuckles Water also marks a first in Sri Lanka by introducing Braille inscriptions on its glass bottles—reading "Water You Can Trust." Validated by the Ceylon School for the Deaf and Blind, this feature underscores our commitment to inclusivity and making our products accessible to all.

The Knuckles Mountain range is a vital watershed, giving rise to major rivers such as the Hulu Ganga, Heen Ganga, and Kalu Ganga. It is rich in biodiversity, home to endemic flora and fauna, and supports indigenous farming communities. To preserve this fragile ecosystem, Knuckles Water works closely with the Panwila Pradeshiya Sabha on sustainability initiatives. These include installing plastic collection bins and awareness boards, supporting community recycling efforts, and running tree-planting programmes to restore local habitats.

2024/25 Update

In 2024, Cargills launched our newly redesigned "Go Green" bag, reflecting both our continued commitment to phasing out single-use plastic bags, as well as the Cargills values that continue to guide us in this commitment. Cargills, the market leader in the modern trade/supermarket industry, was the first to introduce reusable bags in the sector with the original Go Green bag in 2007.

The total number of Go Green bags sold in 2024/25 was 937,208 which is a 13% increase Year-on-Year.

Creating Greater Impact through Collaboration

Cargills continued to partner with like-minded companies and organisations to collectively pool resources and expertise, and significantly increase the reach as well as scale of impact of multiple environmental initiatives implemented across Sri Lanka.

"Life to Our Beaches" Project

Cargills Dairies (and its brands MAGIC and KOTMALE) partnered with Biodiversity Sri Lanka (BSL) to collaborate on maintaining the cleanliness of Sri Lankan beaches, and ensure responsible waste disposal, thereby improving our coastal ecosystems. In 2023, Cargills carried out the first beach caretaker project under this initiative, enabling the maintenance and preservation of the 1km stretch of Preethipura Beach, Wattala.

2024/25 Update

In October 2024, the project took on a stretch of Negombo's Poruthota Beach, with two caretakers employed from the vicinity. They were responsible for the collection and disposal of 739kg of plastic waste and 1,176 kg of other non-plastic waste at the close of the reporting year. To create more awareness among the general public on the "Life to Our Beaches" project while also fostering the spirit of volunteerism among our team members, Cargills facilitated a clean-up at Poruthota Beach in March 2025. The team focused on removing plastic waste and planting coconut saplings across the beach to restore coastal greenery while mitigating coastal erosion.

Plastic Collection Bins

In 2021, Cargills commenced a collaboration with selected FMCG brands to place waste plastic collection bins at Cargills Food City locations.

The objective and wider vision of this initiative is to build the habit of responsible disposal of plastic waste amongst our customers by offering the convenience of plastic drop-off bins at Cargills Food City locations.

2024/25 Update

Total collection of post-consumer plastic waste at the close of the reporting period amounted to approximately 24.20 MT under this initiative.

The Ocean Strainer Project

Cargills Food and Beverage Limited (and its brands KIST and KNUCKLES) collaborated with MAS Foundation for Change to reduce plastic pollution in water bodies. Strainers will be installed to trap, collect, and remove plastic waste from waterways, minimising plastic pollution of the ocean, and promoting the responsible recycling of collected materials.

The first Ocean Strainer under the Cargills and MAS partnership was installed at the Boralesgamuwa Lake in 2024.

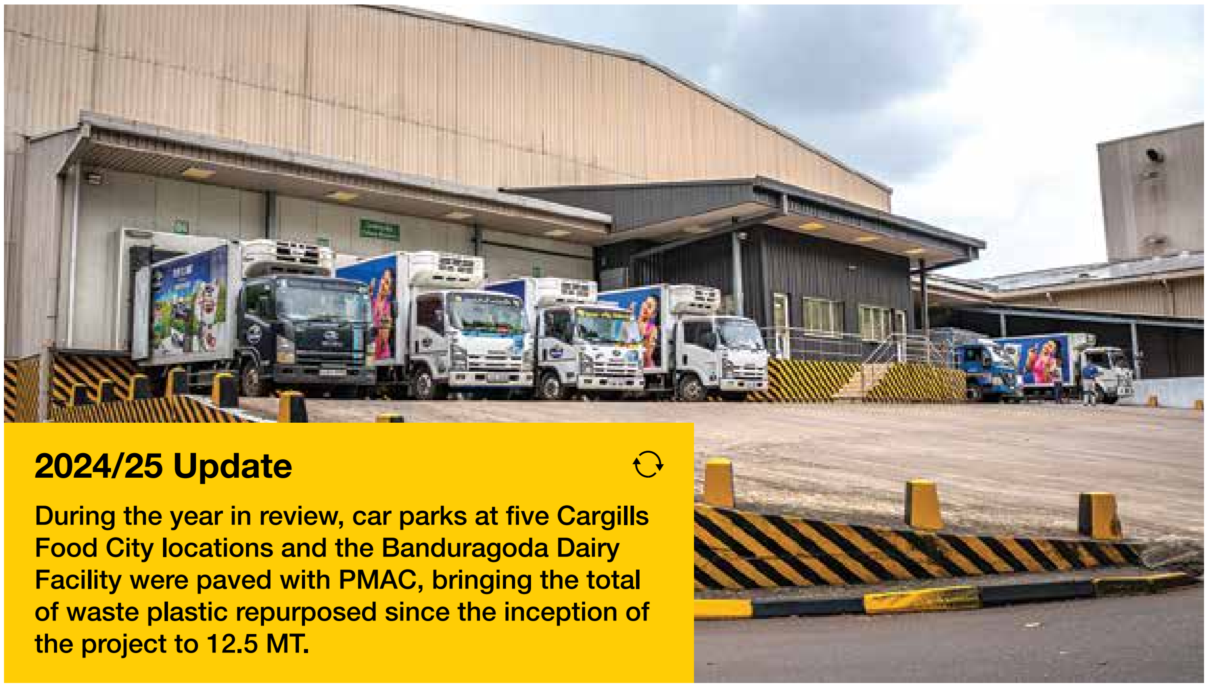
2024/25 Update

During the year in review, plans were finalised to expand the Ocean Strainer Project, with the second strainer scheduled to be installed during the ensuing financial year.

Paving with Plastics

In 2021, Cargills became the first company in Sri Lanka to pave a car park with Plastic Modified Asphalt Concrete (PMAC).

The project, conducted in partnership with AGC Innovate (Pvt) Ltd., aims to repurpose certain non-recyclable plastic waste released from Cargills FMCG facilities. PMAC is an industrial raw material that is added to conventional asphalt, increasing its strength and durability at a polymer level. The plastic-coated aggregate is then covered with a protective layer of bitumen to reduce its exposure to the environment.



2024/25 Update

During the year in review, car parks at five Cargills Food City locations and the Banduragoda Dairy Facility were paved with PMAC, bringing the total of waste plastic repurposed since the inception of the project to 12.5 MT.

The new PMACs added in 2024/25:

Location	Square Footage (sq. ft)	Average Plastic Quantity (MT)	Type of Plastic
Cargills Dairies – Banduragoda	23,086	0.857	LDPE + BOPP
Cargills Food City – Kottawa	21,008	0.764	LDPE + BOPP
Cargills Food City – Kiribathkumbura	14,499	0.538	LDPE + BOPP
Cargills Food City – Nittambuwa	16,254	0.604	LDPE + BOPP
Cargills Food City – Kolonnawa	25,830	0.960	LDPE + BOPP
Cargills Food City – Ja-Ela	14,844	0.550	LDPE + BOPP
Total		**4.273 MT**	

LDPE: Low Density Polyethylene (LDPE) is a flexible, odourless, transparent, 100% recyclable thermoplastic polymer popular in products like grocery/garbage bags, juice containers, and cling wrap.

BOPP: Biaxially Oriented Polypropylene (BOPP) is a thermoplastic polymer that has many similar properties to Polyethylene Terephthalate (PET Plastic). It is commonly used in sticker and label printing, food packaging, bottle caps, and other applications.

Waste Oil

Cargills partnered with Novateq – an eco-friendly engineering solutions specialist – to responsibly collect and dispose of all waste cooking oils from KFC outlets and Cargills Convenient Foods facilities.

This process is compliant with European Union Waste Oil Collection Standards, which requires the oil to undergo filtration and treatment prior to being exported, and subsequently be converted into biodiesel.

2024/25 Highlights

Our concentrated efforts during the reporting period saw Cargills record an impressive 26% year-on-year increase in carbon emissions saved during this reporting period as a result of responsibly disposing waste cooking oils.

	Carbon Emissions Saved (MT)		Waste Oil (MT)	
Sources	**2024/25**	**2023/24**	**2024/25**	**2023/24**
Cargills Restaurants (Pvt) Ltd. (KFC)	**627.27**		**200.04**	
Cargills Convenient Foods Ltd.	**29.51**	520.65	**9.41**	166.02
Total	**656.78**	520.65	**209.45**	166.02
Year-on-year Increase	**26%**		**26%**	

Net Zero Factory Blueprint

Cargills Dairies Banduragoda

Largest integrated dairy processing facility in Sri Lanka and remains the blueprint for all Cargills manufacturing facilities for their transition towards net zero.

Undertakes carbon footprint verifications annually, along with its subsidiary Kotmale Dairy Products

A **1.4 MW** solar installation offsets around **35 MT** of carbon emissions annually

A biomass boiler reduces over **4,500 MT** of carbon emissions annually

Maintains an ecosystem with a population of **2,000+** trees, predominantly fruit trees

Uses ammonia gas as its refrigerant for maximum refrigeration efficiency, while also having zero Ozone Depletion Potential and Global Warming Potential

Operates one of the largest industrial Reverse Osmosis (RO) plants in Sri Lanka, producing **over 0.163 megalitres** of treated water daily

Harvests more than **3.0 megalitres** of rainwater a year, which is utilised for cooling

Ensures all wastewater discharge is compliant with standards approved by the Central Environmental Authority (CEA)

Recycles **96%** of all waste, with the remaining waste being incinerated, with zero waste being diverted to landfill

Biodiversity Conservation

In 2023, Cargills signed up as a Patron Member of Biodiversity Sri Lanka, recognising the importance of biodiversity and committing to steer corporate activities that are in harmony with nature.

The Breath of Life Initiative

Cargills launched the "Breath of Life" initiative in 2021 with the goal of planting 10,000 trees at Group facilities throughout Sri Lanka, evidencing the significant importance we place in the conservation of biodiversity and mitigating any negative ecological impacts of our operations. This goal was successfully surpassed during the previous financial year.


DANGER

2024/25 Update

The Restoration of Kahandeniya Lake

In 2024, Cargills in collaboration with the local community successfully restored the once dried-up Kahandeniya Lake in Gaspe, within the Gampaha District. Lakes play a crucial role in preserving local biodiversity as they provide diverse habitats and breeding grounds for various species, supporting a wide range of flora and fauna. Additionally, they serve as important stopovers for migratory birds and aid in water filtration and nutrient cycling, contributing to the overall health of the ecosystem. A tree planting initiative was carried out around the lake under the "Breath of Life" initiative, with Mee (Indian Butter Tree) and Kumbuk (Arjun Tree) saplings being planted to enhance the area's ecological health.

The restored lake spans half an acre, and will now be able to support the cultivation of 15 acres of paddy fields and revive 10 acres of dry land, directly benefiting nearly 30 farmers. This restoration of the Kahandeniya Lake contributes directly to Sustainable Development Goal (SDG) 6: Clean Water and Sanitation.

"Charge While You Shop"

Fuelling Sri Lanka's Transition to e-mobility

Cargills partnered with the USAID Sri Lanka Energy Programme to co-fund and launch a ground-breaking pilot project for renewable energy powered charging stations for electric vehicles (EVs) by installing 18 EV charging stations at six strategically chosen Cargills Food City locations in 2024, and successfully completing Phase I of the project.

2024/25 Update

This reporting period saw Cargills install six more EV charging units, in Bandarawela Square, Katubedda Square and Kandana Food City, increasing the total number of charging stations to 24 across 9 locations. Furthermore, in yet another impactful investment, two fast charging stations were installed for electric three-wheelers at the Kandana Food City and Katubedda Cargills Square. Three-wheelers are a widely used mode of transport, and play a crucial role in providing a livelihood to many Sri Lankans. Fast charging stations, while helping advance the adoption of electric three wheelers in Sri Lanka, also demonstrates the deeper integration Cargills nurtures with the communities we operate in by understanding and effectively addressing their needs.

Stewardship

Board of *Directors*

Louis Page

Nature of the Directorship
Chairman, Non-Executive Director

Date of Appointment
1 April 1982

Expertise and Qualifications
Mr Louis Page is a distinguished corporate leader with extensive experience in accounting, management, and corporate strategy. He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka and a Fellow member of the Chartered Institute of Management Accountants (UK).

He serves as the Chairman of CT Holdings PLC, the parent company of Cargills (Ceylon) PLC. Over the course of his career, he has held a number of senior leadership and Board positions in prominent overseas public companies and public institutions.

Current Appointments
He also serves as Chairman of CT Land Development PLC, Ceylon Theatres (Pvt) Ltd, and Odeon Holdings (Ceylon) (Pvt) Ltd. He also serves as a Director of CT CLSA Holdings Limited, C T Properties Ltd, C T Property Management Company (Pvt) Ltd, C T Real Estate (Pvt) Ltd, C T Properties Lakeside (Pvt) Ltd, and CT Properties GS (Pvt) Ltd.

Ranjit Page

Nature of the Directorship
Deputy Chairman, Group Chief Executive Officer

Date of Appointment
1 August 1989

Expertise and Qualifications
Mr Ranjit Page has been with the Group for over four decades, having joined the Company in May 1982. He was appointed to the Board in August 1989 and took on the role of Managing Director in April 1992, serving in that capacity for 8+ years before assuming his current position as Deputy Chairman/Group CEO in December 2000.

He has been a pivotal figure in the transformation of Cargills, playing a crucial role in evolving the Company from a small-scale operation to a leading Sri Lankan corporate that meets the diverse needs of communities across Sri Lanka. His visionary leadership and strategic acumen were key in establishing the Cargills business model, which facilitated the Company's expansion into various sectors including food retailing, food manufacturing, restaurants, and banking.

Under his guidance, Cargills has become a household name in Sri Lanka, known as a socially responsible and community-focused organisation demonstrating that a socially driven mission can be both impactful and financially sustainable. Beyond driving business growth, he has been committed in identifying and nurturing talent, shaping teams that uphold the Company's values, and fostering the next generation of business leaders.

Current Appointments
He currently serves as Deputy Chairman/Managing Director of CT Holdings PLC, Chairman of Cargills Convenient Foods Ltd, CT Properties GS (Pvt) Ltd, CT Real Estate (Pvt) Ltd, CT Property Management Company (Pvt) Ltd, CT Properties Lakeside (Pvt) Ltd, and as a Director of Kotmale Holdings PLC, CT Land Development PLC, Cargills Retail (Pvt) Ltd, Odeon Holdings (Ceylon) (Pvt) Ltd, Cargills Enterprise Solutions (Pvt) Ltd, The Empire Investments Company (Pvt) Ltd, and Ceylon Theatres (Pvt) Ltd.

Imtiaz A Wahid

Nature of the Directorship
Group Managing Director/Deputy Chief Executive Officer

Date of Appointment
21 May 2010

Expertise and Qualifications
Mr Imtiaz Abdul Wahid is a senior business leader with over 30 years of experience in finance, operations, and corporate management, both in Sri Lanka and internationally. He is an Associate member of The Institute of Chartered Accountants of Sri Lanka and a Fellow member of the Chartered Institute of Management Accountants (UK).

He first joined the Cargills Group in 1987 as Chief Internal Auditor and progressed through several senior executive roles across the business. He was appointed to the Board of Cargills (Ceylon) PLC in 1997 and served as Deputy Managing Director from 2001. During his career, he has also gained valuable international exposure through senior leadership roles held in overseas companies. He rejoined the Group and was appointed to the Board of Cargills (Ceylon) PLC on 21 May 2010. His deep understanding of the business and extensive leadership experience have been instrumental in shaping the Group's strategic direction and operational excellence.

Current Appointments
He serves as a Non-Executive Director of CT Holdings PLC and also serves as Chairman of several key subsidiaries within the Group, including Cargills Retail (Private) Limited, Cargills Dairies (Private) Limited, Cargills Food & Beverages Limited, Millers Limited, CPC (Lanka) Limited, Cargills Agri Solutions Company (Private) Limited, Cargills Confectionaries (Private) Limited, Cargills Restaurants (Private) Limited and Kotmale Holdings PLC, and serves as the Deputy Chairman of Cargills Convenient Foods Limited. He is also the Managing Director of Cargills Distributors (Private) Limited, Cargills Frozen Products (Private) Limited, and Kotmale Products Limited. In addition, he serves on the Boards of Cargills Enterprise Solutions (Private) Limited, Dawson Office Complex (Private) Limited, Cargills Foundation, the Albert A Page Institute of Food Business, Ceylon Theatres (Private) Limited, C T Properties Limited, C T Properties GS (Private) Limited, C T Real Estate (Private) Limited, C T Property Management Company (Private) Limited, and C T Properties Lakeside (Private) Limited.

Dushni Weerakoon

Nature of the Directorship
Senior Independent Director

Date of Appointment
1 January 2024

Expertise and Qualifications
Dr Dushni Weerakoon is a prominent Sri Lankan economist with deep expertise in macroeconomic policy, international economics, and public policy engagement. She holds a BSc in Economics with First Class Honours from Queen's University of Belfast, UK, and an MA and PhD in Economics from the University of Manchester, UK. Throughout her career, she has advised the Government of Sri Lanka in various capacities and has also been a consultant to the World Bank, Asian Development Bank, and World Trade Organisation. Dr Weerakoon has published widely on topics such as macroeconomic management, regional trade integration, and international economics.

Current Appointments
Dr Weerakoon is the Executive Director of the Institute of Policy Studies of Sri Lanka (IPS). She serves as an appointed member of the Monetary Policy Board of the Central Bank of Sri Lanka and is the Senior Independent Director of Kotmale Holdings PLC.

Asite Talwatte

Nature of the Directorship
Non-Independent, Non-Executive Director

Date of Appointment
20 August 2020

Expertise and Qualifications
Mr Asite Talwatte is a Fellow member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Chartered Institute of Management Accountants (UK). He also holds a Postgraduate Diploma in Business and Financial Administration from ICASL and the University of Wageningen, Netherlands, an MBA from the University of Sri Jayewardenepura, and has completed the Executive Programme at the Kellogg School of Management, Northwestern University, USA.

He served for 37 years at Ernst and Young, including 10 years as Country Managing Partner. His international exposure includes working at EY in Cleveland, Ohio, and serving on several EY Asia-Pacific leadership committees. He has held prestigious positions such as President of CA Sri Lanka and CIMA Sri Lanka, and chaired key standard-setting and governance committees within CA Sri Lanka. He played a leading role in developing Sri Lanka's corporate governance framework and chaired the International Integrated Reporting Council of Sri Lanka from 2018 to 2021.

Current Appointments
He is currently the Chairman of Management Systems (Pvt) Limited. He serves as an Independent Non-Executive Director on the Boards of Ceylon Hospitals PLC, Central Finance PLC, DIMO PLC, Tokyo Cement PLC, Braybrooke Residential Towers (Pvt) Ltd, and Silvermill Investment Holdings (Pvt) Ltd. He is a Non-Independent Non-Executive Director of C T Holdings PLC and Kotmale Holdings PLC, and also serves as a Non-Executive Director of Gilkrist Leisure (Pvt) Ltd. Additionally, he is a Director of Cirute Plantations (Pvt) Ltd, Myanthiho Investment & Trading (Pvt) Ltd, and Colombo City Apartments (Pvt) Ltd.

He previously served as Chairman of Central Finance PLC and as an Independent Director of Sunshine Holdings PLC and Chevron Lubricants PLC.

Joseph Page

Nature of the Directorship
Non-Independent, Non-Executive Director

Date of Appointment
1 December 2000

Expertise and Qualifications
Mr Joseph Page counts over 35 years of management experience in the private sector, having held several leadership roles across entities within the CT Holdings Group. He is part-qualified with the Chartered Institute of Management Accountants (CIMA), UK.

Current Appointments
He currently serves as the Deputy Chairman and Managing Director of C T Land Development PLC. He is also a Director of C T Holdings PLC and Kotmale Holdings PLC. In addition, he serves as a Director of Ceylon Theatres (Private) Limited, C T Properties Limited, C T Properties Lakeside (Private) Limited, C T Real Estate (Private) Limited, CT CLSA Asset Management (Private) Limited, and C T Property Management Company (Private) Limited.

Indira Malwatte

Nature of the Directorship
Independent, Non-Executive Director

Date of Appointment
1 February 2020

Expertise and Qualifications
Mrs Indira Malwatte is a distinguished professional with over 40 years of experience in export promotion, international marketing, and public sector leadership. She holds a combined degree in Economics and Geography from the University of Peradeniya, Sri Lanka, and was the first woman to serve as Chairperson of the Sri Lanka Export Development Board (EDB). Her extensive expertise spans across industrial, agricultural, services, and SME sectors, as well as supply chain management and women's empowerment.

She has served as a key resource person and focal point for international development projects supported by organisations such as the World Bank, International Trade Centre (ITC), GIZ, CBI, and JETRO. Recognised both locally and internationally for her contributions, she was awarded the Wifts Foundation Lifetime Achievement Award in Business (London, 2016), becoming the first Sri Lankan recipient of the honour. She has also been recognised by Zonta Sri Lanka and Women in Management for her leadership and achievements in the government and development sectors and was featured on the LMD "A-List" of Sri Lankan business people in 2018.

Current Appointments
She currently serves as Chairman and Non-Executive Director of Samson International PLC and as an Independent Non-Executive Director of Kotmale Holdings PLC and Lanka Shipping and Logistics (Pvt) Ltd. She is also a Director of the SWRD Bandaranaike Memorial Foundation and the Sri Lanka Handicraft Board.

Dilantha Jayawardhana

Nature of the Directorship
Executive Director

Date of Appointment
1 July 2021

Expertise and Qualifications
Mr Dilantha Jayawardhana is a highly experienced finance and management professional with over 25 years of post-qualifying experience in accounting, finance, and corporate leadership. He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka and an Associate member of the Institute of Certified Management Accountants of Sri Lanka. He also holds a Master of Business Administration from the University of Lincoln, UK.

He joined Cargills in 1999 as an Accountant and rose through the ranks to serve as Group CFO prior to his appointment to the Board. In his current role, he continues to provide strategic leadership across the Group's finance, treasury, information technology, and human resource development functions. His deep institutional knowledge and multidisciplinary expertise contribute significantly to driving the Group's operational effectiveness and long-term growth.

Current Appointments
He serves as an Executive Director of Kotmale Holdings PLC and holds directorships across several subsidiaries of the Cargills Group including Cargills Retail (Private) Limited, Cargills Dairies (Private) Limited, Cargills Food & Beverage Limited, Cargills Convenient Foods Limited, Cargills Restaurants (Private) Limited, Cargills Distributors (Private) Limited, and Millers Limited. He also serves as a Director of the Cargills Foundation and other group entities.

Ganesan Ampalavanar

Nature of the Directorship
Non-Independent, Non-Executive Director

Date of Appointment
1 January 2024

Expertise and Qualifications
Mr Ganesan Ampalavanar is a seasoned multinational business leader with over three decades of experience in the consumer goods sector, having served the Nestlé Group for 32 years. He is a graduate in Management (Accounting and Finance) from the University of Science, Malaysia, and has completed executive education programmes at the London Business School (UK) and the International Institute for Management Development (IMD), Lausanne, Switzerland.

Throughout his career, Mr Ganesan held several senior leadership positions and was appointed CEO of Nestlé operations in three key markets—Indonesia, Vietnam, and Sri Lanka. In his final assignment with the Group, he led Nestlé Indonesia, one of its largest global markets, where he was responsible for driving strategic growth and operational transformation.

Current Appointments
He also serves as a Director of Sime Darby Oils and as an Advisor to Viet Thai International. No other current appointments in Sri Lanka.

Tara Page

Nature of the Directorship
Non-Independent, Non-Executive Director

Date of Appointment
31 July 2024

Expertise and Qualifications
Ms Tara Page is an experienced educator and social impact advocate with a strong background in public education, community organising, and youth development. She holds a Master's degree in Politics and Education from Columbia University, New York, and a Bachelor's degree in English Literature.

Over the course of 15 years, she has worked as an English teacher, literacy coach, and restorative justice consultant in underserved public-school communities across Brooklyn, New York. She has also served as a lead teacher and staff advisor for system-involved youth in Queens, New York, championing inclusive education and youth empowerment.

She is a founding Board member and Youth Fellowship Director of Brooklyn FAM, a community-building non-profit arts organisation. Her work further extends into advocacy and organising through involvement with various mutual aid networks, racial justice movements, and family service organisations.

Current Appointments
Cargills (Ceylon) PLC – Non-Independent, Non-Executive Director

Priyan Edirisinghe

Nature of the Directorship
Independent, Non-Executive Director

Date of Appointment
10 December 2024

Expertise and Qualifications
Mr Priyan Edirisinghe is a Chartered Accountant with over 20 years of experience in audit, tax, and business consulting, serving both the private sector and professional practice. He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka (FCA), an Associate member of the Chartered Institute of Marketing (UK) (ACIM) and holds a Master of Business Administration from the University of Southern Queensland, Australia.

He currently serves as the Managing Partner of Baker Tilly Edirisinghe & Co., Chartered Accountants.

Current Appointments
He also serves as the Senior Independent Director of C T Holdings PLC, and as an Independent Non-Executive Director of Kotmale Holdings PLC, CT Land Development PLC, and Tea Small Holder Factories PLC.

He previously served as an Independent Director of Dialog Finance PLC.

Suren De Silva

Nature of the Directorship
Independent, Non-Executive Director

Date of Appointment
30 May 2025

Expertise and Qualifications
Mr Suren De Silva is a senior legal professional with over 27 years of experience specialising in commercial and corporate litigation, arbitration, intellectual property, shipping and admiralty law, and customs-related matters. He is an Attorney-at-Law of the Supreme Court of Sri Lanka and a Barrister-at-Law of Gray's Inn, England and Wales.

He holds an LLB (Hons.) from the University of Wales, College of Cardiff, and a Master of Laws (LLM) from University College London, with a focus on the regulation of financial markets, foreign investment in emerging economies, and privatisation. Mr De Silva currently serves as an Independent Counsel and Consultant (Special Projects) at D.L. & F De Saram, Attorneys-at-Law, and has advised on a range of legal and regulatory issues in both domestic and international contexts.

Current Appointments
He serves as an Independent Non-Executive Director of C T Holdings PLC. He is also a Non-Executive Director of the Colombo Stock Exchange and CSE Clear (Private) Limited.

Corporate *Governance*

1. Corporate Governance at Cargills

The Board of Cargills (Ceylon) PLC is committed to the highest standards of corporate governance, integrity, and ethics, which it views as essential to the Group's success and to deliver on its promises to stakeholders in a credible and transparent manner.

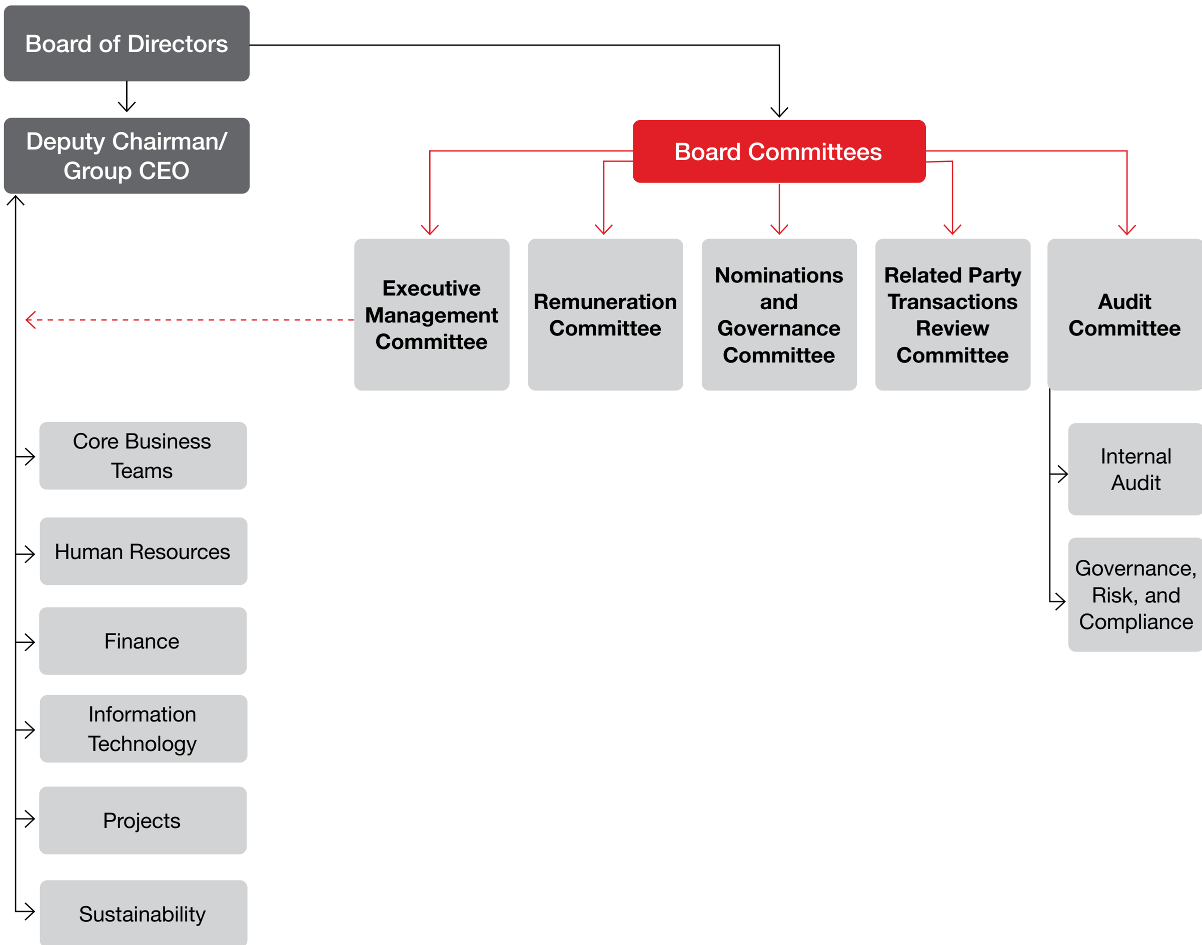
Cargills' overarching governance objective is to ensure that an adequate and effective process of corporate governance is established and maintained, consistent with the nature, size, complexity, and risk inherent in the Group's activities, and which is responsive to changes in the Group's operating environment. We believe that sound corporate governance practices are essential to create sustainable value and to safeguard the interest of all stakeholders.

2. The Corporate Governance Framework

The Corporate Governance Framework is illustrated in the following diagram:

3. Governance Structure

The Board of Directors appointed by the shareholders is primarily responsible for good governance. The Board delegates some of its responsibilities to the Board committees to discharge its responsibilities in an effective manner.



3.1 The Board of Directors

3.1.1 Board Composition

The Company currently has 12 Directors on the Board comprising 9 Non-Executive Directors (of whom 4 are independent) and 3 Executive Directors.

The Board consists of a mix of Independent, Executive, and Non-Executive Directors to maintain the Board independence.

3.1.2 Directors' Remuneration Policy

The Remuneration Committee studies and recommends the remuneration and perquisites applicable to the Executive Directors of the Company and makes appropriate recommendations to the Board of Directors of the Company for approval. Executive Directors' Remuneration is reviewed periodically against market comparators. Remuneration of Non-Executive Directors is determined in reference to fees paid by comparable companies and is adjusted where necessary. The fees received by Non-Executive Directors are determined by the Board and reviewed annually.

3.2 Board Committees

The Group has the following Board Committees,

1. Audit Committee
2. Nominations and Governance Committee
3. Remuneration Committee
4. Related Party Transactions Review Committee (RPTRC)

All committees have written charters detailing their responsibilities and the extent to which they have been delegated powers of the Board of Directors.

Report of the Senior Independent Director

This report is presented in compliance with the requirement set out in Section 9.6.3 (e) of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange which came into effect on 1 October 2023.

The requirement of appointing a Senior Independent Director to Cargills (Ceylon) PLC is in accordance with Section 9.6.3 (a) iii of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Roles and Responsibilities of Senior Independent Director

In terms of the role and responsibilities of the SID, the principal role of the SID is to support the Chairman in his role and duties, acting as an intermediator for the Non-Executive Directors and to facilitate the due exercise of the functions of the Chairman with the Non-Executive Directors as and when necessary.

The role and the responsibilities vested on the SID of the Board is relevant in the current context of Corporate Governance regulations, standards, and best practices which are frequently reviewed and revised by regulators.

My role is to ensure requisite governance standards are complied with while providing necessary assistance to the Chairman of the Board through discussion and communication between Non-Executive and Independent Directors of the Company in addressing matters relevant to the Board as a whole to enhance the overall effectiveness of the Board.

During the course of the period under review, the Independent/Non-Executive Directors held two meetings, excluding the participation of the Executive Directors.

Dr Dushni Weerakoon
Senior Independent Director

27 June 2025

3.2.1 Audit Committee Report

The Audit Committee is appointed by the Board of Directors of the Company and reports directly to the Board. The Audit Committee functions within the overall governance process established by the Board of Directors of the Company and assists the Board in effectively discharging its responsibilities.

Composition of the Audit Committee

The Audit Committee comprises four Non-Executive Directors of which three are Independent.

The Chairman of the Audit Committee is a Fellow Member of The Institute of Chartered Accountants of Sri Lanka. The composition of the members of the Audit Committee satisfies the criteria as specified in the standards on corporate governance for listed companies. The Company Secretary acts as the Secretary to the Committee.

Policy Framework

The policy framework for the functioning of the Audit Committee of the Company and its subsidiaries are set out in the Group policies adopted across the Group.

In addition to the Audit Committee of the holding company, one listed subsidiary within the Cargills Group has a separate Audit Committee. The Audit Committee of the Listed holding company functions as the Audit Committee of its non-listed subsidiary companies.

Procedure

In terms of the Group policy, the Audit Committees should meet at least once in every quarter, two of which should be attended by the Company Auditors. The procedure in place is for the Group Managing Director/Deputy CEO, Executive Director, Group Chief Financial Officer, Group Chief Risk Officer, Heads of Finance of the business sectors, and the Chief Internal

Committee Membership During the Year

Name	Directorship Status	Membership Status	Date of Appointment	Attendance (Attended/ Eligible to Attend)
Mr P P Edirisinghe	Independent, Non-Executive Director	Chairman (w.e.f. 20 May 2025) Member (11 February to 19 May 2025)	11 February 2025	1/1
Mrs C I Malwatte	Independent, Non-Executive Director	Member	9 February 2024	7/9
Dr D N Weerakoon	Senior Independent Director	Member	9 February 2024	6/9
Mr A D B Talwatte	Non-Independent, Non-Executive Director	Member (Chairman 14 December 2020 to 19 May 2025)	14 December 2020	9/9

Audit Officer to attend all meetings when scheduled and for the Deputy Chairman/Group CEO to attend Audit Committee meetings as and when requested to do so by the Audit Committee. Besides this, procedure is in place to circulate the various documents and for clarification of matters raised by the members of the Audit Committee. Where necessary, approvals may also be given by circular resolutions.

Meetings

The Audit Committee met nine times during the year, one of which was with the participation of the Company's External Auditors.

Scope

The functions of the Audit Committee, as set out in the Audit Committee Charter include the following:

- Oversight of the preparation, presentation, and adequacy of disclosures in the Financial Statements in accordance with SLFRS/LKAS
- Oversight of the Company's compliance with financial reporting requirements, information requirements of the Companies Act, SEC and other related regulatory bodies
- Oversight of the processes to ensure that the Company's internal controls and risk management procedures are adequate to ensure that the various risk exposures are mitigated
- Assessment of the performance and independence of the External Auditors and make recommendations to the Board pertaining to appointment/reappointment and removal of External Auditors and approval of the remuneration and terms of engagement
- Review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process
- Develop and implement policy on the engagement of the External Auditor to supply non-audit services, considering relevant ethical guidance regarding the provision of non-audit services by the External Auditors
- Review the Company's annual audited Financial Statements and quarterly Financial Statements to ensure compliance with the Sri Lanka Accounting Standards and other relevant laws and regulations
- Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations
- Report regularly to the Board with respect to the Committee's activities and make recommendations as appropriate

Financial Reporting

The Audit Committee reviewed the quarterly and annual Financial Statements of the Group prior to publication to assure that the published Financial Statements fairly present the state of affairs of the Group. The Audit Committee had discussions with the Management and the External Auditors on the annual Financial Statements. In all instances, the Audit Committee obtained a declaration from the GCFO stating that the respective Financial Statements are in conformity with the applicable accounting standards, company law and other statutes including corporate governance rules and that the presentation of such Financial Statements are consistent with those of the previous quarter or year as the case may be, and further states any departures from financial reporting, statutory requirements and Group policies, (if any).

Quarterly Compliance Certificates were also obtained from the finance, legal, and secretarial divisions of the Company on a standardised exception reporting format perfected by the Audit Committee, stating any instances (where applicable) of, and reasons for, non-compliance, along with a Risk Management and Internal Audit Reports submitted by the GCRO.

Internal Audit, Controls, and Risk Management

The Audit Committee reviewed the Internal Audit Reports containing details of the audit coverage, compliance to the laws, regulations, established policies, and procedures. The Risk Management Report containing detailed risk assessments and risk mitigation actions pertaining to different business units were reviewed by the Audit Committee to give assurance that the risk management process is carried out in an effective manner.

Conclusion

Based on its work, the Audit Committee is of the opinion that the control procedures and environment within the Group provide reasonable assurance regarding monitoring of the operations, accuracy of the Financial Statements, and safeguarding of assets of the Company.

Audit and Auditors' Independence

The Audit Committee assessed the independence and performance of the Company's External Auditors and made recommendations to the Board pertaining to appointment/reappointment. The Audit Committee also reviewed the audit fees and approved the remuneration and terms of engagement of the External Auditors and made recommendations to the Board. When doing so, the Audit Committee reviewed the type and quantum of non-audit services (if any) provided by the External Auditors to the Company to ensure that their independence as Auditors has not been impaired.

The Audit Committee obtains an "Auditor's Statement" from Messrs KPMG confirming independence as required by Section 163 (3) of the Companies Act No. 07 of 2007 on the audit of the Statement of Financial Position and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity, and Statement of Cash Flows of the Company and the Cargills Group.

The Audit Committee has recommended to the Board that Messrs KPMG, Chartered Accountants, be continued as External Auditors of the Company for the financial year ending 31 March 2026.

P P Edirisinghe
Chairman – Audit Committee
27 June 2025

3.2.2 Nominations and Governance Committee

Composition of the Nominations and Governance Committee

Nominations and Governance Committee was constituted on 5 August 2024 prior to this date the Nominations Committee of the parent company also functioned as the Nominations Committee for the Company.

The Nominations and Governance Committee comprises four Non-Executive Directors of which two are Independent.

Meetings

The Committee meets once each year or as required.

The functions of the Nominations and Governance Committee are given below:

- Establish and maintain a formal and transparent procedure to evaluate, select, and appoint/re-appoint Directors
- Establish and maintain a set of criteria for the selection of Directors.
- Evaluate and make recommendations for the appointment/re-election of Directors to the Board and Board Committees
- Establish a framework for evaluating the performance of the Board of Directors and the CEO
- Develop a succession plan for the Board of Directors and Key Management Personnel of the Company
- Review the structure, size, and composition of the Board and Board Committees
- Review and recommend the overall corporate governance framework
- Review reports from the Management on compliance with the corporate governance framework, the SEC Act, Listing Rules of the Stock Exchange, and other applicable laws

Committee Membership During the Year

Name of the Director	Directorship Status	Membership Status	Date of Appointment	Attendance (Attended/ Eligible to Attend)
Mr P P Edirisinghe	Independent Non-Executive Director	Chairman	20 May 2025	0/0
Mrs C I Malwatte	Independent, Non-Executive Director	Member	5 August 2024	1/1
Mr L R Page	Non-Independent, Non-Executive Director	Member	5 August 2024	1/1
Mr A D B Talwatte	Non-Independent, Non-Executive Director	Member (Chairman 5 August 2024 to 19 May 2025)	5 August 2024	1/1

Appointment of Directors

The Nominations and Governance Committee evaluates and recommends suitable persons to be Directors either to fill casual vacancies or as additional Directors, subject to the provisions in the Articles of Association of the Company. In considering candidates for Directorship, the Nominations and Governance Committee considers all relevant criteria including breadth of experience in business and industry, financial acumen, integrity, leadership as well as the diversity of the Board.

Any Director so appointed shall hold office until the next Annual General Meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such Meeting. Details of new Directors are disclosed to the shareholders at the time of their appointment by public announcement as well as in the Annual Report.

A structured framework has been established to assess the performance of the Board of Directors and to provide knowledge based training with identified needs and responsibilities of the Board.

Board Tenure, Retirement, and Re-election of Directors

The Executive Directors are appointed and recommended for re-election subject to their prescribed retirement age whilst Non-Executive Directors are appointed and recommended for re-election subject to the age limit as per statutory provisions at the time of reappointment. At each Annual General Meeting (AGM) one third of the Directors retire by rotation on the basis prescribed in the Articles of Association of the Company and are eligible for re-election. The Directors who retire are those who have been longest in the office since their appointment or reappointment. In addition, any new Director appointed to the Board during the year is required to stand for election at the next AGM.

The details of the re-election and re-appointment of retiring Directors are given in the Annual Report of the Board of Directors.

Board Independence

The Board is well represented by the Independent Directors who support the Executive Directors in governance and strategic management. Independence of the Directors has been determined in accordance with the criteria of the CSE Listing Rules. Accordingly, the present composition of Independent Non-Executive Directors is in line with the requirements of the CSE Listing Rules. The four Independent Non-Executive Directors have submitted signed confirmations of their independence.

Mr Asite Talwatte, who was an Independent Non-Executive Director at 1 April 2024, ceased to be an Independent Director upon completing nine years as a Director of the parent company.

Mrs C I Malwatte (Independent Non-Executive Director) reaches the age of 70 years in July 2025. Under Section 9.8.3 (ix) of the Listing Rules, the Nominations and Governance Committee reviewed her credentials and recommended to the Board that Mrs Malwatte may nevertheless be designated an Independent Non-Executive Director.

Further, on 20 May 2025 the Board of Directors resolved to confirm the recommendation made by the Nominations and Governance Committee. The basis of the determination of Mrs Malwatte as an Independent Non-Executive Director is set out below.

1. Professional Credentials and Industry Reputation

- Ms C I Malwatte is a distinguished figure in the field of Management with a longstanding career in Board governance, and public accountability. Her tenure includes experience with regulatory bodies and multilateral institutions.

2. Independence from Management and Shareholders

- Do not have any present or recent (within the last two years) employment or material business relationship with the Company or any of its subsidiaries.
- Do not hold significant shareholdings nor represent any shareholder group.
- Are not related to any current Board member, Senior Executive, or controlling shareholder.

These factors affirm her ability to exercise objective, unfettered judgment, thus satisfying the independence criteria as defined by the CSE Listing Rules.

3. Demonstrated Contribution to Board Effectiveness

- Maintain active professional engagements, including directorships and advisory roles in public interest organisations.
- Exhibit strong cognitive and decision-making capabilities, evidenced by her participation in recent board evaluations, and published commentary on governance trends.
- Provide a distinct multi-generational perspective, helping bridge generational gaps in strategy, ESG governance, and stakeholder management.

4. Corporate Governance and Risk Oversight Expertise

Her experience strengthens the Company's ability to:

- Oversee risk and audit functions with seasoned judgement.
- Drive boardroom accountability and ethical behaviour.
- Mentor younger Board members and Executives in alignment with long-term governance succession planning.

5. Public Shareholder Confidence

Profile and proven independence are expected to instil confidence among minority shareholders and reinforce the Company's commitment to robust, diverse, and experienced board oversight.

Conflict of Interest

Where the personal or business relationships or interests of Directors and Executive Officers may conflict with the interests of Cargills, they are required to disclose in writing the nature and extent of any interest they have in a material contract or material transaction with the Group.

Other Board Memberships

The Group, in assessing the performance of the individual Director, considers whether sufficient time and attention has been given by the Director to the affairs of the Group while holding Board membership in other companies. The Group expects Directors to devote sufficient time to the affairs of the Company though it does not impose a limit on the number of Board representations which a Director may hold in other companies.

Directors have demonstrated their commitment and effectiveness in discharging their duties and responsibilities and avoiding actual or potential conflicts of interest caused by serving on other Boards.

P P Edirisinghe
Chairman – Nominations and Governance Committee

27 June 2025

3.2.3 Remuneration Committee Report

The Remuneration Committee consists of four Non-Executive Directors of which three are Independent.

Remuneration Policy

The Executive Directors, Senior Management, and Senior Executives play a pivotal role in achieving Company objectives as such they need to be compensated adequately and fairly in line with market conditions applicable to the respective sectors.

The Committee studies and recommends the remuneration and perquisites applicable to the respective category of Executive Directors, Senior Management, and Senior Executives of the Company and makes appropriate recommendations to the Board of Directors of the Company for approval. The Committee also carries out periodic reviews to ensure that the remunerations are in line with market conditions.

Committee Membership During the Year

Name of the Director	Directorship Status	Membership Status	Date of Appointment	Attendance (Attended/ Eligible to Attend)
Mr P P Edirisinghe	Independent, Non-Executive Director	Chairman	20 May 2025	0/0
Mrs C I Malwatte	Independent, Non-Executive Director	Member	9 February 2024	1/1
Dr D N Weerakoon	Senior Independent Director	Member	9 February 2024	1/1
Mr A D B Talwatte	Non-Independent, Non-Executive Director	Member (Chairman 14 December 2020 to 19 May 2025)	14 December 2020	1/1

Disclosures

The aggregate details of the Directors' remuneration are given in Note 35 in Financial Statements.

Meetings

The Committee met once during the year under review.

P P Edirisinghe
Chairman – Remuneration Committee

27 June 2025

3.2.4 Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee (RPTRC) is appointed by the Board of Directors of the Company and reports directly to the Board. The Committee functions within the overall governance process established by the Board of Directors of the Company and assists the Board in effectively discharging its responsibilities.

Composition of the RPTRC

The RPTRC comprises four Non-Executive Directors of which three are Independent. The Chairman of the RPTRC is a Fellow member of The Institute of Chartered Accountants of Sri Lanka. The composition of the members of the RPTRC satisfies the criteria as specified in the standards on corporate governance for listed companies. The Company Secretary acts as the Secretary to the Committee.

Committee Membership During the Year

Name of the Director	Directorship Status	Membership Status	Date of Appointment	Attendance (Attended/ Eligible to Attend)
Mr P P Edirisinghe	Independent, Non-Executive Director	Chairman (w.e.f. 20 May 2025 Member (11 February 2025 to 19 May 2025)	11 February 2025	0/0
Mrs C I Malwatte	Independent, Non-Executive Director	Member	9 February 2024	4/4
Dr D N Weerakoon	Senior Independent Director	Member	9 February 2024	2/4
Mr A D B Talwatte	Non-Independent, Non-Executive Director	Member (Chairman 14 December 2020 to 19 May 2025)	14 December 2020	4/4

Policy Framework

The policy framework for the functioning of the RPTRC of the Company and its subsidiaries is set out in the Group policies adopted across the Group. In addition to the RPTRC of the holding company, the Kotmale Holdings PLC, a listed subsidiary of the Cargills (Ceylon) PLC, has a separate RPTRC. The RPTRC of its listed holding company functions as the RPTRC of the non-listed subsidiary companies.

Scope

The RPTRC assists the Board in reviewing all related party transactions (RPT) carried out by the Company.

The functions of the RPTRC include the following:

- Developing a related party transactions policy consistent with that proposed by the RPT Code of the Securities Exchange Commission (SEC) and recommending for adoption by the Board of Directors of the Company and its listed subsidiaries.
- Reviewing and recommending improvements to the control procedures to ensure that all recurrent and non-recurrent related party transactions are identified, adequately captured, and reported in a timely manner in accordance with the applicable rules.
- Establishing procedures to ensure that related party transactions that are captured within the system are reviewed in a systematic manner and certified by Key Management Personnel with appropriate level of authority.
- Reviewing all related party transactions as reported by Management for compliance with the RPT Code.
- Ensuring that appropriate disclosures are made as applicable to the Colombo Stock Exchange (CSE) where immediate market disclosures are required, and in the Annual Report.

Procedures are also in place for the RPTR Committee to obtain and have obtained:

- Quarterly declarations of related party transactions from Directors and Senior Management of all Group companies on recurrent and non-recurrent transactions undertaken by them or by their close family members.
- Quarterly declarations of Directors and Senior Management of all Group companies who have a significant shareholding/ ownership in a company or partnership or proprietorship which is outside the Group companies and/or of the subsidiaries and associate companies of Group companies.
- Quarterly declarations of the Group Chief Financial Officer or equivalent position in Group companies on recurrent and/or non-recurrent transactions within the Group companies.

Procedures are also in place for the assessment of the need to obtain shareholder approval for specified transactions and to inform the SEC/CSE on the applicable non-recurrent transactions.

Related Party Transactions

Companies within the Group regularly engage in transactions with other companies within the Group. The Committee receives and reviews details of all related party transactions from the Group Chief Financial Officer of the Company and disposes of the same in accordance with the mandate set out above.

In respect of non-recurrent transactions, if any, the Committee is empowered to seek independent expert advice on valuation or any other related matters that the Committee deems to be significant.

Meetings

RPTRC met four times during the year. The meetings were also attended by the Group Managing Director of the Company, Executive Director, Group Chief Financial Officer, Group Chief Risk Officer, Head of Finance of the business sectors, and Chief Internal Audit Officer.

The Committee adopted policies and procedures for (a) reviewing the related party transactions at each quarterly meeting, (b) identifying and reporting on recurrent and non-recurrent transactions to be in line with the applicable CSE Rules.

The Committee noted that there were no changes to practices followed over the years and general terms and conditions applicable to all lease agreements entered into with related parties are similar to those entered into with non-related parties taking to account, if any, due consideration of factors such as the long-term nature of the leases and the extent of the area occupied etc.

Conclusion

Based on its review, the RPTRC confirms that there were no non-recurrent transactions with related parties during the year that warranted prior shareholder approval. It is also noted that in respect of recurrent transactions, the transactions were in the ordinary course of business, there were no changes to terms or practices over the previous year and general terms and conditions applicable to such transactions with related parties are similar to those entered into with non-related parties taking into account, if any, due consideration of factors such as volume, cost, and any other special benefits which form part and parcel of such transactions. The observations of the Committee have been communicated to the Board of Directors and the Board in turn has made a declaration to the effect that the Company has complied with the requirements of the rules pertaining to related party transactions as contained in Section 9 of the Listing Rules of the CSE.

The details of the recurrent transactions entered into with related parties are disclosed in Note 35 to the Financial Statements.

P P Edirisinghe
Chairman – Related Party Transactions Review Committee
27 June 2025

4. Leadership

4.1 Board Leadership

The Board has a clear governance framework with defined responsibilities and accountability.

Our Board at present comprises Directors with diverse skills and vast experience in the field of business who are capable of steering the business towards achieving the Company goals and good governance. While the Board plays an oversight role over the Group, the Group CEO and his Executive Management are empowered to manage and lead the business on a day-to-day basis.

4.1.1 Role of Group Chairman and Group CEO

Whilst the Group Chairman and the Group Chief Executive Officer are collectively responsible for the leadership of the Group, there is a clear and effective division of accountability and responsibility between the Group Chairman and the Group Chief Executive Officer. Each plays a distinctive role but complementing each other to ensure that there is a balance of power and authority and no individual has unfettered powers of decision and control.

A Senior Independent Director (SID) was appointed to the Company since 14 December 2023.

4.1.2 Board Responsibilities

The Board oversees the affairs of the Company and provides leadership and guidance to the Senior Management Team. The key functions and responsibilities of the Board are:

	Roles and Responsibilities
Strategy	• Providing direction, guidelines, and approval of the Group's strategic direction and business plans as developed by Management • Directing, monitoring, and assessing the Group's performance against strategic and business plans • Approving and monitoring major capital expenditure, acquisitions, and divestments • Reviewing and approving the annual operating plans and financial budgets
Risk Management	• Ensuring processes are in place to identify the principal risks of the Group's business • Reviewing and ratifying the integrity of the Group's systems of risk management, internal controls, and compliance
Management	• Appointing and recommending terms of engagement of the Senior Management staff to ensure that a process is in place such that the remuneration and conditions of service of Executives are appropriate • Ensuring that a process is in place for Executive succession plan

	Roles and Responsibilities
Performance	• Evaluating the performance of the Board Committees and individual Directors • Establishing and reviewing succession plans for Board membership • Reviewing the performance of Senior Management and the compensation framework for Executive Directors and Senior Management • Monitoring corporate performance and evaluating results compared to the strategic and annual plans
Corporate Governance	• Establishing appropriate standards and encouraging ethical behaviour and compliance with the Group's policies • Monitoring the Company's compliance with Corporate Governance Standards • Overseeing the process and framework for evaluating the adequacy of internal controls, risk-management, financial reporting, and compliance
Reporting and Disclosure	• Approving and monitoring financial and other reporting, including reporting to shareholders and other stakeholders • Establishing procedures to ensure adherence to the Company's continuous reporting policy

4.1.3 Board Meetings

The Board met seven times in the year under review, and the following table shows the attendance record for the same.

Attendance at Board Meetings

Name of the Director	Attended/ Eligible to Attend
Mr L R Page	7/7
Mr V R Page	7/7
Mr M I Abdul Wahid	7/7
Dr D N Weerakoon	6/7
Mr A D B Talwatte	6/7
Mr J C Page	7/7
Mr S E C Gardiner (Resigned w.e.f. 7 May 2024)	0/1
Mr H A Pieris (Resigned w.e.f. 7 June 2024)	1/2
Mrs C I Malwatte	7/7
Mr D S Jayawardhana	7/7
Mr G R Ampalavanar	7/7
Ms T L M Page (Appointed w.e.f. 31 July 2024)	4/5
Mr P P Edirisinghe (Appointed w.e.f. 10 December 2024)	2/3
Mr S C De Silva (Appointed w.e.f. 30 May 2025)	0/0

5. Business Practices and Ethics

The essence of corporate governance lies in promoting and maintaining integrity, transparency, and accountability across the Organisation. Good governance is embedded in the Group's culture creating an enabling environment for growth in a structured, predictable, and sustainable manner.

The Board continued to strive to ensure that ethics are the foundation of how the Company operates. Accordingly, the Directors recognise their responsibility to set the tone from the top, by avoiding instances of conflict of interest and having the interests of the Company at the forefront of all decision-making.

The corporate governance system at Cargills demands that our team members to enhance their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

The Group is committed to the interests of our team members, customers, suppliers, and the community whilst focusing on providing value to our shareholders. The Group's Code of Conduct aims to promote and strengthen the reputation of Cargills by establishing a standard of performance, behaviour and professionalism for its people and stakeholders with respect to their professional and personal conduct.

All team members at Cargills are committed to responsible behaviour refraining from any direct, solicited, monetary or non-monetary bribes, entertainment, unlawful gifts, payments or political contributions while adhering to the related provisions of the Group HR Policy. The whistle-blower protection policy encourages the team members and other stakeholders to bring any concerns regarding fraud, misconducts and any unethical behaviour to the notice of the Senior Management and the Board of Directors.

All Executives are bound by a signed code of conduct which prohibits them from accepting or offering any form of gift or emolument that may be construed as a bribe. Executives are also issued official memorandums to remind them of this obligation during festive seasons where the occurrence of such dealings are more probable.

Cargills (Ceylon) PLC is a signatory of the United Nations Global Compact (UNGC); and has zero tolerance towards bribery and corruption. The Company actively monitors any changes to anti-corruption or other related laws and ensures its full compliance. This ethical and transparent corporate behaviour of Cargills extends to all the stakeholders in the value chain. All partners and third parties are advised to comply with the guidelines set out.

6. Strategic and Performance Management

The Group has a robust strategic management process which involves all key internal stakeholders and led by the Group CEO. The strategic planning process aims at optimal utilisation of resources of the Organisation and maximum welfare of all relevant stakeholders. The developments in the external and internal environment are continuously and extensively scrutinised in developing effective strategies. Cargills focuses on deriving the maximum advantage for the Organisation through developments in the external environment through prudent as well as rapid responses.

Cargills operates with a comprehensive performance management system which aims to uphold efficient and effective results as well as knowledge and skills of team members. The budgeting exercise at Cargills is carried out at an integrated cross functional level and reviews are carried out on a frequent basis in order to take corrective action as appropriate.

7. Controls, Assurance, and Risk Management

The Group has adequate systems of internal controls in place to ensure the orderly and efficient conduct of its business.

The Internal Auditors independently evaluate the adequacy of internal controls and compliance and concurrently audit the majority of the transactions in value terms. The Group's internal audit and risk management functions report to the Board directly through the Audit Committee assuring independence.

The Group engages the services of independent External Auditors to conduct an audit and obtain reasonable assurance on whether the Financial Statements and relevant disclosures are free from material misstatements. The Independent Auditors directly report their findings to the Audit Committee which has the oversight responsibility of the integrity of Financial Statements and the reporting process.

The Group has an enterprise risk management framework through which it manages the risks facing the Group. Risk Committees for all business sectors were established to manage the risks stemming from the external environment, strategy, and business operations. The risk management section and the notes to the Financial Statements of the Annual Report carry a detailed discussion of the Group's Enterprise Risk Management Process.

The Information Technology Policy of the Group establishes an overall framework for the governance and management of the processes and actions relating to Information Technology within the Group. The framework is made up of processes designed to ensure effective and efficient use of Information Technology to enable the Company achieving its objectives.

8. Legal and Regulatory Compliance

The Group is fully compliant with all the mandatory provisions of the Companies Act No. 07 of 2007, Listing Rules of the CSE and rules of the Securities and Exchange Commission of Sri Lanka (SEC). The Group practices are in line with the Code of Best Practices on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Company actively monitors the changes in the regulatory environment and acknowledges its compliance with all other financial, legal, and regulatory requirements.

9. Disclosure and Transparency

The Group has policies and procedures that govern the provision of timely, accurate, and complete information to stakeholders, in a manner which gives all stakeholders equal access to information. The Board of Directors, in conjunction with the Audit Committee where applicable, is responsible in ensuring the accuracy and timeliness of published information and in presenting an honest and balanced assessment of results in the quarterly and annual Financial Statements.

10. Stakeholder Engagement

The Board values the Company's stakeholders and strives to take their concerns and interests into account when making business decisions. This not only enables it to anticipate and manage risk effectively but also helps it identify new business opportunities and improve the Group's relationship with its stakeholders.

The shareholders are given the opportunity at the AGM to get updates from the Chairman and the Group CEO on the Group's performance, to ask questions, and to express views and vote on the various matters of Company business on the agenda. Shareholders may also ask questions from the Company's External Auditors at the Meeting. The Company encourages its shareholders to attend its AGM and committed to dealing with shareholder queries in a respectful and timely manner whenever they are received by the Company.

Company's adherence to the Corporate Governance Rules as required by Section 9 of the Listing Rules of the CSE:

	CSE Rule	Status of Compliance	Details/Reference
9.1	**Applicability of Corporate Governance Rules**		
9.1.3	A statement confirming compliance with Corporate Governance Rules.	Compliant	Section 8. Legal and Regulatory Compliance of Corporate Governance Report
9.2	**Policies**		
9.2.1/ 9.2.2/ 9.2.3/ 9.2.4	Requirement pertaining to establishment and disclosure of policies set out in the Listing Rules.	Compliant	Policies are available at the corporate website
9.3	**Board Committees**		
9.3.1	Ensuring that the following Board Committees are established and are functioning effectively. (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	Compliant	
9.3.2	Comply with the composition, responsibilities, and disclosures required in respect of the above Board Committees as set out in CSE Rules.	Compliant	
9.3.3	The Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Compliant	

	CSE Rule	Status of Compliance	Details/Reference
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**		
9.4.1	Maintain records of all resolutions and specified information pertaining to the resolutions considered at any General Meetings.	Compliant	Please refer to 9.2 above
9.4.2 (a)/(b)/(c)/(d)	Communication and relations with shareholders and investors.	Compliant	
9.5	**Policy on matters relating to the Board of Directors**		
9.5.1	Establish and maintain a formal policy governing matters relating to the Board of Directors.	Compliant	
9.5.2	Confirm compliance with the requirements of the policy referred to in Rule 9.5.1 in the Annual Report.	Compliant	Statement of Director's Responsibility on page 169
9.6	**Chairperson and CEO**		
9.6.1	The Chairperson shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such entity.	Compliant	Position of the Chairperson and CEO is not held by the same person and Chairman is a NED
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such entity shall make a market announcement.	N/A	

	CSE Rule	Status of Compliance	Details/Reference
9.6.3 (a)/(b)/(c)/(d)	Requirement pertaining to Senior Independent Director (SID).	Compliant	Mr A D B Talwatte was appointed as SID w.e.f. 14 December 2023 Dr D N Weerakoon was appointed as SID w.e.f. 20 May 2025
9.6.3 (e)	A signed explanatory disclosure by SID demonstrating the effectiveness of duties of the SID.	Compliant	Report from SID on page 147
9.6.4	Rationale for appointment of SID.	Compliant	Please refer Report of SID
9.7	**Fitness of Directors and CEOs**		
9.7.1/ 9.7.2/ 9.7.3/ 9.7.4/ 9.7.5	Requirement to meet the fit and proper criteria stipulated by the CSE Listing Rules and disclosure in Annual Report.	Compliant	Annual Report of the Board of Directors on pages 166 to 168
9.8	**Board Composition**		
9.8.1 9.8.2	Requirement pertaining to the minimum number of Directors and Independent Directors.	Compliant As at the date of the Report	
9.8.3	Conformity to the criteria set by CSE on determining the independence of the Directors.	Compliant	
9.8.5 (a)/(b)/(c)	Requirement pertaining to self-declarations annual determination of independence and market announcement in the event of the impairment of independence.	Compliant	
9.9	**Alternate Directors**		
9.9 (a)/(b)/(c)/ (d)/(e)	Non-Executive Directors shall be appointed as alternate directors in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.	N/A	

	CSE Rule	Status of Compliance	Details/Reference
9.10	**Disclosures relating to Directors**		
9.10.1 9.10.2 9.10.3	Requirement pertaining to the disclosure of the Directors.	Compliant	
9.10.4	Disclosure of details pertaining to Directors in the Annual Report.	Compliant	Directors' Profile on pages 140 to 144
9.11	**Nominations and Governance Committee**		
9.11.1/ 9.11.2/ 9.11.3	Existence of Nominations and Governance Committee, formal procedure for appointment and re-election of new Directors and written Terms of Reference of Nominations and Governance Committee.	Compliant	
9.11.4	Composition of Nominations and Governance Committee members and appointment of its Chairperson.	Compliant	
9.11.5	The Committee functions are in accordance with the set criteria as per the CSE Listing Rules.	Compliant	
9.11.6	Annual Report contains a report of the Nominations and Governance Committee signed by its Chairperson.	Compliant	Nominations and Governance Committee report on pages 149 and 150
9.12	**Remuneration Committee**		
9.12.2	A Remuneration Committee shall be established that conforms to the requirements.	Compliant	
9.12.3/ 9.12.4	CSE Listing requirement pertaining to remuneration of the Directors.	Compliant	
9.12.5	Remuneration Committee shall have a written Terms of Reference.	Compliant	
9.12.6 (1)	Composition of the Remuneration Committee.	Compliant	3.2.3 Remuneration Committee Report on page 151

	CSE Rule	Status of Compliance	Details/Reference
9.12.6 (2)	Remuneration Committee chaired by an Independent Director.	Compliant	3.2.3 Remuneration Committee Report on page 151
9.12.7	Recommendation to the Board of Directors regarding remuneration.	Compliant	3.2.3 Remuneration Committee Report on page 151
9.12.8 (a)	Disclosure of Chairperson and members of the Remuneration Committee in the Annual Report.	Compliant	3.2.3 Remuneration Committee Report on page 151
9.12.8 (b)	A statement regarding the remuneration policy.	Compliant	3.2.3 Remuneration Committee Report on page 151
9.12.8 (c)	Disclosure of the aggregate remuneration of the Executive and Non-Executive Directors.	Compliant	Note 35.1 of Notes to the Fnancial Statements on page 231
9.13	**Audit Committee**		
9.13.1	Entities who do not maintain separate committees to perform the Audit and Risk Functions, the Audit Committee (AC) shall additionally perform the Risk Functions.	Compliant	Audit Committee Report on pages 147 to 148
9.13.2	The AC shall have a written Terms of Reference.	Compliant	
9.13.3	**Composition of the Audit Committee**		
(1)	Composition of the Independent Directors of the Audit Committee.	Compliant	
(2)	Quorum comprising majority of Independent Directors.	Compliant	

	CSE Rule	Status of Compliance	Details/Reference
(3)	Minimum number of meetings and quarterly meetings prior to releasing the quarterly Financial Statements.	Compliant	
(4)	The Chairperson being Independent Director of the Audit Committee.	Compliant	Audit Committee Report on pages 147 to 148
(5)	Attendance of CEO and CFO at the Audit Committee meetings by invitation.	Compliant	Audit Committee Report on pages 147 to 148
(6)	The Chairperson of the AC shall be a Member of a recognised professional accounting body.	Compliant	Audit Committee Report on pages 147 to 148
9.13.4	**Functions of the Audit Committee**		
(1)	Functions of the Audit Committee as set out in CSE Listing Rules.	Compliant	Audit Committee Report on pages 147 to 148
9.13.5	**Disclosures (AC) in the Annual Report** Disclosure of stipulated information in the Audit Committee Report included in the Annual Report.	Compliant	Audit Committee Report on pages 147 to 148
9.14	**Related Party Transaction Review Committee (RPTRC)**		
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee.	Compliant	
9.14.2	**Composition of RPTRC**		
(1)	Composition of the Independent Directors and Chairperson being Independent.	Compliant	RPTRC report on pages 151 to 153
(2)	If both parent subsidiary are Listed Entities, the RPTRC of the parent company may function as the RPTRC of the subsidiary.	N/A	

	CSE Rule	Status of Compliance	Details/Reference
9.14.3	**Functions of RPTRC**		
	Functions of the RPTRC as set out in CSE Listing Rules.	Compliant	RPTRC report on pages 151 to 153
9.14.4	**General Requirements of RPTRC**		
(1)	General requirement stipulated in CSE Listing Rules (1) to (4).	Compliant	
9.14.5	**Review of RPTs by the RPTRC**		
	Requirement pertaining to review of related party transaction by RPTRC set out by CSE Listing Rules.	Compliant	
9.14.6	**Shareholder Approval**		
	Requirement pertaining to shareholder approval set out by CSE Listing Rules.	N/A	There were no Related Party Transactions requiring shareholder approval
9.14.7	**Immediate Disclosures**		
	Immediate market announcement to the Exchange as set out by CSE Listing Rules.	N/A	There were no Related Party Transactions requiring immediate market announcement
9.14.8	**Disclosures in the Annual Report**		
(1)	Disclosure pertaining to non recurrent RPTs.	N/A	There were no Related Party Transactions exceeding 10% Equity or 5% Total Assets in aggregate
(2)	Disclosure pertaining to recurrent RPTs.	Compliant	Notes to the Financial Statements Note 35
(3)	Related Party Transactions Review Committee Report on the Annual Report.	Compliant	RPTRC Report on pages 151 to 153
(4)	A declaration by the Board of Directors in the Annual Report confirming that RPT Rules are complied with.	Compliant	Annual Report of the Board of Directors of the Company on pages 166 to 168
9.14.9	Shareholder approval and Competent independent advice on acquisition and disposal of assets from/to related parties.	N/A	
9.17	**Additional Disclosures**		
	Additional Disclosures by the Board of Directors in the Annual Report.	Compliant	Statement of Director's Responsibility on page 169

The Company is compliant with most of Code of Best Practice on Corporate Governance (2023) issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)

Principle	Details/Reference
A. Directors	
The Company is led by experienced Directors coming from different disciplines, with sound business acumen and leadership skills.	Board of Directors on pages 140 to 144
The role of Chairman and Chief Executive Officer (CEO) has been separated and held by different person. There is a clear division of role and responsibilities between the Chairman and the CEO.	Section 4.1.1 Role of Group Chairman and Group CEO on page 153
The Board balance is maintained as specified by the CSE Listing Rules Section 9.	Section 3.1 The Board of Directors on page 146
Appointment and re-election of the Directors are in line with the Section 9 of the CSE Listing Rules.	Nominations and Governance Committee Report on pages 149 to 150
Company follows the rules and guidelines pertaining to independence and conflict of interest of the Directors.	
Disclosures of information in respect of Directors are made in accordance with the CSE Listing Rules.	Board of Directors on pages 140 to 144

Principle	Details/Reference
B. Directors Remuneration	
The Company has a transparent policy on the Director's remuneration which ensures no conflict of interest in deciding the individual Director's remuneration.	Section 3.2.3 Remuneration Committee Report on page 151
The Company has a Remuneration Committee comprising solely Non-Executive Directors. The Committee follows the Listing Rules guidelines and recommended Code of Best Practices in deciding Director's remuneration.	
The Board decides the remuneration of Non-Executive Directors and follows the guidelines stipulated in CSE Listing Rules and Code of Best Practices in deciding the remuneration of the Non-Executive Directors.	Section 3.2.3 Remuneration Committee Report on page 151
The Company follows disclosure requirement pertaining to Remuneration Committee and Directors' remuneration.	Note 35.1 Transactions with Key Management Personnel (KMP) on page 231
C. Relations with Shareholders	
The Company communicates and engages with the shareholders in a constructive manner through AGM and Investors Forums. Shareholders are encouraged to contact the corporate office anytime to obtain information or for any clarification about the business affairs.	Section 10. Stakeholder Engagement on page 155
D. Accountability and Audit	
Interim, other price-sensitive public reports, reports to regulators, and information required for statutory purposes are provided.	
The Company presents balanced and understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects in the Annual Report, Interim Financial Statements and public reports.	

Principle	Details/Reference
The Annual Report contains Directors' Report giving declaration on Company's adherence to principles lay down in the Company's Act and CSE Listing Rules and assuring going concern.	Statement of Director's Responsibility on page 169
The Annual Report contains a Statement of Director's Responsibility with required information.	
The Annual Report contains Management Discussion and Analysis, Corporate Governance Report, and Risk Management Report providing assurance related to business performance, internal controls and risk management.	
The Annual Report contains Audit Committee Report and Related Party Transaction Review Committee Report providing independence assurance on governance, internal controls, and financial reporting.	Section 3.2.1 Audit Committee Report on pages 147 to 148 and Section 3.2.4 RPTRC Report on pages 151 to 153
E./F. Investors	
The shareholders are engaged through AGM and Investor's Forum.	Section 10. Stakeholder Engagement on page 155
G. Internet of Things and Cybersecurity	
The Company considers cybersecurity is critical for uninterrupted business operations and information security. Adequate measures are in place to protect the information and IT infrastructure from any cyberthreats.	
H. Sustainability: ESG Risks and Opportunities	
ESG factors are considered when decisions are made. The business processes and operations are continuously improved with investments to minimise negative impact on the environment and society.	
ESG initiatives are disclosed through integrated reporting in the Annual Report.	
I. Establishment and Maintenance of Policies	
Company has established policies applicable as per the CSE Listing Rules.	

Enterprise *Risk Management*

The Group is exposed to various risks due to its diverse business operations, large footprint across the country, together with its broad portfolio of products, customers, suppliers, and team members. The globalisation, trade wars between countries, climate changes, frequent natural disasters, pandemic, increase in cyberattacks, and wars between countries further add uncertainties and risks to the businesses. Broadening risk landscape necessitates the Group to adapt a structured approach in managing risks. The risk management process at Cargills has evolved over the years, and currently a comprehensive risk management framework is in place to mitigate the strategic, operational, and other risks faced by the businesses as well as to embrace opportunities as they arise.

Risk management efforts, spearheaded by the Board of Directors, the Audit Committee and the Risk Committees support achieving goals and objectives of Cargills while minimising the negative effect of risks in the process of creating value to the stakeholders of Cargills.

Risk Management Framework

Board of Directors

Oversight responsibility over risk management function

Audit Committee

Overall responsibility for establishing an effective risk management system

Group Risk Committee

Oversee the risk management process of the Sector Risk Committees.

Carryout risk assessment of group level functions.

Provide adequate resources and support for the Sector Risk Committees.

Sector Risk Committee

Carryout risk assessment of the respective businesses.

Formulate and implement appropriate mitigation actions for the risks identified.

Review and improve the effectiveness of the mitigation strategies on a regular basis.

Risk Management Department

Review and update the risk management framework periodically.

Development and update the risk management policy and procedure.

Support the Risk Committees in the risk management process.

Internal Audit

Develop and implement effective systems of internal controls.

Advice the Audit Committee on the effectiveness of the risk management process and internal control weaknesses.

Risk Management Process: Risk Identification → Risk Analysis → Risk Evaluation → Risk Treatment → Monitoring and Review

Pillars of Risk Management: Vision, Mission → Core Values → Governance Structure → Three Forces of Defence

Overview of Key Risks Affecting the Business

Our businesses are exposed to various risks due to diverse business operations and the degree of impact of each risk on the business may vary depending on the nature of the business and the business environment in which it operates. The risk profile of the Group at an aggregate level is given below.

Decline in Consumer Buying Power due to Macro and Microeconomic Factors

The revenue from the retail, restaurant, and FMCG sectors are highly corelated to the prices and the level of disposable income of the consumers. The reduction in disposable income of the consumers will adversely impact the revenue and profitability of the Group.

The financial year 2024/25 witnessed a positive environment with lower inflation, lower interest rates, increase in tourist arrivals, and foreign currency remittance, stable fuel and exchange rate, reduction in electricity tariffs, improvement in the country's economic condition and political stability had impacted consumer buying power positively. The proposed public sector salary hike and reduction in PAYE tax will have further positive impact on the consumer's disposable income in the coming years.

While the internal factors are more conducive for businesses, there are external factors such as global trade wars, increase in tariffs by US for Sri Lankan products and wars between countries may lead to price increases and reduction in disposable income of the people.

Risk Mitigation Actions – Group continued to offer value for money for consumers through better pricing, affordable pack sizes, economic packs through private label, deep discounts, and promotions. Group drives efficiency across supply chain and its operations to ensure prices of the products are kept at affordable level.

Risk	2024/25	2023/24	2022/23
Decline in consumer buying power due to macro and microeconomic factors	High	High	High

High Medium Low

Reputational Risk

The Group, having a large number of consumer brands in its portfolio, the potential risk of reputation being damaged through poor quality of goods, bad customer service, unacceptable team member behaviour, violation of rules, and regulations is high. There is increasing concern among stakeholders regarding how progressive the Group is in handling environmental, social, and governance issues and promoting sustainable practices. Evolving customer expectations and the presence of social media make the Group more vulnerable to the reputational damage.

Risk Mitigation Actions – Quality and service levels across the value chain are monitored rigorously to ensure products and services of high quality are offered to consumers. All our manufacturing companies are ISO certified and equipped with the latest machinery and technology.

All production facilities are certified with Environmental Protection Licences (EPL) among other certifications, ensuring the Group improves its collective environmental performance to the satisfaction of all stakeholders, which has also further strengthened the Group's reputation as a responsible corporate citizen. Resource consumption and waste management is strictly monitored and controlled across the Group to ensure minimum impact to connected ecosystems. Voluntary carbon footprint assessments are being carried out at various facilities with the disclosure of carbon emissions published in this report, thereby delivering on the promise for transparency.

Internal and third-party audits are carried out periodically to ensure quality and safety standards are maintained as per the regulations and guidelines. On the job and classroom training on quality and safety aspects are conducted regularly for staff at all levels.

Customer complaints and feedback are continuously monitored, assessed and appropriate actions are taken to rectify the root causes of the complaints. The customers are engaged with feedback and are informed of actions taken regarding the complaints made.

The Group is fully compliant with all relevant legal and regulatory requirements of the country and was not subjected to any legal action for the regulatory violation including violation of anti-competitive behaviour in the year under review.

The Code of Conduct of the Group is enforced across all sectors and adherence is monitored strictly. All team members at Cargills are committed to responsible behaviour, refraining from any direct, solicited, monetary or non-monetary bribes, entertainment, unlawful gifts, payments or political contributions. Strict disciplinary actions are being taken against team members who violate the Group's Code of Conduct.

Risk	2024/25	2023/24	2022/23
Reputational risk	High	High	Medium

High Medium Low

Supply Chain Risk

The continuous supply of goods and services to the market necessitates an uninterrupted supply chain. Group is highly vulnerable to supply chain interruptions due to perishable nature of certain products such as produce, dairy products, meat, and sea food. The Group also depends on imported raw materials and goods for Retail and FMCG Sectors. The Group's supply chain is also vulnerable due to external factors related to war, pandemic, natural disasters, import restrictions, and foreign currency shortages. Trade wars and increase in tariffs in global trade might impact the supply chain in terms of supplies and prices.

Risk Mitigation Actions – Annual procurement plans are prepared by business units and quarterly forecasts are shared with suppliers to ensure better coordination and advanced preparation for the delivery of materials and goods.

Multiple suppliers and sources are maintained for all products to avoid over dependency on a single or a few suppliers. The suppliers' performances are monitored regularly in terms of fill rates, quality and service delivery and the feedback is given to suppliers to improve their performance. The raw materials which are vulnerable to weather patterns and climate conditions are sourced through collection centres located across the country to minimise the impact on short supply due to weather condition and seasonality. Climate-resilient farming techniques as well as modern dairy technology were introduced to farmers to ensure increased production across both fresh produce and dairy farm networks throughout the year. The distribution function has been centralised through the Distribution Centres located at Katana and Wattala, which are supported by a cold chain and ground fleet, minimising post-harvest loss as well as supply chain interruptions.

Initiatives have been taken to source certain imported materials locally to avoid out of stock arising from global supply chain interruptions.

Long-term partnerships are established with suppliers, farmers, and SMEs to maintain prices, and continuous supply of goods.

Risk	2024/25	2023/24	2022/23
Supply chain interruptions	Medium	Medium	Medium

High Medium Low

Staff Turnover

Retail and restaurant sectors are susceptible to relatively high staff turnover due to the nature of the business and the age profile. The Group also witnessed professional and highly skilled team members leaving for overseas employment due to the country's economic situation, which has stabilised to certain extent during 2024/25. The country's economic recovery also resulted in fierce competition across the job market in 2024/25, both within the retail sector as well as across other equally competitive industries such as Sri Lanka's apparel sector.

Risk Mitigation Actions – Comprehensive structured recruitment, training and career development programmes are designed and implemented across business sectors to minimise staff turnover. In-house training is facilitated by the Group's training arm, Albert A Page Institute (AAPI). A clear career succession plan is in place and communicated to staff for them to work towards career progression. Cargills philosophy of supporting the nation development is inculcated among team members so that they are proud of being a part of initiatives supporting the nation.

Certain measures such as compensating staff in line with market rates, provision of hostel facilities, meals and other fringe benefits are taken to support staff retention.

Part time team members are taken onboard to support the operation.

Risk	2024/25	2023/24	2022/23
Staff turnover	Medium	Medium	Medium

High Medium Low

Political Instability

Financial years 2022/23 and 2023/24 witnessed a significant civil unrest and political instability resulted from economic crisis. The situation in terms of economic and political stability has improved significantly in 2024/25 reducing the risk substantially.

Risk Mitigation Actions – The Group took a cautious approach regarding major investments during the critical period and deferred certain investments for the future. The business operations and the cost structure are critically analysed and measures are taken to improve productivity and cut down wastage to ensure every business is agile and sustainable in the event of any such occurrence in the future.

Risk	2024/25	2023/24	2022/23
Political instability	Low	Medium	High

High Medium Low

Interruptions to Business Operations

Interruptions to business operations due to fire, natural disasters, pandemic, and strikes could impact on revenue and profitability of the Group significantly. Manufacturing facilities, distribution centres, and information system infrastructure are critical elements in the supply chain and need to be safe guarded and functional uninterrupted.

Risk Mitigation Actions – Fire and safety measures are in place in all locations and inspections and fire drills are conducted regularly to ensure safety. All major locations have contingency plans to minimise business interruption and damage to property and people in the event of fire or any natural disaster. The Group practices open door policy and has structured grievances handling procedures enabling staff to discuss any concerns or make any suggestions to improve the business or the processes.

The properties and assets are insured adequately to minimise the financial impact on the businesses due to fire and natural disasters.

Risk	2024/25	2023/24	2022/23
Interruptions to business operations	Medium	Medium	High

High Medium Low

Competition

Competition in the business may come either from the existing players in the market or from new entrants. Economic and political stability and conducive environment for businesses will attract foreign investors to come to Sri Lanka.

Risk Mitigation Actions – The Group continuously focuses on providing good quality products and services at affordable prices to consumers while driving productivity and efficiency to ensure margins and profitability are maintained while offering value to the consumers. The competitive landscape is continuously monitored, and appropriate strategies are implemented to keep the businesses afloat above the competition through right pricing, quality, and promotions.

Risk	2024/25	2023/24	2022/23
Competition	Low	Low	Low

High Medium Low

Information Security

The Group with large IT infrastructure and application systems networking across many locations and holding numerous sensitive data is highly vulnerable to cyberattacks. Increase in use of digital and online platforms and concern over personal data protection necessitates stringent measures to ensure information security.

Cyberattacks on application systems, network and other IT infrastructure can cause substantial negative impact to the business by means of economic cost, reputational damage, and legal consequences. Cyberattacks can lead to data breaches, loss of information, theft of stakeholders' personal information, business interruptions, and reputational damage.

Risk Mitigation Actions – Cyber risk mitigation strategies are developed based on the Group Information Security Policy and continuous monitoring is carried out across the Group for early detection of cyberthreats and to minimise the impact on business operations. Strict access controls are in place to restrict access to sensitive data and application systems. The Group invests in the latest technology to safeguard IT assets and systems and keep systems and software up to date enabling installation of the latest security controls. Continuous training and awareness programmes are conducted to communicate and educate team members on cybersecurity threats, the potential impact and preventive measures. Periodic audits are carried out by external and internal teams to obtain assurance regarding the information security controls.

The risk rating has been assessed as medium considering the advancement in technology especially AI which can be used by cybercriminals.

Risk	2024/25	2023/24	2022/23
Information security breach	Medium	Low	Medium

High Medium Low

Credit Risk

The credit risk of the Group is becoming more critical with the significant growth in the FMCG sector over the years. A bulk of the FMCG revenue is generated through the sales to the distributors to whom the FMCG companies sell goods on credit. Credit default may increase due to distributors going out of business and delays in collecting dues from them.

The credit risk is rated as low as bulk of the credit exposure is covered by the bank guarantees and the history of bad debts write-off is low compared to the sales generated.

Risk Mitigation Actions – The new distributors are appointed after comprehensive evaluation of their ability to run the distributorship and their financial strengths. Bank guaranties are obtained from all distributors based on their sales and the credit period and the values of bank guarantees are enhanced whenever sales generated by distributors increase. Rigorous credit control measures are in place to ensure the credit exposure is kept at the minimal level.

Risk	2024/25	2023/24	2022/23
Credit risk	Low	Low	Low

High Medium Low

Funding, Liquidity, and Interest Rate Risks

The Group utilises long and short-term borrowings to partly fund its long-term investments and working capital exposing itself to funding, liquidity, and interest rate risks. Inability to source adequate funds for investments and for business operations will have a negative impact on the Group achieving its objectives. Similarly excessive gearing may lead to liquidity concerns, especially when profitability is impacted on due to market conditions. High gearing may also increase the interest rate risk whenever there is an upward movement in the interest rates.

The risk rating of funding, liquidity, and interest rate risk is assessed as low as the Group's debt-to-equity ratio has been improving over the years and the interest rates are on a downward trajectory.

Risk Mitigation Actions – The Group uses cash generated from operations to fund the investments and the working capital as far as possible. The loan portfolio is structured with a combination of long-term and short-term loans which are utilised for funding investments and working capital requirement. This enables the Group to decide on the right combination of long- and short-term loans based on the prevailing interest rates.

The Group established banking facilities with all major banks and financial institutions to facilitate securing funds at short notice. The treasury function is managed centrally at the Group level and lending rates and market liquidity are monitored continuously to take appropriate decisions regarding funding.

Risk	2024/25	2023/24	2022/23
Funding, liquidity, and interest rate risk	Low	Low	Low

High Medium Low

Foreign Currency Risk

The Group is vulnerable to fluctuations in the foreign exchange rate since certain raw and packing material, machinery, and equipment are sourced from other countries.

The exchange rate has been stable for a substantial period of time, but it may change adversely if the Sri Lankan exports to US are impacted due to increase in import tariffs.

Risk Mitigation Actions – The Group has taken initiatives to gradually reduce the dependency on imported raw materials by replacing imported raw materials with locally sourced options or alternatives without compromising the quality of the products.

The Group also focuses on strengthening the exports in the long term to generate income in multiple currencies, therefore the income earned through multiple currencies can be used for the importation of raw and packing material and other equipment.

Risk	2024/25	2023/24	2022/23
Foreign exchange rate	Low	Low	Medium

High Medium Low

Misappropriation and Fraud

The Group is vulnerable to fraud due to having multiple decentralised locations functioning independently engaged in collecting cash, procuring raw materials and holding large inventory. Some of the locations procure vegetables, fruit, meats, seafood, and milk daily exposing them to financial fraud.

Risk Mitigation Actions – Standard operating procedures of the businesses containing guidelines on the operations and financial controls are reviewed annually and updated to cover the new emerging areas and the changes to processes.

Regular review of internal controls and substantive testing are conducted by internal audit to ensure the appropriate and sufficient strategies are in place to mitigate the risks of fraud and misappropriation.

Strong disciplinary and legal actions are taken against team members who found guilty of doing a fraud. The implementation of whistleblowing policy enables whistleblowers to raise their concerns without any fear.

Risk	2024/25	2023/24	2022/23
Misappropriation and fraud risk	Low	Low	Low

High Medium Low

Annual Report of the *Board of Directors of the Company*

The Directors are pleased to present the Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025.

Activities

The Group's principal activities are set out on pages 37 to 51 of the Annual Report. There were no significant changes to the business activities of the Group during the year.

The important events during the year are discussed in detail in the Chairman's and Group Managing Director's Statements set out on pages 29 to 34 respectively.

Financial Statements

The audited Financial Statements of the Company and Group for the year ended 31 March 2025, set out on pages 174 to 242 form an integral part of this Annual Report.

Independent Auditor's Report

The Independent Auditor's Report is set out on pages 178 to 181.

Accounting Policies

The accounting policies adopted in the preparation of the Financial Statements are given in Notes 186 to 193 to the Financial Statements.

Property, Plant, and Equipment and Investment Property

The movement of property, plant, and equipment and investment property during the year is given in Notes 199 and 206 to the Financial Statements. The Group's outlay on property, plant, and equipment during the year amounted to Rs. 4.5 Bn. (2024 – Rs. 5.8 Bn.), while the capital outlay on property, plant, and equipment at the Company level during the year amounted to Rs. 172 Mn. (2024 – Rs. 12 Mn.).

The Directors are of the opinion that the carrying amounts of properties stated in Note 205 to the Financial Statements reasonably reflect their fair values. Extents, locations, and values of the Group's property holdings and investment properties are disclosed in Note 207 and 209 to the Financial Statements.

Stated Capital

The stated capital of the Company at the reporting date amounted to Rs. 6.8 Bn. (2024 – Rs. 6.8 Bn.), comprising 257,677,731 ordinary (voting) shares (2024 – 257,677,731).

Reserves

The total reserves of the Group at the reporting date stand at Rs. 28.6 Bn. (2024 – Rs. 25.5 Bn.), while the total reserves of the Company stand at Rs. 4.7 Bn. (2024 – Rs. 4.9 Bn.).

Dividends

The Company paid an interim dividend of Rs. 4.80 per share in November 2024 for the year ending 31 March 2025 (2024 – Rs. 4.50). The Company paid a second interim dividend of Rs. 11.70 per share in June 2025 for the year ended 31 March 2025 (2024 – Rs. 10.50).

Employment

The number of persons employed by the Group and Company as at 31 March 2025 was 10,667 (2024 – 11,335) and 2,475 (2024 – 2,169), respectively.

Donations

During the year, donations amounting to Rs. 14 Mn. were made by the Company (2024 – Rs. 3 Mn.). In addition, the Group made investments amounting to Rs. 15.1 Mn. for various community projects during the financial year (2024 – Rs 20.9 Mn.).

Directorate

Brief profiles of the Directors of the Company as at the reporting date are given on pages 144 to 148 including their Executive/ Non-Executive status and determination of independence, as appropriate. Details of the Directors of group companies are given on pages 150 to 159 of this report.

The Directors listed in the corporate information have been Directors of the Company throughout the year under review, other than the Directors against whose names dates of cessation, and appointment have been indicated.

Mr J C Page retires by rotation in terms of the Company's Articles of Association and, being eligible offers himself for re-election.

Ms T L M Page who was appointed on 31 July 2024, Mr P P Edirisinghe who was appointed on 10 December 2024 and Mr S C De Silva who was appointed on 30 May 2025 retire in terms of the Company's Articles of Association and being eligible offer themselves for reappointment at the Annual General Meeting.

Mr L R Page, who retires having surpassed 70 years of age is due to retire in terms of Section 210 (2) (b) of the Companies Act No. 07 of 2007 at the conclusion of the Annual General Meeting and offers himself for reappointment in terms of Section 211 (1) and (2) of the Companies Act No. 07 of 2007.

Mr A D B Talwatte and Mrs C I Malwatte who retire having surpassed 70 years of age are due to retire in terms of Section 210 (2) (a) of the Companies Act No. 07 of 2007 at the conclusion of the Annual General Meeting and offer themselves for reappointment in terms of Section 211 (1) and (2) of the Companies Act No. 07 of 2007.

The re-election and the reappointment of the retiring Directors has the unanimous support of the other Directors.

Mrs C I Malwatte (Independent Non-Executive Director) reaches the age of 70 years in July 2025. Under Section 9.8.3 (ix) of the Listing Rules, the Nominations and Governance Committee reviewed her credentials and recommended to the Board that Mrs Malwatte may nevertheless be designated an Independent Non-Executive Director. Further, on 20 May 2025 the Board of Directors resolved to confirm the recommendation made by the Nominations and Governance Committee.

The Directors hereby confirm that the Directors and CEO of the Company satisfy the fit and proper Assessment Criteria stipulated in section 9.7 of the Listing Rules of the Colombo Stock Exchange for the year.

Directors' Remuneration

The remuneration of the Directors is given in Note 35.1 to the Financial Statements.

The Re-election and Reappointment of Directors

The details of the re-election and reappointment of Directors of the Company at the Annual General Meeting are detailed below and also included in the Notice of Meeting.

Members proposed for re-election and reappointment	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees and other principal commitments	Any other relationships*
Mr J C Page	Non-Independent, Non-Executive Director	1 December 2000	28 July 2023	The Corporate Governance and Stewardship section of this Annual Report sets out these details in full.	Brother of Mr L R Page and Mr V R Page
Ms T L M Page	Non-Independent, Non-Executive Director	31 July 2024	–		Daughter of Mr L R Page
Mr P P Edirisinghe	Independent, Non-Executive Director	10 December 2024	–		–
Mr S C De Silva	Independent, Non-Executive Director	30 May 2025	–		–
Mr L R Page	Chairman, Non-Executive Director	1 April 1982	1 August 2024		Brother of Mr V R Page and Mr J C Page. Father of Ms T L M Page
Mr A D B Talwatte	Non-Independent, Non-Executive Director	20 August 2020	–		–
Mrs C I Malwatte	Independent, Non-Executive Director	1 February 2020	–		

*Any relationships including close family relationships between the candidate and the directors, the Listed entity or its shareholders holding more than ten percent (10%) of the shares of the Listed entity.

Directors' Interests Register and Directors' Interest in Contracts or Proposed Contracts

The Company maintains a Directors' Interests Register in terms of the Companies Act No. 07 of 2007. The Directors have made necessary declarations of their interests in contracts and proposed contracts in terms of Sections 192 (1) and 192 (2) of the Companies Act. These interests are entered in the Interests Register and are available for inspection upon request.

Related Party Transactions

The particulars of the Directors' Interests in Contracts with the Company are given in related party disclosures in Note 22 and 35 to the Financial Statements. The Directors hereby confirm that to the best of their knowledge and information available to them, the Company has complied with the requirements of the rules relating to the related party transactions as contained in Section 9 of the Listing Rules of the Colombo Stock Exchange.

Directors' Shareholdings

The Directors' shareholdings in the Company at the reporting date were as follows:

Name	As at 31 March 2025	As at 31 March 2024
Louis Page	**42,011**	42,011
Ranjit Page	**20,386,168**	20,315,796
Imtiaz A Wahid	**222,937**	222,937
Dr Dushni Weerakoon	**–**	–
Asite Talwatte	**–**	–
Joseph Page	**520,000**	520,000
Indira Malwatte	**–**	–
Dilantha Jayawardhana	**16,810**	16,810
Ganesan Ampalavanar	**–**	–
Tara Page	**–**	–
Priyan Edirisinghe	**–**	–
Suren De Silva	**–**	–

Events after the Reporting Period

Events occurring after the reporting date of the Company are given in Note 34 to the Financial Statements.

Shareholders

The Company is a Subsidiary of C T Holdings PLC. There were 2,038 registered shareholders as at 31 March 2025 (2024 2,012 shareholders). An analysis of shareholders according to size of holdings, public holdings, and the names of the 20 largest shareholders of the Company at the reporting date are given on pages 271 to 272.

Ratios and Market Price Information

Key ratios and market price information pertaining to the equity of the Group are set out on page 269 and 270 along with the trend for the past four years. The Company and its subsidiaries have not raised any capital through listed debt instruments during the year.

Risk Management

The overall approach to risk management within the Company and Group is set out in pages 165 to 169.

Corporate Governance

The corporate governance practices within the Group are set out in pages 149 to 164 and the report of the Audit Committee is set out on pages 147 to 149.

Environmental Protection

After making adequate enquiries from the Management, the Directors are satisfied that the Company and its subsidiaries operate in a manner that minimises the detrimental effect on the environment and provide products and services that have a beneficial effect on the customers and the communities within which the Group operates.

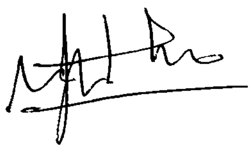
Auditors

The remuneration paid to the Auditors is given in Note 8 to the Financial Statements. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company or any of its subsidiaries.

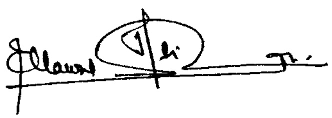
M/s KPMG, Chartered Accountants, are deemed reappointed in terms of Section 158 of the Companies Act No. 7 of 2007, as Auditors of the Company. A resolution authorising the Directors to determine their remuneration will be submitted at the Annual General Meeting.

By Order of the Board,

Ranjit Page
Deputy Chairman/Group Chief Executive Officer



Imtiaz Abdul Wahid
Group Managing Director/Deputy CEO



H S Ellawala
Company Secretary

27 June 2025

Statement of Directors' *Responsibility*

Maintenance of Accounting Records

Under the provisions of the Companies Act No. 07 of 2007 ("the Act"), every company is required to maintain accounting records that correctly record and explain the Company's transactions, and will at any time enable the financial position of the Company to be determined with reasonable accuracy, enable the Directors to prepare financial statements in accordance with the Act and also enable the Financial Statements of the Company to be readily and properly audited.

Preparation of Financial Statements of the Company and Group

The Act places the responsibility on the Board of Directors to ensure that Financial Statements are prepared within the prescribed time period in conformity with the Act. Such Financial Statements of a Company shall give a true and fair view of the state of affairs of the Company as at the reporting date and the profit or loss or income and expenditure, as the case may be, of the Company for the accounting period ending on that reporting date.

Further, the Act also requires that a Company with one or more subsidiaries at the reporting date also prepare Financial Statements in relation to the Group including every subsidiary, which give a true and fair view of the state of affairs of the Company and its subsidiaries as at the reporting date and the profit or loss or income and expenditure, as the case may be, of the Company and its subsidiaries for the accounting period ending on that reporting date.

Dividends

In the event of any distribution of dividends, the Board of Directors is required to satisfy themselves that the Company will, immediately after the relevant distribution is made, satisfy the solvency test, provided that such a certificate is obtained from the auditors.

Annual Report

The Board of Directors is required to prepare an Annual Report on the affairs of the Company during the accounting period ending on the reporting date in the prescribed format and make the same accessible to every shareholder of the Company within the time frame prescribed in the Act.

Independent Audit

The Act required the Company to appoint an Auditor to audit the Financial Statements of the Company/Group for the reporting period. Accordingly, M/s KPMG currently function as the Auditors of the Company. Their responsibility with regard to the Financial Statements as auditors of the Company are set out in the Independent Auditors' Report set out on pages 178 to 181.

Management

The Directors are responsible for the proper management of the resources of the Company. The internal control system has been designed and implemented to obtain reasonable but not absolute assurance that the Company is protected from undue risks, frauds, and other irregularities. The Directors have conducted a review of the internal controls covering financial, operational and compliance control, and risk management and have obtained reasonable assurance of the effectiveness and adherence.

Compliance

Considering the present financial position of the Group and the forecasts for the foreseeable future, the Directors have adopted the going concern basis for the preparation of these Financial Statements.

The Directors confirm that:

(a) The Company is in compliance with the requirements of the Act as aforementioned.

(b) These Financial Statements have been prepared in accordance with the requirements of the Companies Act No. 7 of 2007, Listing Rules of the Colombo stock exchange and applicable Sri Lanka Accounting Standards, which have been consistently applied and supported by reasonable and prudent judgements and estimates.

(c) The Company obtained the required certificate of solvency for the dividends declared during the year.

(d) All statutory payments have been made up to date.

(e) Other than as disclosed in the Financial Statements, no material issues have arisen pertaining to team members and industrial relations of the Company that requires disclosure or any adjustment to the Financial Statements.

(f) The Directors have declared all material interests in contracts involving in the Entity and that they have refrained from voting on matters in which they were materially interested.

(g) The Directors made arrangements to make themselves aware of the applicable regulatory framework.

(h) The Directors confirm the Company has developed the required policies in accordance with Rule No. 9.2.1 and is available on the corporate website.

The Directors are satisfied that the control procedures within the Company operated effectively during the year.

By order of the Board

H S Ellawala
Company Secretary
27 June 2025

Independent *Assurance Report*

KPMG
(Chartered Accountants)
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Independent Limited Assurance Report to the Directors of Cargills (Ceylon) PLC on the Sustainability Indicators in the Integrated Annual Report for the Year Ended 31 March 2025

Conclusion

We have performed a limited assurance engagement on whether the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 has been prepared in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 (summarised in the table below) are not prepared, in all material respects, in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Financial Highlights	27
Value Creation and Impact Highlights	28
Information provided on following	
Reducing the Cost of Living	59 to 65
Bridging Regional Disparity	66 to 89
Healthy, Safe and Affordable Nutrition	90 to 97
Enhancing Youth Skills	98 to 106
Building Diversity, Equity, and Inclusion	107 to 118
Playing our Part for the Planet	119 to 138

This conclusion on the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 does not extend to any other information that accompanies the integrated report. We have read the other information, but we have not performed any procedures with respect to the other information.

Basis for Conclusion

We conducted our engagement in accordance with Sri Lankan Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). Our responsibilities under this standard are further described in the “Our responsibilities” section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management 1 (SLSQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria used as the Basis of Reporting

The criteria used as the basis of reporting is the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Intended Purpose of Our Report

We have been engaged by the Directors of Cargills (Ceylon) PLC ("the Company") to provide limited assurance on the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 (the "Integrated Report"), prepared in accordance with Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Restriction on use or Distribution of Our Report

This report has been prepared for the Directors of Cargills (Ceylon) PLC for the purpose of providing an assurance conclusion on the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Company, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Cargills (Ceylon) PLC, for any purpose or in any other context. Any party other than Cargills (Ceylon) PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Cargills (Ceylon) PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- designing, implementing, and maintaining internal controls relevant to the preparation of the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 that are free from material misstatement, whether due to fraud or error;
- selecting suitable criteria for preparing the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 and appropriately referring to or describing the criteria used;
- preparation and fair presentation of the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards;
- preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.
- ensuring that staff involved with the preparation and presentation of the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Inherent Limitations in Preparing the Limited Assurance Sustainability Indicators

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected.

Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Our Responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors.

KPMG

Summary of the Work we Performed as the Basis for Our Conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- interviews with Senior Management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquiries of management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;
- enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025;
- enquiries about the design and implementation of the systems and methods used to collect and report the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025, including the aggregation of the reported information;
- comparing the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;
- reading the Sustainability Indicators in the Integrated Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company;
- reading the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

A limited assurance engagement is restricted primarily to enquires and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Cargills (Ceylon) PLC.

kpmg

CHARTERED ACCOUNTANTS
Colombo

27 June 2025

Financial Statements

Independent Auditor's Report

KPMG
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TO THE SHAREHOLDERS OF CARGILLS (CEYLON) PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Cargills (Ceylon) PLC ("the Company") and the Consolidated Financial Statements of the Company and its subsidiaries ("the Group"), which comprise the Statement of Financial Position as at 31 March 2025, and the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including material accounting policies and other explanatory information set out on pages 178 to 242 of the Annual Report.

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

Basis for Opinion

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

Key Audit Matters

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

KPMG

Risk Description	Our Response
Revenue Recognition – Group As described in Note 4 the Group has recognised revenue in the amount of Rs. 241,840 Mn. As at the reporting date, 31 March 2025, revenue from the sale of goods from the Retailing and Food and Beverage Manufacturing and Distribution segment continued to be the main revenue stream for the Group amounting to Rs. 229,630 Mn which is 95% of Group revenue. Based on the Group's business model, there are many different types of revenues, arising from different types of transactions and events with customers. We identified revenue recognition as a Key Audit Matter because of its significance to the consolidated financial statements.	**Our audit procedures included:** • Obtaining an understanding of and assessing the design, implementation, and operating effectiveness of the Management's key internal controls in relation to revenue recognition from sales transactions. • Testing the operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the relevant general IT control environment. • Comparing revenue transactions recorded during the current year for the manufacturing segment on a sample basis, with invoices, sales contracts, underlying goods delivery and acceptance notes, where appropriate, to assess whether the related revenue was recognised in accordance with the Group's revenue recognition accounting policies. • Performing a revenue mapping between the front-end system and general ledger for restaurants and retail segments and mapping total inventories issued to corresponding invoices for the manufacturing segment, to assess whether the sales were completely and accurately accounted in the general ledger. • Comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the underlying goods delivery notes and/or invoices to assess whether the related revenue had been recognised in the correct financial period.
Valuation of Investment Properties – Group As described in Note 14 to the Financial Statements, the Group's Investment Properties are stated at their fair value in the amount of Rs. 11,407 Mn as at the reporting date. Management's assessment of fair value of investment properties and freehold lands and buildings is based on valuations performed by a qualified independent property valuer in accordance with recognised industry standards. Valuation of investment properties is considered a Key Audit Matter due to the subjective nature of property valuations using level three (3) assumptions which depend on the nature of the property, its location and expected future net rental values, market yields, value per square foot, market price per perch, capitalisation rates, and comparable market transactions. A change in the key assumptions will have a significant impact to the valuation.	**Our audit procedures included:** • Assessing the objectivity, independence, competence, and qualifications of the external valuer. • Assessing the key assumptions applied and conclusions made in deriving the fair value of the properties and comparing the fair value of properties with evidence of current market comparable values and our knowledge of property market, in consultation with internal valuation specialist. In addition, assessing the valuation methodologies with reference to recognised industry standards. • Assessing the adequacy of disclosures made in the financial statements in relation to fair value of investment properties.

KPMG

Risk Description	Our Response
Carrying Value of Inventories – Group As described in Note 20 to the Financial Statements, the Group has recognised inventory in the amount of Rs. 25,441 Mn. The Group holds a significant level of inventory across a broad and diversified product range, over many locations. At 31 March 2025 18.7% of total assets of the Group consisted of inventory. Due to the change in consumer demands judgement is exercised with regard to categorisation of stock as obsolete and/or slow moving to be considered for provision/write-offs. Given the level of judgements, estimates, number of items and locations involved this is considered to be a Key Audit Matter.	**Our audit procedures included:** • Obtaining an understanding of and assessing the design, implementation, and operating effectiveness of key internal controls relating to inventory counts across the Group's sites and purchasing and issuing of inventories. • Comparing, on a sample basis, the purchase prices and quantities of inventories recorded by the Group with supplier invoices, goods delivery notes, and goods receipt notes. • Evaluation of the inventory costing methodology and valuation policy established by the Management, including compliance with the applicable financial reporting standard. • Comparing, on a sample basis, the selling price of the finished goods subsequent to the reporting date to their carrying values of these inventories as at the financial year end. • Considering the principles of accounting for the inventory write offs and also carrying out a comparison of inventory levels, to sales data to corroborate whether slow moving and obsolete inventories had been appropriately identified. • Attending stock counts as at the year end at sample locations of supermarkets, outlets, and warehouses. In addition, assessing the effectiveness of the physical count controls in operation at each count location to identify damaged stocks, expired stocks and stock shortages that are written off in a timely manner and evaluating the results of the other cycle counts performed by the management and third parties throughout the period to assess the level of count variances that are also adjusted periodically.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

KPMG

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this Independent Auditor's Report is 1798.

KPMG

Chartered Accountants
Colombo, Sri Lanka

27 June 2025

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March	Notes	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Revenue	4	**241,839,620**	223,440,484	**21,468**	28,528
Cost of sales	5	**(214,083,141)**	(198,688,399)	**(22,019)**	(28,034)
Gross profit		**27,756,479**	24,752,085	**(551)**	494
Other income	6	**3,086,781**	2,266,690	**7,586,263**	6,119,147
Distribution expenses		**(8,027,232)**	(6,879,203)	**–**	–
Administrative expenses		**(7,603,567)**	(6,626,827)	**(3,316,074)**	(2,390,918)
Results from operating activities		**15,212,461**	13,512,745	**4,269,638**	3,728,723
Finance income		**736,272**	1,964,222	**306,494**	1,365,202
Finance costs		**(4,904,697)**	(7,214,575)	**(902,038)**	(1,932,136)
Net finance cost	7	**(4,168,425)**	(5,250,353)	**(595,544)**	(566,934)
Changes in fair value of investment property	14	**552,569**	931,003	**360,580**	128,995
Share of profit/(loss) of equity accounted investees, net of tax	16.4	**232,639**	52,528	**–**	–
Profit before tax	8	**11,829,244**	9,245,923	**4,034,674**	3,290,784
Income tax expense	9	**(4,558,949)**	(3,309,804)	**(162,922)**	(167,363)
Profit for the year		**7,270,295**	5,936,119	**3,871,752**	3,123,421
Other Comprehensive Income (OCI)					
Items that will not be reclassified to profit or loss					
Revaluation of lands and buildings	12.3	**–**	3,078,314	**–**	39,297
Actuarial gain/(loss) on employee benefit liability	28.3	**(122,105)**	218,788	**(145,399)**	88,399
Share of other comprehensive income/(expense) in equity accounted investee, net of tax	16.4	**(157,928)**	509,469	**–**	–
Net change in fair value of FVOCI financial assets	16.3.1	**2,765**	(12,242)	**2,616**	(12,239)
Tax on actuarial loss		**36,547**	(989,140)	**43,620**	(38,309)
Other comprehensive income/(expense) for the year, net of tax		**(240,721)**	2,805,189	**(99,163)**	77,148
Total comprehensive income for the year		**7,029,574**	8,741,308	**3,772,589**	3,200,569
Profit attributable to:					
Equity holders of the parent		**7,222,083**	5,886,785	**3,871,752**	3,123,421
Non-controlling interest		**48,212**	49,334	**–**	–
		7,270,295	5,936,119	**3,871,752**	3,123,421
Total comprehensive income attributable to:					
Equity holders of the parent		**6,981,544**	8,691,232	**3,772,589**	3,200,569
Non-controlling interest		**48,030**	50,076	**–**	–
		7,029,574	8,741,308	**3,772,589**	3,200,569
Earnings per share					
Basic (Rs.)	10.1	**28.03**	22.85	**15.03**	12.12
Diluted (Rs.)	10.2	**28.03**	22.85	**15.03**	12.12

Figures in brackets indicate deductions.

The Notes on pages 184 to 242 are an integral part of these Financial Statements.

Statement of Financial Position

As at	Notes	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Assets					
Non-current assets					
Property, plant, and equipment	12	**49,266,771**	49,493,157	**3,562,916**	3,448,967
Right-of-use assets	13.1	**17,998,719**	20,371,043	**865,456**	945,174
Investment property	14	**11,407,006**	10,829,980	**3,793,237**	3,424,330
Intangible assets	15	**1,622,037**	1,630,190	**91,287**	105,262
Investments in subsidiaries	16.1	**–**	–	**5,936,043**	5,975,269
Investment in equity accounted investees	16.2	**5,055,526**	4,980,816	**4,754,216**	4,772,403
Other financial assets	16.3	**1,585,435**	1,582,702	**1,584,807**	1,582,224
Prepayment on leasehold land and building	17	**–**	–	**–**	–
Biological assets	18	**12,699**	65,737	**–**	–
Total non-current assets		**86,948,193**	88,953,625	**20,587,962**	20,253,629
Current assets					
Inventories	20	**25,441,359**	23,253,390	**707**	–
Biological assets	18	**63,787**	150,018	**–**	–
Trade and other receivables	21	**14,715,425**	12,618,927	**984,699**	597,673
Amounts due from related companies	22	**405,059**	490,916	**2,001,856**	2,697,829
Other financial assets	16.3	**220,435**	131,107	**–**	–
Cash and cash equivalents	25	**8,148,019**	7,556,646	**326,969**	60,097
Total current assets		**48,994,084**	44,201,004	**3,314,231**	3,355,599
Total assets		**135,942,277**	133,154,629	**23,902,193**	23,609,228
Equity					
Stated capital	23	**6,841,068**	6,841,068	**6,841,068**	6,841,068
Reserves	24	**8,849,356**	8,846,591	**386,198**	383,582
Retained earnings		**19,800,756**	16,744,114	**4,367,957**	4,520,121
Total equity attributable to equity holders of the parent		**35,491,180**	32,431,773	**11,595,223**	11,744,771
Non-controlling interest		**3,938,718**	3,890,688	**–**	–
Total equity		**39,429,898**	36,322,461	**11,595,223**	11,744,771

As at	Notes	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Liabilities					
Non-current liabilities					
Interest bearing loans and borrowings	26	**100,174**	1,618,351	**–**	1,012,406
Lease liability	13.2	**21,749,308**	23,173,281	**883,154**	921,155
Deferred tax liabilities	19	**2,116,785**	2,265,440	**559,140**	552,755
Capital grants	27	**–**	–	**–**	–
Employee benefit liability	28	**2,344,799**	1,956,969	**1,020,056**	766,970
Total non-current liabilities		**26,311,066**	29,014,041	**2,462,350**	3,253,286
Current liabilities					
Trade and other payables	29	**34,787,104**	32,408,999	**769,502**	562,172
Current tax liabilities		**5,806,748**	5,485,955	**548,257**	435,341
Amounts due to related companies	22	**10,358**	9,996	**–**	1,139
Dividend payable	30	**116,902**	98,982	**116,902**	98,982
Interest bearing loans and borrowings	26	**28,325,130**	28,461,477	**8,366,714**	7,464,462
Lease liability	13.2	**1,155,071**	1,352,718	**43,245**	49,075
Total current liabilities		**70,201,313**	67,818,127	**9,844,620**	8,611,171
Total liabilities		**96,512,379**	96,832,168	**12,306,970**	11,864,457
Total equity and liabilities		**135,942,277**	133,154,629	**23,902,193**	23,609,228

Figures in brackets indicate deductions.

The Notes from pages 184 to 242 form an integral part of these Financial Statements.

I certify that the Financial Statements have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007.

Dilantha Jayawardhana
Executive Director

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

Signed for and on behalf of the Board.

Ranjit Page
Deputy Chairman/Group CEO

Imtiaz Abdul Wahid
Group Managing Director/Deputy CEO

27 June 2025
Colombo

Statement of Changes in Equity

Group	Notes	Stated capital Rs. '000	Capital reserve Rs. '000	Revaluation reserve Rs. '000	FVOCI reserve Rs. '000	Retained earnings Rs. '000	Non-controlling interest Rs. '000	Total equity Rs. '000
Balance as at 1 April 2023		6,841,068	7,928	6,649,336	51,691	13,527,172	3,840,612	30,917,807
Profit for the period		–	–	–	–	5,886,785	49,334	5,936,119
Other comprehensive income		–	–	2,153,750	(12,242)	662,939	742	2,805,189
Total comprehensive income		–	–	2,153,750	(12,242)	6,549,724	50,076	8,741,308
Transactions with owners of the Company, recognised directly in equity								
Transfer from revaluation reserve due to disposal of revalued assets		–	–	(3,872)	–	3,872	–	–
Write back of unclaimed dividends	30	–	–	–	–	13,157	–	13,157
Dividends	11	–	–	–	–	(3,349,811)	–	(3,349,811)
Balance As at 31 March 2024		6,841,068	7,928	8,799,214	39,449	16,744,114	3,890,688	36,322,461
Balance as at 1 April 2024		6,841,068	7,928	8,799,214	39,449	16,744,114	3,890,688	36,322,461
Profit for the period		–	–	–	–	7,222,083	48,212	7,270,295
Other comprehensive income		–	–	–	2,765	(243,304)	(182)	(240,721)
Total comprehensive income		–	–	–	2,765	6,978,779	48,030	7,029,574
Transactions with owners of the Company, recognised directly in equity								
Write back of unclaimed dividends	30	–	–	–	–	20,332	–	20,332
Dividends	11	–	–	–	–	(3,942,469)	–	(3,942,469)
Balance As at 31 March 2025		**6,841,068**	**7,928**	**8,799,214**	**42,214**	**19,800,756**	**3,938,718**	**39,429,898**

The figures in brackets indicate deductions.

The Notes from pages 184 to 242 form an integral part of these Financial Statements.

Company	Notes	Stated capital Rs. '000	Revaluation reserve Rs. '000	FVOCI reserve Rs. '000	Retained earnings Rs. '000	Total Equity Rs. '000
Balance as at 1 April 2023		6,841,068	318,430	49,883	4,671,475	11,880,856
Profit for the period		–	–	–	3,123,421	3,123,421
Other comprehensive income		–	27,508	(12,239)	61,879	77,148
Total comprehensive income		–	27,508	(12,239)	3,185,300	3,200,569
Transactions with owners of the Company, recognised directly in equity						
Write back of unclaimed dividends	30	–	–	–	13,157	13,157
Dividends	11	–	–	–	(3,349,811)	(3,349,811)
Balance As at 31 March 2024		**6,841,068**	**345,938**	**37,644**	**4,520,121**	**11,744,771**
Balance as at 1 April 2024		6,841,068	345,938	37,644	4,520,121	11,744,771
Profit for the period		–	–	–	3,871,752	3,871,752
Other comprehensive income		–	–	2,616	(101,779)	(99,163)
Total comprehensive income		–	–	2,616	3,769,973	3,772,589
Transactions with owners of the Company, recognised directly in equity						
Write back of unclaimed dividends	30	–	–	–	20,332	20,332
Dividends	11	–	–	–	(3,942,469)	(3,942,469)
Balance As at 31 March 2025		**6,841,068**	**345,938**	**40,260**	**4,367,957**	**11,595,223**

The figures in brackets indicate deductions.

The Notes from pages 184 to 242 form an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 31 March	Notes	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Cash flows from operating activities					
Profit before taxation		**11,829,244**	9,245,923	**4,034,674**	3,290,784
Adjustments for:					
Depreciation on property, plant, and equipment	12	**4,724,423**	4,522,621	**58,790**	64,232
Employee benefit expense	28	**382,064**	488,257	**146,391**	183,877
Amortisation of intangible assets	15	**127,808**	137,242	**42,623**	43,064
Depreciation on right-of-use assets	13	**2,022,095**	2,012,208	**82,958**	81,789
Adjustment for changes in leases	13	**90,543**	–	**–**	–
Amortisation of deferred income	27	**–**	(4,493)	**–**	–
Gain on disposal of property, plant, and equipment	6	**(10,152)**	(1,200)	**–**	–
Loss on deemed disposal of investment in associate	16.4	**–**	114,893	**–**	–
Change in fair value of biological assets		**(32,588)**	(86,917)	**–**	–
Change in fair value of investment property	14	**(552,569)**	(931,003)	**(360,580)**	(128,995)
Impairment of/(reversal of impairment) for inventories	20	**33,997**	(68,267)	**–**	–
Impairment trade receivable and other receivables	21	**11,893**	28,125	**–**	–
Net finance costs	7	**4,168,425**	5,250,353	**595,544**	566,934
Dividend income	6	**(3,094)**	(1,750)	**(3,960,006)**	(3,351,620)
Gain on lease modification		**–**	(1,351)	**–**	–
Share of (profit)/loss on equity accounted investees, net of tax	16.4	**(232,639)**	(167,421)	**–**	–
Impairment of investment in associate	16.2			**18,187**	
impairment of investment in subsidiary	16.1	**–**	–	**39,226**	–
Impairment of goodwill	15	**133,196**	–	**–**	–
Usage of biological assets during the year	18	**171,264**			
Operating profit before working capital changes		**22,863,910**	20,537,220	**697,807**	750,065
Changes in working capital					
– (Increase)/decrease in inventories		**(2,221,966)**	(312,297)	**(707)**	7,646
– (Increase)/decrease in trade and other receivables		**(2,149,484)**	(2,861,499)	**(387,026)**	103,130
– (Increase)/decrease in amount due from related companies		**85,857**	(52,877)	**695,973**	1,255,595
– Increase/(decrease) in trade and other payables		**2,380,997**	4,474,773	**207,327**	(2,419)
– Increase/(decrease) in amount due to related companies		**362**	3,589	**(1,139)**	(147)
Cash generated from/ (used in) operations		**20,959,677**	21,788,909	**1,212,235**	2,113,870
Income taxes paid		**(4,350,264)**	(3,812,278)	**–**	(135,822)
Interest paid		**(2,572,604)**	(5,045,132)	**(849,017)**	(1,876,029)
Retiring gratuity paid	28	**(116,339)**	(146,167)	**(38,704)**	(55,210)
Net cash generated from/ (used in) operating activities		**13,920,470**	12,785,332	**324,514**	46,809

For the year ended 31 March	Notes	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Cash flows from investing activities					
Acquisition and construction of property, plant, and equipment	12	**(4,526,619)**	(5,809,652)	**(172,739)**	(11,955)
Acquisition and construction of investment property	14	**(24,457)**	(871,399)	**(8,327)**	(1,432)
Acquisition of intangible assets	15	**(253,353)**	(184,719)	**(28,648)**	(2,419)
Interest income received	7	**733,913**	1,962,165	**306,494**	1,365,202
Dividend received	6	**3,094**	1,750	**3,960,006**	3,351,620
Investment/(disposal) in FVTOCI financial assets		**–**	(25,001)	**–**	(25,001)
Investment in subsidiaries	16	**–**	–	**–**	(15,000)
Proceeds from disposal of property, plant, and equipment	6	**38,734**	10,427	**–**	–
Proceeds from sale of biological assets	18	**6,205**	–	**–**	–
Purchase of biological assets	18	**(5,612)**	(71,284)	**–**	–
(Addition)/disposal to other financial assets		**(89,327)**	(11,439)	**34**	–
Net cash (used in)/generated from investing activities		**(4,117,422)**	(4,999,152)	**4,056,820**	4,661,015

For the year ended 31 March	Notes	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Cash flows from financing activities					
Proceeds from short-term borrowings		**1,166,505**	4,448,697	**1,535,000**	650,000
Repayment of long-term borrowings		**(2,316,040)**	(3,495,434)	**(1,601,166)**	(1,779,918)
Lease payments, net of concessions	13	**(3,652,933)**	(3,376,713)	**(100,092)**	(93,670)
Dividend paid to shareholders	30	**(3,904,217)**	(3,316,345)	**(3,904,217)**	(3,316,345)
Net cash (used in)/generated from financing activities		**(8,706,685)**	(5,739,795)	**(4,070,475)**	(4,539,933)
Net increase/(decrease) in cash and cash equivalents		**1,096,362**	2,046,385	**310,859**	167,891
Cash and cash equivalents					
At the beginning of the year		**4,377,855**	2,331,470	**16,110**	(151,781)
Movement during the year		**1,096,362**	2,046,385	**310,859**	167,891
At the end of the year	25	**5,474,217**	4,377,855	**326,969**	16,110

The figures in brackets indicate deductions.

The accounting policies and notes from pages 184 to 242 form an integral part of these Financial Statements.

1 Corporate Information

1.1 Reporting Entity

Cargills (Ceylon) PLC ("the Company") is a Quoted Public Limited Liability Company domiciled in Sri Lanka and listed in the Colombo Stock Exchange. The Company's registered office is located at No. 40, York Street, Colombo 01.

1.2 Consolidated Financial Statements

The Consolidated Financial Statements of the Group for the year ended 31 March 2025 comprise Cargills Ceylon PLC (Parent Company), its subsidiaries (together referred to as the "Group") and the Group's interest in its equity accounted investees.

1.3 Parent Entity and Ultimate Parent Entity

The Company's ultimate parent is C T Holdings PLC which is a Quoted Public Limited Liability Company domiciled in Sri Lanka and listed in the Colombo Stock Exchange.

1.4 Number of Employees

The staff strength of the Company as at 31 March 2025 is 2,475 (2,169 as at 31 March 2024).

The staff strength of the Group as at 31 March 2025 is 10,667 (11,335 as at 31 March 2024).

1.5 Principal Activities and Nature of Operations

The principal activities of the Group are:

1. operating a chain of retail outlets under the brand names of "Food City" and "Cargills Express" and "Food Hall" and eCommerce platform "Cargills Online".
2. manufacturing and distributing
   (a) ice cream and other dairy products under the brand names of "Magic", "Heavenly", and "Kotmale"
   (b) culinary products under the "KIST" label and beverages under "Knuckles", "RIDE" and "KIST" labels
   (c) processed and fresh meat products under the brand names of "Goldi", and "Sara's"
   (d) biscuits and confectionery under the brand name of "KIST".
3. operating a chain of "KFC" and "TGI Fridays" restaurants under franchise agreements
4. real estate and property development
5. Agency distribution lines for various global FMCG brands

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

2 Basis of Preparation

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and Separate Financial Statements of the Company, as at 31 March 2025 and for the year then ended, have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS and LKAS), laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007, and the Listing Rules of the Colombo Stock Exchange.

These Financial Statements include the following components:

- Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Group for the year under review;
- Statement of Financial Position providing the information on the financial position of the Group as at the year-end;
- Statement of Changes in Equity depicting all changes in shareholders' equity of the Group during the year under review;
- Statement of Cash Flows providing the information to the users, on the ability of the Group to generate cash and cash equivalents during the year under review; and
- Notes to the Financial Statements comprising Accounting Policies and other explanatory information.

These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

2.2 Responsibility for Financial Statements

The Board of Directors is responsible for preparation and presentation of Financial Statements of the Group as per the provision of the Companies Act No. 07 of 2007 and SLFRSs & LKASs.

The Board of Directors acknowledges their responsibility for Financial Statements as set out in the Annual Report of the Board of Directors, Statement of Directors' Responsibility, and the certification on the Statement of Financial Position in the Annual Report.

2.3 Approval of Consolidated Financial Statements by the Board of Directors

The Financial Statements of the Group for the year ended 31 March 2025 (including comparatives) were approved and authorised by the Board of Directors for issue on 27 June 2025.

2.4 Basis of Measurement

The Financial Statements of the Group have been prepared on the historical cost basis except for the following items in the Statement of Financial Position:

Category	Item	Basis of measurement	Note No.
Assets	Land and building	Cost/revaluation	12
	Investment properties	Fair value	14
	Equity investments at FVOCI	Fair value	16.3.1
	Debt investments at FVTPL	Fair value	16.3.2
	Biological assets	Fair value	18
Liabilities	Employee benefit liability	Present value of the defined benefit obligation	28

2.5 Presentation of Financial Statements

The assets and liabilities of the Group in the Statement of Financial Position are grouped by nature. No adjustments have been made for inflationary factors affecting the Financial Statements.

2.6 Functional and Presentation Currency

The Financial Statements of the Group are presented in Sri Lankan Rupees (Rs.), which is the Group's functional and presentation currency.

All financial information has been rounded to the nearest thousands, unless otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 01 on "Presentation of Financial Statements".

2.7 Materiality and Aggregation

Each material class of similar items is presented as a group in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements".

2.8 Use of Judgements and Estimates

In preparing these Financial Statements, the Management has made judgements and estimates that affect the application of the Group's Accounting Policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2.8.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following Notes:

- Note 4 – Revenue recognition: whether revenue from made-to-order products is recognised over time or at a point in time;
- Note 13 – Lease term: whether the Group is reasonably certain to exercise extension options;
- Note 16.2 – Equity-accounted investees: whether the Group has significant influence over an investee.
- Note 19 – Deferred Tax: whether the availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

2.8.2 Assumption

Information about assumptions and estimation uncertainties at 31 March 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 28 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 12 and 14 – Determination of fair value of investment property and property plant and equipment: key valuation assumptions;
- Note 15 – Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts;
- Note 33 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 18 – Determination of fair value of biological assets: Determining adjustments to market price.
- Note 16 – Determination of recoverable amount of investment in subsidiaries and investment in associates.

2.9 Going Concern

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

2.10 Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

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

3 Material Accounting Policies

3.1 Basis of Consolidation

The Financial Statements comprise of Financial Statements of the Company, its subsidiaries and its equity accounted investees for the year ended 31 March 2025. Financial Statements of the Company's subsidiaries and associates are prepared for the same reporting year using consistent accounting policies.

3.1.1 Business Combination and Goodwill

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.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net amount of the identifiable assets, liabilities, and contingent liabilities acquired.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, is allocated to each of the Group's Cash–generating Units (CGUs) or group of CGUs, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group "controls" an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases. Investment in subsidiaries are stated at cost, less impairment in the separate Financial Statements.

3.1.3 Non-Controlling Interests

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

Acquisition of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Loss of Control

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

3.1.5 Interest in Equity-accounted Investees

The Group's interest in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method in the Consolidated Financial Statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases. Interest in associates are stated at cost, less impairment in the separate Financial Statements.

3.1.6 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.1.7 Common Control Transactions

All common control transactions are accounted using book value accounting in both consolidated and separate Financial Statements. This is on the basis that the entities are part of a larger economic group, and that the figures from that larger group are the relevant ones. Accordingly,

- the net assets of the combining entities are consolidated using the existing book values.
- no amount is recognised as goodwill which arises as a result of difference between the consideration and net assets acquired.
- in applying book value accounting, no entries are recognised in profit or loss; instead, the result of the transaction is recognised in equity as arising from a transaction with shareholders.

3.2 Foreign Currency Transactions and Balances

All foreign currency transactions are translated into the functional currency of the Group which is Sri Lankan Rupees (Rs.) at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the spot exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies are translated into functional currency at spot exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the spot exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the spot exchange rate at the date of transaction. Foreign currency differences are generally recognised in profit or loss and presented within net finance cost.

3.3 Financial Instruments

3.3.1 Recognition and Initial Measurement

Trade receivables and debt securities issued 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.

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

3.3.2 Classification and Subsequent Measurement

Financial Assets

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the 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 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 includes trade and other receivables, amounts due from related companies and cash and cash equivalents.

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.

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 the Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within 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.

Financial Assets – Assessment whether Contractual Cash Flows are Solely Payments of Principal and Interest

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as 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 considers 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. In marking this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

Financial Assets – Subsequent Measurement and Gains and Losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial Liabilities – Classification, Subsequent Measurement, and Gains and Losses

Financial liabilities are classified as measured at amortised cost or FVTPL. 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities measured at amortised cost include interest bearing loans and borrowings, trade and other payables, and amounts due to related companies.

3.3.3 Derecognition

Financial Assets

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

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. 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 derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.3.4 Impairment of Financial Assets

The Group uses simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

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

3.4 Impairment of Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

3.5 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash at bank, and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

3.6 Employee Benefits

3.6.1 Defined Contribution Plans – Cargills Employees' Provident Fund and Employees' Trust Fund

Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. Obligations for contributions to Cargills Employees' Provident Fund and Employees' Trust Fund covering all employees are recognised as an expense in Profit or Loss, as incurred.

3.6.2 Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of defined benefit obligation as at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using Projected Unit Credit Method (PUC) as recommended by LKAS 19 – "Employees Benefits".

The assumptions based on which the results of the valuation were determined are included in Note 28 to the Financial Statements.

The liability is not externally funded.

The Group recognises all actuarial gains and losses arising from defined benefit plan in Other Comprehensive Income and expenses related to defined benefit plan as administrative expenses in profit or loss.

Provision has been made for retirement gratuities from the first year of service for all employees in conformity with LKAS 19. However, under the payment of Gratuity Act. No. 12 of 1983, the liability to an employee arises only on completion of five (5) years of continued service.

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

3.7 Dividends Payable

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are recommended by and declared by the Board of Directors and approved by the shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Group.

3.8 Borrowings

Borrowings are classified as current liabilities unless the Group has right to defer settlement of the liability for at least 12 months after the reporting date.

3.9 Leases

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

3.9.1 As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

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

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

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

Short-term Leases and Leases of Low-value Assets

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

3.9.2 As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risk 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 useful life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies sub-lease as an operating lease.

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

3.10 Provisions

Provisions are recognised in the Statement of Financial Position when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with the Sri Lanka Accounting Standard – LKAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at that date.

3.11 Borrowing Costs

As per Sri Lanka Accounting Standard – LKAS 23 "Borrowing Costs", the Group capitalises borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of the asset. A qualifying asset is an asset which takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised in profit or loss in the period in which they occur.

3.12 Income Tax Expense

Income tax expense comprises of current and deferred tax. The income tax expense is recognised in the Statement of Profit or Loss except to the extent that it relates to the items recognised directly in the Statement of Other Comprehensive Income or Statement of Changes in Equity.

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

3.12.1 Current Tax

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

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act. No. 24 of 2017 and subsequent amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act. No. 45 of 2022.

3.12.2 Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and the differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities recognised by individual companies within the Group are disclosed separately as assets and liabilities in the Group's Statement of Financial Position and are not offset against each other.

Withholding tax on the intra-group dividends are recognised as a tax expense in the Statement of Profit or Loss.

3.13 Biological Assets

A biological asset is a living animal. Biological assets consist of livestock of pigs, chickens, turkey, ducks, geese, sheep, and goats which includes a breeding stock of pigs, goats, and sheep.

Biological Assets – Non-current

Bearer biological assets are those other than consumable biological assets and recognised as “Biological assets - Non-current”. Bearer biological assets are not agricultural produce but, rather, are self-generating (biological transformation which results in creation of additional biological animal or plants). Grandparent and parent livestock of the Group which have been identified as bearer biological assets.

Biological Assets – Current

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets (which will include livestock intended for the production of meat). All other livestock of the Group except for the breeding stock classified as non-current, which can be readily harvested have been identified as consumable biological assets.

3.13.1 Measurement of Fair Value

The biological assets of the Company have been measured at fair value in line with the requirements of LKAS 41 Agriculture and SLFRS 13 Fair Value Measurement.

(i) Fair Value Hierarchy

The fair value measurement of biological assets has been categorised as Level 3 fair values based on the inputs to the valuation technique used.

(ii) Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation technique used in measuring Level 3 fair value as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Biological Assets – Non-current This comprises of grandparent and parent breeding stock of pigs. This stock includes the living animal recently imported from UK (February 2024).	**Cost Approach** The valuation model considered is cost approach which will reflect the amount that would be required currently to replace the service capacity of the assets.	**Not Applicable**
Biological Assets – Current This comprises of other biological assets except biological assets which has been categorised under biological assets – non-current.	**Market Approach** The valuation model considered is market approach which will reflect the amount that uses the prices and other relevant information generated by market transaction involving identical or comparable assets. All the other living animals have been valued using market approach.	**Selling Price** Rs. 800 – Rs. 1,500 Per KG

Consumable Biological Assets

Consumable biological assets comprise of pigs, goats, sheep, layers, ducks, turkey and geese that are not breeding parents which are fair valued at the market price.

3.14 Statement of Cash Flows

The Statement of Cash Flows has been prepared by using the “Indirect Method” of preparing cash flows in accordance with the Sri Lanka Accounting Standard – LKAS 7 “Statement of Cash Flows”, whereby operating activities, investing activities and financing activities are separately recognised.

Cash and Cash Equivalents comprise of short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and Cash Equivalents as referred to in the Statement of Cash Flows are comprised of those items as explained in Note 25.

3.15 Accounting Standards Issued but not yet Effective

The Institute of Chartered Accountants of Sri Lanka has issued the following new and amended Sri Lanka Accounting Standards (SLFRSs/LKASs), which will become applicable for annual reporting periods beginning on or after 1 January 2025, and are available for early adoption. Accordingly, the Group has not early adopted these amended standards in preparing these Financial Statements.

The Group does not expect the adoption of the standards listed below to have a material impact on the Financial Statements of the Group and the Company.

- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information (Effective on or after 1 January 2025 with early adoption permitted).
- SLFRS S2 – Climate-Related Disclosure (Effective on or after 1 January 2025 with early adoption permitted).

4 Revenue

Accounting Policy

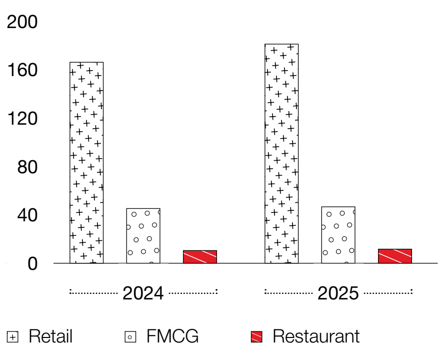
Revenue Recognition – Sale of Goods

Revenue is recognised upon satisfaction of a performance obligation. Revenue from sale of goods is recognised when the control of goods have been transferred to the buyers, usually on delivery of the goods.

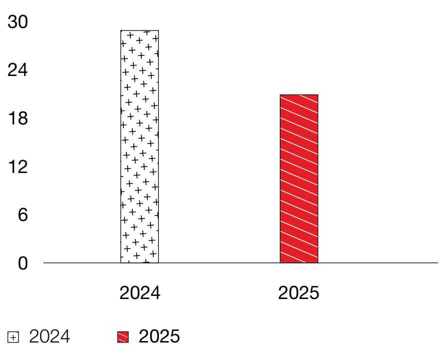
	GROUP		COMPANY	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Gross revenue	**283,645,631**	250,343,907	**25,653**	33,313
Revenue related taxes	**(41,806,011)**	(26,903,423)	**(4,185)**	(4,785)
	241,839,620	223,440,484	**21,468**	28,528

The Group primarily has three business segments namely, Retail, FMCG, and Restaurants. Segmental information are disclosed in Note 31.

Group Segment Revenue



Company Revenue



5 Cost of Sales

Cost of sales of the Company and the Group includes direct operating costs.

6 Other Income

Accounting Policy

Dividend is recognised when the Group's right to receive the payment is established.

Gains or losses arising from the disposal of property, plant, and equipment and other non-current assets, including investments, are accounted for in profit or loss, after deducting the carrying amount of such assets from the net sales proceeds on disposal.

Income from scrap sales is recognised when the control of goods have been transferred to the buyer, usually on delivery of the goods.

Rental income received under operating leases is recognised on a straight line basis and accrued.

Income from service and merchandising income are recognised on completion of a performance obligation at a point in time.

A revenue grant is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

	GROUP		COMPANY	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Dividend income				
– Related companies	**–**	–	**3,956,912**	3,349,870
– Other	**3,094**	1,750	**3,094**	1,750
Rental income	**461,455**	414,933	**397,247**	393,007
Gain on disposal of property, plant, and equipment	**10,152**	1,200	**–**	–
Income from services	**17,470**	20,241	**2,530,884**	2,139,554
Merchandising income	**2,341,726**	1,474,527	**–**	–
Amortisation of deferred income – capital grant (Note 27)	**–**	4,493	**–**	–
Revenue grant	**(452)**	2,295	**–**	–
Change in fair value of biological assets (Note 18)	**32,588**	86,917	**–**	–
Sundry income	**220,748**	260,334	**698,126**	234,966
	3,086,781	2,266,690	**7,586,263**	6,119,147

7 Net Finance Cost

Accounting Policy

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income as it accrues and is calculated by using the effective interest rate. Interest expense is recognised when they accrue. Interest on leases is treated as a financing activity.

Foreign currency gains and losses are reported on a net basis.

The Group's finance income and finance cost includes:

- interest income;
- interest expense;
- bank charges;
- foreign exchange gain/(loss);
- lease interest expense

7.1 Finance Income

	GROUP		COMPANY	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Interest income	**733,913**	1,962,165	**306,494**	1,365,202
Foreign exchange gain	**2,359**	2,057	**–**	–
	736,272	1,964,222	**306,494**	1,365,202

7.2 Finance Cost

	GROUP		COMPANY	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Interest on short-term loans	**1,907,051**	3,944,124	**676,318**	1,580,562
Interest on bank overdrafts	**95,234**	276,626	**5,082**	29,680
Interest on other loans and bank charges	**564,920**	807,029	**167,617**	265,787
Interest on staff security deposits	**5,399**	17,353	**–**	**–**
Interest on lease liabilities (Note 13.2)	**2,332,093**	2,169,443	**53,021**	56,107
	4,904,697	7,214,575	**902,038**	1,932,136
Net finance cost	**4,168,425**	5,250,353	**595,544**	566,934

8 Profit Before Taxation

Profit before taxation on continuing operations is stated after charging/(reversing) all expenses/(income) including the following:

		GROUP		COMPANY	
For the year ended 31 March	**Notes**	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Staff costs	8.1	**12,874,202**	11,648,914	**1,182,855**	1,071,145
Auditors' remuneration					
– Audit and audit related services		**20,560**	18,149	**1,885**	1,246
– Non-audit services		**700**	600	**700**	1,729
Depreciation on property, plant and equipment	12	**4,724,423**	4,522,621	**58,790**	64,232
Amortisation of intangible assets	15	**127,808**	137,242	**42,623**	43,064
Provision for/(reversal of) impairment of trade and other receivables		**11,893**	28,125	**–**	–
Foreign exchange gain	7	**2,359**	2,057	**–**	–
Provision for/(reversal of) impairment of inventories		**33,997**	(68,267)	**–**	–
Impairment of goodwill	15	**133,196**	–	**–**	–
Impairment of subsidiary	16.1	**–**	–	**39,226**	–
Impairment of equity account investee	16.2	**–**	–	**18,187**	–
Directors' emoluments	35.1	**873,520**	630,982	**249**	170
Depreciation of right-of-use assets	13.1	**2,022,095**	2,012,208	**82,958**	81,789

8.1 Staff Costs

	GROUP		COMPANY	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Salaries, wages, and other costs	**11,614,699**	10,333,898	**905,872**	788,592
Employee benefits (Note 28.2)	**382,063**	488,257	**146,391**	183,877
Defined contribution plan cost – PF and ETF	**877,439**	826,759	**103,593**	98,676
	12,874,202	11,648,914	**1,182,855**	1,071,145
Number of employees as at 31 March	**10,667**	11,335	**2,475**	2,169

9 Income Tax Expense

Accounting Policy

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Accordingly, provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, and subsequent amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act No. 45 of 2022.

IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments

IFRIC – 23 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination.

The Group applies significant judgement in identifying uncertainties over income tax treatments. The Group assessed whether the Interpretation had an impact on its financial statements. The Group is of the view that it is probable that its tax treatments will be accepted by the taxation authorities. Hence the interpretation did not have an impact on the Financial Statements of the Group. The Group reviewed its income tax treatments and concluded that no additional provisions are required.

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognised directly in equity are also recognised in equity and not in the Statement of Profit or Loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

	GROUP		COMPANY	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Income tax expense				
Current tax expense (Note 9.1)	**3,972,448**	3,132,517	**112,917**	137,068
Withholding tax on related company dividend	**698,278**	591,159	**–**	–
Under/(Over) provision of current tax of previous years	**331**	(380,348)	**–**	–
Deferred tax expense (Note 9.2)	**(112,108)**	(33,524)	**50,005**	30,295
	4,558,949	3,309,804	**162,922**	167,363

(a) The Tax liability of companies have been computed at 20% for Cargills Confectionaries (Private) Limited and 30% for the others. (2024 – 20%, 30%).

9.1 Reconciliation between Current Tax Expense and Profit Before Taxation is given below:

	GROUP		COMPANY	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Profit before taxation	**11,829,244**	9,245,923	**4,034,674**	3,290,784
Aggregate disallowed expenses	**10,013,875**	10,045,546	**876,009**	862,593
Aggregate allowable expenses	**(8,809,694)**	(8,664,349)	**(213,706)**	(215,868)
Aggregate other income	**(92,858)**	(702,939)	**(4,320,586)**	(3,480,616)
Exempt profit	**(18,086)**	–	**–**	–
Adjusted business profit	**12,922,481**	9,924,181	**376,391**	456,893
Elimination of Tax losses incurred	**373,720**	501,475	**–**	–
Taxable income from other sources	**24,139**	111,873	**–**	–
Adjusted profit (a)	**13,320,340**	10,537,529	**376,391**	456,893
Tax losses brought forward	**1,817,708**	1,347,191	**–**	–
Tax losses incurred by continuing operations	**373,720**	501,475	**–**	–
Tax losses utilised (b)	**8,190**	(45,174)	**–**	–
Adjustment on finalisation of liability	**(192,498)**	14,216	**–**	–
Tax losses carried forward	**2,007,120**	1,817,708	**–**	–
Taxable income (a+b)	**13,328,530**	10,492,355	**376,391**	456,893
Income tax @ 30%	**3,920,226**	3,102,139	**112,917**	137,068
Income tax @ 20%	**52,222**	30,378	**–**	–
Current tax expense	**3,972,448**	3,132,517	**112,917**	137,068

9.2 Deferred Tax Expense

	GROUP		COMPANY	
For the year ended 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Deferred tax expense charge/(reversal) arising from temporary difference on:				
– Property, plant, and equipment	**147,330**	255,960	**43,556**	15,774
– Revaluation surplus of freehold building	**(36,867)**	99,933	**12,057**	21,294
– Revaluation surplus of freehold land	**94,737**	31,358	**96,117**	17,405
– Equity settled share based payments	**–**	–	**–**	–
– Provisions	**7,861**	(16,410)	**–**	–
– Employee benefit liability	**(124,756)**	(100,532)	**(75,926)**	(38,600)
– Capital grants	**–**	1,348	**–**	–
– Tax losses carried forward	**26,361**	(93,976)	**–**	–
– Operating lease liability	**–**	–	**–**	–
– Net ROU asset and liability	**(226,774)**	(211,205)	**(25,799)**	14,422
	(112,108)	(33,524)	**50,005**	30,295

Deferred tax has been computed taking into consideration the tax rates effective from 1 October 2022 at 20%, and 30%. The deferred tax effect on undistributed reserves of subsidiaries has not been recognised since the parent can control the timing of the reversal of these temporary differences.

9.3 Temporary differences associated with subsidiary companies, Cargills Food Services (Pvt) Limited, Cargills Confectioneries (Pvt) Limited, Cargills Distributors (Pvt) Limited, Cargills Agri Solutions (Pvt) Limited, Cargills Enterprise Solutions (Pvt) Limited, Kotmale Milk Products Limited, Kotmale Milk Foods Limited, CT Properties (Pvt) Limited, CT Properties Lakeside (Pvt) Limited, CT Property Management Company (Pvt) Limited, CT Real Estate (Pvt) Limited, for which deferred tax assets have not been recognised, are as follows:

As at 31 March	2025		2024	
	Temporary Difference Rs. '000	Tax effect on Temporary Difference Rs. '000	Temporary Difference Rs. '000	Tax effect on Temporary Difference Rs. '000
Deductible temporary differences				
Tax losses	**1,207,871**	**316,215**	1,358,182	361,308
	1,207,871	**316,215**	1,358,182	361,308
Expiry Date	(2026-2031)		(2025-2029)	

A deferred tax asset has not been recognised in respect of tax losses of the above companies as it is not probable that sufficient future taxable profits will be available against which the group can use the benefit therefrom.

10 Earnings Per Share (EPS)

Accounting Policy

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group/Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

10.1 Earnings Per Share

	GROUP		COMPANY	
	2025	2024	2025	2024
Profit attributable to equity shareholders of the parent (Rs. '000)	**7,222,083**	5,886,785	**3,871,752**	3,123,421
Weighted average number of ordinary shares (Refer Note 10.1.1)	**257,677,731**	257,677,731	**257,677,731**	257,677,731
Basic earnings per share (Rs.)	**28.03**	22.85	**15.03**	12.12

10.1.1 Weighted Average Number of Ordinary Shares

	GROUP		COMPANY	
	2025	2024	2025	2024
Issued ordinary shares as at 1 April	**257,677,731**	257,677,731	**257,677,731**	257,677,731
Exercise of share options	**–**	–	**–**	–
Weighted average number of ordinary shares as at 31 March	**257,677,731**	257,677,731	**257,677,731**	257,677,731

10.2 Diluted Earnings Per Share

There was no dilution of ordinary shares outstanding arising from options/new shares, etc during the year. Therefore, diluted earnings per share is the same as basic earnings per share as shown in Note 10.1.

11 Dividend Per Share

	GROUP				COMPANY			
	Rs.	**Rs. '000 2025**	**Rs.**	**Rs. '000 2024**	**Rs.**	**Rs. '000 2025**	**Rs.**	**Rs. '000 2024**
Dividends for the year								
Second interim dividend for prior year	**10.50**	**2,705,616**	8.50	2,190,261	**10.50**	**2,705,616**	8.50	2,190,261
First interim dividend	**4.80**	**1,236,853**	4.50	1,159,550	**4.80**	**1,236,853**	4.50	1,159,550
	15.30	**3,942,469**	13.00	3,349,811	**15.30**	**3,942,469**	13.00	3,349,811

A second interim dividend of Rs. 10.50 per share (Rs. 2,705.62 Mn.) was paid on 19 June 2024 for the year ended 31 March 2024. First interim dividend of Rs. 4.80 per share (Rs. 1,236.85 Mn.) was paid on 14 November 2024 for the year ended 31 March 2025.

A second interim dividend of Rs. 11.70 has been declared and paid for the year ended 31 March 2025 on 3 June 2025 and has not been recognised as at the reporting date in accordance with LKAS 10 – "Events After the Reporting Period".

12 Property, Plant and Equipment

Accounting Policy

Basis of Recognition

Property, plant, and equipment is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and cost of the asset can be measured reliably.

Basis of Measurement

An item of property, plant, and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to or replace a part of it. The cost of self-constructed assets include;

- cost of material and direct labour,
- any other costs directly attributable to bringing the asset to a working condition for its intended use,
- cost of dismantling and removing the items and restoring at the site on which they are located, and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as a part of computer equipment.

When major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Cost Model

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Revaluation Model

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation. Where land and buildings are subsequently revalued, any increase in the carrying amount is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserves in the Statement of Changes in Equity, any excess being charged to the Statement of Profit or Loss. Revaluation of freehold land and buildings are carried out by professionally qualified independent valuers every three years. The Group revalued all its freehold land and buildings as at 31 March 2024.

Subsequent Costs

The cost of replacing a component of an item of property, plant, and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The cost of day to day servicing of property, plant, and equipment are charged to the profit or loss as incurred.

Repairs and Maintenance

Repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the Company and Group and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related asset.

Capital Work-in-Progress

These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery, and system development, awaiting capitalisation. These are stated in the Statement of Financial Position at cost. Capital assets which have been completed during the year and put to use have been transferred to property, plant, and equipment.

Derecognition

Property, plant, and equipment are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other income' in the Statement of Profit or Loss in the year the asset is derecognised.

Depreciation

Depreciation is recognised in Statement of Profit or Loss on a straight–line basis over the estimated useful lives of each component of an item of property, plant, and equipment since this method most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives are as follows;

Class of asset	% per annum	Period
Buildings	2	50 years
Improvement to leasehold properties	10 – 25	4 – 10 years
Motor vehicles	25	4 years
IT equipment and software	20 – 33.3	3 – 5 years
Office and other equipment	20	5 years
Air condition and refrigeration	10 – 20	5 – 10 years
Plant and machinery	10 – 20	5 – 10 years
Furniture and fittings	20	5 years

Improvements to leasehold properties will be amortised at the above rates or the lease period, whichever is the lower.

The above rates are consistently used by all the Group entities. The depreciation rates are determined separately for each significant part of an item of property, plant, and equipment and is depreciated from the date on which it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is de-recognised. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted as appropriate.

Impairment

The Management has assessed the potential impairment loss of property, plant and equipment As at 31 March 2025. Based on the assessment, the Group does not foresee any indications of impairment as at the reporting date. The business continuity plan as per the Group's risk management strategy, allowing operations to function through alternate working arrangements, whilst strictly adhering to and supporting government directives.

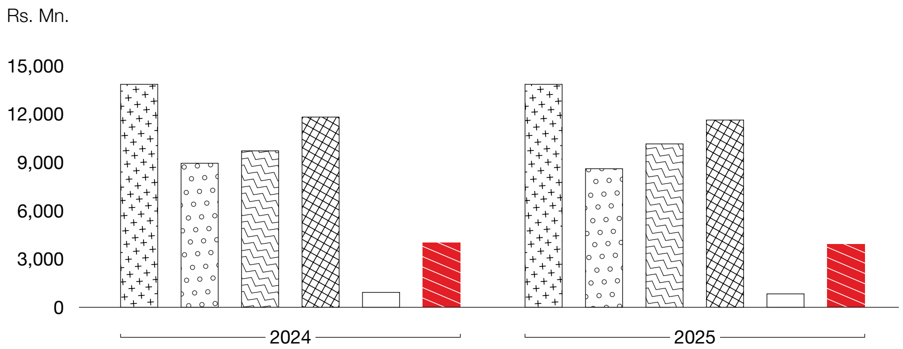
	Freehold Land Rs. '000	Freehold Building Rs. '000	Improvement to Leasehold Buildings Rs. '000	Plant, Machinery, and Others Rs. '000	Motor Vehicles Rs. '000	Capital WIP Rs. '000	Total Rs. '000
Group							
Cost/revaluation							
As at 1 April	13,920,540	8,982,138	18,610,588	33,878,830	3,126,627	4,028,917	82,547,640
Additions	–	41,833	420,399	728,300	5,802	3,355,085	4,551,419
Transfers	–	56,058	1,217,767	1,810,634	319,983	(3,404,442)	–
Disposals	–	(5,556)	–	(264,111)	(65,445)	(8,830)	(343,942)
Transfer to intangible assets (Note 15)						(24,800)	(24,800)
As at 31 March 2025	13,920,540	9,074,473	20,248,754	36,153,653	3,386,967	3,945,930	86,730,317
Accumulated depreciation and impairment							
As at 1 April	–	–	8,836,937	22,013,007	2,204,539	–	33,054,483
Depreciation	–	416,538	1,209,089	2,683,636	415,160	–	4,724,423
Disposals	–	(1,698)	–	(245,655)	(68,007)	–	(315,360)
As at 31 March 2025	–	414,840	10,046,026	24,450,988	2,551,692	–	37,463,546
Carrying value As at 31 March 2025	**13,920,540**	**8,659,633**	**10,202,728**	**11,702,665**	**835,275**	**3,945,930**	**49,266,771**

	Freehold Land Rs. '000	Freehold Building Rs. '000	Improvement to Leasehold Buildings Rs. '000	Plant, Machinery, and Others Rs. '000	Motor Vehicles Rs. '000	Capital WIP Rs. '000	Total Rs. '000
Group							
Cost/revaluation							
As at 1 April	11,994,582	7,336,645	16,068,460	31,128,127	2,738,833	6,921,034	76,187,681
Additions	–	9,011	301,202	879,985	18,587	4,600,867	5,809,652
Revaluation	2,450,593	627,721	–	–	–	–	3,078,314
Transfers	–	1,707,745	2,240,926	1,998,875	385,061	(6,332,607)	–
Disposals	–	(14,623)	–	(128,157)	(15,854)	–	(158,634)
Transfer to investment property	(524,635)	–	–	–	–	(1,160,377)	(1,685,012)
Transfer-Acc. Dep-Revaluation	–	(684,361)	–	–	–		(684,361)
As at 31 March 2024	13,920,540	8,982,138	18,610,588	33,878,830	3,126,627	4,028,917	82,547,640
Accumulated depreciation and impairment							
As at 1 April	–	387,402	7,692,249	19,381,440	1,803,608	–	29,264,699
Depreciation	–	302,413	1,144,688	2,658,792	416,728	–	4,522,621
Disposals	–	(5,454)	–	(27,225)	(15,797)	–	(48,476)
Transfer-Acc. Dep-Revaluation	–	(684,361)	–	–	–	–	(684,361)
As at 31 March 2024	–	–	8,836,937	22,013,007	2,204,539	–	33,054,483
Carrying value as at 31 March 2024	13,920,540	8,982,138	9,773,651	11,865,823	922,088	4,028,917	49,493,157

	Freehold Land Rs. '000	Freehold Building Rs. '000	Improvement to Leasehold Buildings Rs. '000	Plant, Machinery, and Others Rs. '000	Motor Vehicles Rs. '000	Capital WIP Rs. '000	Total Rs. '000
Company							
Cost/revaluation							
As at 1 April	2,674,250	434,852	245,883	490,637	138,194	39,736	4,023,552
Additions	–	–	697	4,918	–	167,124	172,739
As at 31 March 2025	2,674,250	434,852	246,580	495,555	138,194	206,860	4,196,291
Accumulated depreciation and impairment							
As at 1 April	–	–	56,000	380,391	138,194	–	574,585
Depreciation	–	8,697	16,981	33,112	–	–	58,790
As at 31 March 2025	–	8,697	72,981	413,503	138,194	–	633,375
Carrying value as at 31 March 2025	2,674,250	426,155	173,599	82,052	–	206,860	3,562,916

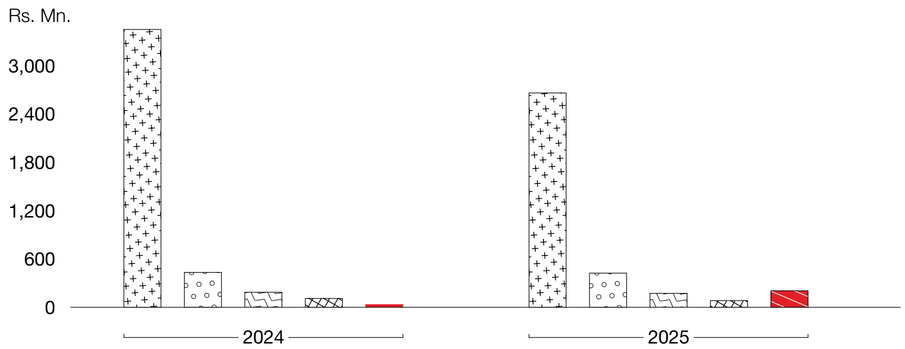
	Freehold Land Rs. '000	Freehold Building Rs. '000	Improvement to Leasehold Buildings Rs. '000	Plant, Machinery, and Others Rs. '000	Motor Vehicles Rs. '000	Capital WIP Rs. '000	Total Rs. '000
Company							
Cost/revaluation							
As at 1 April	2,655,939	440,282	243,959	482,668	138,194	37,674	3,998,716
Additions	–	–	1,924	7,969	–	2,062	11,955
Revaluation	18,311	20,986	–	–	–	–	39,297
Transfer-Acc. Dep-Revaluation	–	(26,416)	–	–	–	–	(26,416)
As at 31 March 2024	2,674,250	434,852	245,883	490,637	138,194	39,736	4,023,552
Accumulated depreciation and impairment							
As at 1 April	–	20,732	39,085	338,758	138,194	–	536,769
Depreciation	–	5,684	16,915	41,633	–	–	64,232
Transfer-Acc. Dep-Revaluation	–	(26,416)	–	–	–	–	(26,416)
As at 31 March 2024	–	–	56,000	380,391	138,194	–	574,585
Carrying value as at 31 March 2024	2,674,250	434,852	189,883	110,246	–	39,736	3,448,967

Group – PPE



Freehold land
Freehold building
Expenditure incurred on leasehold building
Plant, machinery and others
Motor vehicles
Capital work in progress

Company – PPE



Freehold land
Freehold building
Expenditure incurred on leasehold building
Plant, machinery and others
Capital work in progress

Expenditure incurred on leasehold buildings represent the cost incurred in setting up new outlets.

The details of assets mortgaged for banking facilities obtained, if any, have been given in Note 26.1 to the Financial Statements.

12.1 Revaluation of Freehold Land and Buildings

Fair value of Land and Building as at 31 March 2024 have been based on valuations carried out by Mr Tissa Weeratne (FIV), a member of the Institute of Valuers of Sri Lanka, with appropriate qualifications and recent experience in the valuation of properties in the relevant locations. Mr Tissa Weeratne is not related to the Group.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value measurement for all lands and buildings classified as property, plant, and equipment have been categorised as Level 3 fair value based on the inputs to the valuation techniques used. Details of the Group lands and buildings measured at fair value As at 31 March 2025 are as follows:

Location	Type of Asset	Method of Valuation	Land Extent	Building Area (Sq.ft)	Number of Buildings	Significant Unobservable Inputs	2024 Valuation Rs. '000
Colombo 01	Land	Market approach	140.75 Perches	–	–	Market value per perch	2,674,250
	Building		–	125,215	1		434,851
Canal Row, Colombo 01	Land	Income approach	15.25 Perches	–	–	Rental per square foot	337,736
	Building		–	12,300	1		104,558
Staple Street – Colombo 02	Land	Market approach	81.5 Perches	–	–	Market value per perch	994,300
	Building		–	20,970	2		63,113
Dematagoda	Land	Income approach	84.32 Perches	–	–	Rental per square foot	167,491
	Building		–	71,956	1		269,024
Cargills Square – Jaffna	Building	Income approach	–	99,164	1	Rental per square foot	448,168

Location	Type of Asset	Method of Valuation	Land Extent	Building Area (Sq.ft)	Number of Buildings	Significant Unobservable Inputs	2024 Valuation Rs. '000
Kandy	Land	Income approach	87.96 Perches	–	–	Rental per square foot	1,803,905
	Building		–	25,174	1		174,495
Maharagama	Land	Market approach	145.3 Perches	–	–	Market value per perch	697,525
	Building		–	15,827	1		91,000
Nuwara Eliya	Land	Income approach	56.5 Perches	–	–	Rental per square foot	370,738
	Building		–	9,617	1		15,062
Mattakkuliya (111)	Land	Income approach	330 Perches	–	–	Rental per square foot	775,752
	Building		–	80,967	2		109,608
Kohuwala	Land	Market approach	28.65 Perches	–	–	Market value per perch	166,170
	Building		–	6,225	1		15,461
Mattakkuliya (141)	Land	Income approach	287.96 Perches	–	–	Rental per square foot	538,836
	Building		–	44,469	4		78,189
Gampaha	Land	Income approach	82.6 Perches	–	–	Rental per square foot	150,014
	Building		–	43,115	1		254,992
Moratuwa	Land	Income approach	78.6 Perches	–	–	Rental per square foot	393,208
	Building		–	7,475	1		68,792
Ingiriya (Lot A,C,D,B1)	Land	Market approach	26 Acres	–	–	Market value per perch	256,702
	Building		–	1,300	1		–
Park Road	Building	Income approach	–	4,610	1	Rental per square foot	86,400
Negombo – Kaluwarippuwa	Land	Market approach	28.8 Acres	–	–	Market value per perch	1,562,396
	Building		–	319,576	9		3,307,119
Ja-Ela – Ma Eliya	Land	Market approach	4 Acres	–	–	Market value per perch	249,100
	Building		–	17,390	3		420,600
Mattakkuliya	Land	Market approach	1.3 Acres	–	–	Market value per perch	491,901
	Building		–	19,786	2		38,643
Ja-Ela – Ganemulla	Land	Market approach	5.03 Acres	–	–	Market value per perch	594,545
	Building		–	41,833	2		162,361

Location	Type of Asset	Method of Valuation	Land Extent	Building Area (Sq.ft)	Number of Buildings	Significant Unobservable Inputs	2024 Valuation Rs. '000
Katana	Land	Market approach	11.3 Acres	–	–	Market value per perch	410,704
	Building		–	99,492	4		333,845
Kelaniya	Land	Income approach	1.5 Acres	–	–	Rental per square foot	386,100
	Building		–	55,770	2		207,900
Katoolaya Estate, Thawalatenne	Land	Market approach	4 Acres	–	–	Market value per perch	17,700
	Building		–	19,961	1		52,500
Mirigama, Baduragoda	Land	Market approach	100.2 Perches	–	–	Market value per perch	30,060
Mirigama, Baduragoda	Land	Market approach	38.51 Perches	–	–	Market value per perch	11,553
	Building		–	2,041	1		6,484
Mulleriyawa	Land	Market approach	1.7 Acres	–	–	Market value per perch	215,709
	Building		–	35,528	3		293,073
Bogahawatta	Land	Market approach	1 Acres	–	–	Market value per perch	56,000
	Building		–	51,321	7		770,349
Hatton	Land	Market approach	17.5 Acres	–	–	Market value per perch	63,500
	Building		–	8,882	4		20,500
Marawila	Land	Market approach	27.8 Acres	–	–	Market value per perch	125,757
	Building		–	6,329	10		22,509
Bandarawela	Land	Market approach	85.2 Perches	–	–	Market value per perch	163,823
	Building		–	69,197	1		579,208
Katubedda	Land	Income approach	1.15 Acres	–	–	Rental per square foot	215,066
	Building		–	74,387	2		553,335
Total							**22,902,678**

The level at which fair value measurement is categorised and details on valuation techniques used are disclosed in Note 38.2 and 38.2.1 respectively.

12.2 If land and buildings were measured using the cost model, the amounts would have been as follows:

	Land		Building	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Group				
Cost	**5,960,336**	5,960,336	**8,388,598**	8,312,942
Accumulated depreciation	**–**	–	**(1,693,472)**	(1,298,315)
Net book value	**5,960,336**	5,960,336	**6,695,126**	7,014,627
Company				
Cost	**1,813**	1,813	**117,855**	117,855
Accumulated depreciation	**–**	–	**(44,942)**	(36,245)
Net book value	**1,813**	1,813	**72,913**	81,610

12.3 Movement in Revaluation Reserve

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Opening balance	**8,799,214**	6,649,336	**345,938**	318,430
Revaluation surplus	**–**	3,078,314	**–**	39,297
Deferred tax impact on revaluation	**–**	(924,564)	**–**	(11,789)
Disposal of revalued asset	**–**	(3,872)	**–**	–
Closing balance	**8,799,214**	8,799,214	**345,938**	345,938

Depreciation amounting to Rs. 4,044.37 Mn. (2024 – Rs. 3,649.63 Mn.) and Rs. 904.36 Mn. (2024 – Rs. 872.98 Mn.) has been charged respectively to the cost of sales and, administration and distribution expenses of the Group. The total depreciation amounting to Rs. 58.79 Mn. (2024 – Rs. 64.23 Mn.) is included in the administration expenses of the Company.

Capital work-in-progress consists of expenditure incurred on projects which are yet to be completed as at the reporting date.

Fully depreciated assets of the Group as at the year end is Rs. 13,077.97 Mn. (2024 – Rs. 11,826.75 Mn.) and that of the Company is Rs. 450.68 Mn. (2024 – Rs. 424.39 Mn.).

13 Leases

The Group's and Company's leases consist of leasehold land and building. The leases are depreciated over 2 years – 50 years.

Information about leases for which the Group is lessee is presented below:

13.1 Right-of-Use Assets

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Balance as at 1 April	**20,371,043**	20,641,258	**945,174**	1,016,611
Additions	**2,330,027**	1,476,415	**3,240**	10,352
Adjustments for changes	**(2,721,347)**	–	**–**	–
Transfer from prepaid rent	**41,091**	265,656	**–**	–
Direct cost	**–**	793	**–**	–
Depreciation	**(2,022,095)**	(2,012,208)	**(82,958)**	(81,789)
Lease modification	**–**	(871)	**–**	–
Balance as at 31 March	**17,998,719**	20,371,043	**865,456**	945,174

13.2 Lease Liability

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Balance as at 1 April	**24,525,999**	24,259,076	**970,230**	997,441
Additions	**2,330,027**	1,476,415	**3,240**	10,352
Adjustments for changes	**(2,630,805)**	–	**–**	–
Interest expense	**2,332,093**	2,169,443	**53,021**	56,107
Lease modification	**–**	(2,222)	**–**	–
Payments	**(3,652,933)**	(3,376,713)	**(100,092)**	(93,670)
Balance as at 31 March	**22,904,381**	24,525,999	**926,399**	970,230

	GROUP		COMPANY	
	2025 Rs. '000	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Lease liabilities included in the Statement of Financial Position as at 31 March				
Current	**1,155,071**	1,352,718	**43,245**	49,075
Non-current	**21,749,308**	23,173,281	**883,154**	921,155
	22,904,379	24,525,999	**926,399**	970,230
Maturity analysis – contractual undiscounted cash flows				
Less than one year	**3,712,803**	4,743,294	**98,468**	99,590
One to five years	**13,306,717**	12,824,397	**442,923**	418,870
More than five years	**30,298,861**	28,227,533	**788,473**	908,937
Total undiscounted liabilities as at 31 March	**47,318,381**	45,795,224	**1,329,864**	1,427,397

13.3 Amounts Recognised in Profit or Loss

	GROUP		COMPANY	
	2025 Rs. '000	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Depreciation of right-of-use assets	**2,022,095**	2,012,208	**82,958**	81,789
Interest expense on lease liabilities	**2,332,017**	2,169,443	**53,021**	56,107
Lease modification	**–**	(1,351)	**–**	–
	4,354,112	4,180,300	**135,979**	137,896

13.4 Amounts Recognised in Statement of Cash Flows

	GROUP		COMPANY	
	2025 Rs. '000	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Total cash outflow for leases, net of concessions	**(3,652,933)**	(3,376,713)	**(100,092)**	(93,670)
	(3,652,933)	(3,376,713)	**(100,092)**	(93,670)

Impairment

The Group does not foresee any indications of discontinuation of any right of use assets as at the year end.

14 Investment Property

Accounting Policy

Investment property is a property held either to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in Profit or Loss in the year in which they arise.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such portion of investment properties are treated as property, plant, and equipment at group level, and accounted for as per LKAS 16 – Property, Plant, and Equipment.

Derecognition

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 use. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of derecognition.

Subsequent Transfers to/from Investment Property

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

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

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 Company as an owner occupied property becomes an investment property, the Company, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Any difference at the date of the change in use between the carrying amount of the property and its fair value is recognised as a revaluation of property, plant and equipment and is not transferred to profit or loss at the date of transfer and at subsequent disposal. Any existing revaluation surplus that was recognised under revaluation model to the property will be transferred to retained earnings.

When the Company 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 Profit or Loss.

Determining Fair Value

External and independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the investment property portfolio annually.

Investment Property Leased within the Group

Any property leased out to the parent or a subsidiary is considered as owner-occupied from the perspective of the Group and adjustments are made for consolidation purposes.

	GROUP		COMPANY	
	2025 Rs. '000	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
As at 1 April	**10,829,980**	7,342,566	**3,424,330**	3,293,903
Additions	**24,457**	871,399	**8,327**	1,432
Reclassification from PPE	**–**	1,685,012	**–**	–
Changes in fair value during the year	**552,569**	931,003	**360,580**	128,995
As at 31 March	**11,407,006**	10,829,980	**3,793,237**	3,424,330

In accordance with LKAS 40, fair value of the above Investment Properties were ascertained As at 31 March 2025 by Mr Sivaskantha (FIV), a member of the Institute of Valuers of Sri Lanka, with appropriate qualifications and recent experience in the valuation of properties in the relevant locations. Mr Sivaskantha is not related to the Group.

Rental income earned from the investment properties by the Group and Company amounted to Rs. 238.30 Mn. (2024 – Rs. 149.69 Mn.) and Rs.174.51 Mn. (2024 – Rs. 161.93 Mn.) respectively. Direct operating expenses incurred on investment property by the Group and Company amounted to Rs. 101.21 Mn. (2024 – Rs. 74.97 Mn.) and Rs. 64.43 Mn. (2024 – Rs. 63.71 Mn.). The fair value measurement for all the investment properties have been catagorised as level 3 fair value based on the inputs to the valuation techniques used. Details of the Group's investment properties and information relating to their fair values as at 31 March 2025 are as follows:

								GROUP		COMPANY	
Location	**Type of Asset**	**Method of Valuation**	**Land Extent**	**Land Extent**	**Building Area (Sq.ft)**	**Number of Buildings**	**Current/ Proposed Use**	**2025 Fair Value Rs. '000**	**2024 Fair Value Rs. '000**	**2025 Fair Value Rs. '000**	**2024 Fair Value Rs. '000**
Canal Row – Colombo 01	Land	Income approach		15.25 Perches	–	–	Rent	**–**	–	**343,125**	337,736
	Building			–	12,300	1				**106,600**	104,558
Braybrook place	Land	Market approach		78.17 Perches	–	–	Undetermined use	**950,000**	781,700	**950,000**	781,700
	Building			–	5,146	1		**–**	1,700	**–**	1,700
Cargills Square – Jaffna	Building	Income approach		Leasehold	99,164	1	Rent	**698,077**	680,718	**1,157,675**	1,128,886
Staple Street – Colombo 02	Land	Market approach		81.5 Perches	–	–	Rent	**–**	–	**1,141,000**	994,300
	Building			–	20,970	2				**82,500**	63,113

Location	Type of Asset	Method of Valuation	Land Extent	Land Extent	Building Area (Sq.ft)	Number of Buildings	Current/ Proposed Use	GROUP 2025 Fair Value Rs. '000	GROUP 2024 Fair Value Rs. '000	COMPANY 2025 Fair Value Rs. '000	COMPANY 2024 Fair Value Rs. '000
Dematagoda	Land	Income approach		84.32 Perches	–	–	Rent	**360,402**	358,754	**–**	–
	Building			–	71,956	1		**581,204**	576,232	**–**	–
Nittambuwa	Land	Market approach		112 Perches	–	–	Undetermined use	**210,000**	169,450	**–**	–
Ja-Ela – Ganemulla	Land	Market approach		201 Perches	–	–	Undetermined use	**6,432**	6,030	**–**	–
Boralesgamuwa	Land	Market approach		2.5 Acres	–	–	Rent	**427,800**	427,000	**–**	–
	Building			–	23,168	4		**73,700**	67,558		
Bandarawela	Land	Market approach		85.2 Perches	–	–	Rent	**302,350**	280,605	**–**	–
	Building			–	69,197	1		**1,017,244**	992,100		
Katubedda	Land	Income approach		1.15 Acres	–	–	Rent	**537,772**	529,292	**–**	–
	Building			–	74,387	2		**1,403,454**	1,361,797		
Gampaha	Land	Income approach		82.6 Perches	–	–	Rent	**77,798**	77,030	**–**	–
	Building			–	43,115	1		**139,744**	130,934		
Kandy	Land	Market approach		170 Perches	–	–	To be developed	**884,000**	841,000	**–**	–
	Building			–	937	1		**–**	8		
Negombo	Land	Market approach		91 Perches	–	–	To be developed	**393,750**	377,500	**–**	–
	Building			–	17,534	1		**–**	–		
Kandy	Land	Market approach		11.3 Perches	–	–	To be developed	**90,400**	84,750	**–**	–
Kotahena	Land	Market approach		199.8 Perches	–	–	To be developed	**1,698,300**	1,598,400	**–**	–
Boralesgamuwa	Land	Market approach		43 Acres	–	–	Undetermined use	**1,200,000**	1,200,000	**–**	–
	Building			–	11,400	1					
Piliyandala	Land	Market approach		114 Perches	–	–	Undetermined use	**150,225**	133,125	**–**	–
Commercial Property – Piliyandala	Land	Income approach		154.9 Perches	–	–	Rent	**146,679**	119,521	**–**	–
	Building			–	21,278	2		**57,675**	34,776		
								11,407,006	10,829,980	**3,780,900**	3,411,993
Wellawatta (Preliminary expense)							To be developed	**–**	–	**12,337**	12,337
								11,407,006	10,829,980	**3,793,237**	3,424,330

The level at which fair value measurement is categorised and details on valuation techniques used are disclosed in Note 38.2 and 38.2.1 respectively.

15 Intangible Assets

Accounting Policy

Intangible Assets

The Group's intangible assets include computer software, brand name, franchise fee, and goodwill.

Basis of Recognition

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group in accordance with the Sri Lanka Accounting Standard – LKAS 38 "Intangible Assets".

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are stated in the Statement of Financial Position at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent Expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Useful Economic Lives, Amortisation, and Impairment

The useful economic lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful economic lives at the rates as specified below;

Class of asset	% per annum	Period
Computer software	25	4 years
Franchise fee	10	10 years

The unamortised balances of intangible assets with finite lives are reviewed for impairment annually and whenever there is an indication for impairment and recognised in profit or loss to the extent that they are no longer probable of being recovered from the expected future benefits.

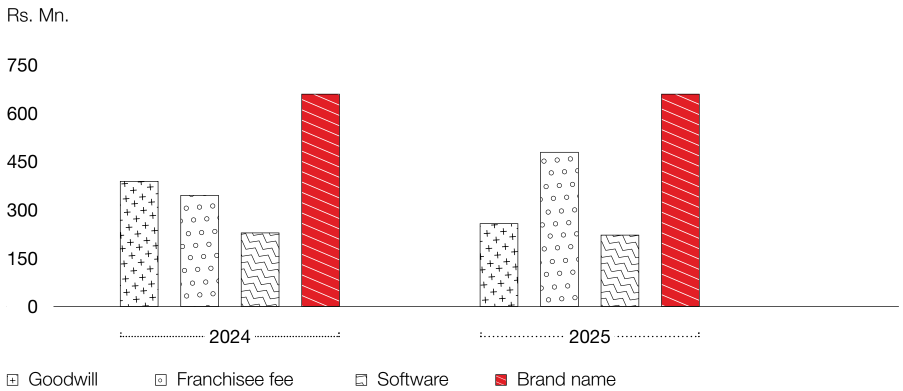
Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year the asset is derecognised.

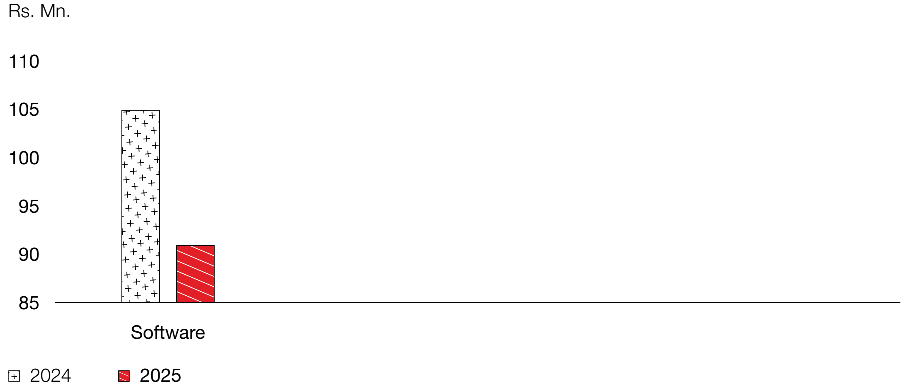
	Goodwill		Franchise fee		Software		Brand name		CWIP		Total	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Group												
Cost												
As at 1 April	**529,767**	529,767	**627,361**	464,723	**859,603**	853,856	**661,865**	661,865	**60,536**	44,705	**2,739,132**	2,554,916
Additions	**–**	–	**182,753**	162,638	**28,904**	6,250	**–**	–	**16,896**	15,831	**228,554**	184,719
Transfer from property, plant, and equipment (Note 12)	**–**	–	**–**	–	**24,800**	–	**–**	–	**–**	–	**24,800**	–
Transfers					**3,600**				**(3,600)**		**–**	–
As at 31 March	**529,767**	529,767	**810,114**	627,361	**913,307**	860,106	**661,865**	661,865	**77,432**	60,536	**2,992,486**	2,739,635
Amortisation/impairment												
As at 1 April	**138,978**	138,978	**280,608**	242,672	**689,859**	590,553	**–**	–	**–**	–	**1,109,445**	972,203
Amortisation	**–**	–	**48,919**	37,936	**78,889**	99,306	**–**	–	**–**	–	**127,808**	137,242
Impairment	**133,196**	–					**–**	–	**–**	–	**133,196**	–
As at 31 March	**272,174**	138,978	**329,527**	280,608	**768,748**	689,859	**–**	–	**–**	–	**1,370,449**	1,109,445
Carrying value as at 31 March	**257,593**	390,789	**480,587**	346,753	**144,559**	170,247	**661,865**	661,865	**77,432**	60,536	**1,622,037**	1,630,190

	Software		Total	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Company				
Cost				
As at 1 April	**320,136**	317,717	**320,136**	317,717
Additions	**28,648**	2,419	**28,648**	2,419
As at 31 March	**348,784**	320,136	**348,784**	320,136
Amortisation/impairment				
As at 1 April	**214,874**	171,810	**214,874**	171,810
Amortisation for the year	**42,623**	43,064	**42,623**	43,064
As at 31 March	**257,497**	214,874	**257,497**	214,874
Carrying value as at 31 March	**91,287**	105,262	**91,287**	105,262

Group – Intangible Assets



Company – Intangible Assets



All the intangible assets are separately acquired and there are no such internally generated intangible assets

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGU (operating divisions) as follows:

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Cargills Convenient Foods Limited	**246,203**	246,203	**–**	–
Cargills Agri Solutions Company (Private) Limited	–	133,196	**–**	–
CPC (Lanka) Limited	**8,839**	8,839	**–**	–
Cargills Restaurants (Private) Limited	**2,532**	2,532	**–**	–
Cargills Distributors (Private) Limited	**19**	19	**–**	–
	257,593	390,789	**–**	–

CGU's below are disclosed for the material goodwill balances only.

CGU 1 – Cargills Convenient Foods Limited

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The key assumptions used in the estimation of value in use were as follows:

	2025 %	2024 %
Description		
Discount rate	**15.94**	15.09
Terminal value growth rate	**3**	3
Budgeted EBITDA growth rate (average of next five years)	**10**	10

The discount rate was based on the weighted average cost of capital (WACC) for the companies, determined by considering the cost of equity and cost of debt proportionately weighted.

Five years of cash flows were included in the discounted cash flow model. A long-term nominal growth rate into perpetuity has been determined as 3% based on management's internal assessment.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

A reasonably possible change in any of the key assumptions on which the management has based its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

CGU 2 – Cargills Agri Solutions Company (Private) Limited

Investment in Cargills Agri Solutions Company (Private) Limited was impaired based on the judgments and assumptions disclosed in Note 16.1, in the separate Financial Statements. As a result of the impairment and continuous losses incurred by the subsidiary goodwill on consolidation recognised at group level was written off.

Brand Name

The Rs. 661.87 Mn. represents the brand value recognised on the acquisition of Kotmale Holdings PLC.

Brand name has been tested for impairment and no impairment has been recognised as at reporting date. Management is of the view that the brand name has an indefinite useful life and accordingly no amortisation is charged. However, in accordance with LKAS 38 – "Intangible Assets", any intangible asset which has an indefinite useful life is subject to annual impairment test which is to be carried out in accordance with LKAS 36 – "Impairment of Assets" and the useful life of the intangible asset that is not being amortised is reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for this asset.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The key assumptions used in the estimation of value in use were as follows:

	2025 %	2024 %
Description		
Discount rate	**16.45**	24.89
Terminal value growth rate	**3**	3
Budgeted EBITDA growth rate (average of next five years)	**10**	10

The discount rate was based on the weighted average cost of capital (WACC) for the companies, determined by considering the cost of equity and cost of debt proportionately weighted.

Five years of cash flows were included in the discounted cash flow model. A long-term nominal growth rate into perpetuity has been determined as 3% based on management's internal assessment.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth of the Kotmale Brands. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

Amortisation of intangible assets amounting to Rs. 78.57 Mn. (2024 – Rs. 76.55 Mn.) have been included in cost of sales and Rs. 75.49 Mn. (2024 – Rs. 60.7 Mn.) in distribution and administrative expenses of the Group. Amortisation of intangible assets amounting to Rs. 42.62 Mn. (2024 – Rs. 43.06 Mn.) have been included in administrative expenses of the Company.

	Change require for carrying amount to equal recoverable amount	
	2025 %	2024 %
Discount rate	**(1.55)**	1.55
Budget EBITDA growth rate	**2.20**	(2.50)

16 Investments

16.1 Investments in Subsidiaries

	Number of shares	Holding %	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Cargills Retail (Private) Limited	48,255,426	100	**–**	–	**1,167,947**	1,167,947
Cargills Convenient Foods Limited	4,860,293	100	**–**	–	**1,193,453**	1,193,453
Dawson Office Complex (Private) Limited	1,000	100	**–**	–	**100**	100
The Empire Investments Company (Private) Limited	269,322,944	53.43	**–**	–	**2,980,813**	2,980,813
Cargills Restaurants (Private) Limited	5,700,002	100	**–**	–	**61,500**	61,500
Kotmale Holdings PLC	54,315	0.17	**–**	–	**3,437**	3,437
Frederick North Hotel Company Limited	–	–	**–**	–	**–**	–
Cargills Dairies (Private) Limited	7,500,000	100	**–**	–	**75,000**	75,000
Millers Limited	30,000,000	100	**–**	–	**300,000**	300,000
Cargills Agri Solutions Company (Private) Limited	1,460,002	100	**–**	–	**193,019**	193,019
Cargills Enterprise Solutions (Private) Limited (Stated Capital Rs. 10)	1	100	**–**	–	**–**	–
			–	–	**5,975,269**	5,975,269
Provision for impairment of investment in Cargills Agri Solutions Company (Private) Limited *					**(39,226)**	–
			–	–	**5,936,043**	5,975,269

* Impairment to the carrying value of investment in Cargills Agri Solutions Company (Private) Limited was recognised based on the discounted future cash flows to the extent of the non-recoverability amount of the investment.

	Change require for carrying amount to equal recoverable amount 2025 %	Change require for carrying amount to equal recoverable amount 2024 %
Discount rate	**(11.49)**	16
Budget EBITDA growth rate	**10.70**	(12)

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The key assumptions used in the estimation of value in use were as follows:

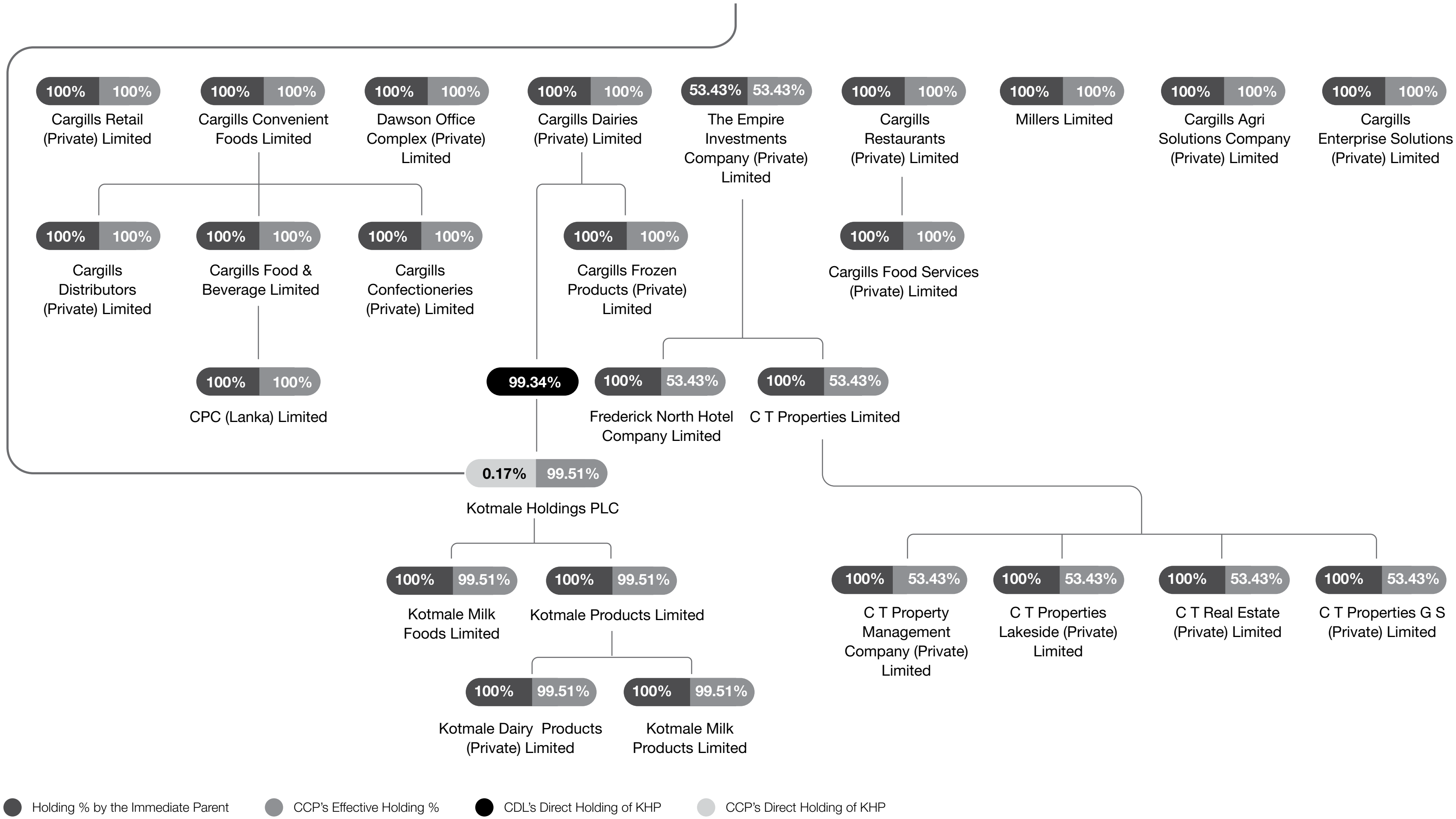
	2025 %	2024 %
Description		
Discount rate	**19.00**	17.75
Terminal value growth rate	**3**	3
Budgeted EBITDA growth rate (average of next five years)	**10**	8

The discount rate was based on the weighted average cost of capital (WACC) for the companies, determined by considering the cost of equity and cost of debt proportionately weighted.

Five years of cash flows were included in the discounted cash flow model. A long-term nominal growth rate into perpetuity has been determined as 3% based on the Management's internal assessment.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

Group Structure



16.2 Investment in Equity Accounted Investees

	Number of shares	Holding %	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Associates						
Cargills Bank PLC	350,696,905	37.09	**5,016,750**	4,933,363	**4,717,843**	4,717,843
Ceylon Theatres (Private) Limited	27,280,233	31.09	**38,776**	47,453	**54,560**	54,560
Provision for impairment of investment in Ceylon Theatres (Private) Limited *			**–**	–	**(18,187)**	–
Carrying Value 31 March			**5,055,526**	4,980,816	**4,754,216**	4,772,403

*Impairment to the carrying value of investment in Ceylon Theatres (Private) Limited was recognised based on the discounted future cash flows to the extent of the non recoverability amount of the investment.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The key assumptions used in the estimation of value in use were as follows:

	2025 %	2024 %
Description		
Discount rate	**21.09**	18.56
Terminal value growth rate	**3**	3
Budgeted EBITDA growth rate (average of next five years)	**10**	10

The discount rate was based on the weighted average cost of capital (WACC) for the companies, determined by considering the cost of equity and cost of debt proportionately weighted.

Five years of cash flows were included in the discounted cash flow model. A long-term nominal growth rate into perpetuity has been determined as 3% based on management's internal assessment.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

16.3 Other Financial Assets

	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Non-current				
Equity investments at FVOCI (Note 16.3.1)	**85,435**	82,702	**84,808**	82,224
Fair value through profit or loss (Note 16.3.2)	**1,500,000**	1,500,000	**1,500,000**	1,500,000
	1,585,464	1,582,702	**1,584,808**	1,582,224
Current				
Other non-equity investments (Note 16.3.3)	**220,435**	131,107	**–**	–
	220,435	131,107	**–**	–

16.3.1 Equity Investments at FVOCI – "Non-current"

As at 31 March	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Quoted equity investments				
Lanka IOC PLC	**23,350**	34,300	**23,350**	34,300
Sierra Cables PLC	**596**	600	**118**	119
Aitken Spence PLC	**34,842**	35,043	**34,842**	35,043
Amana Bank PLC	**23,882**	25,001	**23,882**	25,001
	82,670	94,944	**82,192**	94,463
Increase/(decrease) in fair value of investments	**2,765**	(12,242)	**2,616**	(12,239)
	85,435	82,702	**84,808**	82,224

The Group designated the above as equity investments at FVOCI because the Group intends to hold these investments for the long term.

The market value of quoted equity investments of Group as at 31 March 2025, as quoted by the Colombo Stock Exchange amounted to Rs. 85.44 Mn. (2024 – Rs. 82.70 Mn.)

Dividend income recognised on quoted equity investments is as follows:

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Lanka IOC PLC	**850**	680	**850**	680
Aitken Spence PLC	**1,137**	1,070	**1,137**	1,070
Amãna Bank PLC	**1,107**	–	**1,107**	–
	3,094	1,750	**3,094**	1,750

16.3.2 Debt Investments Measured at Fair Value Through Profit or Loss (FVTPL) – "Non-current"

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Debt investments measured at fair value through profit or loss (FVTPL)	**1,500,000**	1,500,000	**1,500,000**	1,500,000
	1,500,000	1,500,000	**1,500,000**	1,500,000

The Company invested in fifteen million (15,000,000) Basel III Additional Tier 1 Compliant Rated Unlisted Unsecured Subordinated Perpetual Convertible Debentures issued by Cargills Bank PLC, with a conversion at the option of the debenture holder and Non-Viability Conversion upon the occurrence of a trigger event at the par value of Sri Lankan Rupees One Hundred (Rs. 100/-). The interest rate is based on the Weighted Average Twelve-Month Net Treasury Bill Rate + 2% p.a. The debenture holder has the right to convert the debenture to ordinary shares of the Bank during the conversion period.

The Interest is cumulative and will be paid only if the Bank has distributable profits. The Bank has discretion at all times to cancel the interest payments. However, the agreement does not stipulate interest, on interest deferred/cancelled and therefore as the Investment does not meet the SPPI criteria, it has been classified as FVTPL.

16.3.3 Other Non-Equity Investments – Current

	GROUP		COMPANY	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Call deposits/fixed deposit	**220,435**	131,107	**–**	–
	220,435	131,107	**–**	–

16.4 Investment in Equity Accounted Investees

	GROUP	
	2025 Rs. '000	2024 Rs. '000
As at 1 April	**4,980,816**	4,364,261
Acquisition	**–**	54,560
Share of profit/(loss)	**232,639**	167,421
Share of other comprehensive income	**(157,928)**	509,467
Loss on deemed disposal	**–**	(114,893)
As at 31 March	**5,055,526**	4,980,816

16.4.1 Pursuant to a decision of the Board of Directors of Cargills (Ceylon) PLC, amounts due from Ceylon Theatres (Private) Limited to Cargills (Ceylon) PLC have been capitalised by issuing shares at Rs 2.00 per share. Accordingly, Cargills (Ceylon) PLC acquired 27,280,233 shares of Ceylon Theatres (Private) Limited, which represent 31.09% ownership of the Company.

16.4.2 Investment in equity accounted investees includes a sum of Rs. 114,892,923 being a loss on the deemed disposal of shareholding in the Associate Cargills Bank PLC (CBP) arising out of the reduction in effective shareholding in CBP due to the public share issue of CBP carried out during the financial year. The Group did not apply for additional shares in the said public share issue due to restrictions placed on shareholdings in CBP by the Company through existing regulations of the Central Bank of Sri Lanka.

16.5 Summarised Financial Information of Associates

	GROUP			
	Ceylon Theatres (Private) Limited		Cargills Bank PLC	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Revenue/operating income	**810,195**	251,842	**4,265,180**	4,026,302
Operating expenses	**(838,117)**	(274,894)	**(2,910,132)**	(2,891,597)
Finance expenses	**–**	(452)	**–**	–
Income tax expense	**–**	–	**(704,349)**	(694,685)
Profit/(loss) for the year	**(27,922)**	(23,504)	**650,699**	440,020
Other comprehensive income/(expense)	**–**	–	**(425,849)**	1,282,458
Total comprehensive income/(expense)	**(27,922)**	(23,504)	**224,850**	1,722,478
Group's share of profit/(loss)	**(8,677)**	(7,308)	**241,316**	174,729
Group's share of other comprehensive/(expense)	**–**	201	**(157,928)**	509,268
Group's share of total comprehensive income/(expense)	**(8,677)**	(7,107)	**83,388**	683,997

As at 31 March	GROUP Ceylon Theatres (Private) Limited 2025 Rs. '000	2024 Rs. '000	Cargills Bank PLC 2025 Rs. '000	2024 Rs. '000
Total assets	**488,615**	635,445	**80,252,402**	69,736,295
Total liabilities	**(520,063)**	(638,987)	**(68,084,769)**	(57,793,512)
Net assets	**(31,448)**	(3,542)	**12,167,633**	11,942,783
Ownership interest (%)	**31.09**	31.09	**37.09**	37.09
Group's share of net assets	**(9,778)**	(1,101)	**4,512,434**	4,429,047
Goodwill	**48,554**	48,554	**504,316**	504,316
	38,776	47,453	**5,016,750**	4,933,363

16.6 Non-controlling Interest

Details of non-wholly owned subsidiaries that have material non controlling interest

(a) Summarised Financial Statements

The summarised financial information below represent amounts before intra-group eliminations.

As at 31 March	The Empire Investment Company (Pvt) Ltd 2025 Rs. '000	The Empire Investment Company (Pvt) Ltd 2024 Rs. '000
Assets		
Current assets	**735,728**	737,881
Non-current assets	**14,090,510**	13,526,947
Total assets	**14,826,238**	14,264,828
Liabilities		
Current liabilities	**5,739,403**	5,573,456
Non-current liability	**667,224**	368,624
Equity	**8,419,611**	8,322,747
Total equity and liability	**14,826,238**	14,264,828
Equity attributable to:		
Owners of the Company	**4,498,423**	4,446,671
Non-Controlling interest	**3,921,187**	3,876,076
	8,419,611	8,322,747
Revenue	**417,405**	319,776
Profit	**97,213**	99,171
OCI	**(349)**	(31)

As at 31 March	The Empire Investment Company (Pvt) Ltd 2025 Rs. '000	The Empire Investment Company (Pvt) Ltd 2024 Rs. '000
Total comprehensive income	**96,864**	99,139
Profit allocated to NCI	**45,274**	46,186
OCI allocated to NCI	**(163)**	(15)
Details of net cash inflows/(outflows)		
Net cash outflows from operating activities	**(1,100,826)**	(1,413,469)
Net cash outflows from investing activities	**(40,969)**	(1,501,725)
Net cash inflows from financing activities	**1,154,901**	2,999,420
Net cash flows	**13,106**	84,226
Proportion of ownership interest and voting poer held by non controlling interest (%)	**46.57**	46.57

17 Prepayment on Leasehold Land and Building

As at 31 March	GROUP 2025 Rs. '000	2024 Rs. '000	COMPANY 2025 Rs. '000	2024 Rs. '000
Cost				
As at 1 April	**–**	200,912	**–**	–
Prepayments	**–**	–	**–**	–
Transfer to ROU assets	**–**	(200,912)	**–**	–
As at 31 March	**–**	–	**–**	–
Amortisation				
As at 1 April	**–**	–	**–**	–
Amortisation	**–**	–	**–**	–
As at 31 March	**–**	–	**–**	–
Carrying value as at 31 March	**–**	–	**–**	–

Property	Lease Period	Amount Rs. '000
Cargills Retail (Private) Limited		
Kolonnawa land	**99 Years**	200,912

During the year ended 31 March 2024, prepayments relating to amounts paid in advance for lease contracts were transferred to the right-of-use assets.

18 Biological Assets

Accounting Policy

Biological assets shall be qualified for recognition if the Group controls the assets as a result of past event. It is probable that future economic benefits associated with the assets will flow to the Group and fair value or cost of the asset can be measured reliably.

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Livestock and day-old chicks have been identified as Consumable biological assets.

Bearer biological assets are those other than Consumable biological assets. Bearer biological assets are not agricultural produce but, rather, are self-regenerating. The Group has identified grandparent and parent livestock as bearer biological assets.

Biological assets are measured at fair value less cost to sell and within any changes therein recognised in profit or loss for the period in which it arises. No indicators for impairment were identified as at 31 March 2025.

Refer Note 3.13.1 for measurement of fair value.

As at 31 March	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Balance as at 1 April	**215,755**	57,554	**–**	–
Additions (Purchases)	**5,612**	71,284	**–**	–
Addition (Biological Transformation)	**–**	–	**–**	–
Sale of livestock	**(6,205)**	–	**–**	–
Gain/(loss) arising from changes in fair value less costs to sell	**32,588**	86,917	**–**	–
Usage of the year	**(171,264)**	–	**–**	–
Balance as 31 March	**76,486**	215,755	**–**	–
Non-current	**12,699**	65,737	**–**	–
Current	**63,787**	150,018	**–**	–
	76,486	215,755	**–**	–

The Group's biological assets are exposed to the risk of damage from diseases, and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspection, implementing disease control policies and procedures.

19 Deferred Tax Asset/Liability

	GROUP				COMPANY			
	Assets		Liabilities		Assets		Liabilities	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
As at 1 April	**–**	27,829	**2,265,440**	1,337,651	**–**	–	**552,755**	484,151
Charge/(reversal) – recognised in profit or loss	**–**	(27,257)	**(112,108)**	(60,781)	**–**	–	**50,005**	30,295
Charge/(reversal) – recognised in OCI	**–**	(572)	**(36,547)**	988,569	**–**	–	**(43,620)**	38,309
As at 31 March	**–**	–	**2,116,785**	2,265,440	**–**	–	**559,140**	552,755
Deferred tax asset/liability as at the year end is arising from temporary differences of:								
– Plant and equipment	**–**	–	**2,334,697**	2,228,254	**–**	–	**337,480**	337,544
– Evaluation surplus of freehold building	**–**	–	**1,058,682**	1,113,003	**–**	–	**210,460**	198,403
– Revaluation surplus of freehold land	**–**	–	**1,238,698**	1,131,971	**–**	–	**335,498**	239,382
– Provisions	**–**	–	**(130,409)**	(116,047)	**–**	–	**–**	–
– Employee benefit liability	**–**	–	**(673,861)**	(583,303)	**–**	–	**(306,017)**	(230,091)
– Carried forward tax losses	**–**	–	**(120,200)**	(137,857)	**–**	–	**–**	–
– Fair value gain on biological assets	**–**	–	**9,779**	–	**–**	–	**–**	–
– ROU assets	**–**	–	**5,716,453**	6,028,393	**–**	–	**259,639**	(283,552)
– Lease liabilities	**–**	–	**(7,317,054)**	(7,398,974)			**(277,920)**	291,069
	–	–	**2,116,785**	2,265,440	**–**	–	**559,140**	552,755

20 Inventories

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the normal course of business less estimated cost of realisation and/or cost of conversion from their existing state to saleable condition.

The cost of each category of inventory of the Group is determined on the following basis:

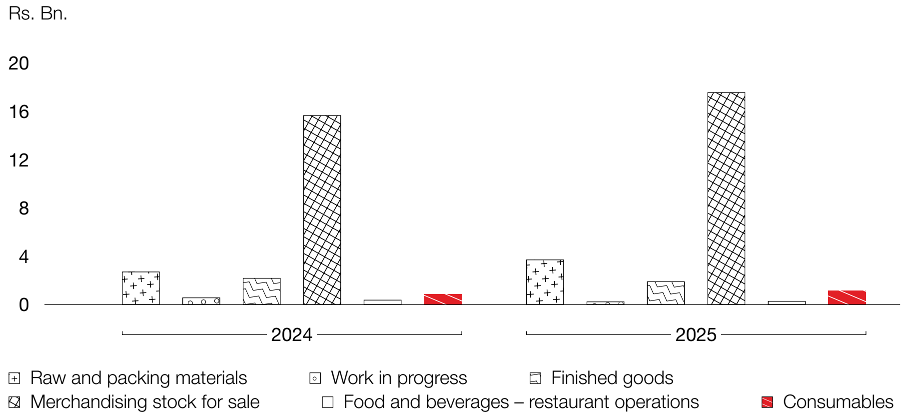
Raw and packing materials	–	Actual cost on a First In First Out (FIFO) basis
Finished goods and work-in-progress	–	Directly attributable manufacturing cost
Merchandising goods	–	Actual cost on a First In First Out (FIFO) basis/Weighted average cost
Other inventories	–	Actual cost

The Group makes provisions or write offs for inventory during its monthly and year end counts by identifying perishable, damaged and slow moving inventory with short shelf lives or expiration dates or by identifying specific seasonal inventories that require provisions.

As at 31 March	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Raw and packing materials	**3,782,007**	2,765,581	**–**	–
Work-in-progress	**288,150**	609,067	**–**	–
Finished goods	**1,931,717**	2,225,332	**–**	–
Merchandising stock for sale	**17,744,079**	15,830,476	**707**	–
Food and beverages – restaurant operations	**300,295**	406,427	**–**	–
Consumables	**1,153,440**	834,811	**–**	–
	25,199,688	22,671,694	**707**	–
Provision for obsolete inventories	**(136,816)**	(102,819)	**–**	–
	25,062,872	22,568,875	**707**	–
Goods in transit	**378,487**	684,515	**–**	–
	25,441,359	23,253,390	**707**	–

The details of inventories mortgaged for banking facilities obtained have been given in the Note 26.1 to the Financial Statements, if any.

Group Inventories



21 Trade and Other Receivables

As at 31 March	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Trade receivables	**7,919,335**	7,235,953	**–**	–
Provision for impairment of trade receivables	**(275,799)**	(263,906)	**–**	–
	7,643,536	6,972,047	**–**	–
Other prepayments and deposits	**3,411,624**	2,991,891	**461,171**	329,757
Other receivables	**2,021,579**	1,260,236	**310,231**	87,395
Loans and advances (Note 21.1)	**312,323**	194,529	**7,814**	3,945
Tax recoverable (Note 21.2)	**1,326,363**	1,200,224	**205,483**	176,576
	14,715,425	12,618,927	**984,699**	597,673

The details of trade receivable mortgaged for banking facilities obtained have been given in the Note 26.1 to the Financial Statements, if any.

21.1 Loans and advances represents loans to employees and the movement during the year is as follows:

	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
As at 1 April	**194,529**	288,502	**3,945**	12,544
Loans granted	**144,921**	327,126	**3,869**	1,464
	339,450	615,628	**7,814**	14,008
Repayments	**(27,127)**	(421,099)	**–**	(10,063)
As at 31 March	**312,323**	194,529	**7,814**	3,945

21.2 Tax Recoverable

This includes Social Security Contribution Levy, VAT recoverable, WHT recoverable and income tax overpayments.

22 Amounts Due from/to Related Companies

Amounts due from subsidiaries	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Cargills Retail (Private) Limited	**–**	–	**302,469**	173,611
Cargills Convenient Foods Limited	**–**	–	**20,224**	14,633
Cargills Restaurants (Private) Limited	**–**	–	**44,723**	60,042
Cargills Food Services (Private) Limited	**–**	–	**1,523**	639
Cargills Food & Beverage Limited	**–**	–	**20,620**	12,514
Cargills Dairies (Private) Limited	**–**	–	**59,850**	47,497
CPC (Lanka) Limited	**–**	–	**2,913**	2,192
Cargills Confectioneries (Private) Limited	**–**	–	**8,424**	4,705
Kotmale Dairy Products (Private) Limited	**–**	–	**21,320**	30,549
Kotmale Holdings PLC	**–**	–	**–**	–
Millers Limited	**–**	–	**19**	784
Cargills Agri Solutions Company (Private) Limited	**–**	–	**1,545**	192
The Empire Investments Company (Private) Limited	**–**	–	**1,053**	873,137
Fredrick North Hotel Company Limited	**–**	–	**10**	–
Cargills Enterprise Solutions (Private) Limited	**–**	–	**81,820**	46,143
Dawson Office Complex (Private) Limited			**9**	–
C T Properties Limited	**–**	–	**1,188,902**	1,140,000
	–	–	**1,755,424**	2,406,638

Amounts due from subsidiaries	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Amounts due from Holding Company				
C T Holdings PLC	**1,465**	20,821	**–**	20,065
	1,465	20,821	**–**	20,065
Amounts due from Associate Companies				
Cargills Bank PLC	**76,677**	27,760	**2,958**	9,157
Ceylon Theatres (Private) Limited	**83,616**	183,783	**20,773**	14,255
	160,293	211,543	**23,731**	23,412
Amounts due from Other Related Companies				
Ceylon Hotels Corporation PLC	**123**	1,076	**–**	–
C T Land Development PLC	**–**	45	**–**	–
CT Properties Management Co. (Pvt) Ltd.	**11,053**			
Galle Face Hotel 1994 Ltd.	**2,120**	1,678	**–**	
Galle Face Hotel Company Limited	**3,358**	1,718	**–**	–
Kandy Hotels Company (1938) PLC	**140**	1,320	**–**	–
United Hotels Company (Private) Limited	**–**	354	**–**	–
Cargills Foundation	**224,320**	249,362	**220,778**	245,830
Albert A Page Institute	**1,923**	1,884	**1,923**	1,884
Suisse Hotel Kandy (Private) Limited	**114**	156	**–**	–
VPL Holdings (Private) Limited	**–**	246	**–**	–
Double Yumm (Private) Limited	**150**	713	**–**	
	243,301	258,552	**222,701**	247,714
Total amount due from related companies	**405,059**	490,916	**2,001,856**	2,697,829

Amounts due from subsidiaries	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Amounts due to Subsidiaries				
Dawson Office Complex (Private) Limited	**–**	–	**–**	1,139
	–	–	**–**	1,139
Amounts due to Holding Company				
C T Holdings PLC	**10,358**	9,130	**–**	–
	10,358	9,130	**–**	–
Amounts due to Other Related Companies				
Lanka Shipping & Logistics (Private) Limited	**–**	866	**–**	–
	–	866	**–**	–
Total amount due to related companies	**10,358**	9,996	**–**	1,139

23 Stated Capital

Accounting Policy

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

	Number of Shares	2025 Rs. '000	Number of Shares	2024 Rs. '000
Balance as at 1 April	257,677,731	**6,841,068**	257,677,731	6,841,068
Balance as at 31 March	257,677,731	**6,841,068**	257,677,731	6,841,068

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

The company par value per share is Rs. 26.55 for the year 2025. (2024 – Rs. 26.55)

24 Reserves

Accounting Policy

Equity Reserves

The reserves recorded in equity on the Group's Statement of Financial Position include;

- "Revaluation reserve" consists of net surplus resulting from the revaluation of property, plant, and equipment.
- "FVOCI" reserve which comprises changes in fair value of equity investments at FVOCI.
- "Capital reserve" comprises share of capital reserve resulting from consolidation.

As at 31 March	Notes	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Capital reserves					
Revaluation reserve	12.3	**8,799,214**	8,799,214	**345,938**	345,938
Capital reserve		**7,928**	7,928	**–**	–
		8,807,142	8,807,142	**345,938**	345,938
Revenue reserve					
FVOCI Reserve		**42,214**	39,449	**40,260**	37,644
		42,214	39,449	**40,260**	37,644
		8,849,356	8,846,591	**386,198**	383,582

25 Cash and Cash Equivalents

As at 31 March	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Cash in hand and at bank	**6,566,809**	6,258,706	**323,321**	56,911
Fixed deposits – Maturity period is less than or equal to 3 months	**1,581,210**	1,297,940	**3,648**	3,186
Cash and cash equivalents in the Statement of Financial Position	**8,148,019**	7,556,646	**326,969**	60,097
Bank overdraft	**(2,673,802)**	(3,178,791)	**–**	(43,987)
Cash and cash equivalents in the Statement of Cash Flows	**5,474,217**	4,377,855	**326,969**	16,110

26 Interest Bearing Loans and Borrowings

As at 31 March	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Current				
Current portion of long term loan	**1,418,328**	2,216,191	**1,016,714**	1,605,475
Short-term loans	**24,233,000**	23,066,495	**7,350,000**	5,815,000
Bank overdraft	**2,673,802**	3,178,791	**–**	43,987
	28,325,130	28,461,477	**8,366,714**	7,464,462
Non-current				
Long-term loans	**100,174**	1,618,351	**–**	1,012,406
	100,174	1,618,351	**–**	1,012,406
Total borrowings	**28,425,304**	30,079,828	**8,366,714**	8,476,868

Movement (Excluding bank overdraft)

	GROUP		COMPANY	
As at 31 March	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
At the beginning of the year	**27,786,037**	25,747,774	**8,432,881**	9,562,799
Loans obtained	**127,431,860**	140,214,287	**26,042,668**	51,715,000
Accrued interest	**18,807**	421,530	**1,165**	261,154
Repayments	**(129,485,202)**	(138,797,554)	**(26,110,000)**	(53,106,072)
At the end of the year	**25,751,502**	27,586,037	**8,366,714**	8,432,881

26.1 Security and Repayment Terms

Details of all loans outstanding together with the related securities offered as at the reporting date are set out below:

As at 31 March Institution and Facility	Principal amount Rs. '000	Amount outstanding Rs. '000	Repayment terms and interest rate	Security offered
Cargills (Ceylon) PLC				
Bank Overdrafts				
Commercial Bank of Ceylon PLC	200,000	–	On demand, based on monthly AWPLR+0.75%	Clean basis
Deutsche Bank	45,000	–	On demand, based on the prevailing market rates	Clean basis
Nations Trust Bank PLC	200,000	–	On demand, based on weekly AWPLR+1.0%	Clean basis
		–		
Short-term loans				
Amãna Bank PLC	1,175,000	1,175,000	1-12 months, based on the prevailing market rates	Clean basis
Bank of Ceylon	1,500,000	–	1-12 months, based on the prevailing market rates	Clean basis
Commercial Bank of Ceylon PLC	4,000,000	375,000	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	9,000,000	–	1-4 months, based on prevailing money market rates	Clean basis
Nations Trust Bank PLC	4,800,000	4,000,000	1-3 months, based on the prevailing market rates	Clean basis
Sampath Bank PLC	1,800,000	1,800,000	1-4 months, based on the prevailing market rates	Clean basis
Seylan Bank PLC	2,000,000	–	1-4 months, based on the prevailing market rates	Clean basis
		7,350,000		
Long-term loans				
Hatton National Bank PLC	1,000,000	1,016,715	Interest to be serviced monthly and capital to be repaid in 20 quarterly instalments of 400.0 Mn. No grace period for capital repayment	Clean basis
		1,016,715		
		8,366,715		
Cargills Retail (Private) Limited				
Bank Overdrafts				
Bank of Ceylon	115,000	–	On demand, based on monthly AWPLR+0.5%	Clean basis
Cargills Bank PLC	–	1,557,425	On demand, based on the prevailing market rates	Fully secured against cash
Commercial Bank of Ceylon PLC	500,000	532,553	On demand, based on monthly AWPLR+0.75%	Clean basis
Deutsche Bank	500,000	–	On demand, based on the prevailing market rates	Clean basis
National Development Bank	200,000	–	On demand, based on monthly AWPLR+1.25%	Clean basis
		2,089,978		

As at 31 March Institution and Facility	Principal amount Rs. '000	Amount outstanding Rs. '000	Repayment terms and interest rate	Security offered
Short-term loans				
Bank of Ceylon	500,000	–	1-12 months, based on the prevailing market rates	Clean basis
Commercial Bank of Ceylon PLC	4,000,000	1,875,000	1-12 months, based on the prevailing market rates	Clean basis
Deutsche Bank	1,650,000	1,650,000	1-3 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	1,250,000	–	1-4 months, based on prevailing money market rates	Clean basis
Sampath Bank PLC	3,200,000	3,200,000	1-4 months, based on the prevailing market rates	Clean basis
Seylan Bank PLC	1,500,000	–	1-4 months, based on the prevailing market rates	Clean basis
Standard Chartered Bank	2,250,000	2,250,000	1-4 months, based on the prevailing market rates	Clean basis
		8,975,000		
Long-term loans				
Hatton National Bank PLC	250,000	250,636	Interest to be serviced monthly and capital to be repaid in 20 quarterly instalments of 50.0 Mn. No grace period for capital repayment	Clean basis
		250,636		
		11,315,614		
Cargills Food & Beverage Limited				
Bank Overdrafts				
Cargills Bank PLC	–	7,262	On demand, based on the prevailing market rates	Fully secured against cash
Commercial Bank of Ceylon PLC	150,000	–	On demand, based on monthly AWPLR+0.75%	Clean basis
		7,262		
Short-term loans				
Amana Bank PLC	325,000	50,000	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	750,000	–	1-12 months, based on prevailing money market rates	Clean basis
		50,000		
		57,262		
Cargills Restaurants (Private) Limited				
Bank Overdrafts				
Cargills Bank PLC	–	207,534	On demand, based on the prevailing market rates	Fully secured against cash
Commercial Bank of Ceylon PLC	100,000	–	On demand, based on monthly AWPLR+0.75%	Clean basis
Deutsche Bank	100,000	–	On demand, based on the prevailing market rates	Clean basis
		207,534		

As at 31 March Institution and Facility	Principal amount Rs. '000	Amount outstanding Rs. '000	Repayment terms and interest rate	Security offered
Short-term loans				
Commercial Bank of Ceylon PLC	250,000	–	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	350,000	–	1-6 months, based on prevailing money market rates	Clean basis
		–		
		207,534		
Cargills Food Services (Private) Limited				
Bank Overdrafts				
Commercial Bank of Ceylon PLC	–	3,665	On demand, based on the prevailing market rates	Clean basis
Deutsche Bank	5,000	–	On demand, based on the prevailing market rates	Clean basis
		3,665		
Cargills Confectioneries (Private) Limited				
Short-term loans				
Commercial Bank of Ceylon PLC	170,000	170,000	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	500,000	–	1-12 months, based on prevailing money market rates	Clean basis
		170,000		
Cargills Dairies (Private) Limited				
Bank overdrafts				
Cargills Bank PLC	–	15,947	On demand, based on the prevailing market rates	Fully secured against cash
Commercial Bank of Ceylon PLC	250,000	–	On demand, based on monthly AWPLR+0.75%	Clean basis
Deutsche Bank	100,000	–	On demand, based on the prevailing market rates	Clean basis
		15,947		
Short-term loans				
Commercial Bank of Ceylon PLC	2,500,000	1,345,000	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	2,500,000	–	1-4 months, based on prevailing money market rates	Clean basis
Seylan Bank PLC	1,500,000	–	1-4 months, based on the prevailing market rates	Clean basis
Standard Chartered Bank	1,089,950	1,080,000	1-12 months, based on the prevailing market rates	Clean basis
		2,425,000		

As at 31 March Institution and Facility	Principal amount Rs. '000	Amount outstanding Rs. '000	Repayment terms and interest rate	Security offered
Long-term loan				
Hatton National Bank PLC	250,000	251,152	Interest to be serviced monthly and capital to be repaid in 20 quarterly instalments of 50.0 Mn. No grace period for capital repayment	Clean basis
		251,152		
		2,692,099		
Cargills Convenient Foods Limited				
Bank overdrafts				
Cargills Bank PLC	–	216	On demand, based on the prevailing market rates	Fully secured against cash
Commercial Bank of Ceylon PLC	50,000	4,804	On demand, based on monthly AWPLR+0.75%	Clean basis
Deutsche Bank	350,000	342,508	On demand, based on the prevailing market rates	Clean basis
		347,528		
Short-term loans				
Commercial Bank of Ceylon PLC	250,000	30,000	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	1,000,000	–	1-4 months, based on prevailing money market rates	Clean basis
Standard Chartered Bank	1,000,000	930,000	1-12 months, based on the prevailing market rates	Clean basis
		960,000		
		1,307,528		
Millers Limited				
Bank overdrafts				
Deutsche Bank	200,000	–	On demand, based on the prevailing market rates	Clean basis
		–		
Short-term loans				
Commercial Bank of Ceylon PLC	300,000	–	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	400,000	–	1-4 months, based on prevailing money market rates	Clean basis
		–		
		–		

As at 31 March Institution and Facility	Principal amount Rs. '000	Amount outstanding Rs. '000	Repayment terms and interest rate	Security offered
Cargills Agri Solutions Company (Private) Limited				
Short-term loan				
Commercial Bank of Ceylon PLC	150,000	133,000	1-12 months, based on the prevailing market rates	Letter of comfort to be obtained frpm Cargills (Ceylon) PLC Rs. 200 Mn.
		133,000		
The Empire Investment Company (Private) Limited				
Short-term loan				
Commercial Bank of Ceylon PLC	2,000,000	1,770,000	1-12 months, based on the prevailing market rates	Letter of comfort to be obtained from Cargills (Ceylon) PLC Rs. 2.0 Bn.
Hatton National Bank PLC	3,000,000	2,400,000	1-6 months, based on prevailing money market rates (weekly review)	Letter of Comfort from Cargills (Ceylon) PLC for Rs. 3,000.0 Mn.
		4,170,000		
Kotmale Dairy Products (Private) Limited				
Bank overdraft				
Bank of Ceylon	10,000	–	On demand, based on the prevailing market rates	Corporate guarantee for Rs. 10 Mn. from Kotmale Holdings PLC. Mortgage over stocks and book debtors
Cargills Bank PLC	–	1,888	On demand, based on the prevailing market rates	Fully secured against cash
		1,888		
Import loan facility/Series of loan on Import				
Bank of Ceylon	40,000	–	Based on the prevailing market rates	Corporate guarantee for Rs. 40 Mn. from Kotmale Holdings PLC. Mortgage over stocks and book debtors
Short-term loans				
Hatton National Bank PLC	500,000	–	1-12 months, based on the prevailing market rates	Clean basis
Commercial Bank of Ceylon PLC	1,000,000	–	1-4 months, based on prevailing money market rates	Clean basis
		–		
		1,888		
Grand Total		28,425,305		

27 Capital Grant

Accounting Policy

Government Grants

Government grants, including non-monetary grants at fair value, are recognised when there is reasonable assurance that the conditions attached to them will be complied by the Group and the grants will be received. Grants related to assets, including non-monetary grants at fair value, are presented in the Statement of Financial Position as deferred income and recognised in the profit or loss on a systematic and rational basis over the useful life of the asset. Grants related to income are presented as a credit in the profit or loss, under the heading "other income" against the incurrence of related expenditure.

	2025 Rs. '000	2024 Rs. '000
As at 1 April	–	4,493
Amortisation	–	(4,493)
As at 31 March	–	–

The grants received by Cargills Food & Beverage Limited in respect of projects in Dehiattakandiya and Kilinochchi from USAID were fully amortised during the year 2024.

The grants received have been accounted as per LKAS 20 – "Accounting For Government Grants and Disclosure of Government Assistance".

28 Employee Benefit Liabilities

28.1 Movement in Present Value of Defined Benefit Obligations

	GROUP		COMPANY	
As at 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
As at 1 April	**1,956,969**	1,833,667	**766,970**	726,702
Interest cost	**208,168**	308,123	**84,367**	130,806
Current service cost	**173,896**	180,134	**62,024**	53,071
Actuarial (gain)/loss	**122,105**	(218,788)	**145,399**	(88,399)
Benefits paid	**(116,339)**	(146,167)	**(38,704)**	(55,210)
As at 31 March	**2,344,799**	1,956,969	**1,020,056**	766,970

28.2 Amount Recognised in the Profit/Loss

	GROUP		COMPANY	
As at 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Continuing operations				
Current service cost	**173,896**	180,134	**62,024**	53,071
Interest cost	**208,168**	308,123	**84,367**	130,806
	382,064	488,257	**146,391**	183,877

28.3 Amount Recognised in Other Comprehensive Income

	GROUP		COMPANY	
As at 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Actuarial (gain)/loss arising from:				
– Demographic assumptions	**4,770**	(4,114)	**1,280**	(1,111)
– Financial assumptions	–	(59,678)	–	(20,660)
– Experience adjustment	**117,335**	(154,996)	**144,119**	(66,628)
	122,105	(218,788)	**145,399**	(88,399)

28.4 Actuarial Assumptions

The principal assumptions, used in the actuarial valuation were as follows:

	2025 %	2024 %
Discount rate	**11**	11
Salary increment rate		
– Executive	**10**	10
– Staff	**10**	10
Staff turnover rate	**20**	18
Retirement age	**60 years**	60 years

The defined benefit obligation liability of the Company is based on an actuarial valuation carried out by Mr M Poopalanathan, AIA Messrs Actuarial and Management Consultants (Private) Limited, an Independent Actuary. The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert. A long term treasury bond rate of 11% p.a. (2024 – 11%) has been used to discount future liabilities taking into consideration remaining working life of eligible employees. Further, the salary increment rate of 10% is considered appropriate to be in line with the Group's targeted future salary increments when taking into account the current market conditions and inflation rate. Due to the discount rate and salary increment rate assumptions used, nature of non-financial assumptions and experience of the assumptions of the company, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions.

In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 67/70 mortality table" issued by the institute of Actuaries, London was used to estimate the employee benefit liability of the Group.

28.5 Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the defined benefit obligation measurement.

Reasonable possible change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation by the amount shown below:

	2025		2024	
As at 31 March	**Increase Rs. '000**	**Decrease Rs. '000**	**Increase Rs. '000**	**Decrease Rs. '000**
Group				
Discount rate (1% movement)	**(76,181)**	82,283	**(73,431)**	78,720
Salary increment rate (1% movement)	**91,859**	(86,470)	**86,978**	(82,355)
Company				
Discount rate (1% movement)	**(26,131)**	28,010	**(23,268)**	25,131
Salary increment rate (1% movement)	**31,598**	(29,978)	**27,999**	(26,358)

28.6 Maturity Profile of the Retirement Benefit Obligations

	GROUP		COMPANY	
As at 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Less than 1 year	**761,008**	540,439	**499,752**	325,656
Between 1 – 5 years	**924,594**	765,120	**312,837**	238,238
Between 6 – 10 years	**493,188**	456,895	**161,380**	150,890
Over 10 years	**166,009**	194,515	**46,087**	52,186
	2,344,799	1,956,969	**1,020,056**	766,970

As at 31 March 2025, the weighted average duration of the defined benefit obligation for the Company was 3.5 years (2024: 3.2 years).

29 Trade and other Payables

As at 31 March	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Trade payables	**25,872,059**	24,250,258	**21,641**	20,694
Other payables	**5,619,791**	5,324,188	**508,242**	483,139
Accrued expenses	**3,295,254**	2,834,553	**239,619**	58,339
	34,787,104	32,408,999	**769,502**	562,172

30 Dividend Payable

As at 31 March	Notes	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
At 1 April		**98,982**	78,673	**98,982**	78,673
Dividends declared to shareholders	11	**3,942,469**	3,349,811	**3,942,469**	3,349,811
Dividends paid to shareholders		**(3,904,217)**	(3,316,345)	**(3,904,217)**	(3,316,345)
Write back of unclaimed dividends		**(20,332)**	(13,157)	**(20,332)**	(13,157)
At 31 March		**116,902**	**98,982**	**116,902**	**98,982**

31 Segmental Information

Accounting Policy

Segment Reporting

The Group's primary segments are Retail, FMCG, Restaurants and Real Estate. There are no distinguishable components to be identified as geographical segments for the Group.

A segment is a distinguishable component of the Group that is engaged in providing products and services. (Business segment, which is subject to risks and rewards that are different from those of other segments).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The accounting policies adopted for segment reporting are those accounting policies adopted for preparing the Financial Statements of the Group.

The following summary describes the operations of each reportable segment:

Reportable segment	Operations
Retail	Operating a chain of retail outlets under the brand names of "Food City", "Cargills Express" and "Food Hall"
FMCG	Manufacturing and distributing ice cream and other dairy products, fruit based products, processed and fresh meat products, biscuits, distribution of international FMCG products.
Restaurants	Local franchisee for KFC and TGI Fridays
Real Estate	Owner/operator of the "Cargills Square" shopping and entertainment malls.

Inter-segment pricing is determined at prices mutually agreed by the companies.

	Retail		FMCG		Restaurant		Real Estate		Others		Group	
As at 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Revenue	**182,461,966**	167,065,641	**66,476,433**	64,672,942	**12,157,049**	10,691,365	**–**	–	**73,354**	28,528	**261,168,802**	242,458,476
Intra-segment revenue	**–**	–	**(1,642,839)**	(2,216,000)	**–**	–	**–**	–	**–**	–	**(1,642,839)**	(2,216,000)
Inter-segment revenue	**(248,780)**	(219,965)	**(17,416,095)**	(16,553,499)	**–**	–	**–**	–	**(21,468)**	(28,528)	**(17,686,343)**	(16,801,992)
	182,213,186	166,845,676	**47,417,499**	45,903,443	**12,157,049**	10,691,365	**–**	–	**51,886**	–	**241,839,620**	223,440,484
Segment operating profit	**7,457,405**	5,331,605	**5,551,456**	6,159,014	**2,006,756**	1,757,513	**28,704**	(42,437)	**168,140**	307,050	**15,212,461**	13,512,745
Net finance cost	**(2,646,529)**	(3,478,544)	**(442,662)**	(751,499)	**(137,165)**	46,240	**(285,732)**	(104,210)	**(656,337)**	(962,340)	**(4,168,425)**	(5,250,353)
Change in fair value of investment property	**–**	–	**64,108**	2,700	**–**	–	**385,144**	869,758	**103,317**	58,545	**552,569**	931,003
Share of equity accounted investees results	**–**	–	**–**	–	**–**	–	**–**	–	**232,639**	52,528	**232,639**	52,528
Profit before taxation	**4,810,876**	1,853,061	**5,172,902**	5,410,215	**1,869,591**	1,803,753	**128,116**	723,111	**(152,241)**	(544,217)	**11,829,244**	9,245,923
Income tax expense												
Current tax expense	**(1,605,975)**	(399,751)	**(1,665,228)**	(1,647,673)	**(585,907)**	(564,874)	**–**	–	**(114,542)**	(139,871)	**(3,971,652)**	(2,752,169)
Deferred tax expense	**226,750**	261,146	**25,732**	(2,952)	**607**	(9,674)	**(144,215)**	(205,836)	**2,438**	(9,160)	**111,312**	33,524
(Over)/Under provision	**–**	–	**–**	–	**–**	–	**–**	–	**(331)**	–	**(331)**	–
Other tax expense	**(214,761)**	(240,891)	**(288,065)**	(250,815)	**(195,452)**	(99,453)	**–**	–	**–**	–	**(698,279)**	(591,159)
Profit for the year	**3,216,890**	1,473,565	**3,245,341**	3,508,775	**1,088,839**	1,129,752	**(16,099)**	517,275	**(264,345)**	(693,248)	**7,270,295**	5,936,119
Attributable to:												
Equity shareholders of the parent	**3,216,890**	1,473,565	**3,242,403**	3,505,628	**1,088,839**	1,129,752	**(61,373)**	471,088	**(264,345)**	(693,248)	**7,222,414**	5,886,785
Non-controlling interest	**–**	–	**2,938**	3,147	**–**	–	**45,274**	46,187	**–**	–	**48,212**	49,334
	3,216,890	1,473,565	**3,245,341**	3,508,775	**1,088,839**	1,129,752	**(16,099)**	517,275	**(264,345)**	(693,248)	**7,270,626**	5,936,119
Segment assets												
Non-current assets												
Property, plant, and equipment	**27,102,952**	27,079,408	**10,604,224**	11,373,392	**2,417,286**	2,022,022	**1,090,530**	2,471,721	**8,051,777**	6,546,614	**49,266,771**	49,493,157
Right-of-use assets	**15,180,512**	17,924,873	**80,051**	101,786	**1,719,831**	1,399,210	**151,003**	–	**867,322**	945,174	**17,998,719**	20,371,043
Investment property	**–**	–	**273,185**	209,077	**–**	–	**9,541,627**	7,466,500	**1,592,194**	3,154,403	**11,407,006**	10,829,980
Intangible assets	**93,445**	96,944	**691,984**	681,652	**488,506**	354,998	**–**	–	**348,101**	496,596	**1,622,036**	1,630,190
Other financial assets	**–**	–	**316**	241	**311**	237	**–**	–	**1,584,807**	1,582,224	**1,585,435**	1,582,702
Investment in equity accounted investees	**–**	–	**–**	–	**–**	–	**–**	–	**5,055,526**	4,980,816	**5,055,526**	4,980,816

As at 31 March	Retail		FMCG		Restaurant		Real Estate		Others		Group	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Biological assets	**–**	–	**12,699**	65,737	**–**	–	**–**	–	**–**	–	**12,699**	65,737
	42,376,909	45,101,225	**11,662,459**	12,431,886	**4,625,934**	3,776,467	**10,783,160**	9,938,221	**17,499,727**	17,705,827	**86,948,192**	88,953,625
Current assets												
Inventories	**18,105,005**	16,190,272	**7,036,412**	6,655,769	**299,192**	407,349	**–**	–	**750**	–	**25,441,359**	23,253,390
Biological assets		–	**63,787**	150,018	**–**	–	**–**	–	**–**	–	**63,787**	150,018
Trade and other receivables	**7,325,892**	6,131,228	**5,446,441**	4,997,323	**371,749**	386,115	**583,108**	505,895	**984,788**	598,366	**14,715,427**	12,618,927
Amount due from related companies	**78,496**	17,812	**14,801**	13,330	**–**	–	**68,795**	168,583	**246,386**	291,191	**405,059**	490,916
Other financial assets	**–**	–	**124,164**	115,011	**–**	–	**16,621**	16,096	**79,650**	–	**220,435**	131,107
Cash and cash equivalents	**3,781,862**	3,580,659	**3,054,447**	2,583,186	**900,886**	1,215,643	**53,948**	40,842	**327,651**	136,316	**8,148,019**	7,556,646
	29,291,255	25,919,971	**15,769,277**	14,514,637	**1,571,827**	2,009,107	**722,472**	731,416	**1,639,225**	1,025,873	**48,994,086**	44,201,004
Total segmental assets	**71,668,164**	71,021,196	**27,431,700**	26,946,522	**6,197,761**	5,785,574	**11,505,632**	10,669,637	**19,138,952**	18,731,700	**135,942,277**	133,154,629
Segment liabilities												
Non-current liabilities												
Interest bearing loans and borrowings	**50,013**	354,767	**50,161**	251,178	**–**	–	**–**	–	**–**	1,012,406	**100,174**	1,618,351
Lease liability	**18,712,442**	20,598,102	**86,073**	94,085	**1,929,124**	1,559,939	**136,905**	–	**884,764**	921,155	**21,749,308**	23,173,281
Deferred tax liability	**(216,483)**	(631)	**1,064,083**	1,087,456	**(40,267)**	(39,657)	**684,268**	429,042	**625,184**	789,230	**2,116,785**	2,265,441
Employee benefit liability	**1,122,072**	1,025,807	**201,601**	163,608	**–**	–	**1,070**	584	**1,020,056**	766,970	**2,344,799**	1,956,969
	19,668,839	21,978,045	**1,401,918**	1,596,327	**1,888,857**	1,520,282	**822,243**	429,626	**2,530,004**	3,489,761	**26,311,861**	29,014,042
Current liabilities												
Trade and other payables	**25,254,541**	23,290,653	**7,079,922**	6,851,752	**1,325,808**	1,292,386	**353,277**	411,592	**773,490**	562,616	**34,787,104**	32,408,999
Current tax liabilities	**1,723,674**	1,170,291	**2,520,594**	2,922,211	**999,150**	941,796	**45**	109	**563,285**	451,548	**5,806,748**	5,485,955
Amount due to related companies	**131**	134	**1,191**	866	**–**	–	**9,036**	8,996	**–**	–	**10,358**	9,996
Dividends payable	**–**	–	**–**	–	**–**	–	**–**	–	**116,902**	98,982	**116,902**	98,982
Interest bearing loans and borrowings	**11,265,601**	12,856,377	**4,311,616**	5,052,164	**211,199**	89,054	**4,170,000**	2,999,420	**8,366,714**	7,464,462	**28,325,130**	28,461,477
Lease liability	**962,622**	1,160,436	**10,910**	20,318	**132,194**	122,889	**6,024**	–	**43,246**	49,075	**1,155,071**	1,352,718
	39,205,774	38,477,891	**13,924,233**	14,847,311	**2,668,351**	2,446,125	**4,538,382**	3,420,117	**9,863,637**	8,626,683	**70,200,517**	67,818,127
Total segmental liabilities	**58,874,613**	60,455,936	**15,326,151**	16,443,638	**4,557,208**	3,966,407	**5,360,625**	3,849,743	**12,393,641**	12,116,444	**96,512,379**	96,832,169

As at 31 March	Retail 2025 Rs. '000	Retail 2024 Rs. '000	FMCG 2025 Rs. '000	FMCG 2024 Rs. '000	Restaurant 2025 Rs. '000	Restaurant 2024 Rs. '000	Real Estate 2025 Rs. '000	Real Estate 2024 Rs. '000	Others 2025 Rs. '000	Others 2024 Rs. '000	Group 2025 Rs. '000	Group 2024 Rs. '000
Other information												
Capital expenditure	**2,768,386**	2,868,203	**724,604**	1,613,967	**937,529**	862,058	**48,767**	1,505,804	**204,434**	15,738	**4,683,720**	6,865,770
Depreciation	**2,663,484**	2,704,188	**1,463,823**	1,368,150	**347,135**	306,145	**37,983**	45,524	**102,438**	98,614	**4,614,863**	4,522,621

The Group does not distinguish its revenue into significant geographic segments, as all operating entities are based in Sri Lanka.

32 Commitments

As at 31 March	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Capital commitment				
Approved and contracted	**701,930**	725,092	**276,811**	–

Financial commitments

(a) There were no material financial expenditure commitments approved by the Board of Directors As at 31 March 2025.

(b)

As at 31 March	GROUP 2025 Rs. '000	GROUP 2024 Rs. '000	COMPANY 2025 Rs. '000	COMPANY 2024 Rs. '000
Settlement of letter of credits and import bills	**279,439**	279,929	–	–

The Company has provided a letter of comfort to its subsidiary Cargills Agri Solutions Company (Private) Limited indicating its intention to provide financial support as may be required to enable the subsidiary to meet their obligations as and when they fall due.

33 Contingent Liabilities

Accounting Policy

Contingencies

Contingent Liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard – LKAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless its occurrence is remote.

Income Tax

The income tax concession claimed under the Inland Revenue Act No. 10 of 2006 and Act No. 24 of 2017 is being contested by the Department of Inland Revenue. The consequent contingent liability is as follows:

Cargills Food & Beverage Limited – Rs. 61.11 Mn., Cargills Dairies (Private) Limited – Rs. 384.39 Mn. and Cargills Restaurants (Private) Limited Rs. 138.18 Mn., Cargills Convenient Foods Limited – Rs. 38.87 Mn., Cargills Confectionaries Limited – Rs. 66.98 Mn.

Having sought professional advice, the Management is confident that the tax concession are applicable and as such no liabilities would arise. Accordingly, no provision has been made in the Financial Statements.

Letters of Guarantee to Commercial Banks

The Company has given letters of guarantee to Commercial Banks on behalf of subsidiary companies amount is Nil. Kotmale Holding PLC a subsidiary of the Company has given letters of guarantee to Commercial Banks on behalf of its subsidiary company Kotmale Dairy products (Pvt) Ltd (Rs. 50 Mn.). The Directors do not expect any claim on these guarantees. Accordingly, no provision has been made in the Financial Statements

Bank Guarantee

The Company has provided Bank Guarantees to Sri Lanka Customs amounting to Rs. 2.5 Mn.

There are no other material contingent liabilities as at the reporting date.

The Directors do not expect any claim on these guarantees. Accordingly, no provision has been made in the Financial Statements.

34 Events After the Reporting Date

34.1 Proposed Dividend

Subsequent to the reporting period, on 3 June 2025, the Board of Directors proposed a second interim dividend of Rs. 11.70 per share for the year ended 31 March 2025.

In accordance with LKAS 10 – "Events after the reporting period", the dividend has not been recognised as a liability in the Financial Statements As at 31 March 2025.

No events other than the above, have occurred since the reporting date which would require any adjustment to, or disclosure in the Financial Statements.

35 Transactions with Group Companies

Accounting Policy

Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the respective Notes to the Financial Statements.

The Company has provided corporate guarantees for the term loans and banking facilities obtained by its subsidiary companies, the details of which has been disclosed under Note 26.1 to the Financial Statements.

Companies within the Group engage in trading and business transactions under normal commercial terms which give rise to related company balances. The balances have been disclosed under Note 22 to the Financial Statements.

35.1 Transactions with Key Management Personnel (KMP)

According to LKAS 24 – "Related Party Disclosures", KMP are those having authority and responsibility for planning, directing, controlling the activities of the entity. Accordingly, the directors of the Company and its subsidiaries (including executive and non-executive directors) have been classified as KMP of the Group.

Key Management Personnel compensation comprise the following:

	GROUP		COMPANY	
Year ended 31 March	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Director fee, salaries and other short-term employee benefits	**873,520**	630,982	**249**	170
	873,520	630,982	**249**	170

35.2 Amounts Due from/Due to Related Companies

Amounts due from and due to related companies as at the year end have been disclosed under Note 22 to these Financial Statements.

35.3 Transactions with Related Companies

	GROUP		COMPANY	
For the year ended 31 March	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Transaction with related parties				
Subsidiaries				
Sale/(purchase)	**–**	–	**21,468**	28,528
Other income/(expense)	**–**	–	**3,956,912**	3,349,870
Fund transfer/(settlement)	**–**	–	**(8,722,483)**	(2,355,954)
Holding company				
Sale/(purchase)	**–**	–		–
Other income/(expense)		6,062		6,062
Fund transfer/(settlement)	**(20,065)**	7,261	**(20,065)**	7,261
Associates				
Sale/(purchase)	**10,499**	9,336		–
Other income/(expense)	**93,660**	331,570	**49,348**	43,221
Fund transfer/(settlement)	**(188,764)**	(217,794)	**(49,028)**	(48,429)
Other related companies				
Sale/(purchase)	**(438,370)**	18,755		–
Other income/(expense)	**(16,076)**	(22,102)		17,978
Fund transfer/(settlement)	**552,662**	45,020	**(25,013)**	(17,467)

The administration expense relating to Company includes employee benefit cost transfer to subsidiaries amounting to Rs. 94.26 Mn. (2024 – Rs. 79.48 Mn.) for the year ended 31 March 2025.

Net dividends received from subsidiary companies

As at 31 March	2025 Rs. '000	2024 Rs. '000
Cargills Convenient Foods Limited	**469,822**	224,025
Cargills Foods & Beverages Limited	**–**	–
Cargills Retail (Private) Limited	**1,216,977**	1,365,050
Cargills Restaurants (Private) Limited	**1,107,567**	563,570
Cargills Dairies (Private) Limited	**1,162,546**	1,197,225
	3,956,912	3,349,870

35.4 Transactions, Arrangements and Agreements involving Key Management Personnel (KMP) and their Close Family Members (CFM)

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

(a) the individual's domestic partner and children;

(b) children of the individual's domestic partner; and

(c) dependents of the individual or the individual's domestic partner

CFM are related parties to the entity. There were no transactions other than disclosed below with the CFM during the year.

Double Yumm (Private) Limited

Mrs R Page, wife of the Deputy Chairman is a Director of the above company with which Cargills Retail (Private) Limited had regular transactions in the ordinary course of business and the amount outstanding as at 31 March 2025 was Rs. 29.43 Mn. (2024 – Rs. 35.95 Mn.).

Purchases for re-sale in the ordinary course of business amounted to Rs. 389.72 Mn. (2024 – Rs. 372.97 Mn.).

Directors have no direct or indirect interest in any other contacts with the Company.

36 Comparative Information

Comparative Information is re-classified wherever necessary to conform with the current year's presentation in order to provide a better presentation.

37 Assessment of Going Concern

The Financial Statements of Cargills Ceylon PLC for the year ended 31 March 2025, have been prepared on the basis that the Company is a going concern.

Based on the prevailing information, the management has considered the consequences of the uncertainties faced by the country and, whilst these challenges would have a bearing on the, consumer demand and supply chain, The Company has adapted strategies to mitigate its impact and does not contemplate a significant doubt upon the entity's ability to continue as a going concern.

38 Financial Instruments

38.1 Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Assets by Categories (Group)

As at 31 March	Notes	Financial assets at amortised cost		FVTOCI – equity instruments		FVTPL – debt instruments	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Financial assets measured at fair value							
Other financial instruments – Equity	16.3.1	**–**	–	**85,464**	82,702	**–**	–
Other financial instruments – Debt	16.3.2	**–**	–	**–**	–	**1,500,000**	1,500,000
Financial assets not measured at fair value							
Trade and other receivables, excluding prepayments, deposits and tax recoverable	21	**9,977,438**	8,426,812				
Amounts due from related companies	22	**405,059**	490,916				
Other financial assets	16.3.3	**220,435**	131,107				
Cash and cash equivalents	25	**8,148,019**	7,556,646				
		18,750,951	16,605,481	**85,464**	82,702	**1,500,000**	1,500,000

Financial Liabilities by Categories (Group)

As at 31 March	Notes	Financial liabilities at amortised cost	
		2025 Rs. '000	2024 Rs. '000
Financial liabilities not measured at fair value			
Interest bearing loans and borrowings	26	**28,425,304**	30,079,828
Lease liability	13.2	**22,904,379**	24,525,999
Trade and other payables, excluding accrued expenses	29	**31,491,850**	29,574,446
Amounts due to related companies	22	**10,358**	9,996
Total		**82,831,891**	84,190,269

Financial Assets by Categories (Company)

As at 31 March	Notes	Financial assets at amortised cost		FVTOCI – equity instruments		FVTPL – debt instruments	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Financial assets measured at fair value							
Other financial instruments – Equity	16.3.1	**–**	–	**84,808**	82,224	**–**	–
Other financial instruments – Debt	16.3.2	**–**	–	**–**	–	**1,500,000**	1,500,000
Financial assets not measured at fair value							
Trade and other receivables, excluding prepayments, deposits and tax recoverable	21	**318,045**	91,340	**–**	–	**–**	–
Amounts due from related companies	22	**2,001,856**	2,697,829	**–**	–	**–**	–
Cash and cash equivalents	25	**326,969**	60,097	**–**	–	**–**	–
Total		**2,646,870**	2,849,266	**84,808**	82,224	**1,500,000**	1,500,000

Financial Liabilities by Categories (Company)

As at 31 March	Notes	Financial liabilities at amortised cost	
		2025 Rs. '000	2024 Rs. '000
Financial liabilities not measured at fair value			
Interest bearing loans and borrowings	26	**8,366,714**	8,476,868
Lease liability	13	**926,399**	970,230
Trade and other payables, excluding accrued expenses	29	**529,883**	503,833
Amounts due to related companies	22	**–**	1,139
Total		**9,822,996**	9,952,070

38.1.1 The above table does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

38.2 Fair Value Hierarchy

The table below analyses assets carried at fair value, by valuation method.

The different levels have been defined as follows:

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

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

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

		Level 1		Level 2		Level 3		Total	
As at 31 March	Notes	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Group									
Freehold land and buildings	12	**–**	–	**–**	–	**22,580,173**	22,902,678	**22,580,173**	22,902,678
Investment property	14	**–**	–	**–**	–	**11,407,006**	10,829,980	**11,407,006**	10,829,980
Equity investment at FVOCI	16.3.1	**85,464**	82,702	**–**	–	**–**	–	**85,464**	82,702
Debt investment at FVTPL	16.3.2	**–**	–	**1,500,000**	1,500,000	**–**	–	**1,500,000**	1,500,000
Biological assets	18	**–**	–	**–**	–	**76,486**	215,755	**76,486**	215,755

		Level 1		Level 2		Level 3		Total	
As at 31 March	Notes	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Company									
Freehold land and buildings	12	**–**	–	**–**	–	**3,100,405**	3,109,102	**3,100,405**	3,109,102
Investment property	14	**–**	–	**–**	–	**3,793,237**	3,424,330	**3,793,237**	3,424,330
Equity investment at FVOCI	16.31	**84,808**	82,224	**–**	–	**–**	–	**84,808**	82,224
Debt investment at FVTPL	16.3.2	**–**	–	**1,500,000**	1,500,000	**–**	–	**1,500,000**	1,500,000

38.2.1 Assets and Liabilities Measured at Fair Value – Recurring

The following table shows the valuation techniques used by Group in measuring Level 3 fair values and the significant unobservable inputs used.

Assets and liabilities	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Property, plant, and equipment – Freehold land and building	**Market approach** – This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature, and location of the property	Market value per perch of land/price per square foot Rs. 5,000 – Rs. 20,500,000 per perch	Estimated fair value will increase (decrease) if; Market value per perch/price for sq ft increases (decreases)
	Income approach – The net income generated by the property is used in conjunction with certain factors is used to calculate its fair value.	Cash flows from property discounted at an appropriate rate Contractual rental Rs. 600,000 – Rs. 15,583,653 per month. Capitalisation rates 5.4%-6.25% Repairs and insurance 20%-36%	Estimated fair value will increase (decrease) if; market interest rate increases (decreases) • Contractual rentals were higher/(lower) • Capitalisation rate was (higher)/lower • Repair and insurance was (higher)/lower • Market value per perch was higher/(lower)
Investment property – Freehold land and building	**Market approach** – This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature, and location of the property	Construction cost per square foot Rs. 1,435 – Rs. 10,350 Market price per perch. The valuer has used a range of prices for respective lands based on adjusted fair value taking into account other valuation considerations – Rs. 30,000-Rs. 10,000,000 per perch	The estimated fair value would increase/(decrease) if • Cost per square foot was higher/(lower) • Market value per perch was higher/(lower)
	Income approach – The net income generated by the property is used in conjunction with certain factors is used to calculate its fair value.	Capitalisation rates 5.5% Repairs and insurance 20%-36% Contractual rental Rs. 644,333 – 15,583,653 per month.	The estimated fair value would increase/(decrease) if • Contractual rentals were higher/(lower) • Occupancy rates were higher/(lower) • Capitalisation rate was (higher)/lower • Repair and insurance was (higher)/lower • Market value per perch was higher/(lower)

39 Financial Risk Management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market 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, and the Group's management of capital. Further quantitative disclosures are included throughout these Financial Statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management processes 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 limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management processes/guidelines and procedures and reviews the adequacy of the risk management framework in relation to the risks. The Audit Committee is assisted in its oversight role by the Risk Management team and internal audit, who undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

39.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arise principally from the Group's receivables from customers.

Group implemented several initiatives such as periodic review of the creditworthiness of its counterparties, financial statements reviews, and industry information.

Carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows;

		GROUP		COMPANY	
As at 31 March	**Notes**	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Trade and other receivables, excluding prepayments and tax recoverable	21	**9,977,438**	8,426,812	**318,045**	91,340
Amounts due from related companies	22	**405,059**	490,916	**2,001,856**	2,697,829
Cash and cash equivalents, excluding cash in hand	25	**6,566,809**	6,497,013	**325,839**	59,424
		16,949,307	15,414,741	**2,645,740**	2,848,593

39.1.1 Trade Receivables

The following table provides information about the exposure to credit risk and ECL for trade receivable as at 31 March 2025.

	GROUP			COMPANY		
	Gross Carrying Amount Rs. '000	Loss Allowances Rs. '000	Net Carrying Amount Rs. '000	Gross Carrying Amount Rs. '000	Loss Allowances Rs. '000	Net Carrying Amount Rs. '000
Past due 1 – 30 days	5,536,425	–	5,536,425	–	–	–
Past due 31 – 60 days	1,133,127	–	1,133,127	–	–	–
Past due 61 – 90 days	653,130	–	653,130	–	–	–
> 91 days	596,653	(275,799)	320,854	–	–	–
	7,919,335	(275,799)	7,643,536	–	–	–

The provision for impairment of trade receivables are relevant to the trade receivables outstanding for more than 90 days. The Group has obtained bank guarantees from major customers by reviewing their past performance and creditworthiness.

39.1.2 Amounts Due from Related Companies

The Group's amounts due from related companies mainly consist of receivables from other related companies and parent company. The Company's amount due from related companies consist of receivables from affiliate companies.

39.1.3 Cash and Cash Equivalents

The Group and the Company held cash and cash equivalents of Rs. 8,118.79 Mn. and Rs. 326.96 Mn. at 31 March 2025 (2024 – Rs. 7,556.65 Mn. and Rs. 60.09 Mn.), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with banks, which are rated AAA(lka) to BBB-(lka), based on Fitch Ratings.

39.1.4 Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries.

39.2 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 holds cash and undrawn committed facilities to manage its liquidity risk.

The Group monitors its risk to shortage of funds by considering maturity of both the Group's financial investments and financial assets and other projected cash flow from operations.

The Group's objective is to maintain balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans and overdrafts over a wider spread of maturity periods.

In liquidity risk management, the Group uses a mixed approach where it combines elements of cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against a combination of contractual cash inflows that can be generated through the sale of assets, repurchase agreements or secured borrowings.

The following are the contractual maturities of financial liabilities of the Group as at 31 March 2025:

		Contractual cash flows			
	Carrying amount Rs. '000	Total Rs. '000	Within 1 year Rs. '000	Between 1-5 years Rs. '000	More than 5 years Rs. '000
Group					
Trade and other payables, excluding accrued expenses	31,491,850	31,491,850	31,491,850	–	–
Amounts due to related companies	10,358	10,358	10,358	–	–
Short-term loans	24,233,000	24,233,000	24,233,000	–	–
Long-term loans	1,518,502	1,518,502	1,418,328	100,174	–
Bank overdraft	2,673,802	2,673,802	2,673,802	–	–
Lease liabilities	22,904,379	47,318,381	3,712,803	13,306,717	30,298,861
	82,831,891	107,245,893	63,540,141	13,406,891	30,298,861

The following are the contractual maturities of financial liabilities of the Group as at 31 March 2024:

		Contractual cash flows			
	Carrying amount Rs. '000	Total Rs. '000	Within 1 year Rs. '000	Between 1-5 years Rs. '000	More than 5 years Rs. '000
Group					
Trade and other payables, excluding accrued expenses	29,574,446	29,574,446	29,574,446	–	–
Amounts due to related companies	9,996	9,996	9,996	–	–
Short-term loans	23,066,495	23,066,495	23,066,495	–	–
Long-term loans	3,834,542	3,834,542	2,216,191	1,618,351	–
Bank overdraft	3,178,791	3,178,791	3,178,791	–	–
Lease liabilities	24,525,999	45,795,224	4,743,294	12,824,397	28,227,533
	84,190,269	105,459,494	62,789,213	14,442,748	28,227,533

The following are the contractual maturities of financial liabilities of the Company as at 31 March 2025:

		Contractual cash flows			
	Carrying amount Rs. '000	Total Rs. '000	Within 1 year Rs. '000	Between 1-5 years Rs. '000	More than 5 years Rs. '000
Company					
Trade and other payables, excluding accrued expenses	**529,883**	**529,883**	**529,883**	**–**	**–**
Short-term loans	**7,350,000**	**7,350,000**	**7,350,000**	**–**	**–**
Long-term loans	**1,016,714**	**1,016,714**	**1,016,714**	**–**	**–**
Lease liabilities	**926,399**	**1,329,864**	**98,468**	**442,923**	**788,473**
	9,822,996	**10,226,461**	**8,995,065**	**442,923**	**788,473**

The following are the contractual maturities of financial liabilities of the Company as at 31 March 2024:

		Contractual cash flows			
	Carrying amount Rs. '000	Total Rs. '000	Within 1 year Rs. '000	Between 1-5 years Rs. '000	More than 5 years Rs. '000
Company					
Trade and other payables, excluding accrued expenses	503,833	503,833	503,833	–	–
Amounts due to related companies	1,139	1,139	1,139		
Short-term loans	5,815,000	5,815,000	5,815,000	–	–
Long-term loans	2,617,881	2,617,881	1,605,475	1,012,406	–
Bank overdraft	43,987	43,987	43,987	–	–
Lease liabilities	970,230	1,427,397	99,590	418,870	908,937
	9,952,070	10,409,237	8,069,024	1,431,276	908,937

39.3 Market Risk

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

39.3.1 Currency Risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the Sri Lankan Rupee (LKR). The Group has limited exposure in respect of recognised foreign currency assets and liabilities. The Group applied Rs. 296 per USD and Rs. 320 per EUR as at the reporting date in translating its assets and liabilities. The following table shows the estimated impact on profitability by fluctuation of exchange rates assuming that all other variables remain constant;

Exposure to Currency Risk

	GROUP		COMPANY	
As at 31 March	**2025 USD '000**	**2024 USD '000**	**2025 USD '000**	**2024 USD '000**
Trade receivable	**34,361**	22,696	**–**	–
Cash and cash equivalent	**92,417**	116,516	**–**	–
Trade payable	**(713)**	(724)	**–**	–
Other payable	**(438,099)**	(66,892)	**–**	–
Net Exposure	**(312,033)**	71,595	**–**	–
Effect of Currency Rate Swaps				
5% increase in exchange rate of USD	**(4,623)**	(2,982)	**–**	–
	(316,656)	68,614	**–**	–
5% decrease in exchange rate of USD	**4,623**	2,982	**–**	–
	(307,410)	74,577	**–**	–

39.3.2 Interest Rate Risk

The Group is exposed to interest rate risk on borrowings and deposits. The Group's interest rate policy seeks to minimise the cost and volatility of the Group's interest expense by maintaining a diversified portfolio of fixed rate, floating rate and inflation-linked liabilities.

The Group adopts a policy of ensuring borrowings are maintained at a manageable level while optimising returns. Interest rates are negotiated leveraging on the strength of the Group and thereby ensuring the availability of cost-effective funds at all times, while minimising the negative effect of market fluctuations. Further, the Group has considerable banking facilities with several reputed banks which has enabled the Group to negotiate competitive rates.

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax (through the impact on floating rate borrowings).

Exposure to Interest Risk

	GROUP		COMPANY	
As at 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Financial liabilities	**25,751,502**	27,786,037	**8,366,714**	8,432,881
Net exposure	**25,751,502**	27,786,037	**8,366,714**	8,432,881
Effect of Currency Rate Swaps				
Increase in 100 basis points	**(284,253)**	(300,798)	**(83,667)**	(84,769)
	25,467,249	27,485,239	**8,283,047**	8,348,112
Decrease in 100 basis points	**284,253**	300,798	**83,667**	84,769
	26,035,755	28,086,835	**8,450,381**	8,517,650

39.3.3 Market Price Risk

Listed equity securities are susceptible to market price risk arising from uncertainties of future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity portfolio investments. The Group's equity risk management policies are;

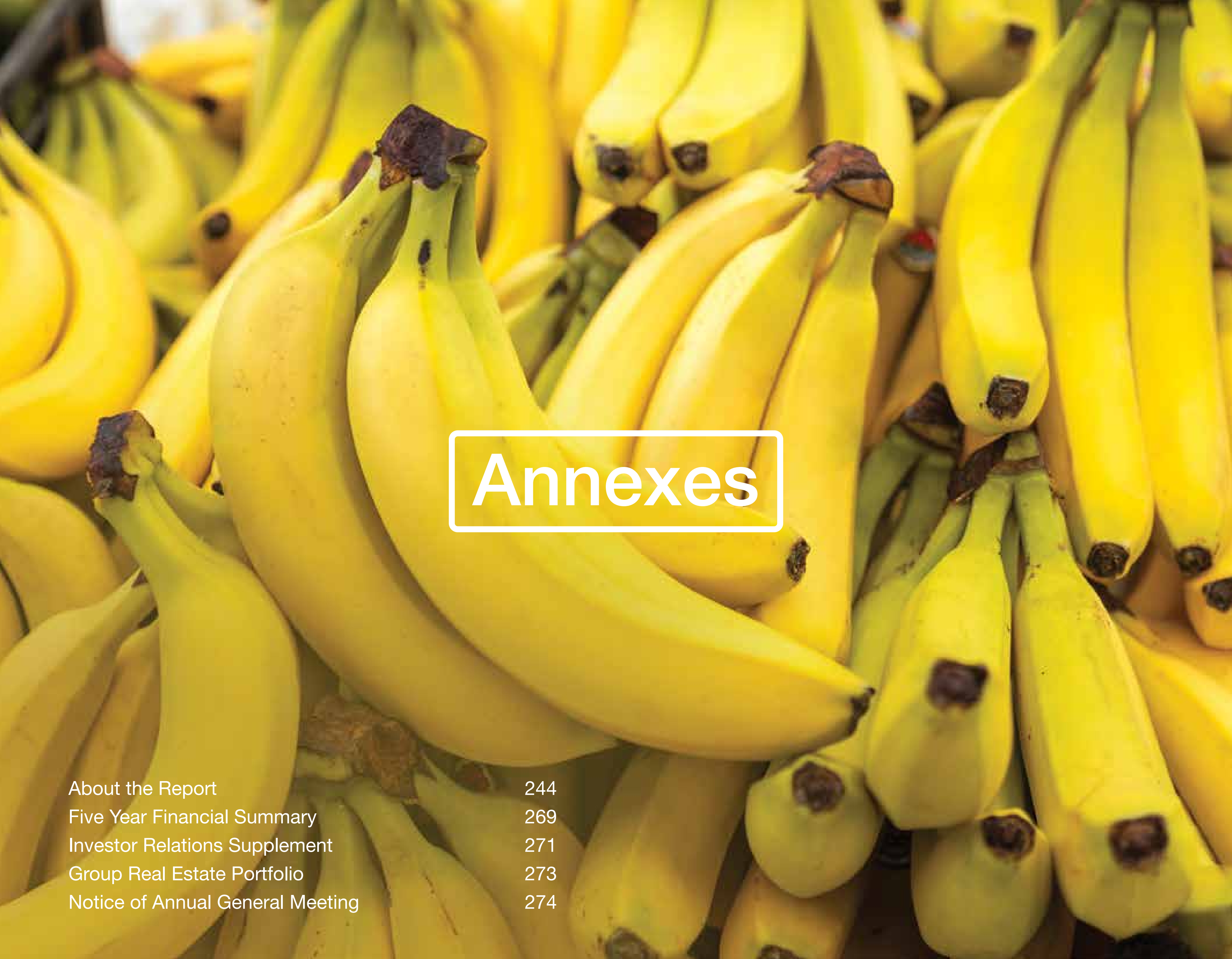
- Equity investment decisions are based on fundamentals rather than on speculation; and
- Decisions are based on in depth macroeconomic and industry analysis as well as research reports on company performance. Market price risk is not material to the Group.

39.4 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain share holder, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders.

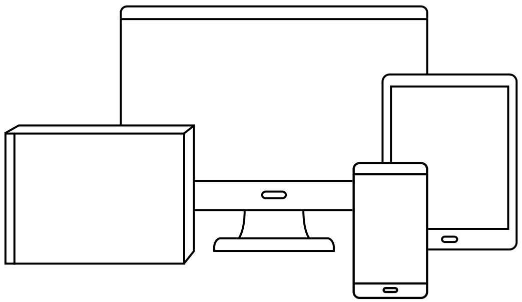
	GROUP		COMPANY	
As at 31 March	**2025 Rs. '000**	**2024 Rs. '000**	**2025 Rs. '000**	**2024 Rs. '000**
Total borrowings	**28,425,304**	30,079,828	**8,366,714**	8,476,868
Less: Cash and cash equivalents	**8,148,019**	9,270,455	**326,969**	60,097
Net debt	**20,277,285**	20,809,373	**8,039,745**	8,416,771
Total equity	**39,429,898**	36,322,461	**11,595,222**	11,744,771
Net debt to equity ratio	**0.51**	0.57	**0.69**	0.72

There were no changes in the Group's approach to capital management during the year.



Annexes

About the *Report*



Cargills (Ceylon) PLC is proud to present our Integrated Annual Report for the financial year ended 31 March 2025. This Report has been compiled in accordance with the International Integrated Reporting Framework proposed by the International Integrated Reporting Council (IIRC), and displays amplified efforts to incorporate more insights and data that validate our commitment towards sustainable and ethical business practices. Having set out on a journey to instil further transparency in our reporting process by publishing our inaugural Integrated Annual Report for FY 2021/22, this report demonstrates the progress since made by Cargills towards more transparent communication of its strategy, governance, performance, and potential for growth, while taking into consideration its impact on stakeholders, the external environment and the use of resources. It serves to evidence the value created by Cargills over the short-term, medium-term, and long-term.

How this Report is Organised

With the International Integrated Reporting (IR) Framework as a principal reference, this Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. Cargills is reporting in accordance with the GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022 Standard for the year in review, which was made effective for reports published on or after 1 January 2024. The Taking Stock section of this Report has been structured according to the value delivered and value created by Cargills, by living up to its mission statement. This structure allows stakeholders and shareholders to observe how the Company is pursuing its purpose, conducting business, and developing a strategy in accordance with its mission and identity as Sri Lanka's largest food company.

A high level of compliance and transparency of business conduct has continued to guide Cargills' growth and progress; accordingly, transitioning to an integrated approach expands our reporting of responsible business activities, which grants stakeholders the opportunity and the means to openly communicate with Cargills on material issues, and permits shareholders to make well-informed decisions on aligning their investments and trust with the Company. This report provides both quantitative and qualitative data, with a preference for offering quantitative information where available to facilitate comparisons and further analysis. There were no restatements of information from the previous reporting period. There were no major changes in scope and aspect boundaries.

Scope, Boundaries, and Reporting Structure

The Annual Report remains consistent with the Company's conventional annual reporting cycle and covers the operations of Cargills (Ceylon) PLC and its subsidiaries as listed out in the Corporate Information (inner back cover) of the compilation (collectively addressed as the "Group") for the 12-month period from 1 April 2024 to 31 March 2025. All financial and non-financial analysis is conducted within the realm of sectoral activities and their associated business units.

The reporting system facilitates the review of all Group businesses in terms of operations, strategy, and performance while GRI reporting is systematically compiled at Group level through data collection and review by operation and by sector. Therefore, the primary entity for which the social and environmental data is presented in the narrative reports, unless specified otherwise, is the Group as a whole, and material aspects and boundaries are based on internal assessments encompassing the Group's activities in Sri Lanka.

Financial Reporting

The financial information reported in this Integrated Annual Report has been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS and LKAS) as laid down by The Institute of the Chartered Accountants of Sri Lanka in compliance with the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange, and have been audited by Messrs KPMG. Furthermore, the Report is in adherence with the Code of Best Practice on Corporate Governance issued jointly by The Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

Non-Financial Reporting

The Cargills Integrated Annual Report 2024/25 serves as a comprehensive framework in disclosing the Group's impact, progress and contribution made to the UN Sustainable Development Goals (SDGs) and UNGC Principles. An Independent Assurance Report by Messrs KPMG provides reasonable assurance on the Financial Highlights (page 27) and limited assurance on the Non-Financial Highlights (page 28) and Performance Summary (pages 35 to 138).

Feedback

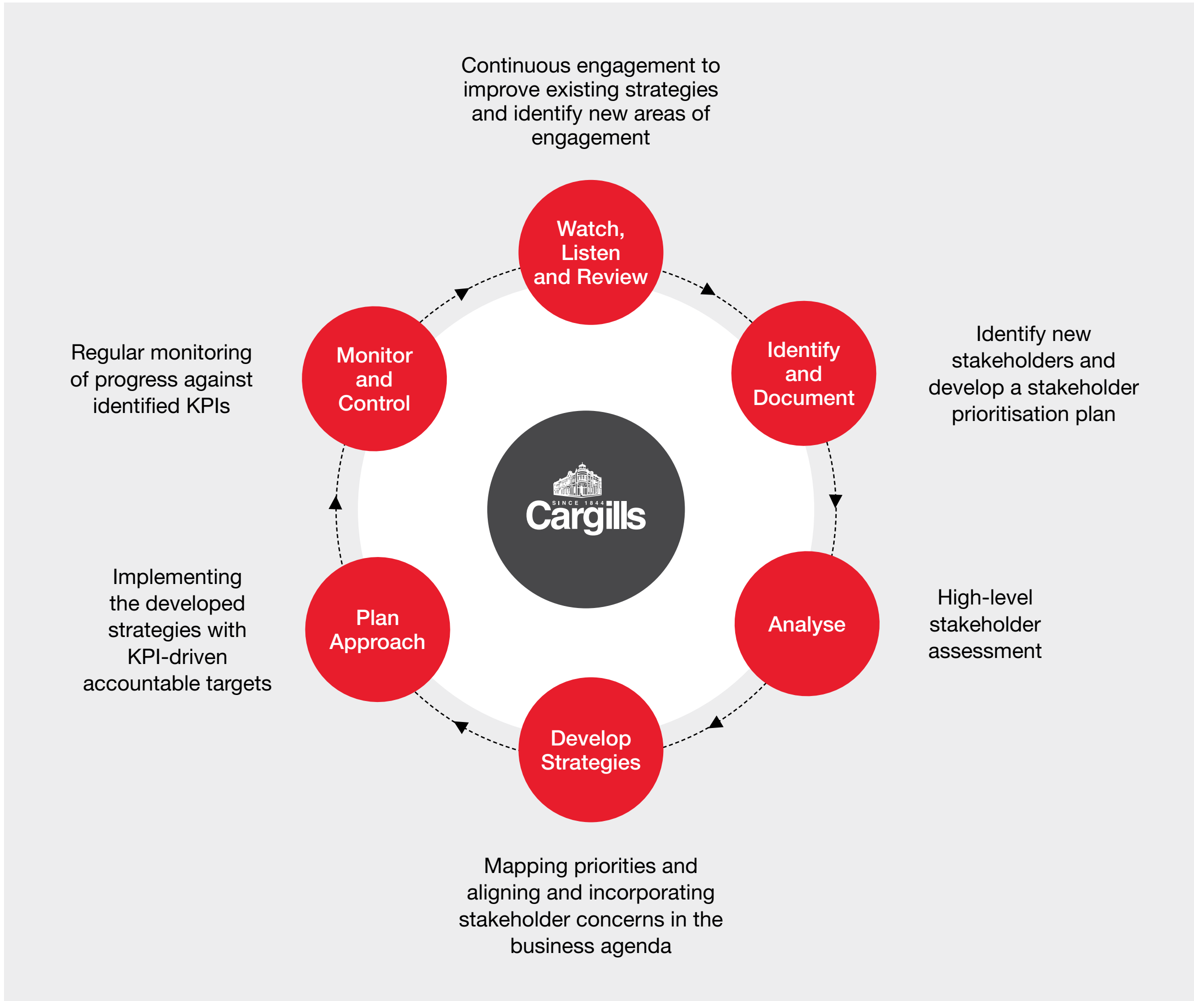
We request any and all queries, suggestions, and feedback on the Annual Report 2024/25 to be directed to investor@cargillsceylon.com

Stakeholder Engagement

Cargills maintains frequent, open and effective two-way dialogue with internal and external stakeholders, in order to ensure our business is proactive in addressing the changing needs and expectations of our stakeholders, while also enhancing shareholder value and promoting long-term sustainability across all business verticals. We are committed to understanding stakeholder interests, priorities and concerns in a rapidly evolving operating environment, in order to further nurture these vital relationships that enable us to deliver and derive sustainable value.

Our Engagement Process

At Cargills, we recognise effective stakeholder engagement as a crucial factor in translating and integrating their needs into our organisational goals to form a successful strategy. To this end, we have a structured, continuous method of engagement, which includes the identification and monitoring of key performance indicators (KPIs). This process of continual vigilance further enhances our understanding of the current developments and changes we face in our operating environment, enabling us to actively seek stakeholder feedback and respond effectively and in a timely manner.



Stakeholder	Engagement Mechanism	Key Concerns Raised in 2024/25	Measures Taken by Cargills in Response in 2024/25
Farmers, SMEs, and Traders Over 23,000 farmers and more than 600 suppliers are directly linked to markets through the Cargills value chain	• Ongoing daily engagement • Ongoing monthly meetings • Ongoing field visits • Monthly/quarterly partnership meetings • Monthly/quarterly farmer group meetings • Digital engagement platforms	• Increasing input costs • Access to new markets • Access to financial services • Price regulations	• Successful expansion of the Agriculture Modernisation Project and Dairy Development Programme • Expansion, enhancement, and digitalisation of Cargills supply chain • Expansion of retail chain to access new, untapped suburban markets • Expanding Village to Home initiative for SMEs • Continuous dissemination of technical knowledge and training to farmers • Strengthened financial assistance through subsidies and the Cargills *Sarubima* Credit Relief Fund
Employees The Cargills team comprises 10,667 members spread across 25 districts and over 500 locations	• Ongoing training and mentoring via an online portal • Ongoing orientation programmes • Daily briefings • Open door policy • Monthly/quarterly briefings by Senior Management • Periodic face-to-face and remote HR engagements • Annual regional staff conventions • Staff events and get-togethers	• Increasing cost of living • Access to training and capacity building with mapped career development • Equal opportunities and female empowerment • Rewards and recognition • Grievance sharing • Team building and engagement • Transparency of corporate decisions	• Providing employment across townships and opportunities to explore additional income streams • Expanding online training portal with new modules and mandatory training courses requisite for promotions and career progression • More transparency in achievement recognition through online portal • Fully-deployed, end-to-end digitised, cloud-based Human Resource Information System (HRIS) with integrated payroll that greatly increases efficiencies and productivity in HR Management • Formal grievance handling process further strengthened by online whistleblowing portal and new grievance module introduced through the HRIS, enabling team members to channel grievances directly to HR. • Continuous and open communication between leadership and employees • Annual team building events and engagements • Competitive compensation and comprehensive benefits for permanent employees • Achieving 50:50 gender parity at Group level
Customers We serve millions of customers through our extensive, island-wide retail and restaurant network and food value chain	• Ongoing daily customer interactions at all sales points and via the Cargills Online platform • Ongoing promotional messaging and print/ electronic media publications • Ongoing social media engagement • Customer service hotline • Ongoing consumer research and periodic customer satisfaction surveys • Trade fairs and events	• Addressing rising cost of living • Growing health-conscious market segment • Growing socially-conscious market-segment • Multichannel accessibility to products and services • Food security	• Increasing access to highest quality produce and consumer goods at the lowest market price by expanding the Cargills Retail network • Providing access to affordable nutrition through price regulations on essential items • Enhancing Cargills Online services and extending service areas • Increasing agricultural output of healthy, socially responsible brands such as Good Harvest, BeeSafe, Cargills Rice, and eight new product variants • Increasing production volume and eliminating waste across the supply chain • Ensuring consistent availability of food items around the island through a prudently managed distribution process

Stakeholder	Engagement Mechanism	Key Concerns Raised in 2024/25	Measures Taken by Cargills in Response in 2024/25
Shareholders Cargills aims to annually deliver increased value to shareholders who continue to support the Cargills business model built on long-term value and sustainable growth	• Ongoing information on the Colombo Stock Exchange • Media releases and reports • Corporate website • Open door policy for investor inquiries • Quarterly reports • Integrated annual report • Monthly/quarterly investor calls and meetings • Monthly/quarterly road shows • Annual General Meeting	• Financial performance • Risk management • Capacity expansion • ESG disclosures • Dividends	• Navigating through risks stemming from the ongoing national economic recovery while continuing to build capabilities for the future • Laying a strong foundation for benchmarked ESG disclosures by continuing to enhance existing reporting and compliance standards • Ensuring transparency and timeliness in disclosing material matters
Local Community Cargills continues to take a multifaceted approach in contributing to the sustainable development of the local communities in which we operate and those from which we source	• Cargills *Sarubima* activities • Cargills foundation activities	• Growing regional disparities • Access to equal opportunities in education and employment • Female and youth empowerment	• Provision of scholarships through the *Sarubima* Fund • Creating equal access to job opportunities with special attention to youth and females, with 70% of the team hailing from outside the Western Province • Partnering with State Universities for product development and commercialisation • Successful completion and handover of multiple community development and welfare projects surpassing the value of Rs. 6 Mn. • Investing over Rs. 9 Mn. in Community Meals Programmes • Expansion of the Early Childhood Education (ECE) Programme • Empowering female entrepreneurs through the *Lak Bojun* initiative
Government and Regulatory Authorities Cargills drives policy change and implementation towards better health, nutrition and overall living standards by engaging with local lawmakers and regulators	• Ongoing regulatory reporting • Meetings and representation at various Government forums, events and chambers	• Market and community impact • Youth unemployment • Good governance and ethics • Use of resources and environmental impact	• Creating promising job opportunities for youth with 56.7% of our employees under the age of 30 • Contributing to Government policy and decision-making by setting benchmarks for the agriculture sector as well as consumer health and nutrition • Responsible waste management and commitment to sustainable environmental practices in production and operations

Materiality

Cargills evaluates the potential impacts on our business and stakeholders concerning various topics in order to determine which are deemed material. Through our Enterprise Risk Management (ERM) framework, we identify, analyse, evaluate, mitigate, and monitor risks that are likely to have a material impact on our operations. This assessment helps inform our Company's reporting approach, allowing us to focus on relevant, higher-priority topics for our stakeholders. The GRI 13: Agriculture, Aquaculture and Fishing Sector Standard 2022 was considered when mapping the materiality matters during the previous reporting year. These material topics listed on page 249 have been reviewed and approved by the Board of Directors as part of the final reviewing process of the integrated Annual Report for this reporting period, prior to its publishing and dissemination.

Determining Material Topics

based on our comprehensive Enterprise Risk Management (ERM) framework and GRI 13 Sector Standard

Prioritising and Mapping of Material Topics

based on impact and importance to Cargills and our stakeholders

Integration of Material Topics into Group Strategy

to ensure alignment with business goals and stakeholder expectations

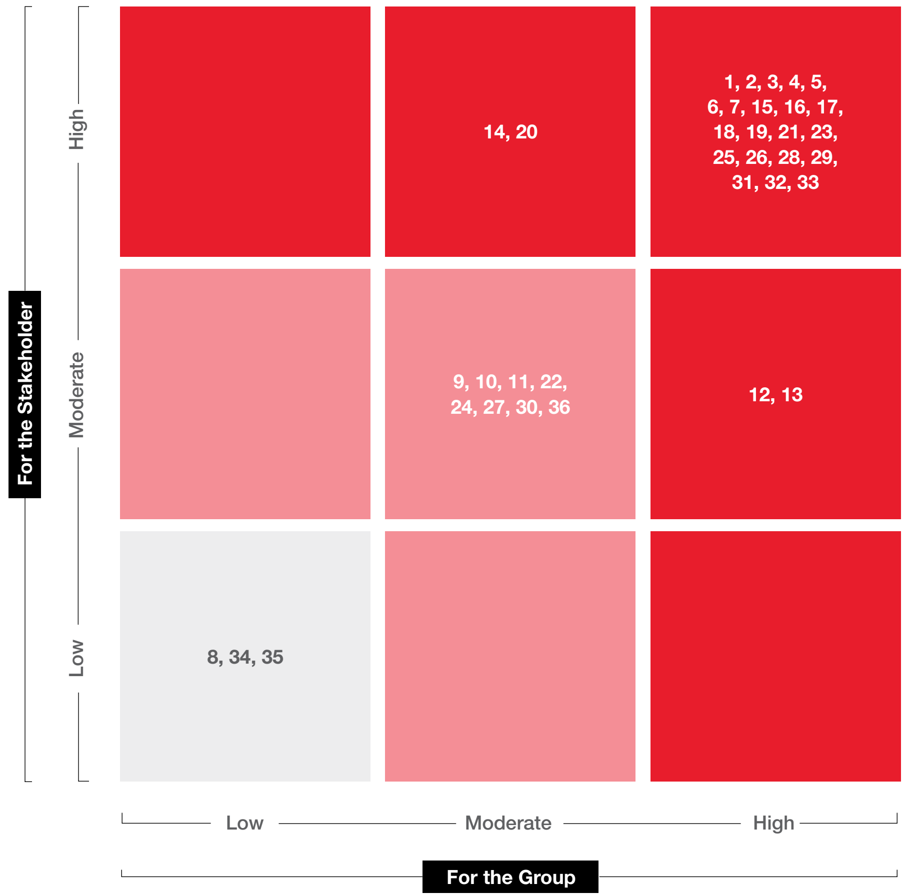
Management Approach

In managing our material topics, we integrate them into our strategic planning process, thereby assigning accountability to the Management of relevant operating segments, facilities, and departments within the Cargills Group and allocating resources based on the importance of each material topic in achieving our strategic objectives. Goals and targets related to these material topics are integrated into our business targets and Key Performance Indicators (KPIs), and are regularly reviewed to ensure alignment with the overarching mission and purpose of Cargills, within our Enterprise Risk Management (ERM) framework. Periodic internal and external audits are conducted to ensure adherence to internal controls, policies and procedures established to achieve the objectives of material topics. Findings from these audits are reported to the Board of Directors, Board Committees, or relevant Group Management Committees for review and corrective action, as needed.

		Materiality	
No.	**Material Issue**	**To Cargills**	**To Our Stakeholders**
01.	Corporate Governance	High	High
02.	Reputation	High	High
03.	Risk Management	High	High
04.	Economic Performance	High	High
05.	Market Presence	High	High
06.	Indirect Economic Impact	High	High
07.	Anti-corruption	High	High
08.	Anti-competitive Behaviour	Low	Low
09.	Energy Consumption	Moderate	Moderate
10.	Water Management	Moderate	Moderate
11.	Emissions	Moderate	Moderate
12.	Waste Management	High	Moderate
13.	Environmental Protection	High	Moderate
14.	Labour Practices and Grievances	Moderate	High
15.	Occupational Health and Safety	High	High
16.	Employee Training and Development	High	High
17.	Diversity, Equality, and Inclusivity (DEI)	High	High
18.	Community Development	High	High

No.	Material Issue	Materiality	
		To Cargills	To Our Stakeholders
19.	Customer Health and Safety	High	High
20.	Product Labelling	Moderate	High
21.	Product Responsibility	High	High
22.	Regulatory Compliance	Moderate	Moderate
23.	Customer Privacy	High	High
24.	Biodiversity	Moderate	Moderate
25.	Soil Health	High	High
26.	Pesticides Use	High	High
27.	Supply Chain Traceability	Moderate	Moderate
28.	Food Security	High	High
29.	Economic Inclusion	High	High
30.	Natural Ecosystem Conversion	Moderate	Moderate
31.	Animal Health and Welfare	High	High
32.	Living Income and Living Wage	High	High
33.	Food Safety	High	High
34.	Land and Resource Rights	Low	Low
35.	Rights of Indigenous Peoples	Low	Low
36.	Climate adaption and Resilience	Moderate	Moderate

Materiality Matrix



GRI Content Index

Statement of use	Cargills (Ceylon) PLC has reported in accordance with the GRI Standards for the period from 1 April 2024 to 31 March 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organisational details	Back inner cover				
	2-2 Entities included in the Organisation's sustainability reporting	Back inner cover				
	2-3 Reporting period, frequency, and contact point	About the Report				
	2-4 Restatements of information	About the Report				
	2-5 External assurance	Independent Assurance Report				
	2-6 Activities, value chain, and other business relationships	The value chain is discussed in greater detail throughout the Taking Stock section of the Annual Report (pages 40 to 142) due to the scope and scale of the Cargills Operation				
	2-7 Employees	Workforce Profile				
	2-8 Workers who are not employees	Recruitment and Retention				
	2-9 Governance structure and composition	Board of Directors/Corporate Governance				
	2-10 Nomination and selection of the highest governance body	Corporate Governance > Appointment of Directors				
	2-11 Chair of the highest governance body	Corporate Governance > Leadership > Role of Group Chairman and Group CEO				
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance > Leadership				
	2-13 Delegation of responsibility for managing impacts	Corporate Governance > Board Responsibilities				
	2-14 Role of the highest governance body in sustainability reporting	Our Approach to Sustainability				

GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
	2-15 Conflicts of interest	Corporate Governance > Internal Governance Strucuture > Board Independence and Conflicts of Interest				
	2-16 Communication of critical concerns	Corporate Governance > Stakeholder Engagement				
	2-17 Collective knowledge of the highest governance body	Board of Directors				
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance > Leadership > Board Responsibilities				
	2-19 Remuneration policies	Corporate Governance > Internal Governance Structure > Directors' Remuneration Policy				
	2-20 Process to determine remuneration	Corporate Governance > Internal Governance Structure > Directors' Remuneration Policy				
	2-21 Annual total compensation ratio		2-21-a/b/c	Confidentiality constraints	The required information on compensation is considered highly confidential by the Company, with the sharing of such confidential data considered an unethical business practice	
	2-22 Statement on sustainable development strategy	Our Approach to Sustainability/Managing Director's Message				
	2-23 Policy commitments	Corporate Governance > Business Practices and Ethics/ Disclosure and Transparency				
	2-24 Embedding policy commitments	Corporate Governance > Business Practices and Ethics				
	2-25 Processes to remediate negative impacts	Grievance Handling				
	2-26 Mechanisms for seeking advice and raising concerns	Grievance Handling and Whistle Blowing				
	2-27 Compliance with laws and regulations	Corporate Governance > Company's Adherence to the Corporate Governance Rules				
	2-28 Membership associations	Our Approach to Sustainability > Contribution to SDG Playing Our Part for the Planet > Biodiversity Conservation				
		Bridging Regional Disparities				
	2-29 Approach to stakeholder engagement	Stakeholder Engagement				
	2-30 Collective bargaining agreements					

GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Material topics						
[Please note: The material topics included in the headings below are examples. They can be renamed and grouped according to the names the Organisation has given to its material topics. The list of material topics included in the content index is the same as the list of material topics reported under 3-2-a in GRI 3: Material Topics 2021. The disclosures included under the material topics are also examples. The disclosures can be removed (except for Disclosure 3-3) and other disclosures can be added according to the disclosures the Organisation has reported for each material topic.]						
Material topics						
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.3
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Playing Our Part for the Planet > Environmental Protection > CPC Lanka Limited (Knuckles Water Bottling Plant)				
	304-2 Significant impacts of activities, products and services on biodiversity	Playing Our Part for the Planet > Biodiversity Conservation				
	304-3 Habitats protected or restored	Playing Our Part for the Planet > Biodiversity Conservation				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Playing Our Part for the Planet > Biodiversity Conservation				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.2 and 13.22
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Statements				
	201-2 Financial implications and other risks and opportunities due to climate change	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
	201-3 Defined benefit plan obligations and other retirement plans	Notes on Financial Statements > Employee Benefit Liabilities				
	201-4 Financial assistance received from government	Notes on Financial Statements > Capital Grant				

GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		202-1-a/b/c/d	Confidentiality constraints	The required information on wage is considered highly confidential by the Company, with the sharing of such confidential data considered an unethical business practice	
	202-2 Proportion of Senior Management hired from the local community	HR Governance and Policies > Recruitment and Retention				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.22
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Bridging Regional Disparity > Community Development				
	203-2 Significant indirect economic impacts	A number of significant indirect economic impacts are discussed in greater detail throughout the Taking Stock section of the Annual Report (pages 40 to142) due to the scope and scale of the Cargills operation				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Bridging Regional Disparity				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.26
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	HR Governance and Policies > Anti-corruption and Anti-bribery Policies				
	205-2 Communication and training about anti-corruption policies and procedures	HR Governance and Policies > Anti-corruption and Anti-bribery Policies				
	205-3 Confirmed incidents of corruption and actions taken	HR Governance and Policies > Anti-corruption and Anti-bribery Policies				
Anti-competitive behaviour						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.25
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Enterprise Risk Management > Reputational Risk				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 207: Tax 2019	207-1 Approach to tax	Notes to the Financial Statements > Income Tax Expense				
	207-2 Tax governance, control, and risk management	Notes to the Financial Statements > Income Tax Expense				
	207-3 Stakeholder engagement and management of concerns related to tax	Notes to the Financial Statements > Income Tax Expense				
	207-4 Country-by-country reporting	Notes to the Financial Statements > Basis of Preparation > Statement of Compliance				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 301: Materials 2016	301-1 Materials used by weight or volume					
	301-2 Recycled input materials used					
	301-3 Reclaimed products and their packaging materials					

GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 302: Energy 2016	302-1 Energy consumption within the Organisation	Playing Our Part for the Planet > Energy Management				
	302-2 Energy consumption outside of the Organisation			Information unavailable/ incomplete	This information is unavailable for disclosure as the energy consumption is measured to cover all operations within the Company, and does not cover any upstream or downstream activities that are outside the Organisation's scope of operations, due to the scale of the Organisation	
	302-3 Energy intensity					
	302-4 Reduction of energy consumption	Playing Our Part for the Planet > Renewable Energy				
	302-5 Reductions in energy requirements of products and services			Information unavailable/ incomplete	There are no reductions in energy requirements of products and services to be disclosed	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.7
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Playing Our Part for the Planet > Water Management				
	303-2 Management of water discharge-related impacts	Playing Our Part for the Planet > Water Management				
	303-3 Water withdrawal	Playing Our Part for the Planet > Water Management				
	303-4 Water discharge	Playing Our Part for the Planet > Water Management				
	303-5 Water consumption	Playing Our Part for the Planet > Water Management				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Playing Our Part for the Planet > Emissions				
	305-2 Energy indirect (Scope 2) GHG emissions	Playing Our Part for the Planet > Emissions				
	305-3 Other indirect (Scope 3) GHG emissions	Playing Our Part for the Planet > Emissions				
	305-4 GHG emissions intensity					
	305-5 Reduction of GHG emissions	Playing Our Part for the Planet > Emissions				
	305-6 Emissions of ozone-depleting substances (ODS)					
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not applicable	This information is not collected nor disclosed as it is not considered a material matter for the Company	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.8
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Playing Our Part for the Planet > Waste Management				
	306-2 Management of significant waste-related impacts	Playing Our Part for the Planet > Waste Management				
	306-3 Waste generated	Playing Our Part for the Planet > Waste Management				
	306-4 Waste diverted from disposal	Playing Our Part for the Planet > Waste Management				
	306-5 Waste directed to disposal	Playing Our Part for the Planet > Waste Management				

GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria			Information unavailable/ incomplete	Data to be collected for future reporting periods	
	308-2 Negative environmental impacts in the supply chain and actions taken			Information unavailable/ incomplete	Data to be collected for future reporting periods	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	HR Governance and Policies				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	HR Governance and Policies				
	401-3 Parental leave	HR Governance and Policies				
Labour/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes			Not applicable	Not considered material	

GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.19
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	HR Governance and Policies > Occupational Health and Safety				
	403-2 Hazard identification, risk assessment, and incident investigation			Information unavailable/ incomplete	Data to be collected for future reporting periods	
	403-3 Occupational health services	HR Governance and Policies > Occupational Health and Safety				
	403-4 Worker participation, consultation, and communication on occupational health and safety	HR Governance and Policies > Occupational Health and Safety				
	403-5 Worker training on occupational health and safety	HR Governance and Policies > Occupational Health and Safety				
	403-6 Promotion of worker health	HR Governance and Policies > Occupational Health and Safety				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	HR Governance and Policies > Occupational Health and Safety				
	403-8 Workers covered by an occupational health and safety management system	HR Governance and Policies > Occupational Health and Safety				
	403-9 Work-related injuries	HR Governance and Policies > Occupational Health and Safety				
	403-10 Work-related ill health	HR Governance and Policies > Occupational Health and Safety				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Enhancing Youth Skills				
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Enhancing Youth Skills				
	404-3 Percentage of employees receiving regular performance and career development reviews	HR Governance and Policies > Performance Management				

GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.15
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	HR Governance and Policies > Diversity of workforce by grade, age and gender				
	405-2 Ratio of basic salary and remuneration of women to men			Confidentiality constraints	The required information on salary ratios is considered confidential by the Company, and the sharing of such confidential information is considered an unethical business practice	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.15
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken					
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.18
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			Information unavailable/ incomplete	Data not available for current reporting period	
Child labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	Considered part of existing Material Topic: Labour Practices and Grievances				13.17
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	HR Governance and Policies> Taking a Stand on Child Labour and Forced Labour				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Forced or compulsory labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	Considered part of existing Material Topic: Labour Practices and Grievances				13.16
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	HR Governance and Policies > Taking a Stand on Child Labour and Forced Labour				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.13
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Bridging Regional Disparity > Community Development				
	413-2 Operations with significant actual and potential negative impacts on local communities			Information unavailable/ incomplete	There is no data to disclose on significant negative impacts since the nature of our operation itself focuses on minimising or eliminating significant negative impacts on local communities	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria			Information unavailable/ incomplete	Data to be collected for future reporting periods	
	414-2 Negative social impacts in the supply chain and actions taken			Information unavailable/ incomplete	Data to be collected for future reporting periods	
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.24
GRI 415: Public Policy 2016	415-1 Political contributions	Corporate Governance > Business Practices and Ethics				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Customer health, and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.10
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Healthy, Safe and Affordable Nutrition				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			Information unavailable/ incomplete	No data to be reported	
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Healthy, Safe, and Affordable Nutrition > Fostering a Strong Regulatory Environment				
	417-2 Incidents of non-compliance concerning product and service information and labelling	Healthy, Safe, and Affordable Nutrition > Fostering a Strong Regulatory Environment				
	417-3 Incidents of non-compliance concerning marketing communications	Healthy, Safe, and Affordable Nutrition > Fostering a Strong Regulatory Environment				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Shared Services and Core Systems > Cybersecurity				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Soil Health						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.5
GRI 13 Sector Standard Topic: Soil Health	Describe the soil management plan, including: – a link to this plan if publicly available; – the main threats to soil health identified and a description of the soil management practices used; – the approach to input optimisation, including the use of fertilisers.	Playing Our Part for the Planet > Reducing Emissions at Farm Level				
Pesticide use						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.6
GRI 13 Sector Standard Topic: Pesticide use	Additional sector recommendations • Describe the pest management plan of the Organisation, including the rationale for the selection and application of pesticides and any other practices of pest control. • Describe actions taken to prevent, mitigate and/or remediate negative impacts associated with the use of extremely and highly hazardous pesticides. • Describe the actions, initiatives, or plans to switch to less hazardous pesticides and actions taken to optimise pest control practices. • Describe the training provided to workers on pest management and the application of pesticides.	Healthy, Safe, and Affordable Nutrition > Beesafe / Good Harvest and Playing Our Part for the Planet > Reducing Emissions at Farm Level and Bridging Regional Disparity > Agriculture Modernisation Project				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Food security						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.9
GRI 13 Sector Standard Topic: Food Security	Additional sector recommendations • Describe the effectiveness of actions and programmes on food security at local, regional, national, or global levels. • Report partnerships which the Organisation is part of that address food security, including engagement with governments. • Describe policies or commitments to address food loss in the supply chain.	Reducing the Cost of Living				
Supply chain traceability						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.23
GRI 13 Sector Standard Topic: Supply Chain Traceability	Additional sector recommendations • Describe the rationale and methodology for tracing the source, origin, or production conditions of the products sourced by the Organisation.	Healthy, Safe, and Affordable Nutrition > Supply Chain Traceability				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Economic inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.22
GRI 13 Sector Standard Topic: Economic Inclusion	Additional sector recommendations • Describe actions taken to support the economic inclusion of farmers and fishers, and their communities (e.g. direct support through investments, partnerships, or training) and the effectiveness of these actions (e.g. increased yields or productivity, number of farmers or fishers reached, percentage of products sourced from small producers). • Describe actions taken to identify and adjust the sourcing practices of the Organisation that cause or contribute to negative impacts on economic inclusion of farmers and fishers in the supply chain.	Bridging Regional Disparity Enhancing Youth Skills Building Diversity, Equity, and Inclusion				
Climate adaptation and resilience						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.22
GRI 13 Sector Standard Topic: Climate Adaptation and Resilience	Additional sector recommendations • Describe the climate change-related scenarios used for identifying the risks and opportunities posed by climate change.	Bridging Regional Disparity > Local and Global Partnerships > Tomato Cultivation Project				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Living income and living wage						
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management > Overview of Key Risks Affecting the Business				13.21
GRI 13 Sector Standard Topic: Living Income and Living Wage	Additional sector recommendations • Describe commitments related to providing a living income or paying a living wage. • Describe the methodology used for defining living income or living wage at significant locations of operation and report whether this has involved consultation with and participation of local stakeholders, including trade unions and employer organisations. • Describe how sourcing, pricing, and remuneration policies take living income or living wage into account, including how living income is considered when setting product prices. • Describe the tools and systems used to monitor wages paid by suppliers.			Confidentiality constraints	The required information on income/ wage is considered confidential by the Company, and therefore cannot be disclosed	
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics			Information unavailable/ incomplete	Data to be collected for future reporting periods	13.14
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples Additional sector recommendations • Describe the identified incidents of violations involving the rights of indigenous peoples.					

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Natural ecosystem conversion						
GRI 3: Material Topics 2021	3-3 Management of material topics			Information unavailable/ incomplete		13.4
GRI 13 Sector Standard Topic: Natural Ecosystem Conversion	Additional sector recommendations • Describe policies or commitments to reduce or eliminate natural ecosystem conversion, including target and cut-off dates, for the following: – the Organisation's own production; – sourcing of terrestrial animal and fish feed; – products sourced by the Organisation for aggregation, processing, or trade. • Describe how the organisation ensures that its suppliers comply with its natural ecosystem conversion policies and commitments, including through sourcing policies and contracts. • Report the Organisation's participation in multi-stakeholder, landscape, or sectoral initiatives intended to reduce or eliminate natural ecosystem conversion. • Describe the tools and systems used to monitor natural ecosystem conversion in the Organisation's activities, supply chain, and sourcing locations.					

GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref. No.
Animal health and welfare						
GRI 3: Material Topics 2021	3-3 Management of material topics			Information unavailable/ incomplete		13.11
GRI 13 Sector Standard Topic: Animal Health and Welfare	Additional sector recommendations • Describe policies regarding processing of animal products, animal transportation, handling, housing and confinement, and slaughter, by species. • Describe the approach to animal health planning and involvement of veterinarians, including the approach to using anesthetic, antibiotic, antiinflammatory, hormone, and growth-promotion treatments, by species. • Describe commitments for responsible and prudent use of antibiotics (e.g., avoiding prophylactic use) and describe how compliance with these commitments is evaluated. • Describe the results of assessments and audits of animal health and welfare, by species.					

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Land and resource rights						
GRI 3: Material Topics 2021	3-3 Management of material topics			Information unavailable/ incomplete		13.13
GRI 13 Sector Standard Topic: Natural ecosystem conversion	Additional sector recommendations • Describe commitments to respect land and natural resource rights (including customary, collective, and informal tenure rights) and report the extent to which the commitments apply to the organisation's activities and to its business relationships. • Describe how the commitments to respect land and natural resource rights are implemented with suppliers. • Describe the approach to protecting human rights and land rights defenders from reprisals (i.e., non-retaliation for raising complaints or concerns). • Describe the effectiveness of actions and programs on food security at local, regional, national, or global levels. • Report partnerships which the organisation is part of that address food security, including engagement with governments. • Describe policies or commitments to address food loss in the supply chain.					

Five Year Financial *Summary*

Group	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000
Continuing Operations					
Revenue	**241,839,620**	223,440,484	195,617,899	136,691,993	112,607,061
Profit from operations	**15,212,462**	13,512,745	13,759,535	9,058,383	7,287,074
Profit before taxation	**11,829,244**	9,245,923	8,516,642	5,818,434	4,527,659
Profit after taxation	**7,270,295**	5,936,119	5,380,845	4,538,720	3,483,639
Discontinued Operations					
Profit/loss from discontinued operation, net of tax	**–**	–	–	–	–
Profit for the year	**7,270,295**	5,936,119	5,380,845	4,538,720	3,483,639
Attributable to					
Owners of the Company	**7,222,083**	5,886,785	5,366,006	4,543,044	3,480,991
Non-controlling interest	**48,212**	49,334	14,839	(4,324)	2,648
	7,270,295	5,936,119	5,380,845	4,538,720	3,483,639
Financial Position					
Stated capital	**6,841,068**	6,841,068	6,841,068	6,841,068	6,773,878
Reserves	**28,650,112**	25,590,705	20,236,127	18,654,175	16,179,971
Non-controlling interest	**3,938,718**	3,890,688	3,840,612	3,626,272	6,874
Capital and reserves	**39,429,898**	36,322,461	30,917,807	29,121,515	22,960,723
Current assets	**48,994,085**	44,201,004	38,110,346	27,178,089	23,123,652
Current liabilities	**(70,201,313)**	(67,818,127)	(59,656,935)	(41,001,806)	(38,945,230)
Working capital	**(21,207,228)**	(23,617,123)	(21,546,589)	(13,823,717)	(15,821,578)
Non-current assets	**86,948,193**	88,953,625	82,676,336	71,265,687	59,468,926
Non-current liabilities	**26,311,066**	(29,014,041)	(30,211,940)	(28,320,455)	(20,686,625)
Non-controlling interest	**(3,938,718)**	(3,890,688)	(3,840,612)	(3,626,272)	(6,874)
Net assets attributable to equity holders of the parent	**35,491,181**	32,431,773	27,077,195	25,495,243	22,953,849

Group	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000
Key Indicators					
Growth in net revenue (%)	**8.23**	14.22	43.11	21.39	5.19
Growth in earnings (%)	**22.48**	10.32	18.55	30.29	26.15
Operating profit to revenue (%)	**6.29**	6.05	7.03	6.63	6.47
Earnings to revenue (%)	**3.01**	2.66	2.75	3.32	3.09
Return on total assets (%)	**5.35**	4.46	4.45	4.61	4.22
Growth in total assets (%)	**2.09**	10.24	22.70	19.19	15.99
Growth in capital and reserves (%)	**8.56**	17.48	6.17	26.83	25.03
Return on capital and reserves (%)	**18.44**	16.34	17.40	15.59	15.17
Return on investment (%)	**19.19**	17.66	17.92	17.43	16.86
Earnings per share (Rs.)	**28.03**	22.85	20.82	17.63	13.51
Dividends per share (Rs.)	**15.30**	13.00	8.50	6.10	5.10
Net assets per share (Rs.)	**137.73**	125.86	105.08	98.94	89.08
Dividend pay out (%)	**54.59**	56.90	40.82	34.60	37.75
Dividends paid	**3,942,469**	3,349,811	2,190,261	1,571,834	1,311,996
Debt to equity ratio (times)	**0.51**	0.57	0.71	0.48	0.70
Interest cover (times)	**3.10**	1.87	2.09	3.33	2.90
Current ratio (times)	**0.70**	0.65	0.64	0.66	0.59
Quick assets ratio (times)	**0.34**	0.31	0.26	0.30	0.29
Capital additions	**4,804,429**	6,865,770	11,102,805	8,846,548	6,403,947
Market value per share as at reporting date (Rs.)	**436.00**	360.00	233.00	182.50	235.00
Market capitalisation	**112,347,491**	92,763,983	60,038,911	47,026,186	60,468,908

(a) Return on investment is computed by dividing the profit for the year by total average assets employed.

(b) Debt to equity ratio is computed by dividing the total net borrowings by the shareholders' funds.

(c) Above per share details have been computed based on 257,677,731 shares in issue as at 31 March 2025.

Investor Relations *Supplement*

1. General

Stated capital	Rs. 6,841,068,486
Issued shares	257,677,731
Class of shares	Ordinary shares
Voting rights	One vote per ordinary share

2. Stock Exchange Listing

The issued ordinary shares of Cargills (Ceylon) PLC are listed in the Colombo Stock Exchange.

3. Distribution of Shareholders

Size of	31 March 2025				31 March 2024			
	Shareholders		Holding		Shareholders		Holding	
	Number	%	Number	%	Number	%	Number	%
1 – 1,000	**1,390**	**68.20**	**182,216**	**0.07**	1,334	66.30	179,078	0.07
1,001 – 10,000	**428**	**21.00**	**1,508,366**	**0.59**	451	22.42	1,551,552	0.60
10,001 – 100,000	**169**	**8.29**	**5,034,935**	**1.95**	175	8.70	5,122,984	1.99
100,001 – 1,000,000	**37**	**1.82**	**11,143,576**	**4.32**	38	1.89	11,425,421	4.43
1,000,001 and over	**14**	**0.69**	**239,808,638**	**93.07**	14	0.70	239,398,696	92.91
	2,038	**100.00**	**257,677,731**	**100.00**	2,012	100.00	257,677,731	100.00

4. Analysis of Shareholders

Group of	31 March 2025				31 March 2024			
	Shareholders		Holding		Shareholders		Holding	
	Number	%	Number	%	Number	%	Number	%
Institutions	**98**	**4.81**	**211,424,245**	**82.05**	105	5.22	211,708,928	82.16
Individuals	**1,940**	**95.19**	**46,253,486**	**17.95**	1,907	94.78	45,968,803	17.84
Total	**2,038**	**100.00**	**257,677,731**	**100.00**	2,012	100.00	257,677,731	100.00
Residents	**1,961**	**96.22**	**241,153,406**	**93.59**	1,934	96.12	241,255,605	93.63
Non-residents	**77**	**3.78**	**16,524,325**	**6.41**	78	3.88	16,422,126	6.37
Total	**2,038**	**100.00**	**257,677,731**	**100.00**	2,012	100.00	257,677,731	100.00

5. Share Valuation

The market price per share recorded during the year ended 31 March

	2025 Rs.	2024 Rs.
Highest	**448.25**	400.00
Lowest	**405.00**	230.25
Last traded price	**436.00**	360.00

6. Public Holding

The percentage of shares held by the public and number of public shareholders as at 31 March 2025 is 17.33%. (2024 – 17.44%) and 2,021 (2024 – 1,996) respectively. The total number of shares in issue is 257,677,731, of which Public Holding represents 44,663,145 shares. The float adjusted market capitalisation amounts to Rs 19.47 Bn. Accordingly, the Company complies with the Minimum Public Holding requirement of the Main Board as per Option 1 of Section 7.13.1 (a) of the CSE Listing Rules.

7. Top 20 Shareholders

The holdings of the top 20 shareholders

As at 31 March	2025		2024	
	Number of Shares	%	Number of Shares	%
C T Holdings PLC	**183,404,417**	**71.18**	183,404,417	71.18
Mr V R Page	**20,386,168**	**7.91**	20,315,796	7.88
Employees' Provident Fund	**8,407,333**	**3.26**	8,407,333	3.26
Ms M M Page	**6,609,363**	**2.56**	6,548,358	2.54
Mr A I Dominic	**6,431,834**	**2.50**	6,431,834	2.50
Odeon Holdings (Ceylon) (Private) Limited	**6,011,909**	**2.33**	6,011,909	2.33
BBH – Tundra Sustainable Frontier Fund	**3,797,770**	**1.47**	3,797,770	1.47
GF Capital Global Limited	**2,297,751**	**0.89**	2,261,319	0.88
Mrs P R Page	**1,768,166**	**0.69**	1,576,033	0.61
Dr A Aravinda Page	**1,496,853**	**0.58**	1,446,853	0.56
Serendip Investments Limited	**959,788**	**0.37**	959,788	0.37
Ceylon Guardian Investment Trust PLC – A/C No. 2	**907,002**	**0.35**	907,002	0.35
Sir Chittampalam A Gardiner Trust	**643,474**	**0.25**	643,474	0.25
East India Holding (Pvt) Ltd	**564,103**	**0.22**	564,103	0.22
Mr P E Muttukumaru	**548,749**	**0.21**	535,000	0.21
Mr J C Page	**520,000**	**0.20**	520,000	0.20
Galle Face Capital Partners PLC	**501,277**	**0.19**	501,277	0.19
Mrs A M L Page	**420,266**	**0.16**	421,780	0.16
Senfin Growth Fund	**400,210**	**0.16**	400,210	0.16
J B Cocoshell (Pvt) Ltd	**387,284**	**0.15**	412,405	0.16
	246,463,717	**95.65**	246,066,661	95.49
Others	**11,214,014**	**4.35**	11,611,070	4.51
Total	**257,677,731**	**100.00**	257,677,731	100.00

Group Real Estate *Portfolio*

Location	Land extent	Building area (Sq. Ft)	Valuation/Cost Rs. '000	Year of valuation
Cargills (Ceylon) PLC				
Colombo 01	140.75 Perches	125,215	3,109,101	2024
Staple Street – Colombo 02	81.5 Perches	20,970	1,057,413	2025
Braybrooke Place	78.17 Perches	5,146	950,000	2025
Canal Raw – Colombo 01	15.25 Perches	12,300	442,294	2025
Cargills Square – Jaffna	Leasehold	99,164	1,146,246	2025
Cargills Retail (Private) Limited				
Kandy	87.96 Perches	25,174	1,978,400	2024
Maharagama	145.3 Perches	15,827	788,525	2024
Nuwara Eliya	56.5 Perches	9,617	385,800	2024
Mattakkuliya (111)	330 Perches	80,967	885,360	2024
Park Road	–	4,610	86,400	2024
Kohuwala	28.65 Perches	6,225	181,631	2024
Mattakkuliya (141)	287.96 Perches	44,469	617,025	2024
Moratuwa	78.6 Perches	7,475	462,000	2024
Ingiriya (Lot A, C, D, B1)	26 Acres	1,300	256,702	2024
Katana	28.8 Acres	319,576	4,869,515	2024
Cargills Convenient Foods Limited				
Ja-Ela – Ganemulla	5.03 Acres	41,833	756,906	2024
Ja-Ela – Ganemulla	201 Perches	–	6,432	2025
Mattakkuliya	1.3 Acres	19,608	530,544	2025
Ja-Ela – Ma Eliya	4 Acres	17,390	669,700	2024
Marawila	27.8 Acres	6,329	148,266	2024
Cargills Food and Beverage Limited				
Katana	11.3 Acres	99,492	744,549	2024
Millers Limited				
Kelaniya	1.5 Acres	55,770	594,000	2024
Nittambuwa	112 Perches	–	210,000	2025

Location	Land extent	Building area (Sq. Ft)	Valuation/Cost Rs. '000	Year of valuation
CPC Lanka Limited				
Katoolaya estate, Thawalantenne	4 Acres	19,961	70,200	2024
Cargills Dairies (Private) Limited				
Mirigama, Baduragoda	100.2 Perches	–	30,060	2024
Mirigama, Baduragoda	38.51 Perches	2,041	18,037	2024
Kotmale Dairy Products (Private) Limited				
Mulleriyawa	1.7 Acres	35,528	508,782	2024
Bogahawatta	1 Acres	51,321	826,349	2024
Hatton	17.5 Acres	8,882	84,000	2024
Fredrick North Hotel Company Limited				
Boralesgamuwa	2.9 Acres	23,198	501,500	2025
The Empire Investments Company (Private) Limited				
Bandarawela	85.2 Perches	58,392	2,062,625	2025
Katubedda	1.14 Acres	74,387	2,709,628	2025
Dematagoda	84.32 Perches	71,956	1,378,124	2025
Gampaha	82.6 Perches	36,565	622,548	2025
Negombo	87.5 Perches	17,534	393,750	2025
Kandy	170 Perches	937	884,000	2025
Bare land – Kandy	11.3 Perches	–	90,400	2025
C T Real Estate (Private) Limited				
Bare land – Piliyandala	114 Perches	–	150,225	2025
Commercial property – Piliyandala	154.9 Perches	21,278	204,354	2025
C T Properties Lakeside (Private) Limited				
Boralesgamuwa	43 Acres	11,400	1,200,000	2025
C T Properties G S (Private) Limited				
Kotahena	199.8 Perches	–	1,698,300	2025

Notice of *Annual General Meeting*

Notice is hereby given that the 79th Annual General Meeting ("AGM" or "Meeting") of Cargills (Ceylon) PLC (the "Company") will be held at the Institute of Chartered Accountants of Sri Lanka, No. 30A, Malalasekara Mawatha, Colombo 07 on Tuesday, 22 July 2025, at 9.30am and the business to be brought before the meeting will be:

To Read the Notice convening the Meeting

1. To receive and consider the Annual Report of the Directors and the Financial Statements for the year ended 31 March 2025, with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr J C Page, who retires by rotation in terms of the Company's Articles of Association and being eligible offers himself for re-election
3. To reappoint as a Director, Ms T L M Page, who was appointed on 31 July 2024 and, also retires in terms of the Company's Articles of Association and being eligible offers herself for reappointment
4. To reappoint as a Director, Mr P P Edirisinghe, who was appointed on 10 December 2024 and, also retires in terms of the Company's Articles of Association and being eligible offers himself for reappointment
5. To reappoint as a Director, Mr S C De Silva, who was appointed on 30 May 2025 and, also retires in terms of the Company's Articles of Association and being eligible offers himself for reappointment
6. To reappoint Director, Mr L R Page, who retires in terms of Section 210 (2) (b) of the Companies Act No. 07 of 2007 having surpassed seventy years of age and offers himself for reappointment in terms of Section 211 (1) and (2) of the Companies Act No. 07 of 2007 with the unanimous support of the other Directors
7. To reappoint Director, Mr A D B Talwatte, who retires in terms of Section 210 (2) (a) of the Companies Act No. 07 of 2007 having surpassed seventy years of age and offers himself for reappointment in terms of Section 211 (1) and (2) of the Companies Act No. 07 of 2007 with the unanimous support of the other Directors
8. (a) To reappoint Director, Mrs C I Malwatte, who retires in terms of Section 210 (2) (a) of the Companies Act No. 07 of 2007 having surpassed seventy years of age and offers herself for reappointment in terms of Section 211 (1) and (2) of the Companies Act No. 07 of 2007.

   (b) Mrs C I Malwatte be designated as an Independent Director in terms of Rule No. 9.8.3.(ix) of the Listing Rules of the Colombo Stock Exchange.

   Ordinary Resolution (i)

   "Resolved that Mr L R Page, a retiring Director, who has attained the age of seventy-five years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director",

   Ordinary Resolution (ii)

   "Resolved that Mr A D B Talwatte, a retiring Director, who has attained the age of seventy years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director",

   Ordinary Resolution (iii)

   "Resolved that Mrs C I Malwatte, a retiring Director, who has attained the age of seventy years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director",

   Ordinary Resolution (iv)

   "Resolved that Mrs C I Malwatte, be designated as an Independent Non-Executive Director of the Company in terms of Section 9.8.3. (ix) of the Listing Rules of the Colombo Stock Exchange"

   The justification and rationale for the recommendation to appoint Mrs C I Malwatte are comprehensively presented in the Nominations and Governance Committee Report, contained in the Annual Report.

9. To authorise the Directors to determine contributions to charities for the financial year 2025/26
10. To authorise the Directors to determine the remuneration of the Auditors, Messrs KPMG, who are deemed reappointed as Auditors at the Annual General Meeting of the Company in terms of Section 158 of the Companies Act No.07 of 2007

The Annual Report of Cargills (Ceylon) PLC for the year ended 31 March 2025 is accessible via :

(1) Corporate Website – https://www.cargillsceylon.com/cargills-ceylon-plc/

(2) The Colombo Stock Exchange – https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CARG.N0000

(3) The following QR code

Should Members wish to obtain a hard copy of the Annual Report 2024/25, they may send a request to the Company by filling the Form of Request attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days, subject to the prevailing circumstances at the time, from the date of receipt of the request.

For clarification on how to download and/ or access the Annual Report and Financial Statements, please contact

Mr Anushan Rajeshwaran on +94 76 063 8489 during normal office hours (8.30am to 5.00pm)

By Order of the Board

Cargills (Ceylon) PLC

H S Ellawala
Company Secretary

27 June 2025

Notes:

(i) A member is unable to attend the Meeting is entitled to appoint a Proxy to attend and vote in his or her place.

(ii) The Proxy need not be a member of the Company.

(iii) A member wishing to vote by Proxy at the meeting may use the Form of Proxy enclosed herein.

(iv) In order to be vaild, the completed Form of Proxy must be lodged at the Registered Office of the Company not less than 48 hours before the Meeting.

Form of *Proxy*

79th ANNUAL GENERAL MEETING

Cargills (Ceylon) PLC (PQ 130)

*I/We (name of the shareholder/s) ....

Holder of NIC/Passport/Company Registration No./s ....

of (address of shareholder/s) ....

being a *Shareholder/s of Cargills (Ceylon) PLC (the Company) hereby appoint:

Please indicate your preference with a "✓"

☐ Name of the proxy holder: *Mr/Mrs/Miss ....

Holder of NIC/Passport/Company Registration No./s ....

of (address of shareholder/s) ....

Mobile number of proxy holder: ....

OR failing him/her

☐ The Chairman of the Meeting as my/our Proxy to represent me/us and to vote for on my/our behalf at the seventy nineth Annual General Meeting of the Company to be held on Tuesday, 22 July 2025 and at any adjournment thereof.

Please mark your preference with "✗"

No.	Resolution	For	Against
1.	To adopt the Financial Statements for the year ended 31 March 2025		
2.	To re-elect Mr J C Page as a Director		
3.	To reappoint Ms T L M Page as a Director		
4.	To reappoint Mr P P Edirisinghe as a Director		
5.	To reappoint Mr S C De Silva as a Director		
6.	To reappoint Mr L R Page as a Director		
7.	To reappoint Mr A D B Talwatte as a Director		
8. a.	To reappoint Mrs C I Malwatte as a Director		
8. b.	To designate Mrs C I Malwatte as an Independent Director		
9.	To authorise the Directors to determine contributions to charities		
10.	To authorise the Directors to determine the remuneration of the Auditors, Messrs. KPMG who are deemed reappointed as Auditors at the Annual General Meeting		

Signed on this .... day of 2025

Signature/s of Shareholder/s .... NIC/PP/Co.Reg.No. of Shareholder/s ....

Witnesses: ....

Notes:

(a) *Strike out whichever is not desired

(b) Instructions as to completion of the Form of Proxy are set out below

(c) A Proxy holder need not be a Member of the Company

(d) Please indicate with an "X" in the cage provided how your Proxy holder should vote. If no indication is given, or if there is, in the view of the Proxy holder, any doubt (by reason of the manner in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder in his/her discretion may vote as he/she thinks fit

INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM

1. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.
2. The Completed Form of Proxy should be deposited at the Registred office the Company at No: 40, York Street, Colombo 1, or an electronic document with e-signature or scan of the signed document emailed to ccp.agm@cargillsceylon.com, with the subject title “CCP-AGM 2025” not less than 48 hours before the time appointed for the convening of the Meeting.
3. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy, if it has not already been registered with the Company.
4. If the appointer is a company or corporation, the Form of Proxy should be executed under its common seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.
5. In the case of non-resident Shareholders, the stamping will be attended to upon return of the completed form of proxy to Sri Lanka.
6. In the case of joint holders, only one needs to sign. The votes of the senior holder who tenders a vote will alone be counted.

Form of *Request*

To: Company Secretary
Cargills (Ceylon) PLC
No. 40, York Street
Colombo 01

REQUEST FOR A PRINTED COPY OF THE ANNUAL REPORT 2024/25

I hereby request you to send me a printed copy of the Annual Report of Cargills (Ceylon) PLC for the Financial Year ended 31 March 2025.

Name of Shareholder : ....

(as registered in the Company or in the CDS)

NIC No. : ....

Shareholder Reference No. : Folio / CDS Account No. ....

Address : ....

Contact Telephone No/s. : ....

E-mail address : ....

Signature: .... **Date:** ....

Notes

Notes

Corporate *Information*

Name of Company
Cargills (Ceylon) PLC

Company Registration No.
PQ 130

Legal Form
Quoted public company with limited liability, incorporated in Sri Lanka on 1 March 1946.

Board of Directors
Louis Page (Chairman)

Ranjit Page (Deputy Chairman/Group CEO)

Imtiaz Abdul Wahid
(Group Managing Director/Deputy CEO)

Dr Dushni Weerakoon
(Senior Independent Director – w.e.f. 20 May 2025)

Asite Talwatte
(Senior Independent Director – up to 19 May 2025)

Joseph Page
Indira Malwatte
Dilantha Jayawardhana
Ganesan Ampalavanar
Tara Page (w.e.f. 31 July 2024)
Priyan Edirisinghe (w.e.f. 10 December 2024)
Suren De Silva (w.e.f. 30 May 2025)

Company Secretary
Hemali Sagarika Ellawala

Remuneration Committee
Priyan Edirisinghe (Chairman – w.e.f. 20 May 2025)
Dr Dushni Weerakoon
Indira Malwatte
Asite Talwatte (Chairman – up to 19 May 2025)

Audit Committee
Priyan Edirisinghe (Chairman – w.e.f. 20 May 2025)
Dr Dushni Weerakoon
Indira Malwatte
Asite Talwatte (Chairman – up to 19 May 2025)

Related Party Transactions Review Committee
Priyan Edirisinghe (Chairman – w.e.f. 20 May 2025)
Dr Dushni Weerakoon
Indira Malwatte
Asite Talwatte (Chairman – up to 19 May 2025)

Nomination and Governance Committee
Priyan Edirisinghe (Chairman – w.e.f. 20 May 2025)
Indira Malwatte
Louis Page
Asite Talwatte (Chairman – up to 19 May 2025)

Stock Exchange Listing
Colombo Stock Exchange

Registered Office
40, York Street, Colombo 1, Sri Lanka
Telephone: +94 (0) 11 242 7777
Facsimile: +94 (0) 11 233 8704
E-mail: contact@cargillsceylon.com

Postal Address
P.O. Box 23, Colombo 1

Auditors
KPMG
Chartered Accountants

Bankers
Amana Bank
Bank of Ceylon
Cargills Bank
Commercial Bank of Ceylon
Deutsche Bank
DFCC Bank
Habib Bank
HNB Bank
HSBC Bank
MCB Bank
NDB Bank
Nations Trust Bank
Pan Asia Bank
People's Bank
Sampath Bank
Seylan Bank
Standard Chartered Bank
Union Bank

Subsidiary Companies*
Cargills Agri Solutions Company (Private) Limited
Cargills Confectioneries (Private) Limited
Cargills Convenient Foods Limited
Cargills Dairies (Private) Limited
Cargills Distributors (Private) Limited
Cargills Enterprise Solutions (Private) Limited
Cargills Food & Beverage Limited
Cargills Food Services (Private) Limited
Cargills Frozen Products (Private) Limited
Cargills Restaurants (Private) Limited
Cargills Retail (Private) Limited
C P C (Lanka) Limited
C T Properties Limited
C T Properties G S (Private) Limited
C T Real Estate (Private) Limited
C T Property Management Company (Private) Limited
C T Properties Lakeside (Private) Limited
Dawson Office Complex (Private) Limited
Frederick North Hotel Company Limited
Kotmale Dairy Products (Private) Limited
Kotmale Holdings PLC
Kotmale Milk Foods Limited
Kotmale Milk Products Limited
Kotmale Products Limited
Millers Limited
The Empire Investments Company (Private) Limited

Associate Companies*
Cargills Bank PLC
Ceylon Theatres (Private) Limited

* All Companies are incorporated and carrying out business operations in Sri Lanka

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Cargills

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www.cargillsceylon.com

Scan the QR code or visit
www.cargillsceylon.com/cargills-ceylon-plc/

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