

# Annual Report

2023-2024





**ANNUAL  
REPORT  
2023  
2024**



# INDEX

	<b>Pages</b>
About Us	02
Vision & mission	03
Corporate information	04
Chairman's message	05
Board of Directors	06-07
Corporate governance	08-11
Report of the Audit committee	12
Report of the Remuneration committee	13
Report of the Related Party Transactions Review Committee	14
Report of the directors on the state of affairs of the company	15-19
Report of the auditors	20-21
Statement of Profit and Loss	22
Statement of Comprehensive Income	23
Statement of Financial Position	24
Statement of Changes in Equity	25
Statement of Cash Flows	26
Notes to the Financial Statements	27-56
Five Year Performance Summary	57
Public Shareholding	58
Shareholders Information	59-60
Notice of Annual General meeting	61
Form of Proxy	62
Instructions for completion of form of Proxy	63

# About Us

***Blue Diamonds Jewellery Worldwide PLC***, is an internationally reputed company that manufactures specialised 'floating diamonds' jewellery. As an internationally renowned company amongst the Gem & Jewellery exporters in Sri Lanka, Blue Diamonds Jewellery Worldwide has won several accolades such as the Presidential Export Awards in 2006 & 2007.

Established in 1990, Blue Diamonds Jewellery Worldwide is a pioneer in the industry, and to date the only public quoted diamond jewellery company listed in the Colombo Stock Exchange. It is also the first company in Sri Lanka to export quality jewellery, under an international brand name.

## Vision and Mission

### ***Our Vision***

To ensure customer satisfaction through unique and creative jewellery designs of high quality, to be exported worldwide in order to increase foreign exchange while providing employment opportunities.

### ***Our Mission***

Our strategic aim is to provide our customers with high end products that are known for the quality of the product as well as the unique creativity of its design. This is to be backed by an excellent after sales service that makes the customer feel valued and increase their satisfaction.

We seek to innovate and improve our products, train and motivate our employees and to reward their efforts while striving to obtain attractive profits and reward our shareholders for their valued investment in the Company.





# CORPORATE INFORMATION

## Name Of The Company

Blue Diamonds Jewellery Worldwide PLC

## Legal Form

A Public Limited Liability Company incorporated in Sri Lanka and obtained BOI status on 07 March 1991 and listed with Colombo Stock Exchange on 31 March 1992

## Date Of Incorporation

21 November 1990

## Company Registration Number

PQ 94

## Board Of Directors

Mr. Andrew Lee  
Mr. Pradeep Thenuwara (Resigned w.e.f. 21 Apr. 2025)  
Ms. Biruntha Shantharaj (Resigned w.e.f. 16 Jan. 2025)  
Mr. Thilina Dinesh Perera (Appointed w.e.f. 9 Aug. 2024)  
Mrs. Manjaree Gamage-Brooker (Resigned w.e.f. 20 Nov. 2023)  
Mr. Sudath A.S. Jayasundara (Resigned w.e.f. 20 Nov. 2023)

## Secretaries

KALRUPCO Management Services (pvt) Ltd  
(Appointed w.e.f. 5 Nov. 2024)  
No. 31/1, Dudley Senanayake Mawartha,  
Colombo 00800  
Sri Lanka  
Tel : +94 71 039 6659  
Fax : +94 11 234 1737  
: +94 11 254 1331  
E-mail : secretarial@mgikalrupco.com  
: kms@mgikalrupco.com

## Registered Office /Factory

Address : 49, Ring Road, Phase 1, I.P.Z. Katunayake  
Telephone : 2253980, 2253497, 2575223  
Fax : 2253498  
E-Mail : info@bluediamondsplc.com  
Website : www.bluediamondsplc.com

## Lawyers

Mr. Uditha Egalahewa  
Presidents Counsel  
No. 288, Rajagiriya Road,  
Rajagiriya,  
Sri Lanka.

## Registrars

KALRUPCO Management Services (pvt) Ltd  
No. 31/1, Dudley Senanayake Mawartha,  
Colombo 00800  
Sri Lanka  
Tel : +94 71 039 6659  
Fax : +94 11 234 1737  
: +94 11 254 1331  
E-mail : secretarial@mgikalrupco.com  
: kms@mgikalrupco.com

## Auditors

Ernst & Young  
Chartered Accountants  
Rotunda Towers,  
No. 109, Galle Rd,  
Colombo 00300  
Sri Lanka  
Tel : +94 11 246 3500  
Fax : +94 11 269 7369  
E-mail : eysl@lk.ey.com

## Financial Year End

31 March

## Bankers

Hatton National Bank PLC  
Bank of Ceylon  
Sampath Bank PLC  
Seylan Bank PLC  
Nation Trust Bank PLC



## CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to present the Annual Report for the financial year ended March 31, 2024, showcasing the remarkable progress and achievements of Blue Diamonds Jewellery Worldwide PLC.

In a year marked by significant challenges, our company has embraced a new direction and undertaken a transformative journey. Our unwavering resilience and innovative strategies have enabled us to overcome obstacles and lay the foundation for sustainable growth.

Our latest strategic initiatives focus on vertical integration, which has propelled us to the next stage of our evolution. By streamlining operations and enhancing core capabilities, we are better equipped to seize opportunities in emerging markets and strengthen our position in the global jewellery industry.

In line with this renewed focus, we are exploring several exciting collaborations that promise to broaden our horizons and unlock new growth avenues. These partnerships, currently under discussion, reflect our commitment to innovation, synergy, and long-term value creation for all stakeholders.

Furthermore, I am delighted to announce that we have taken a significant step in leveraging technology to transform the gem and jewellery industry. With the launch of [fiorjewellery.com](https://fiorjewellery.com), Blue Diamonds Jewellery Worldwide PLC now offers direct access to our exquisite collection for consumers worldwide. Additionally, our strategic partnership with FIORGems.com, a pioneering Web3-based gemstone marketplace, integrates digital certificates and private keys with each gemstone, ensuring secure and verifiable transactions. This groundbreaking initiative underscores our dedication to innovation, digital transformation, and enhancing customer trust and engagement globally.

As we move forward, Blue Diamonds Jewellery Worldwide PLC is poised to seize new opportunities with vigor and determination. The future holds immense promise, and we are confident that the strategies we have implemented will drive us to greater heights of success and innovation.

In closing, I extend my heartfelt gratitude to our dedicated employees, supportive shareholders, and valued partners. Your trust and unwavering belief in our vision are the driving forces behind our achievements and aspirations.

With warm regards,

A stylized blue ink signature of Andrew Lee, consisting of a large 'A' and a checkmark-like flourish.

.....  
Andrew Lee  
Chairman - Blue Diamonds Jewellery Worldwide PLC

## BOARD OF DIRECTORS

### Mr. Andrew Lee

(Executive / Non Independent director)  
(Appointed w.e.f 19 January 2023)

Mr. Andrew Lee is the Managing Director of Ambrosia Management Pte. Ltd., a Singapore based family office with interests in Fintech and consultancy services to financial vendors and high networth individuals. He is also the Managing Director of Limitone Lanka (Pvt) Ltd., a Board of Investment approved company with a deep focus on digital marketing.

Prior to that, Mr. Lee was the Executive Director of Pine Capital Group Limited, a Singapore Public-Listed Company and served as the Director for Beacon (East Ceylon) Pte. Ltd. and East Ceylon Management and Development Pte. Ltd. He has more than 15 years of real estate experience, with experience in client management, strategic planning and development of corporate policies. He brings with him extensive knowledge and experience in real estate business operations. Mr. Lee graduated from the National

### Mrs. Manjaree Gamage-Brooker

(Executive / Non Independent Director)  
(Resigned w.e.f. 20 Nov. 2023 due to personal commitment)

Mrs. Gamage's prior experience includes a stint at the global insurance and human capital consultancy firm, Willis Tower, as well as Daya Group and MAS Holdings. She currently holds the position of Managing Director of Blue Diamonds Jewellery Worldwide PLC. She holds a Bachelor's Degree in Economics from the University of Durham and an MSc in Management and Human Resources from the London School of Economics. She is also a member of the Chartered Institute of Personnel Development.

Mrs. Manjaree Gamage-Brooker has stepped down from the position has the Non independent Director, CEO/MD, due to personal commitments and tendered her resignation w.e.f. 20th November 2023.

### Mr. Sudath A.S. Jayasundara

(Non Executive / Independent Director)  
(Resigned w.e.f. 20 Nov. 2023 due to personal commitment)

Mr. Sudath Ajitha Samaradiwakera Jayasundara LLB (Colombo) Attorney -At -Law and Notary Public, Dip in International Relations (BCIS). He has been in the board of following Companies, Chairman Shraddha Television and Lakviru Radio (Guaranteed) Company, Chairman Compassion Products (Pvt)Ltd, Director Bimputh Finance PLC, Director Bogawantalawa Tea Estates PLC, Director Metropolitan Resources PLC, Director Harischandra Mills PLC, Director Sithara (Pvt)Ltd, Director Sri Lanka International Arbitration Centre (Guaranteed) Company.

Mr. Sudath Jayasundara has tendered his resignation has a Non Executive / Independent Director w.e.f. 20th November 2023 due to personal Commitments

### Mr. Pradeep Thenuwara

(Non-Executive / Independent Director/  
Chairman of the Remuneration Committee)  
(Resigned w.e.f. 21 April 2025 due to personal commitment)

Mr. Pradeep Thenuwara has been appointed to Hopkines Holdings Limited on 5<sup>th</sup> January 2023. Before he joined Hopkines he worked for National Gem and Jewellery Authority from 2013 to 2021 with the capacity of Director (Human Resources and Administration) where he was able to introduced new HR systems to the Organisation. Considering his performance, he was promoted to the Director General Post in 2021. Under the leadership of Mr. Thenuwara National Gem and Jewellery Authority achieved all their targets during his tenor until he retired on 31st December 2022. While he was working as the Director General, he served as a Member of the Gem and Jewellery Research Institute Board for a period of two years. Prior to joining National Gem and Jewellery Authority he had been working in the Gem and Jewellery Research and Training Institute for 12 years at the Post of Deputy Director (Human Resources and Administration). He holds a Bachelor of Commerce (special) from the University of Colombo, a Master of Public Management in Human Resources and a Higher National Diploma in Accountancy. He is a member of Association of Accountancy Technicians in Sri Lanka.

### Ms. Biruntha Ravinthini Jude Shantharaj

(Non-Executive /Independent director / Chairman of the Audit Committee / Chairman of the Related Party Transaction Review Committee)  
(Resigned w.e.f 16 Janu.2025 due to personal commitment)

Ms. Biruntha Ravinthini is the Finance Director for Zeta Global (Pvt) Ltd since 17 January 2023. She has been with Zeta Global (Pvt) Ltd since March 2022, where she was promoted to Team Manager on April 2022 and Senior Manager on August 2022. Prior to this she worked for Helios Ventures (Pvt) Ltd from September 2021 to March 2022. Prior to joining to Helios Ventures (Pvt) Ltd, she has worked as the Junior Finance Executive in Peak Destination Management Company from January 2020 to April 2020 followed by Finance Executive in Four Square (Pvt) Ltd from April 2020. She holds a Bachelor of Science in Business and Management Honours Degree from the University of Business Management

## BOARD OF DIRECTORS

### Mr. Galhenage Thilina Dinesh Perera

(Executive /Non Independent Director)

(Appointed w.e.f 09 August 2024)

Mr. Galhenage Thilina Dinesh Perera is the Chief Executive Officer (CEO) of Helios Ventures(Pvt) Ltd., a leader in technology solutions and digital innovations. With over 12 years of experience in network security, software development, and strategic technology management, he has been instrumental in driving the company's growth and success.

Mr. Perera began his career as an IT Administrator at Oasis Hospital (Pvt) Ltd (June 2012 - May 2019). He then served as a System Administrator at Kings Hospital (Pvt) Ltd (May 2019 - April 2021), where he contributed to developing the HIS inpatient module and various software solutions, including the Endoscopy Reporting Software. In April 2021, he joined Helios Ventures (Pvt) Ltd as a DevOps Engineer/ Software Engineer, developing various web applications. His exceptional skills and leadership led to his promotion to Head of IT in April 2022 and subsequently to CEO in December 2023.

Mr. Perera holds a Bachelor of Science (Honours) in Computing from Wrexham University (UK) and is a Certified Network Security Specialist (CNSS). An alumnus of Royal College Colombo 07, his academic and professional background has equipped him with the knowledge and skills to excel in the IT field.

## CORPORATE GOVERNANCE

With a commitment to high ethical standards, Blue Diamonds Jewellery Worldwide PLC operates with a governance structure by complying with adequate regulations and guidelines. We ensure integrity, fairness & transparency in reporting statements of our affairs to our shareholders.

The governance structure fully conforms to the best practice of good corporate governance as published jointly by the Institute of Chartered Accountants of Sri Lanka, the Securities and Exchange Commission together with the provisions of the Companies Act No.7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors are responsible for the continued appropriate management of the Company while ensuring that it accomplishes its goals. The Board meets regularly to establish, maintain direction and to provide guidance to ensure the Company's operating and financial performance.

The Board collectively and the Directors individually act in accordance with the Laws of the Country, while all members of the Board take collective responsibility for the management, direction and performance of the organization.

However, as of the Annual Report publishing date, Blue Diamonds Jewellery Worldwide PLC is in non-compliance with certain Corporate Governance requirements. This includes exposure to potential de-listing under Rule 9.18 (k) of the CSE Listing Rules due to continued non-compliance with the prescribed Corporate Governance obligations.

The following table illustrates how the organization has adhered to the corporate governance listing rules.

## CORPORATE GOVERNANCE<sup>(CONT'D)</sup>

### STATEMENT OF COMPLIANCE UNDER SECTION 7.10 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE)

Rule No.	Subject	Requirement	Compliance status as at 31 March 2024	Details
7.10.1.(a)	Non-Executive Directors	Two or one third of the total no. Of Directors shall be Non-Executive Directors Whichever is higher	Complied with.	There are three Directors as at reporting date. Out of which two Directors are Non-Executive Directors.
7.10.2.(a)	Independent Directors	Two or one third of the Non-Executive Directors Whichever is higher shall be Independent	Complied with.	The Board comprises of two independent Non-Executive Director as at reporting date.
7.10.2.(b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence in the prescribed format.	Complied with.	All Non-Executive Directors have submitted their declaration of Independence in the Prescribed format.
7.10.3.(a)	Disclosure relating to Directors	The board shall make a determination annually as to the independence or non-independence of each non-executive director based on such declaration and other information available to the board and shall set out in the annual report the names of directors determined to be 'independent'	Complied with.	the board has made such determination and the basic for determination of "Independence" is line with in destination of the SCE regulation in force. Pages 06 & 07.
7.10.3.(b)	Disclosure relating to Directors	In the event a Director does not qualify as independent as per rules on corporate governance but if the Board is of the opinion that the Director is nevertheless independent, it shall specify the basis of the determination in the Annual report	Complied with.	The Board has not been required to perform such determination.
7.10.3.(c)	Disclosure relating to Directors	A brief resume of each Director should be published in the Annual report including the area of expertise	Complied with.	A complete profile of Directors is provided on pages 06 & 07 of the Annual Report.
7.10.5.	Remuneration Committee	A Listed company shall have a Remuneration Committee	Complied with.	The committee was Functioning during the year as at reporting date
7.10.5.(a)	The composition of Remuneration Committee	The Remuneration Committee shall comprise a minimum of two Independent Non-Executive Directors or Non-Executive Directors, a majority of whom shall be Independent whichever is higher	Complied with.	The committee consists of one Executive Non Independent Director and three Non-Executive Independent Directors.
7.10.6.	Audit Committee	A listed company shall have an Audit Committee	Complied with.	The committee was Functioning during the year as at reporting date.
7.10.6.(a)	Composition of Audit Committee	The Audit Committee shall Comprise a Two Independent Non - Executive Directors or Non -Executive Directors,a Majority of whom shall be Independent whichever is higher	Complied with.	The Committee consist of two Non-Executive Independent Directors.

## CORPORATE GOVERNANCE<sup>(CONT'D)</sup>

### STATEMENT OF COMPLIANCE UNDER SECTION 9 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE)

Rule No.	Subject	Requirement	Compliance status as at 31 March 2024	Details
9.1.1	Extent of compliance with Corporate Governance Rules	The extent of compliance with Corporate Governance Section 9 of the Listing Rules issued by CSE is tabulated below	Complied	
9.1.3	Statement of confirmation of Corporate Governance Rules	Statement confirming the extent of compliance with the Corporate Governance Rules	Complied	Chairman's Statement on Corporate Governance
9.3.1	Establishment of Board committees	Below mentioned committees are in place: Nominations and Governance Committee, Remuneration Committee, Audit Committee, Related Party Transactions Review Committee	Complied	Details of board committee are provide on pages 11-14 .  Nominations and Governance Committee was established after the reporting date.
9.4.1	Record maintenance on resolutions.	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC.	Complied	The Company Secretary maintains records of all resolutions and information (Appointment of proxy, number of votes in favor and against) of General meetings.
9.4.2	Communication and Relations with Shareholders and Investors.		Complied	The Company conducts shareholder meetings through virtual means in compliance with its Articles of Association and the Guidelines issued by the Exchange.
9.6.1	Chairperson of Company	Chairperson should be Non-executive.	Complied	Chairperson is executive. Company was appointed SID
9.6.3 & 9.6.4	The Requirement for a SID		Complied	Chairman is a Executive Director, Company was appointed SID.
9.8.1	Minimum number of Directors in board.	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Not Complied	There are only three directors as at reporting date.
9.8.2	Minimum number of Independent Directors.	Minimum number of Independent Directors, (Min: 2 or 1/3 of total number, whichever is higher	Complied	The Board at the end of the reporting date comprised of 2 which were independent.
9.8.3 & 9.8.5	Independent / Non- Independent Directors	The Board of Directors of listed entities shall require: a) Each Independent Director to annually submit a signed and dated declaration of their "independence" or "non-independence" b) Annually assess the "independence" or "non-independence" of each Independent Director based on their declaration and other available information.	Complied	All Directors have submitted their declaration of Independence in the Prescribed format.
9.10.4	Disclosures in the Annual Report	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report, (i) name qualification and brief profile, (ii) name of directorship, (iii) nature of expertise in relevant functional area.	Complied	A complete profiles of directors are provide on pages 06 & 07
9.12.2	Remuneration Committee	Availability of a Remuneration Committee	Complied	The committee was functioning during the year.
9.12.6	Composition of Remuneration Committee	Minimum of three (3) directors, out of which a minimum of two (2) members shall be independent directors	Complied	The committee consists the one executive non-independent director and two non - executive , independent directors.
9.13.1	Audit Committee	Availability of a Audit Committee	Complied	The committee was functioning during the year.
9.13.3.1	Composition of Audit Committee	Minimum of three (3) directors out of which minimum two (2) or a majority of directors, whichever is higher, to be independent	Not Complied	The committee consists only two non - executive , independent directors. To be Complied w.e.f. 1 October 2024.
9.14.1	Related Party Transaction Review Committee	Availability of a Related Party Transaction Review Committee	Complied	The committee was functioning during the year.
9.14.2	Composition of Related Party Transaction Review Committee	Minimum of three (3) directors out of which minimum two (2) must be independent	Not Complied	The committee consists only two non - executive , independent directors. To be Complied w.e.f. 1 October 2024

## CORPORATE GOVERNANCE<sub>(CONT'D)</sub>

### ATTENDANCE OF BOARD OF MEMBERS AT BOARD MEETING

The Board of directors meets quarterly to effectively carry out their duties and responsibilities, while special Board meetings are held whenever the necessity arises. The Board invites members of the management and external advisors to be present at Board meetings when required. A total of four (04) Board meetings were held during the financial year 2023/2024. Attendances of Directors at Board and sub-committee meetings are summarized below.

Name of the Board Member	Board Meetings	Audit Committee Meetings	Related Party Transaction Review Committee Meetings
Mr.Andrew Lee	4/4	-	-
Mrs.Manjaree Gamage-Brooker (Resigned w.e.f. 20 Nov. 2023)	2/2	-	-
Mr.Sudath A.S.Jayasundara (Resigned w.e.f. 20 Nov. 2023)	2/2	2/2	2/2
Mr.Praddep Thunuwara (Resigned w.e.f. 21 Apr. 2025)	4/4	4/4	4/4
Ms.Biruntha Shantharaj (Resigned w.e.f. 16 Jan. 2025)	4/4	4/4	4/4



# REPORT OF THE AUDIT COMMITTEE

In accordance with the Listing Rules of the Colombo Stock Exchange and the 'Code of Best Practice on Corporate Governance' issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and exchange Commission of Sri Lanka, Blue Diamonds Jewellery Worldwide PLC has a fully functional Audit Committee, which meets regularly.

## COMPOSITION

The Audit Committee comprised of two Non-Executive Independent Directors, out of whom, as required by the Listing Rules of the Colombo Stock Exchange and the 'Code of Best Practice' two Directors were Independent.

Name	Committee Composition As At 31.03.2024	Current Composition of Committee As At Annual Report Publication Date
Ms.Birunthna Shantharaj	Chairman - Non Executive/Independent Director	Chairman - Non Executive/Independent Director (Resigned from committee w.e.f. 16 Jan. 2025)
Mr.Pradeep Thenuwara	Member - Non Executive, Independent Director	Member - Non Executive, Independent Director (Resigned from committee w.e.f. 21 Apr. 2025)

Brief profiles of the members are given on pages 06 and 07 of the Annual Report.

## MEETINGS

As required under best practices, the Audit Committee meets quarterly which consisted of a combination of physical meetings via online platform and Circular Resolutions. Four meetings were held during the financial year 2023/2024.

Name of the Director	Attendance at Meetings
Ms.Biruntha Shantharaj	4/4
Mr.Pradeep Thenuwara	4/4
Mr.Sudath Jayasundara	2/2

Mr.Sudath Jayasundara was resigned from committee w.e.f. 20 November 2023.

## ROLE OF THE COMMITTEE

The management has the primary responsibility for the financial statements and the reporting process. The Audit Committee is empowered to review and monitor the financial reporting process of the Company, so as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective review. As such, the Audit Committee acts as an effective forum in assisting the Board of Directors in discharging their responsibilities of ensuring the quality of financial reporting and related communications to the stakeholders.

The Audit Committee is empowered, to examine any matters relating to the financial affairs of the Company and to review the adequacy of the internal control procedures and the Risk Management function. The Committee along with the Board reviewed the Financial Statements for the year ended 31st March 2024 to ensure compliance with mandatory and statutory requirements.

The Audit Committee is of the view that the internal controls prevalent within the Company are satisfactory and provide reasonable assurance that the financial position of the Company is well monitored and the assets are safeguarded.

## INDEPENDENCE AND OBJECTIVITY OF THE EXTERNAL AUDITORS

The external auditors were given adequate access to records and personnel by the Company to ensure they had no cause to compromise on the terms of reference. The committee reviewed the non-audit services provided by the external auditors with the aim of assessing the independence and objectivity of the external auditor. Having reviewed these, the committee noted that no-non audit services were provided by the external auditors during the year.

Prior to commencement of the annual audit, the committee discussed with the external auditors their audit plan, audit approach and procedures and matters relating to the scope of audit. The fees of the external auditors were also approved by the audit committee. The audit findings were discussed at the conclusion of the audit, where the committee reviewed and recommended the financial statements to the Board for their approval.

The Audit Committee has recommended to the Board, Messrs. Ernst & Young, Chartered Accountants are re-appointed as statutory auditors for the financial year ending 31 March 2024 subject to the approval by the shareholders at the forthcoming Annual General Meeting.



Andrew Lee  
For and on behalf of Chairman - Audit Committee  
10 December 2025

# REPORT OF THE REMUNERATION COMMITTEE

Blue Diamond Jewellery Worldwide PLC has a functional Remuneration committee in conformity with the Listing Rules of the Colombo Stock Exchange.

## COMPOSITION

The Remuneration Committee, appointed by and responsible to the Board of Directors, comprises three Independent Non-Executive Directors and one Executive Non - Independent Director

The Committee's composition as at 31 March 2024 is:

Name	Committee Composition As At 31.03.2024	Current Composition of Committee As At Annual Report Publication Date
Mr.Andrew Lee	Member- Executive , Non - Independent Director	(Resigned from committee w.e.f. 13 Jun. 2024)
Mr.Pradeep Thunuwara	Member- Non Executive, Independent Director	Chairman - Non Executive, Independent Director (Resigned from committee w.e.f. 21 Apr. 2025)
Ms.Biruntha Shantharaj	Member- Non Executive, Independent Director	Member- Non Executive, Independent Director (Resigned from committee w.e.f. 16 Jan. 2025)

Brief profiles of the members are given on pages 06 and 07 of the Annual Report

## MEETINGS

Name of the Director	Attendance at Meetings
Mr.Sudath Jayasundara	2/2
Mr.Andrew Lee	4/4
Mr.Pradeep Thenuwara	4/4
Ms.Birunthna Shantharaj	4/4

Mr.Sudath Jayasundara was resigned from committee w.e.f. 20 November 2023 and Mr.Pradeep Thunuwara was appointed as chairman of committee w.e.f 13 June 2024.

## PURPOSE

The Committee was established for the purpose of recommending the remuneration of the Board of Directors Including Chairman/ Chief Executive Officer and the Senior Management.

## POLICY

Our remuneration policy is designed to reward, motivate and retain the Company's executive team, with market competitive remuneration and benefits, to support the continued success of our business and the creation of shareholder value.

## RESPONSIBILITY

Responsibilities of the remuneration committee include;

- To recommend to the Board a competitive remuneration and reward structure which is linked to performance.
- To decide on the remuneration packages of Key Management Personnel.
- To approve annual salary increments, bonuses, changes on perquisites and incentives.

No Director is involved in determining his own remuneration.

The Chairman of the Board attends the Committee meetings by invitation. He does not participate in any discussion pertaining to his remuneration. The decisions on matters relating to remuneration of Executive Directors and Senior Members of the management team were arrived at in consultation with the Chairman/CEO.

## REMUNERATION

The remuneration packages which are linked to the individual performances are aligned with the Company's short-term and long-term strategy. The Committee makes every endeavor to maintain remuneration levels that are sufficient to attract and retain Executive Directors and Members of the Management team, to run the Company successfully.

.....  
Andrew Lee

For and on behalf of Chairman - Remuneration Committee  
10 December 2025

# REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee has been established as directed by the Section 09 of the Listing Rules of the Colombo Stock Exchange and Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka.

The purpose of the Related Party Transactions Review Committee (the Committee) is to independently review, appraise and approve all related party transactions to ensure that shareholder's interests and assets of the Company are safeguarded.

## COMPOSITION

In accordance with the requirements of the Listing Rules, The Committee comprised of three (03) members with a combination of Non-Executive: Independent Directors.

The members of the Committee are;

Name	Committee Composition As At 31.03.2024	Current Composition of Committee As At Annual Report Publication Date
Mr.Pradeep Thenuwara	Chairman - Non Executive, Independent Director	Member - Non-Executive : Non-Independent Director (Resigned from committee w.e.f. 21 Apr. 2025)
Ms.Biruthna Shantharaj	Member - Non Executive, Independent Director	Chairman - Non Executive/Independent Director (Resigned from committee w.e.f. 16 Jan. 2025)
Mr.Andrew Lee	-	Member- Executive, Non - Independent Director (Appointed from committee w.e.f. 13 Jun. 2024)

Brief profiles of the members are given on pages 06 and 07 of the Annual Report.

## CHARTER OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

The Charter of the Related Party Transactions Review Committee clearly sets out the purpose, membership, authority and the duties and responsibilities of the Committee. In order to discharge the duties and responsibilities effectively and efficiently, the Committee has been authorized to;

- Receive regular reports from the management and be provided with any information it requires relating to its responsibilities.
- Establish policies and procedures that provide general per-approvals to certain types of related party transactions.
- Review and evaluate the terms, conditions, and the advisability of any related party transaction
- Determine whether the relevant related party transaction is fair, and in the best interest of the Company and its shareholders as a whole.
- Recommend to the Board what action, if any, is required to be taken by the Board with respect to any related party transaction.
- Obtain advice and assistance from legal, technical, financial and other advisors from within or outside the Company as deemed necessary by the Committee in order to carry out its duties.

## MEETINGS

The Related Party Transactions Review Committee meets quarterly and reviewed the related party transactions carried out by the Company. Four meetings were held during the financial year 2023/2024.

Attendances by the Committee Members at each of these meetings are given below;

Name of the Director	Attendance at Meetings
Mr.Pradeep Thenuwara	4/4
Ms.Biruthna Shantharaj	4/4
Mr.Sudath Jayasundara	2/2

Mr.Andrew Lee was appointed to committee w.e.f 13 June 2024, after the resigning of Mr.Sudath Jayasundara w.e.f. 20 November 2023 and Ms.Biruthna Shantharaj was appointed as chairman of committee w.e.f 13 June 2024.

## POLICIES & PROCEDURES

- Declarations are obtained from each Director/Key Management Personnel of the Company for the purpose of identifying parties related to them. Based on the information furnished in these declarations the related party transactions are identified from information maintained with the Company.
- All foretasted recurrent RPTs are submitted by Management on a quarterly basis to the Committee for consideration and review. Non-recurrent RPTs are also reviewed and approved by the Committee prior to the transaction being entered into or if the transaction is expressed to be conditional on such review, prior to the completion of the transaction and the recommendation communicated to the Board for consideration.
- The Committee is satisfied that all RPTs have been reviewed by the Committee during the financial year and have communicated their observations to the Board. The details of related party transactions entered into during the financial year are given on Note 28 to the Financial Statements.

## DECLARATION

A declaration by the Board of Directors on compliance with the rules pertaining to related party transactions appears on the report of the Board of Directors on pages 15 to 19 of this Annual Report.

.....  
Andrew Lee

For and on behalf of Chairman - Related Party Transaction Review Committee  
10 December 2025

# REPORT OF THE DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY

The Directors of the Company have pleasure in submitting their Report together with the Audited Financial Statements of the Company for the year ended 31 March 2024.

## 1. REVIEW OF THE YEAR

Review of the Company's business and its performance during the year, with comments on financial results and future strategic developments are contained in the Chairman's review. (Page 5 of the Annual Report)

## 2. THE PRINCIPAL ACTIVITY

The principal activity of the Company is manufacturing and exporting of diamond studded gold jewellery.

## 3. FINANCIAL STATEMENTS

The Financial Statements of the Company are given on pages 22 to 56 of the Annual Report.

## 4. GOING CONCERN

The Directors are satisfied that the Company has adequate resources to continue its operations on the foreseeable future. The Financial Statements of the Company have accordingly been prepared on a going concern basis.

## 5. AUDITORS REPORT

The Auditors' Report on the Financial Statements of the Company is given on pages 20 to 21 of the Annual Report.

## 6. ACCOUNTING POLICIES

Accounting policies adopted in preparation of the Financial Statements are given on pages 27 to 37 of this report.

# REPORT OF THE DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY<sub>(CONT'D)</sub>

## 7. TAXATION

Provision for taxation has been computed at the rates given in Note No.22 to the Financial Statements.

## 8. DIVIDENDS

The Directors do not recommend a dividend on ordinary shares for the year ended 31 March 2024.

## 9. BOARD OF DIRECTORS

The Directors of the Company as at 31 March 2024 were as follows:

Mr.Andrew Lee (Appointed w.e.f 19 January 2023)

Mr.Pradeep Thunuwara (Appointed w.e.f 19 January 2023)

Ms.Biruntha Shantharaj (Appointed w.e.f 19 January 2023)

### APPOINTMENTS TO THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

Nil

### RESIGNATIONS TO THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

Mrs.M.Gamage-Brooker (Resigned w.e.f 20 November 2023)

Mr.Sudath A.S.Jayasundara (Resigned w.e.f 20 November 2023)

### APPOINTMENTS AFTER THE CONCLUSION OF THE YEAR

Mr.G.T.D.Perera (Appointed w.e.f 09 August 2024)

### RESIGNATIONS AFTER THE CONCLUSION OF THE YEAR

Ms.Biruntha Shantharaj (Resigned w.e.f 16 January 2025)

Mr.Pradeep Thunuwara (Resigned w.e.f. 21 April 2025)

### DIRECTORS INTEREST IN CONTRACTS

There are no other interests in contract or proposed contracts with the Company by the Directors other than those specified in Note No.28, "Related party transactions" to the Financial Statements.

During the accounting period under review, an interests register was maintained by the company as required by the company's Act No.7 of 2007. All Directors have made declarations as provided for in section 192 of the said Act.

# REPORT OF THE DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY<sub>(CONT'D)</sub>

## 10. COMPANY SECRETARIES

Messrs KHL CORPORATE SERVICES LIMITED was appointed as Secretaries to the company with effect from 01 October 2018. On the date 9 of December 2021, the KHL CORPORATE SERVICE LIMITED renamed their company as JANASHAKTHI CORPORATE SERVICES (PVT) LIMITED. Messrs Kalrupco Management Services (Private) Limited of No.31/1, Dudley Senanayake Mawatha, Colombo 00800, has been appointed as the Company Secretary and Registrar w.e.f. 05 November 2024, after the resignation of Messrs JANASHAKTHI CORPORATE SERVICES (PVT) LIMITED.

## 11. CORPORATE GOVERNANCE

The Company has established systems and procedures to ensure the application of sound corporate governance principles. An overview of these practices is presented on pages 08 to 11 of this Annual Report. The Board of Directors confirms that the Company is compliant with Rule 7.10 of the Listing Rules of the Colombo Stock Exchange.

An Audit Committee, Related Party Transactions Review Committee, Remuneration Committee, and Nominations and Governance Committee function as Board Sub-Committees, comprising Directors with the necessary qualifications and experience. The composition of these Committees as at 31 March 2024 is detailed below.

However, the Company has identified that it was not fully compliant with certain Corporate Governance requirements relating to specific Sub-Committee structures during the financial year ended 31 March 2024. The Company is taking necessary steps to rectify these gaps and ensure full compliance going forward.

### 11.1. Audit Committee

1. Ms.Biruntha Shantharaj - Chairman / Independent non Executive Director
2. Mr.Pradeep Thunuwara - Independent non Executive Director

### 11.2. Related party Transactions Review Committee

1. Ms.Biruntha Shantharaj - Chairman / Independent non Executive Director
2. Mr.Pradeep Thunuwara - Independent non Executive Director
3. Mr.Andrew Lee - Non Independent Executive Director

### 11.3. Remuneration Committee

1. Mr.Pradeep Thunuwara - Chairman/Independent non Executive Director
2. Ms.Biruntha Shantharaj - Independent non Executive Director

## 12. CAPITAL EXPENDITURE

There are no material capital commitments that would require disclosures in the Financial Statements

## 13. PROPERTY, PLANT AND EQUIPMENT

The details of the property, plant and equipment are given in Note No. 4 of the Financial Statements.

# REPORT OF THE DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY<sub>(CONT'D)</sub>

## 14. DONATIONS

The Company has not made any donations during the year.

## 15. STATED CAPITAL

The stated capital of the company as at 31<sup>st</sup> March 2024 is Rs.252,043,842 representing 699,524,300 ordinary voting share and 225,976,714 non-voting shares. The stated capital was increased from Rs.126,780,538 to Rs.252,043,842 (Note 13) On 9<sup>th</sup> June 2023, The Board of directors of the company has decided to increase of stated capital by a rights issue and a resolution pertaining to the rights issue was adopted by the share holders at the Extraordinary General Meeting (EGM), which was held on 9<sup>th</sup> June 2023.

## 16. SHAREHOLDERS

An analysis of the distribution of the ordinary shareholders is given on pages 59 to 60 of the Annual Report.

The list of 20 largest ordinary shareholders of the Company is given on pages 59 to 60 of the Annual Report.

## 17. DIRECTOR'S HOLDING OF SECURITIES OF THE COMPANY

No.	As at 31 March	Voting No. of Shares		Non-voting No. of Shares	
		2024	2023	2024	2023
01	Mr.Andrew Lee	Nil	Nil	Nil	Nil
02	Ms.Biruntha Shantharaj	Nil	Nil	Nil	Nil
03	Mr.Pradeep Thunuwara	Nil	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil	Nil	Nil

## 18. RELATED PARTY TRANSACTIONS

### NON-RECURRENT RELATED PARTY TRANSACTIONS

There were non-recurrent Related Party Transactions of which the aggregate value exceeded 10% of the Equity and 5% of the Total Assets of the Company during the year ended 31 March 2024, which is specifically disclosed in the Annual Report in terms of Section 9.3.2 of the Listing Rules and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

### RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent Related Party Transactions of which the aggregate value exceeded 10% of the revenue of the company as per latest Audited Financial Statements which require specific disclosures in the Annual Report in terms of Section 9.3.2 of the Listing Rules of the CSE and the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

The identified Related Parties as well as the Related Party Transactions undertaken during the year are set out in note 28 to the Financial Statements on page 50.

The members of the Board have been identified as “Key Management Personnel” of the Company.

As required by the Listing Rules, the Board confirms that the Company has complied with all requirements as per Section 9 of the Listing Rules.

## 19. DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

This statement of Directors' Responsibilities is to be read in conjunctions with the Auditors' Report and is made to distinguish the respective responsibilities of the Directors and of the Auditors in relation to the Financial Statements contained in this Annual Report.

The Directors of your Company are required by the Companies Act No.7 of 2007 to prepare Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year.

The directors confirm that the Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2024 included in the Annual Report have been prepared in accordance with the Sri Lanka Accounting Standards and the Companies Act No.7 of 2007. In preparing the Financial Statements, the Directors have selected the appropriate accounting policies and have applied them consistently. Reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed and the Financial Statements have been prepared on a going concern basis.

The Directors are of the view that adequate funds and other resources are available within the Company for the Company to continue in operation for the foreseeable future.

The Directors have taken all reasonable steps expected of them to safeguard the assets of the Company and to establish appropriate systems of internal controls in order to prevent, deter and detect any fraud, misappropriation or other irregularities.



## REPORT OF THE DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY<sub>(CONT'D)</sub>

The Directors have also taken all reasonable steps to ensure that the Company maintains adequate and accurate accounting books of record which reflect the transparency of transactions and provide an accurate disclosure of the Company's financial position.

The directors are required to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate for the purpose of enabling them to give their Audit Report. The Directors are of the view that they have discharged their responsibilities in this regard.

The Directors confirm that, to the best of their knowledge, all taxes and levies payable by the Company and all other known statutory obligation as at the balance Sheet date have been paid or provided for in the Financial Statements.

### 20. AUDITORS

The Financial Statements for the period under review have been audited by M/s Ernst & Young, under the audit fee of LKR 2.28 millions.

Based on the declaration from M/s. Ernst & Young, Chartered Accountants and as far as the Directors are aware, the Auditors do not have any relationship or interest in the Company other than that disclosed herein.

In accordance with the Companies Act No. 07 of 2007 a resolution proposing the re-appointment of M/s Ernst & Young, Chartered Accountants as Auditors to the Company will be tabled at the forthcoming Annual General Meeting of the Company.

### 21. STATUTORY PAYMENTS

The Directors acknowledge that, to the best of their knowledge and belief, statutory payments to the government and employees have been addressed, except for certain payments currently pending.

### 22. EVENTS AFTER THE REPORTING DATE

No events have occurred after the reporting date which would require adjustments to or disclosure in the Financial Statements other than those given in Note No.29 of the Financial Statements.

### 23. NOTICE OF MEETING

Notice of meeting relating to the 34 Annual General Meeting is given on page 61 of the Annual Report.

For and on behalf of the Board



.....  
Director  
(Thilina Dinesh Perera)



.....  
Director  
(Andrew Lee)



.....  
Kairupco Management Services (Private) Limited  
Company Secretaries  
RCS 2000144  
SECRETARIES  
KALRUPCO Management Services (pvt) Ltd  
No.31/1, Dudley Senanayake Mawartha,  
Colombo 00800  
Sri Lanka  
Tel : +94 71 039 6659  
Fax : +94 11 234 1737  
      : +94 11 254 1331  
E-mail : secretarial@mgikalrupco.com  
       : kms@mgikalrupco.com

10 December 2025

# REPORT OF THE AUDITORS



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

Tel: +94 11 246 3500  
Fax: +94 11 768 7869  
Email: eysl@lk.ey.com  
ey.com

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLUE DIAMONDS JEWELLERY WORLDWIDE PLC

### Report on the Audit of the Consolidated Financial Statements

#### Disclaimer of Opinion

We were engaged to audit the financial statements of Blue Diamonds Jewellery Worldwide PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

#### Basis for Disclaimer of Opinion

As discussed in paragraphs 1 to 3 below, we have not been able to obtain adequate information and explanations for the purpose of our audit. We therefore believe that our audit provides a reasonable basis for Disclaimer of Opinion.

1. In finalizing the statutory audit of annual financial statements for the year ended 31 March 2024, a significant number of adjustments have been made by management totaling Rs. 252,192,539/- to items such as cost of sales, administrative expenses, interest-bearing loans and borrowings, inventories, trade and other receivables, property, plant and equipment (PPE), leasehold assets and investments in subsidiaries to arrive at the amounts presented in the accompanying consolidated financial statements. Due to inability to establish the reliability and completeness of the accounting records and the annual financial statements finalization process, we were unable to determine whether any further adjustments or disclosures might have been necessary to the accompanying consolidated financial statements.
2. Due to the absence of sufficient and appropriate supporting documentation we were unable to satisfy ourselves with regards to the completeness and accuracy of related party transactions.
3. Furthermore, as disclosed in Note 2.3 to the consolidated financial statements, the Group incurred a loss of Rs. 138,680,607/- for the year ended 31 March 2024 (2023: Rs.30,212,659/-) and reported an accumulated loss of Rs. 197,942,473/- (2023: Rs. 61,462,562/-). The Group also recorded negative operating cash flows amounting to Rs.119,159,037/- (2023: Rs. 19,866,563/-) and defaulted on the repayment of bank borrowings, during the year. Furthermore, the Company is facing a serious loss of capital situation under Section 220 of the Companies Act No. 07 of 2007.

However, the consolidated financial statements have been prepared on a going concern basis, for which we were not provided with sufficient and appropriate audit evidence to support management's assessment of the Group's ability to continue as a going concern. Accordingly, we were unable to conclude on the appropriateness of the use of the going concern basis of accounting or determine whether any adjustments were necessary to these consolidated financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shaktivel B.Com (Sp), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited

## REPORT OF THE AUDITORS (CONT'D)



Shape the future  
with confidence

### Responsibilities of the management and those charged with governance for the financial statements.

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

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

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

### Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Company's and Group's consolidated financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Company and Group in accordance with the Code of Ethics issued by CA Sri Lanka (CA Sri Lanka Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Report on other legal and regulatory requirements.

Due to the possible effects of the matter described in the Basis for *Disclaimer of Opinion* section of our report, we are not able to report on whether we have obtained all the information and explanations that were required for the audit and whether as far as it appears from our examination, proper accounting records have been kept by the Company and Group, as required by Section 163(2) of the Companies Act No 7 of 2007.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1697.



10 December 2025  
Colombo

## STATEMENT OF PROFIT OR LOSS

Year ended 31 March

	Note	Group	Company	
		2024 Rs.	2024 Rs.	2023 Rs.
Revenue	3	21,468,019	21,468,019	43,255,202
Cost of Sales		(13,384,235)	(13,384,235)	(33,370,487)
<b>Gross Profit</b>		<b>8,083,784</b>	<b>8,083,784</b>	<b>9,884,715</b>
Other Operating Income	19	13,774,169	13,774,169	1,631,966
Selling and Distribution Expenses		(37,769,828)	(37,769,828)	(260,635)
Administrative Expenses		(105,454,908)	(101,968,429)	(37,072,344)
Finance Costs	20	(21,371,979)	(21,371,979)	(4,396,721)
Finance Income	21	4,058,156	4,058,156	360
<b>Loss before Tax</b>	<b>23</b>	<b>(138,680,607)</b>	<b>(135,194,127)</b>	<b>(30,212,658)</b>
Income Tax Reversal	22	-	-	12,458,558
<b>Loss for the Period</b>		<b>(138,680,607)</b>	<b>(135,194,127)</b>	<b>(17,754,100)</b>
(Loss) Per Share				
- Basic/ Diluted	18	(0.15)	(0.15)	(0.04)

The accounting policies and notes on pages 27 through 56 form an integral part of the financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March

	Note	Group	Company	
		2024 Rs.	2024 Rs.	2023 Rs.
Loss for the Year		(138,680,607)	(135,194,127)	(17,754,100)
<b>Other Comprehensive Income</b>				
<b>Other Comprehensive Income/(Loss) not to be reclassified to Profit or Loss in Subsequent Period</b>				
Revaluation Gain		3,336,304	3,336,304	-
Net (loss)/gain on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income		84,905	84,905	-
Tax on Revaluation Gain	24	-	-	(12,259,830)
Actuarial Gain on Defined Benefit Plans	16	2,200,697	2,200,697	662,428
Tax on Actuarial Gain on Defined Benefit Plans	24	-	-	(198,728)
<b>Other Comprehensive (Loss)/ Income for the Period Net of Tax</b>		<b>5,621,906</b>	<b>5,621,906</b>	<b>(11,796,130)</b>
<b>Total Comprehensive Loss for the Period Net of Tax</b>		<b>(133,058,701)</b>	<b>(129,572,221)</b>	<b>(29,550,230)</b>

The accounting policies and notes on pages 27 through 56 form an integral part of the financial statements.

## STATEMENT OF FINANCIAL POSITION

As at 31 March

As at 31 March			Group	Company	
			2024	2024	2023
	Note		Rs.	Rs.	Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4		108,864,434	108,864,434	82,799,279
Right of Use Asset	5		2,474,801	2,474,801	2,255,115
Other Investments	7		84,905	84,905	-
Investment In Subsidiaries	8		-	100	-
			111,424,140	111,424,240	85,054,394
Current Assets					
Inventories	10		78,219,332	78,219,332	91,741,813
Trade and Other Receivables	11		27,472,877	30,825,716	16,160,650
Loan Receivables	9		676,363	676,363	845,453
Cash and Cash Equivalents	12		852,718	852,718	22,164,252
			107,221,290	110,574,127	130,912,168
Total Assets			218,645,430	221,998,369	215,966,562
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	13		252,043,842	252,043,842	126,780,538
Reserves	14		60,373,329	60,373,329	57,037,025
Accumulated Loss			(197,857,567)	(194,371,087)	(61,462,562)
Total Equity			114,559,604	118,046,084	122,355,001
Non-Current Liabilities					
Employee Benefit Liability	16		3,269,881	3,269,883	5,084,726
Interest Bearing Loans and Borrowings	15		-	-	21,078,243
			3,269,881	3,269,883	26,162,969
Current Liabilities					
Interest Bearing Loans and Borrowings	15		43,853,131	43,853,131	25,705,027
Lease Liability	5.2		4,264,780	4,264,780	-
Income Tax Payable			1,064,956	1,064,956	1,064,956
Trade and Other Payables	17		51,633,078	51,499,535	40,678,609
			100,815,945	100,682,402	67,448,592
Total equity and liabilities			218,645,430	221,998,369	215,966,562

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

  
**D.M.I.N. Amarasekara**  
 (Finance Officer)

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:

  
**Thilina Dinesh Perera**  
 (Director)  
 10 December 2025  
 Colombo.

  
**Andrew Lee**  
 (Chairman)

The accounting policies and notes on pages 27 through 56 form an integral part of the financial statements.

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March

	Stated Capital	Revaluation Reserve	Retained Losses	Total
	Rs.	Rs.	Rs.	Rs.
<b>Group</b>				
As at 01 April 2023	126,780,538	57,037,025	(61,462,562)	122,355,001
Loss for the Year	-	-	(138,680,607)	(138,680,607)
Increase of Stated Capital (Issued Ordinary Shares)	125,263,304	-	-	125,263,304
Other Comprehensive Income	-	-	2,285,602	2,285,602
Revaluation of Building and Plant & Machinery		3,336,304	-	3,336,304
Total Comprehensive Loss	125,263,304	3,336,304	(136,395,005)	(7,795,397)
As at 31 March 2024	252,043,842	60,373,329	(197,857,567)	114,559,604
<b>Company</b>				
As at 01 April 2022	101,260,538	69,296,855	(44,172,161)	126,385,232
Loss for the Year	-	-	(17,754,101)	(17,754,101)
Increase of Stated Capital (Issued Ordinary Shares)	25,520,000	-	-	25,520,000
Other Comprehensive Income	-	(12,259,830)	463,700	(11,796,130)
Total Comprehensive Loss	25,520,000	(12,259,830)	(17,290,401)	(4,030,231)
As at 31 March 2023	126,780,538	57,037,025	(61,462,562)	122,355,001
As at 01 April 2023	126,780,538	57,037,025	(61,462,562)	122,355,001
Loss for the Year	-	-	(135,194,127)	(135,194,127)
Increase of Stated Capital (Issued Ordinary Shares)	125,263,304	-	-	125,263,304
Other Comprehensive Income	-	-	2,285,602	2,285,602
Revaluation of Building and Plant & Machinery	-	3,336,304	-	3,336,304
Total Comprehensive Loss	125,263,304	3,336,304	(132,908,525)	(4,308,917)
As at 31 March 2024	252,043,842	60,373,329	(194,371,087)	118,046,084

The accounting policies and notes on pages 27 through 56 form an integral part of the financial statements.



## STATEMENT OF CASH FLOWS

For the year ended 31 March

### Cash Flows Used in Operating Activities

Loss before tax from continuing operations

*Adjustments to reconcile profit before tax to net cash flows:*

Note	Group	Company	
	2024 Rs.	2024 Rs.	2023 Rs.
	(138,680,607)	(135,194,127)	(30,212,659)
Scrap Sale	-	-	(1,271,595)
Depreciation of Property, Plant and Equipment	4	5,442,041	5,442,041
Amortization of Right of Use Asset	5	(196,770)	(196,770)
Provision for Inventories	10	19,448,060	19,448,060
Provision for Retiring Gratuity		1,096,102	1,096,102
Provision for Receivables	11	14,650,507	14,650,507
Interest Income	21	(4,058,156)	(4,058,156)
Provision Reversal for Trade and Other Receivable		-	-
Finance Expense	20	21,371,979	21,371,979
Exchange Loss		(306,489)	(306,489)
Lease Payment Adjustment		(15,634,888)	(15,634,888)
Provision for Demurrages fee		9,500,000	9,500,000
Operating Loss before Working Capital Changes		(87,368,221)	(83,881,741)
(Increase)/Decrease in Inventories		(5,925,579)	(5,925,579)
(Increase)/Decrease in Trade and Other Receivables		(25,962,733)	(29,315,572)
Increase/ (Decrease) in Trade and Other Payables		1,454,465	1,320,926
Cash Generated from Operations		(117,802,068)	(117,801,965)
Interest Paid		(646,719)	(646,719)
Gratuity Paid	16	(710,250)	(710,250)
Income Tax Paid		-	-
Net Cash (Used in) Operating Activities		(119,159,037)	(119,158,934)

### Cash Flows from/(Used in) Investing Activities

Acquisition of Property, Plant and Equipment	4	(28,170,891)	(28,170,891)
Receipts from loans and receivables	9	169,090	169,090
Interest Received		4,058,156	4,058,156
Investment in Subsidiary		-	(100)
Net Cash Flows From / (Used in) Investing Activities		(23,943,645)	(23,943,745)

### Cash Flows from/(Used in) Financing Activities

Repayments of loans and borrowings	15	(3,467,658)	(3,467,658)
Issued Voting Shares	13	125,263,304	125,263,304
Net Cash Flows Used in Financing Activities		121,791,146	121,791,146
Net Increase/(Decrease) in Cash and Cash Equivalents		(21,311,534)	(21,311,534)

Cash and Cash Equivalents at the beginning of the year

Cash and Cash Equivalents at the end of the year

12	22,159,752	22,159,752	18,671,311
12	852,718	852,718	22,159,752

The accounting policies and notes on pages 27 through 56 form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

### 1.1 General

Blue Diamonds Jewellery Worldwide PLC (“Company”) is a public limited liability Company incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange. The registered office of the Company and principal place of business is located at No.49, Ring Road, Phase 1, IPZ, Katunayake.

### 1.2 Principal Activities and Nature of Operations

During the year, the principal activity of the Company was the manufacture and export of diamond studded gold jewellery.

### 1.3 Parent Entity and Ultimate Parent Entity

There is no identifiable ultimate parent for the Company.

### 1.4 Responsibility for financial statements

The responsibility of the Directors in relation to the financial statements is set out in the Statement of Directors’ Responsibility report in the Annual report.

### 1.5 Approval of Financial Statements by Directors

The Consolidated financial statements of Group and its Subsidiaries of Blue Diamonds Jewellery Worldwide PLC for the year ended 31 March 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 10 December 2025

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of Companies Act No. 07 of 2007 (as amended) and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

### 2.2 Basis of Measurement

The Financial Statements have been prepared on an accrual basis and under the historical cost convention except for buildings, plant and machinery that have been measured at fair value.

### 2.3 Going Concern

The Group has recorded continuous losses since 2013. The Net Loss for the year ended 31 March 2024 amounted to Rs. 138.7 Mn (2023 - Rs. 17.8 Mn) The Accumulated Losses as at the reporting date were Rs. 197.9 Mn (2023 - Rs. 61.5Mn). Negative Cash Flows from Operating Activities during the year amounted to Rs. 119.2 Mn (2023 - Rs. 19.9 Mn). Interest bearing loans & borrowings amounted to Rs. 43.8Mn (2023 - 25.7 Mn). During the year, the Group has defaulted their repayment of the bank borrowings. Further, the Company faces a serious loss of capital situation as per section 220 of the Companies Act No 7 of 2007. These events and conditions indicate that a material uncertainty exists that may cast significant challenges on the Company’s ability to continue as a going concern.

However, the Directors have made an assessment of the Group’s ability to continue as a going concern. They are confident that the Group will continue as a going concern on the strength of the following grounds:

- Mr. Lee Tze Wee Andrew, Director of the Company, has provided an undertaking to the Company, dated 3 April, 2025 to provide financial support in settling their liabilities as and when they fall due, over the next 12 months.
- The Management is in discussion with potential investors for possible infusion of capital.
- The Group’s management is engaged in discussions with the respective lending institutions to reschedule debt repayments.
- The Group’s management has developed aggressive marketing and business plans to grow the business, especially new customers in overseas markets.
- The Company is implementing cost control and rationalization activities and monitors costs incurred closely, in order to manage and improve margins and working capital management.

### 2.4 Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees, which is the group’s functional and presentation currency. There was no change in the Company’s presentation and functional currency during the current year.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

#### Estimates and Assumptions

The preparation of Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect on the amounts recognized in the Financial Statements of the Company are as follows:

#### (a) Impairment losses on Trade & Other Receivables

Company reviews its receivables and other receivable at each reporting date to assess whether an allowance for impairment should be recorded in the financial statements. Judgment by the management is required in the estimation of these amounts and such estimations are based on assumptions about several factors and actual results may differ, resulting in future changes to the allowance.

#### (b) Carrying value of inventories:

The mechanism for determining the carrying values of inventories involves the use of management judgments and estimates. Such judgments and estimates include the determination of quantities of respective raw material used per manufactured article based on mix of gold, the estimates of design cost for jewellery articles and gold conversion rates for melting/re-melting process of gold and jewellery.

#### (c) Provision for Slow moving inventories:

Provision for slow moving inventories is recognized based on the best estimates available to management on their future recovery. Refer Note 10.1. As Management uses present conditions and historical information as the basis to determine the future saleability/recoverability, actual future losses on inventories could vary from the provision made in these financial statements.

#### (d) Revaluation of Property, Plant and Machinery

The Company measures buildings, plant and machineries at revalued amounts with changes in fair value being recognized in Other Comprehensive Income and in the Statement of Equity. The Company engaged independent valuation specialists to determine fair value of buildings, plant and machineries.

### 2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The presentation and classification of the Financial Statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

Except for the Changes in Significant Accounting Policies given below the accounting policies have been applied consistently for all periods presented in the Financial Statements by the Company.

#### 2.6.1 Foreign Currency Translation

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

##### i. Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

## NOTES TO THE FINANCIAL STATEMENTS

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on item whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### II. Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Sri Lankan Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions.

The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income. On disposal of a foreign operation, the component of Other Comprehensive Income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

#### 2.6.1.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and value added taxes, after eliminating sales within the Company.

##### a) Sale of Goods

Sales of goods are recognized on delivery of products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

##### a. Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

## NOTES TO THE FINANCIAL STATEMENTS

### b. Goods transferred at a point in time

Under SLFRS 15, revenue is recognized upon satisfaction of a performance obligations. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods.

### b) Interest Income

Interest Income is recognized in profit or loss as it accrues and is calculated by using the effective interest rate method.

### c) Others

Other income is recognized on an accrual basis.

## 2.6.2 Taxation

### *Current Income Tax*

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 the amendments there to.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

### *Sales Tax*

Revenues, expenses and assets are recognized net of the amount of sales tax, except, where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities, in which case, the sales tax is recognized as a part of the cost of the asset or part of the expense items, as applicable and receivable and payable that are stated with the amount of sales tax included. The net amount of sales tax recoverable from or payable to the taxation authorities is included as a part of receivables or payables in the statement of financial position.

### *Deferred tax*

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

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability 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 the taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets 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 assets and unused tax losses can be utilized except where the deferred income 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.

The carrying amount of deferred income 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 income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the date of reporting Statement of Financial Position. Deferred income tax relating to items recognized directly in equity is recognized in Statement of Changes in Equity and not in the Statement of Comprehensive Income.

## 2.6.3 Property, Plant and Equipment

### *Basis of recognition*

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured.

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of measurement

The Company applies the Cost Model to all categories of Property, Plant & Equipment except for buildings, Plant and Machinery and records at cost of purchase together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

The Company applies the Revaluation Model to the entire class of buildings, plant and machinery for measurement after initial recognition. Such properties are carried at revalued amounts, being their fair value at the date of revaluation, less any subsequent accumulated depreciation on buildings and any accumulated impairment losses charged subsequent to the date of valuation. Building of the Company are revalued every three to four years or more frequently if the fair values are substantially different from their carrying amounts to ensure that the carrying amounts do not differ from the fair values at the reporting date.

On revaluation of an asset, any increase in the carrying amount is recognized in Other Comprehensive Income and presented in Revaluation Reserve in equity or used to reverse a previous loss on revaluation of the same asset, which was charged to the Statement of profit or loss. In this circumstance, the increase is recognized as income only to the extent of the previous write down in value. Any decrease in the carrying amount is recognized as an expense in the Statement of profit or loss or charged in Other Comprehensive Income and presented in Revaluation Reserve in equity only to the extent of any credit balance existing in the Revaluation Reserve in respect of the same asset. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to Retained Earnings on retirement or disposal of that asset.

### De-recognition

An item of property, plant and equipment is derecognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss in the year the asset is derecognized.

### Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

### 2.6.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per SLFRS 16 and recognized right of use assets and lease liability.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

#### Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

# NOTES TO THE FINANCIAL STATEMENTS

## Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgment in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

## Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

## 2.6.5 Intangible Assets

### Computer Software

Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life of 5 years. Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or infinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets. Intangible assets with infinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit or Loss when the asset is derecognized.

## 2.6.6 Financial Instruments - Initial Recognition and Subsequent Measurement

### Financial Assets

#### Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Except for trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments.

### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

#### Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and short-term investments.

#### Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.

#### Financial assets designated at fair value through OCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

## NOTES TO THE FINANCIAL STATEMENTS

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

### Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### Financial Liabilities

#### *Initial Recognition and Measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognized initially at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### *Subsequent Measurement*

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

#### **a) Financial Liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

#### **b) Financial Liabilities at fair value through profit or loss**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

#### **2.6.7 Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

#### **2.6.8 Fair Value of Financial Instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 25.

#### **2.6.9 Inventories**

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow-moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formula: -

Raw Materials	-	At actual cost on weighted average basis
Finished Goods, Work-in-Progress	-	At the standard costing which included all direct expenditure and production overheads.
Gold, and Gold frames	-	At actual cost on weighted average basis.

The provision for slow moving inventories is recognized based on the expectations of the Management on future recovery through sale of Inventory Items and aging of the inventory.

#### **2.6.10 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, 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. Where the Company expects some or all a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

## NOTES TO THE FINANCIAL STATEMENTS

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote.

Contingent assets are disclosed, where inflow of economic benefit is probable.

### 2.6.11 Employee Benefit Liability

#### a) Defined Benefit Plan - Gratuity

Gratuity is a defined benefit plan. The Company is liable to pay gratuity in terms of the relevant statute.

The company measures the present value of the promised retirement benefit for gratuity, which is a defined benefit plan with the advice of an independent professional actuary using the projected unit credit method (PUC) as required by LKAS No. 19, Employee Benefits. Also, the defined benefit plan of the company is operated according to the regulations and provisions given under the "Payment of Gratuity Act No. 12 of 1983"

The item is stated under Defined Benefit Liability in the Statement of Financial Position.

#### Recognition of Actuarial Gains and Losses

Any actuarial gains and losses arising are recognized immediately in Other Comprehensive Income.

#### Recognition of Interest Cost and Current Service Cost

Interest cost and current service cost are recognized immediately in Statement of Profit or Loss.

#### b) Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The company contributes the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

### 2.6.12 Expenditure recognition

Expenses are recognized in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Profit or Loss.

For the purpose of presentation of the Statement of Profit or Loss, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company and Company's performance.

### 2.6.13 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets (other than trade receivables) that are recognized in the Statement of Profit or Loss.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.7 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the consolidated financial statements of the Group in the foreseeable future. The Group intends to adopt these amended standards, if applicable, when they become effective.

#### Amendments to SLFRS 17: Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

#### Classification of Liabilities as Current or Noncurrent - Amendments to LKAS 1

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify.

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

#### Disclosures: Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024

#### Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16

The amendments to SLFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application

The amendments are effective for annual periods beginning on or after 1 January 2024

#### International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after 1 January 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 3 REVENUE

Sales

Group	Company	
2024	2024	2023
Rs.	Rs.	Rs.
21,468,019	21,468,019	43,255,202
21,468,019	21,468,019	43,255,202

#### 3.1 Segment Information - Revenue

The Company's internal organization and management is structured based on products which are similar in nature and process and where the risk and return are similar. As such for management purposes, the Company is organized into manufacturing and selling of diamond studded jewellerys and selling of diamonds based on their products and reported as one business segment.

Export Sales - Jewellery  
Local Sales - Jewellery  
Local Sales - Diamonds

Group	Company	
2024	2024	2023
Rs.	Rs.	Rs.
16,759,933	16,759,933	35,398,983
4,708,086	4,708,086	2,856,219
-	-	5,000,000
21,468,019	21,468,019	43,255,202

### 4 PROPERTY, PLANT AND EQUIPMENT

#### 4.1 Group

##### At Valuation / Cost

	Building on Leasehold Land	Plant & Machinery	Furniture & Fittings	Factory Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April	68,933,000	16,161,800	5,901,446	31,254,748	122,250,994
Additions	15,935,622	36,000	9,252,420	2,946,849	28,170,891
Revaluation Adjustment	(2,062,286)	(60,400)	-	-	(2,122,686)
Balance as at 31 March	82,806,336	16,137,400	15,153,866	34,201,597	148,299,199

##### Accumulated Depreciation

	Building on Leasehold Land	Plant & Machinery	Furniture & Fittings	Factory Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April	1,723,325	805,119	5,830,738	31,092,533	39,451,715
Additions	2,121,716	808,832	1,905,528	605,965	5,442,041
Revaluation Adjustment	(3,845,041)	(1,613,951)	-	-	(5,458,991)
Balance as at 31 March	-	-	7,736,267	31,698,498	39,434,765

Carrying Amounts as at 31 March 2024	82,806,336	16,137,400	7,417,599	2,503,099	108,864,434
Carrying Amounts as at 31 March 2023	67,209,675	15,356,682	70,708	162,215	82,799,279

## NOTES TO THE FINANCIAL STATEMENTS

### PROPERTY, PLANT AND EQUIPMENT (Contd...)

#### 4.2 Company

	Building on Leasehold Land	Plant & Machinery	Furniture & Fittings	Factory Equipment	Total
At Valuation / Cost	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April	68,933,000	16,161,800	5,901,446	31,254,748	122,250,994
Additions	15,935,622	36,000	9,252,420	2,946,849	28,170,891
Disposal	-	-	-	-	-
Revaluation Adjustment	(2,062,286)	(60,400)	-	-	(2,122,686)
Balance as at 31 March	82,806,336	16,137,400	15,153,866	34,201,597	148,299,199
Accumulated Depreciation					
Balance as at 1 April	1,723,325	805,119	5,830,738	31,092,533	39,451,715
Additions	2,121,716	808,832	1,905,528	605,965	5,442,041
Disposal	-	-	-	-	-
Revaluation Adjustment	(3,845,041)	(1,613,951)	-	-	(5,458,991)
Balance as at 31 March	-	-	7,736,267	31,698,498	39,434,765
Carrying Amounts as at 31 March 2024	82,806,336	16,137,400	7,417,599	2,503,099	108,864,434
Carrying Amounts as at 31 March 2023	67,209,675	15,356,682	70,708	162,215	82,799,279

#### 4.3 The Rates of Depreciation is Estimated as follows;

	2024	2023
Building on Leasehold land	40 Years	23 Years
Plant & Machinery	20 Years	20 Years
Furniture & Fittings	4 Years	4 Years
Factory Equipment	4 Years	4 Years

Depreciation is recognized in the statement of comprehensive income on straight-line basis over the estimated useful lives of the each item of Property Plant and Equipment.

According to the revaluation report, useful life of Building on Leasehold Land and Plant & Machinery was estimated at 40 years and 20 years respectively

4.4 Property, Plant & Equipment with a cost of Rs.36,816,444/- (2023 - Rs.36,627,444/-) have been fully depreciated and continue to be used by the Company.

4.5 During the financial year the Company acquired Rs.28,170,891/- Property, Plant & Equipment. (2023 - Rs.74,300/-)

4.6 The fair value of buildings and plant & machineries at Katunayake Export Processing Zone, Kadirana South, Katunayake were determined by means of revaluation during the financial year 2023/24 by Mr.N.A.A.D Nissanka Chartered and Independent Valuer in reference to comparison method of valuation and Depreciation Replacement Cost approach. The results of such revaluations were incorporated in these Financial Statements from its effective date which is 31 March 2024.



## NOTES TO THE FINANCIAL STATEMENTS

### PROPERTY, PLANT AND EQUIPMENT (Contd...)

#### Company and Group

#### 4.7 Revaluation of Leasehold Building and Plant & Machinery

The Company uses the revaluation model of measurement of buildings. The Company engaged independent expert valuer to determine the fair value of its buildings.

Property	Method of Valuation	2024 Rs.	2023 Rs.	Valuers Details	Effective Date of Valuation
Building on Leasehold land	Depreciation Replacement Cost Approach	82,806,336	67,209,675	Siri Nissanka, Chartered and Independent Valuer	31 March 2024
Plant & Machinery	Depreciation Replacement Cost Approach	16,137,400	15,356,682	Siri Nissanka Chartered and Independent Valuer	31 March 2024

#### 4.8 Description of Significant Unobservable Inputs to Valuation 2024

The significant assumptions used by the valuer for valuations are follows;

Asset class	Area	Method of Valuation	Inputs used for measurement	Area	Range	Sensitivity of Fair value to unobservable input
Building on Leasehold land	Building 1	Cost Approach	Per sq.ft. rate	4870 sq feet	Rs.8,500.00	Positively correlated
	Building 2	Cost Approach	Per sq.ft. rate	4,800 sq feet	Rs.2,700.00	Positively correlated
	Building 3	Cost Approach	Per sq.ft. rate	3578 sq feet	Rs.1,000.00	Positively correlated
	Other Building	Depreciation Replacement Cost Approach	Per sq.ft. rate	N/A	N/A	Positively correlated
Plant and Machinery	Existed Building Floor Area	Depreciation Replacement Cost Approach	Fair Value of the Assets	N/A	Rs.16,137,400	Negatively correlated

Depreciated Replacement Cost - This method calculates the current cost to replace an asset with a similar new one and then subtracts depreciation to account for physical deterioration, functional obsolescence, and economic factors. It offers a realistic assessment by considering the asset's remaining useful life and current condition. This approach is widely used for fixed assets such as building and industrial equipment. it ensures the valuation reflects both the cost of replacement and the asset's depreciated state.

#### 4.9 Company and Group

The carrying amount of revalued assets of the Company that would have been included in the financial statements had that been carried at cost less depreciation is as follows:

	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount 2024	Net Carrying Amount 2023
Class of Asset	Rs.	Rs.	Rs.	Rs.
Buildings on Leasehold Land	47,302,693	(15,829,840)	31,472,854	15,537,232
Plant and Machinery	166,279,351	(165,791,918)	487,433	453,233



## NOTES TO THE FINANCIAL STATEMENTS

### 5 RIGHT OF USE ASSET

#### Cost

Balance as at 1 April

Additions

Balance as at 31 March

#### Accumulated Depreciation

Balance as at 1 April

Additions

Amortization for the year

Balance as at 31 March

#### Net book value

Lease hold land

Group	Company	
2024	2024	2023
Rs.	Rs.	Rs.
2,459,576	2,459,576	2,459,576
416,456	416,456	-
2,876,032	2,876,032	2,459,576
2024	2024	2023
Rs.	Rs.	Rs.
(204,461)	(204,461)	(170,803)
-	-	-
(196,770)	(196,770)	(33,658)
(401,231)	(401,231)	(204,461)
2024	2024	2023
Rs.	Rs.	Rs.
2,474,801	2,474,801	2,255,115
2,474,801	2,474,801	2,255,115

5.1 Company has mortgaged the leasehold rights of the factory property depicted as lot No. 49A and 49B in Plan no. 3804 dated 21 December 2006 made by T.K. Dharmasena LS of the Land called Kadiranawatta situated at Kadirana South Village, Katunayake in the district Gamapaha, Western Province.

### 5.2 Lease Liability

Balance as at 1 April

Addition

Transfer

Finance charge on the lease liability

Payment

Exchange gain /loss difference

Balance as at 31 March

Group	Company	
2024	2024	2023
Rs.	Rs.	Rs.
-	-	-
416,456	416,456	-
-	-	-
16,067,736	16,067,736	-
(15,634,888)	(15,634,888)	-
3,415,476	3,415,476	-
4,264,780	4,264,780	-

### 5.3 Maturity Analysis of Lease Liability

Within one year

After one year

Group	Company	
2024	2024	2023
Rs.	Rs.	Rs.
4,264,780	4,264,780	-
-	-	-
4,264,780	4,264,780	-

### 6 INTANGIBLE ASSETS

#### Company

Computer Software (Note 6.1)

Technological Rights (Note 6.2)

2024	2023
Rs.	Rs.
-	-
-	-
-	-

## NOTES TO THE FINANCIAL STATEMENTS

6.1	Software			2024	2023
	Cost			Rs.	Rs.
	Balance as at 1 April			12,795,818	12,795,818
	Additions during the year			-	-
	Balance as at 31 March			12,795,818	12,795,818
Accumulated Amortization					
	Balance at the beginning of the year			12,795,818	12,795,818
	Charge for the year			-	-
	Balance at the end of the year			12,795,818	12,795,818
Net Book Values					
				-	-
6.2	Technological rights			2024	2023
				Rs.	Rs.
	Technological rights purchased value			229,731,188	229,731,188
	Provision made			(229,731,188)	(229,731,188)
	Carrying amount as at 31 March			-	-
6.3	The Company entered into an understanding with Energen Holding Company Limited, Mauritius, in 1997/98, to develop solar chimney technology to generate power. The Company subcontracted this development work to a foreign Company and purchased the technological rights at a cost of Rs. 229,731,188/- from the foreign Company. Former deputy Chairman had undertaken to sell the technological rights at the AGM held in 1997/98. However the sales didn't take place.				
	Board of Directors of the Company decided to make full provision in 2000/01 against this for the investment due to the uncertainty regarding future economic benefit from the investment in. The said investment has not been written off against the provision as at balance sheet date, as the Board is in the process of re-assessing the economic benefit of the said investment.				
7	Financial Assets - Fair Value Through OCI			2024	2023
	Company			Rs.	Rs.
	Quoted Investments (Note 7.1)			154,806	112,353
	Non-quoted Investments (Note 7.3)			-	-
	(-) Provision on Share investment			(69,900)	(112,353)
			84,905	-	
7.1	Quoted Investment				
		No of Shares		2024	2023
		2024	2023	Rs.	Rs.
	Renuka City Hotel PLC	420	420	151,200	105,000
	Merchant Bank of Sri lanka & Finance PLC	707	707	3,606	7,353
			154,806	112,353	
7.2	The Company holds share investments in Renuka City Hotel PLC and Merchant Bank of Sri Lanka & Finance PLC. The fair valuation has been performed based on the market prices as at the reporting date.				
7.3	Non-quoted Investments				
		No of Shares		2024	2023
		2024	2023	Rs.	Rs.
	Energen Holding Ltd (Note 7.4)	5,000,000	5,000,000	287,500,000	287,500,000
	Fior Drissage Jewellers Ltd (Note 7.5)	538,315	538,315	6,039,533	6,039,533
Impairment			(293,539,533)	(293,539,533)	
			-	-	
7.4	The Company holds an investment of Rs. 287.5 Mn in Energen Holding Company Ltd. Based on the internal assessment and opinion of the Directors there will be no future economic benefit to the Company from this investment. Accordingly a full provision was made against the said investment during the year 2000/2001.				

# NOTES TO THE FINANCIAL STATEMENTS

## FINANCIAL ASSETS - FAIR VALUE THROUGH OCI (Contd...)

- 7.5 During the year 2014, the Company has ceased to have significant influence over Fior Drissage Jewelers Ltd . Accordingly, the investment has been classified under financial assets - Available for sale and accounted in accordance with LKAS 39. However based on internal assessment and opinion of the Directors there will be no future economic benefit to the Company from this investment. Accordingly a full provision was made against the said investment during the year ended 31 March 2014.

### 8 INVESTMENT IN SUBSIDIARY

#### 8.1 Company Name

	Principal Activity	Holding %	2024 Rs.	2023 Rs.
NGTC Gem & Jewellery Testing (pvt) Ltd	Gem Trading and Laboratory Testing Services	100%	100	-
			100	-

- 8.2 On the 4th of December 2023, the company has formed NGTC Gem & Jewellery Testing (Pvt) Ltd by investing 100% ownership of NGTC Gem & Jewellery Testing (Pvt) Ltd . The investment amount of the company was LKR 100.00 in 10 shares at LKR 10.00 per share.

### 9 LOAN RECEIVABLES

	Group	Company	
	2024 Rs.	2024 Rs.	2023 Rs.
Balance as at 1 April	845,453	845,453	1,268,179
Repayments	(169,091)	(169,091)	(422,725)
Interest Receivables	-	-	-
Balance as at 31 March	676,363	676,363	845,453
Receivable within one year	676,363	676,363	845,453
Receivable after one year	-	-	-
	676,363	676,363	845,453

### 10 INVENTORIES

	Group	Company	
	2024 Rs.	2024 Rs.	2023 Rs.
Diamonds	32,909,324	32,909,324	31,997,984
Gems	14,953,769	14,953,769	20,120,544
Raw Golds	1,800,032	1,800,032	3,395,878
Finished Goods	60,750,923	60,750,923	47,828,394
	110,414,048	110,414,048	103,342,800
Provision for Inventories (Note 10.1)	(32,212,555)	(32,212,555)	(12,764,495)
	78,201,493	78,201,493	90,578,305
Work in Progress	17,839	17,839	1,163,508
	78,219,332	78,219,332	91,741,813

#### 10.1 Provision for inventories

	Group	Company	
	2024 Rs.	2024 Rs.	2023 Rs.
Balance as at 1 April	12,764,495	12,764,495	12,472,226
Provision made during the year	19,448,060	19,448,060	292,269
Balance as at 31 March	32,212,555	32,212,555	12,764,495

- 10.2 During the year 2023/2024 the Company made additional provision of Rs.19,448,060/- for inventory.

- 10.3 The company subsequently dismantled (01/04/2024 to 01/10/2024) certain non-moving finished goods items that were more than five years old. This action facilitated the continuation of fulfilling confirmed orders. In this process, the company received raw gold and diamonds, and the dismantling resulted in a loss of Rs. 165,159.

# NOTES TO THE FINANCIAL STATEMENTS

## 11 TRADE AND OTHER RECEIVABLES

	Group	Company	
	2024	2024	2023
	Rs.	Rs.	Rs.
Trade Receivables	63,734,768	63,734,768	60,758,174
Amount due from Related Parties	1,129,085	1,129,085	-
Provision for Impairment of Trade Receivables (Note 11.1)	(57,227,460)	(57,227,460)	(57,227,460)
	7,636,393	7,636,393	3,530,715
Advances and Other Receivables			
Other Receivables	33,575,425	30,152,474	14,718,370
Deposit due from Related Parties	3,000,000	9,775,790	-
Provision for Impairment of Other Receivables (Note 11.2)	(16,738,941)	(16,738,941)	(2,088,434)
	27,472,877	30,825,716	16,160,650

### 11.1 Provision for Impairment of Other Receivables

	Group	Company	
	2024	2024	2023
	Rs.	Rs.	Rs.
Balance as at 1 April	57,227,460	57,227,460	57,274,996
Impairment Charge (Reversal)	-	-	(47,536)
Balance as at 31 March	57,227,460	57,227,460	57,227,460

### 11.2 Provision for Impairment of Other Receivables

	Group	Company	
	2024	2024	2023
	Rs.	Rs.	Rs.
Balance as at 1 April	2,088,434	2,088,434	2,301,269
Provision During the year	14,650,507	14,650,507	-
Provision Reversal	-	-	(212,835)
Balance as at 31 March	16,738,941	16,738,941	2,088,434

During the year, the company incurred Rs. 23,099,390 for importing furniture and electrical equipment on behalf of NGTC Gem & Jewellery (Pvt) Ltd. Considering the uncertainty regarding the recoverability of this amount, management has decided to provide Rs.11,650,507 as a provision against this value.

## 12 CASH AND CASH EQUIVALENTS

	Group	Company	
	2024	2024	2023
	Rs.	Rs.	Rs.
12.1 Favorable Cash and Cash Equivalent Balances			
Cash and Bank Balance	852,718	852,718	22,164,252
	852,718	852,718	22,164,252
12.2 Unfavorable Cash and Cash Equivalent Balances			
Bank Overdraft	-	-	(4,500)
12.3 Cash and Cash Equivalents for the Purpose of Cash Flow Statement	852,718	852,718	22,159,752

The amount of Rs.17,207,986 held as a security deposit was disbursed as compensation in favor of two petitioners during the year.

## 13 STATED CAPITAL

Company	No of Shares	No of Shares	2024	2023
	2024	2023	Rs.	Rs.
Voting Shares	699,524,300	294,601,782	218,198,383	100,770,657
Non - Voting Shares	225,976,714	194,633,623	33,845,459	26,009,881
			252,043,842	126,780,538

On June 9, 2023, the company conducted a rights issue for voting shares totaling 404,922,518 and non-voting shares amounting to 31,343,091 shares, priced at Rs. 0.29 per share. This initiative resulted in the company raising Rs. 117,427,530.22 for voting shares and Rs. 7,835,772.75 for non-voting shares, respectively.

### 13.1 Rights, Preference and Restrictions of Classes of Capital

The holders of ordinary shares confer their right to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company. All shares rank equally with regard to the Company's residual assets.

# NOTES TO THE FINANCIAL STATEMENTS

## 14 RESERVES

As st 1 April
Revaluation of surplus during the year
Released surplus on Disposal Transferred to Retaining Earning
Tax effect on Revaluation Surplus
As at 31 March

Company	
2024	2023
Rs.	Rs.
57,037,025	69,296,855
3,336,304	-
-	-
-	(12,259,830)
60,373,329	57,037,025

Buildings, Plant and Machineries have been revalued by independent valuer in 2023/24. The said Buildings, Plant and Machineries were valued based on Cost Approach and Depreciation Replacement Cost Approach Method as further explained in Note 4.7. The result of such valuations were incorporated in the financial statements by transferring the surplus arisen thereon to the revaluation reserve.

## 15 INTEREST BEARING LOANS AND BORROWINGS

### Amount Repayable Within One Year

Bank Loan (15.1)
Bank Overdrafts (12.2)

Group	Company	
2024	2024	2023
Rs.	Rs.	Rs.
43,853,131	43,853,131	25,700,527
-	-	4,500
43,853,131	43,853,131	25,705,027

### Amount Repayable After One Year

Bank Loan (15.1)
------------------

-	-	21,078,243
43,853,131	43,853,131	46,783,270

### 15.1 Bank Loans Company

	Interest rate	As At 01.04.2023 Rs.	Loans Obtained Rs.	Repayment Rs.	Interest Rs.	Exchange Gain / Loss	As At 31.03.2024 Rs.
Bank of Ceylon PLC - 83062838	LIBOR + 4.5 % p.a	37,784,622	-	(1,054,730)	3,530,766	(3,130,470)	37,130,701
Bank of Ceylon PLC - 84269258	LIBOR + 4.5 % p.a	2,695,079	-	(915,596)	219,293	(158,625)	1,840,152
Bank of Ceylon PLC-85897333	4.00%	550,126	-	(557,100)	6,974	-	0.02
Bank of Ceylon PLC-88427153	LIBOR + 4.5 % p.a	5,748,944	-	(940,232)	506,436	(432,870)	4,882,278
Bank Overdrafts		4,500	-	(4,500)	-	-	-
		46,783,270	-	(3,472,158)	4,263,469	(3,721,965)	43,853,131

### Terms and Conditions

Loan Number	Grant Amount (Rs)	Interest Rate	Security	Monthly Installment (Rs)
Bank of Ceylon PLC - 83062838	51,427,250	3M LIBOR + 4.5% (Floor Rate 5%) p.a	BOI Land in Katunayake EPZ	976,058 + Interest
Bank of Ceylon PLC - 84269258	4,408,050	3M LIBOR + 4.5% (Floor Rate 5%) p.a	Personal Gurantee of Mrs.P.M Gamage (Mannaging Director of Company)	86,660 + Interest
Bank of Ceylon PLC-88427153	5,625,650	3M LIBOR + 4.5% (Floor Rate 5%) p.a	BOI land in Katunayake EPZ	106,781+ Interest

## 16 RETIREMENT BENEFIT LIABILITY

Balance as st 1 April
Current Service Cost
Interest Cost on Benefit Obligations
Actuarial Loss / (Gain) on Obligation
Payments/Payable during the Year
Balance as st 31 March

Group	Company	
2024	2024	2023
Rs.	Rs.	Rs.
5,084,726	5,084,726	5,255,157
586,540	586,540	707,917
509,562	509,562	796,997
(2,200,697)	(2,200,697)	(662,428)
(710,250)	(710,250)	(1,012,917)
3,269,881	3,269,881	5,084,726

The retirement benefit gratuity of the Company is based on Projected unit cost method. The principal assumptions used in determining the cost of employee benefits were,

# NOTES TO THE FINANCIAL STATEMENTS

## RETIREMENT BENEFIT LIABILITY(Contd...)

	2024	2023
Salary increment Rate	6.0%	16.2%
Discount Rate	12.4%	18.0%
Retirement Age	60 Years	60 Years

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka Government Bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. During the year 2023/2024, bond yield has increased and this resulted in the change of discount rate in the year of 2023/2024 compared to the year of 2022/2023.

A quantitative sensitivity analysis for significant assumptions as at 31<sup>st</sup> March 2023 and 2024 is shown below;

Sensitivity Level	Salary Increment Rate		Discount rate	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
2024 Impact on Defined Benefit Obligation	648,916	(559,007)	(548,621)	629,823
2023 Impact on Defined Benefit Obligation	506,484	(451,748)	(440,996)	501,911

### 16.1 Maturity Profile

Maturity Profile of the Defined Benefit Obligation as at 31 March is as follows,

	Group	Company	
	2024	2024	2023
	Rs.	Rs.	Rs.
Future Working Life Time			
Within Next 12 Months	124,946	124,946	340,000
Between 2-5 Years	715,234	715,234	746,956
Beyond 5 Years	2,429,701	2,429,701	3,997,770
	3,269,881	3,269,881	5,084,726

## 17 TRADE AND OTHER PAYABLES

Trade Payable	599,306	599,306	1,372,052
Other Payables -Related Party (Note 17.1))	7,221,301	7,221,301	11,618,427
- Other	2,183,171	2,183,368	3,814,900
Sundry Creditors including Accrued Expenses	41,629,300	41,495,560	23,873,229
	51,633,078	51,499,535	40,678,609

### 17.1 Other Payables Related Party

	Relationship	Group	Company	
		2024	2024	2023
		Rs.	Rs.	Rs.
Payable to Former Managing Director (Note 28.1)	KMP	4,661,301	4,661,301	9,268,426
Payable to EX/NI Director (Note 28.1)	KMP	500,000	500,000	200,000
Payable to NE/IP Director (Note 28.1)	KMP	2,060,000	2,060,000	2,150,000
		7,221,301	7,221,301	11,618,426

## 18 LOSS PER SHARE

Basic Loss Per Share is calculated by dividing the net loss for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and the previous period are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

The following reflects the income and share data used in the Basic/Diluted loss Per Share computations:

	2024	2023
<b>Amount Used as the Numerator:</b>	Rs.	Rs.
Net Earnings Attributable to Equity Shareholders	(135,194,127)	(17,754,100)
<b>Number of Ordinary Shares Used as the Denominator:</b>		
Weighted Average Number of Ordinary Shares in Issue	925,501,014	489,235,405
<b>Loss per Share</b>	(0.15)	(0.04)

## NOTES TO THE FINANCIAL STATEMENTS

### 19 OTHER OPERATING INCOME

	Group	Company	
	2024	2024	2023
	Rs.	Rs.	Rs.
Scrap Sales	-	-	1,271,595
Lease Payment Adjustment	13,774,169	13,774,169	-
Sand Sale	-	-	100,000
Trade Receivable Provision Reversal	-	-	260,371
	13,774,169	13,774,169	1,631,966

### 20 FINANCE COST

	Group	Company	
	2024	2024	2023
	Rs.	Rs.	Rs.
Over Draft Interest	7,500	7,500	14,000
Interest Expenses	4,317,602	4,317,602	4,382,721
Bank Charges	979,141	979,141	-
Lease Interest	16,067,736	16,067,736	-
	21,371,979	21,371,979	4,396,721

### 21 FINANCE INCOME

	Group	Company	
	2024	2024	2023
	Rs.	Rs.	Rs.
Interest Income	4,058,156	4,058,156	360
	4,058,156	4,058,156	360

### 22 INCOME TAX EXPENSE

	2024	2023
	Rs.	Rs.
Current Income Tax		
Current Tax Expense	-	-
Deferred Income Tax	-	-
Deferred Taxation Charge / (Reversal) (Note 23)		
Due to change in rate	-	(12,658,180)
Due to change in temporary difference	-	199,622
Income tax expense reported in the Income Statement	-	(12,458,558)

As per the agreement under Section 17 of BOI Law No.4 of 1978, the tax exemption period ended on 31<sup>st</sup> March 2004. However, the Company's export income of gold, gems or Jewellery are exempted from income tax. Local sales are liable for income tax.

#### Reconciliation between Current Tax Expense and the product of Accounting Loss.

	Company	
	2024	2023
	Rs.	Rs.
Accounting Loss before income tax	(135,194,127)	(115,199,822)
Aggregate Disallowed Items	29,957,470	8,919,625
Aggregate Allowable Expenses	(3,363,474)	(3,363,474)
Less: Interest Income	4,058,081	-
Taxable Profit	(104,542,050)	(109,643,671)
Taxable Non business income	4,058,156	360
Less: Carried forward tax loss utilized	(4,058,156)	(360)
Taxable income	-	-
Statutory Tax Rate	30%	30%
Current Income Tax Expenses	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 23 PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

Stated after Charging/(Crediting)

Company	
2024	2023
Rs	Rs

- Included under Administration Expenses		
- Depreciation and amortization	5,638,812	2,691,344
- Directors' Remuneration	3,297,800	4,904,200
- Salaries	17,013,011	10,809,300
- Defined Benefit Plan Costs - Gratuity	1,096,102	1,504,914
- Defined Contribution Plan Costs - EPF & ETF	2,664,102	1,560,467
- Directors' Compensation	17,207,986	-
Auditors Remuneration	1,805,420	1,116,579
Legal Fees	1,228,000	35,000

\* Two former directors of Blue Diamonds Jewellery Worldwide PLC filed cases at the Labour Tribunal claiming illegal termination. The Tribunal ruled in their favor, awarding a total of Rs.17,207,986. The company appealed to the High Court, but the petitioners further appealed to the Supreme Court. The Supreme Court upheld the decision against the company. Accordingly, a total compensation of Rs.17,207,895.69 was awarded to the petitioners.

### 24 DEFERRED TAXATION

	Statement of Financial Position		Income Statement		Statement of Other Comprehensive Income	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Deferred Tax Liability</b>						
Accelerated Depreciation for Tax Purposes and Revaluation of Property, Plant and Equipment	29,562,924	24,675,384	4,887,540	563,910	-	2,259,830
Gain on Investment in Equity Instruments	-	-	-	-	-	-
<b>Deferred Tax Assets</b>						
Defined Benefit Plans	(980,964)	(1,525,418)	544,454	(988,424)	660,209	198,728
Losses available for offset against future taxable Income	(18,918,193)	(19,320,617)	402,424	(9,950,808)	-	-
Inventory provision	(9,663,767)	(3,829,349)	(5,834,418)	(2,083,237)	-	-
<b>Deferred Income Tax Reversal / (Expense)</b>			-	(12,458,559)	660,209	12,458,558
<b>Net Deferred Tax Liability / (Assets)</b>	-	-				

The tax losses as at the reporting date was Rs.329,065,758 which gave rise to deferred tax asset of Rs.98,719,727 (31.03.2023 - Rs. 65,570,709/-). Due to uncertainty of future taxable profits, the unrecognized deferred tax asset was Rs.7,549,424 (31.03.2023 Rs. 46,250,091 /-).

### 25 FAIR VALUE MEASUREMENT

The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

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

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data



## NOTES TO THE FINANCIAL STATEMENTS

### 25 FAIR VALUE MEASUREMENT (Cont.)

The Company held the following financial instruments carried at fair value in the statement of financial position:

	Level 1		Level 2		Level 3	
	2024	2023	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Assets Measured at Fair Value</b>						
Plant and Machinery	-	-	-	-	14,583,850	15,356,681
Buildings on Leasehold Land	-	-	-	-	81,023,582	67,209,675
	-	-	-	-	95,607,431	82,566,356

#### Financial Assets and Liabilities measured or disclosed at Fair Value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Those assumptions for assets categorized as Level 3 has been described under respective note numbers.

During the reporting period ended 31 March 2023 and 2024, there was no transfers for Level 2 fair value measurements.

### 26 ASSETS PLEDGED

The Company has pledged following assets as security for liabilities.

Nature of Assets	Nature of Liability	Included Under	2024 Rs.	2023 Rs.
Leased Hold Rights of the Factory Property	Bank Loan	Leasehold Properties	83,899,614	69,464,789

### 27 COMMITMENTS AND CONTINGENCIES

#### 27.1 Pending Litigation

Cases bearing Nos. 10849/24 and 10847/24 were instituted in the Magistrate's Court of Negombo by the Assistant Commissioner of the District Labour Office, Negombo, against the Company in relation to the non-payment of Employees' Provident Fund (EPF) contributions amounting to Rs. 8,335,153.84 and Rs. 87,857.20 respectively, for the periods June 2021 to May 2023 and July 2019 to August 2020, being penalty/surcharge. The Company was summoned to appear before the Court on 13th May 2025 and 20th May 2025. The Company fully settled the total sum of Rs. 8,423,011.04 on 5th June 2025 by depositing the amount at the Negombo Magistrate's Court No. 2, thereby closing and settling the said court cases

There are no other legal matters pending against the company.

### 28 RELATED PARTY DISCLOSURES

Following entities and individuals are identified as Related Parties of the Company.

Name of the company/KMP'S	Relationship
Muve Colombo (Pvt) Ltd	Common Director
Peacock Beach Hotel	Common Director
NGTC Gem & Jewellery (Pvt) Ltd	Subsidiary
Limit One Lanka (Pvt) Ltd	Common Director
Ambrosia Management Pte Ltd- Singapore	Common Director/Main Shareholder
Mr. Andrew Lee	Key Management Personnel
Mr. Pradeep Thenuwara	Key Management Personnel
Ms.Biruntha Shantharaj	Key Management Personnel
Mrs.Manjaree Gamage Brooker	Key Management Personnel
Mr.S.A.S.Jayasundara	Key Management Personnel
Mr.Galhenage Thilina Dinesh Perera	Key Management Personnel

## NOTES TO THE FINANCIAL STATEMENTS

### 28 RELATED PARTY DISCLOSURES (Contd...)

#### Transactions with Key Management Personnel of the Company

Key management personnel include members of the Board of Directors of Blue Diamond Jewellery Worldwide PLC.

Key management personnel (“KMPs”) are those having authority and responsibility for planning, directing and controlling the activities of the entity and include Board of Directors. Accordingly, fees, emoluments and other benefits paid to KMPs are as follows,

As at 31 March	2024 Rs.	2023 Rs.
Short-term employee benefits	3,297,800	4,964,200
Sales to KMP's	1,057,402	-
Compensations paid	17,013,011	-
	<u>21,368,213</u>	<u>4,964,200</u>

#### Transactions with Other Related Entities

Other entities are entities which are controlled, jointly Controlled or significantly influenced by the Key Management Personnel (“KMPs”) and their Close Family Members (“CFMs”) or shareholders who have either control, jointly control or significant influence over the entity.

Other related entities include Muve Colombo (Pvt) Ltd.

Transaction with Related Parties	Subsidiary	KMP of the company	Other Related Parties				Total
	NGTC Gem & Jewellery (Pvt) Ltd	Mr. Andrew Lee	Muve Colombo (Pvt) Ltd.	Limit One Lanka (Pvt) Ltd	Lankila Tours (Pvt) Ltd	Peacock Beach Hotel	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Jewellery Sales	-	1,057,402	-	-	-	-	1,057,402
Service received from	-	-	-	9,063,193	2,029,387	-	11,092,580
Payment made	(6,775,790)	-	-	(8,337,800)	(2,029,387)	(9,851,700)	(26,994,677)
Receipt from	-	(99,892)	-	-	-	-	(99,892)
Rent, Refundable deposit and Security service fee						9,851,700	9,851,700

Note1 - Group received Advertising and marketing services from Limit One and tour travel services from Lankila Tours (Pvt) Ltd.

#### Amount Due from Related parties

Company Name	Relationship	Nature of the Transaction	2024	2023
Peacock Beach Hotel	Common Director	Showroom rent refundable deposit	3,000,000	-
NGTC Gem & Jewellery (Pvt) Ltd	Subsidiary	Showroom rent and company initial opening expenses	6,775,790	-
Mr. Andrew Lee	Managing Director	Local sales	1,129,085	
Total			<u>10,904,875</u>	<u>-</u>

#### Amount due to related parties

Company Name	Relationship	Nature of the Transaction	2024	2023
Muve Colombo (Pvt) Ltd.	Common Director	Traveling expenses	16,864	16,864
Limitone Lanka (Pvt) Ltd	Common Director	Social media and web handling fee	725,393	-
Total			<u>742,257</u>	<u>16,864</u>

## NOTES TO THE FINANCIAL STATEMENTS

28.1	Details of Related Party Transactions With KMPs	Former Managing Director	Non Executive / Independent Director	Executive / Non Independent Director
		Rs.	Rs.	Rs.
	As at 1 April 2023	(9,268,426)	(2,150,000)	(200,000)
	Expenses paid on behalf of the Company	(33,015)	-	-
	During the year Settled	3,162,049	-	-
	Short-term employee benefits	(2,187,800)		(1,200,000)
	Payments on Short -term employee benefits	3,720,024	-	900,000
	Director Fees	-	90,000	-
	Interest on loan Balance	(54,133)		-
	As at 31 March 2024	(4,661,301)	(2,060,000)	(500,000)

### 28.2 NON-RECURRENT RELATED PARTY TRANSACTIONS

Name of the Related Party	Relationship	Value of the Related Party Transactions entered into during the Financial Year	Value of Related Party Transactions as a % of Equity and as a % of Assets	Terms and Conditions of the Related Party Transactions	The Rationale for entering into the Transactions
Peacock Hotel	Common Director	3,000,000	3% 1%	NOTE NO 28.3	Obtain the business premises under lease agreement

### RECURRENT RELATED PARTY TRANSACTIONS

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the Financial Year	Aggregate Value of Related Party Transactions as a % of Net Revenue/ Income	The Rationale for entering into the Transactions
<b>2024</b>					
KMP	Member of Board	Short-term employee benefits	3,297,800		NOTE NO 28.3
KMP	Member of Board	Sales	1,057,402		NOTE NO 28.3
NGTC Gem & Jewellery (Pvt) Ltd	Subsidiary	Showroom rent and company initial opening expense	6,775,790		NOTE NO 28.3
Limit One Lanka (Pvt) Ltd	Common Director	Social media and web handling fee	9,063,193		NOTE NO 28.3
Peacock Hotel	Common Director	Showroom rental	6,851,700		NOTE NO 28.3
Lankila Tours (Pvt) Ltd	Other Related Party	Tour service expenses	2,029,387		NOTE NO 28.3
			29,075,271	135%	
<b>2023</b>					
KMP	Member of Board	Short-term employee benefits	4,964,200		NOTE NO 28.3
KMP	Member of Board	Sales	-	18%	NOTE NO 28.3
			4,964,200		

No Other transactions had taken place involving key management personnel and their close family members.

## NOTES TO THE FINANCIAL STATEMENTS

### 28 RELATED PARTY DISCLOSURES (Contd...)

#### 28.3 Terms and Conditions of Transactions with Related Parties

Transactions with related parties were at normal course of business of the company.

Sales of goods to related parties were made at on the basis of the price lists in force with non related parties.

### 29 EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

### 30 FINANCIAL ASSETS AND LIABILITIES

#### Financial Assets and Liabilities for which Fair Value Approximates Carrying Value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Following is a list of financial assets and liabilities whose carrying amount is a reasonable approximation of fair value due to short-term maturities of these instruments.

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.

	Carrying Amount		Fair Value	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Financial Assets</b>				
Trade and Other Receivables	30,825,716	16,160,650	30,825,716	16,160,650
Cash and Bank Balances	852,718	22,164,252	852,718	22,164,252
<b>Total</b>	<b>31,678,434</b>	<b>38,324,902</b>	<b>31,678,434</b>	<b>38,324,902</b>
<b>Financial Liabilities</b>				
Interest Bearing Loans and Borrowings				
- Non-current portion of long-term borrowings	-	21,078,243	-	21,078,243
- Current portion of long-term borrowings	43,853,131	25,700,527	43,853,131	25,700,527
Bank Overdraft	-	4,500	-	4,500
Lease Liability				
- Non-current portion of lease liability	-	-	-	-
- Current portion of lease liability	4,264,780	-	4,264,780	-
Trade and Other Payables	51,499,535	40,678,609	51,499,535	40,678,609
Other Financial Liabilities	-	-	-	-
<b>Total</b>	<b>99,617,445</b>	<b>87,461,879</b>	<b>99,617,445</b>	<b>87,461,879</b>

The following methods and assumptions were used to estimate the fair values:

Trade receivables, Cash & cash equivalent and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Interest bearing borrowings are liable for variable rates therefore the carrying amount aligns with the fair value.

### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Risk management is overlooked by the Company, in close corporation with the board of directors. It focuses on actively securing the Company's short to medium term cash flows by minimizing the exposure to financial markets. Long term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the company is exposed are described below.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

#### Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

The Company trades only with recognized, credit worthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

As at 31 March

	2024 Rs.	2023 Rs.
Trade and Other Receivables	30,825,716	16,160,650
Loan Receivables	676,363	845,453
Cash and Cash Equivalents	852,718	22,164,252
<b>Total credit risk exposure</b>	<b>32,354,797</b>	<b>39,170,355</b>

#### Trade and Other receivables

Customers credit risk is managed through established policies and procedures relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with the assessment.

The requirement for an impairment is analyzed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data.

#### Trade receivables

	2024 Rs.	2023 Rs.
Neither past due, not impaired	7,636,392	3,530,715
Past due but not impaired	-	-
31-60 days	-	-
61-90 days	-	-
>90 days	7,066,756	-
Past due and impaired	57,227,460	57,227,460
<b>Total</b>	<b>64,863,852</b>	<b>60,758,174</b>

#### Liquidity Risk

The Company's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Company has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Company holds cash and undrawn committed facilities to enable the Company to manage its liquidity risk.

The Company monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Company's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans and overdrafts.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be either settled or rolled over with existing lenders.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

#### *Liquidity risk management*

The business units attempt to match contracted cash outflows in each time bucket using a combination of operational cash inflows and other inflows that can be generated through the liquidation of short term investments, repurchase agreements or other secured borrowings.

#### *Contractual maturity analysis*

The table below summarizes the maturity profile of the Company's financial liabilities at 31 March 2023 and 2024 based on contractual undiscounted payments.

	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	>5 Years Rs.	Total Rs.
<b>2024</b>					
Trade and Other Payables	1,388,774	4,806,914	45,224,003	79,844	51,499,535
Interest Bearing Loans and Borrowings	4,804,250	39,048,880	-	-	43,853,131
	<u>1,388,774</u>	<u>43,855,794</u>	<u>45,224,003</u>	<u>79,844</u>	<u>95,352,666</u>
<b>2023</b>					
Trade and Other Payables	1,198,759	(5,744,153)	45,224,003	-	40,678,609
Interest Bearing Loans and Borrowings	-	25,705,027	21,078,244	-	46,783,271
	<u>1,198,759</u>	<u>19,960,874</u>	<u>66,302,247</u>	<u>-</u>	<u>87,461,880</u>

#### **Capital Management**

Capital includes equity attributable to the equity holders of the company.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Stated Capital of the Company is Rs. 252,043,842/- represented by 925,501,014 fully paid ordinary shares(Note 13)

No changes were made in the objectives, policies or processes managing capital during the years ended 31 March 2023 and 31 March 2024. The Company monitors capital using a gearing ratio, which is debt divided by total capital employed. The Company's policy is to maintain an optimal capital structure at appropriate gearing level to attribute the maximum benefits on debt tax shields to the equity holders of the Company whilst cautiously managing the level of distress on debt.

A summary of Company's capital structure is depicted below.

As at 31 March	2023 Rs.	2022 Rs.
Interest bearing long-term borrowings and financial liabilities	43,853,131	21,078,243
Equity	118,046,086	122,355,001
<b>Total Equity and long-term borrowings</b>	<u>161,899,217</u>	<u>143,433,244</u>
Gearing Ratio	27.09%	14.70%

## NOTES TO THE FINANCIAL STATEMENTS

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (specially due to currency risk and interest rate risk).

The objective of market risk management is to manage and control market risk exposures within the acceptable parameters while optimizing the return.

The sensitivity analysis in the following sections related to the position As at 31 March 2023 and 2024.

The analysis excludes the impact of movements in market variables on the carrying value of other post-retirement obligations, provisions and the non-financial assets and liabilities.

The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024.

#### Impact on statement of profit or loss due to interest rate variations

	2024	2023
Interest Bearing Loans & Borrowings		
+1	375,276	507,724
-1	(375,276)	(507,724)

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment to the financial instruments.

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group trade receivables and trade and other payables held in foreign currency are the main financial instruments that are exposed to this risk of fluctuating exchange rates.

In order to mitigate this risk, the company is dealing only in a limited number of strong currencies when dealing with its foreign stakeholders.

### Economic Risk

Economics risk refers to when a company's market value is continuously impacted by an unavoidable exposure to currency fluctuations. Economic stability due to the higher budget deficit, higher current account deficit, high unemployment, higher inflation and balance payment of deficit may be lead to possible downgrading of country's sovereign credit rating. This can have adverse impact to companies' business operations and its cross- border transactions and international trade business.

However, in conversation with existing and new buyers, this impact has not been seen therefore whilst it remains an overall country risk, it has not directly affected the company.

The overall decrease in demand in the luxury jewellery market poses a greater risk to the company's business, as approaching recessions in its export markets can impact it's ongoing business.

### Operational Risk

Operation risk can occur at every level in the company. Operational risks are categorized as those that may occur from routine operations. Such risks and their sources are related to physical resources in the internal environment and can be a result of a variety of factors such as human errors, machinery malfunctions, and software related disruptions.

The Company has been in operation since 1990 and has strict protocol regarding all areas of the manufacturing process, from protective equipment, responsibility hand-offs and safety training. This risk is not seen as significant to the company.

### Health and safety

The pandemic has increased vulnerabilities to health and safety risks to unprecedented levels. implementing stringent health and safety guidelines across all operations with strict adherence to all relevant health guidelines.

## NOTES TO THE FINANCIAL STATEMENTS

### 32 First-Time Adoption of Consolidated Financial Statements

#### *Transition to Consolidated Financial Statements*

The Company was incorporated on 1991 and, until 2023, prepared its financial statements on a standalone basis. Effective from 2024, the Company has adopted consolidated financial statements, consolidating the financial results of its subsidiaries

#### **Basis of Preparation**

The consolidated financial statements have been prepared in accordance with [Full SLFRS and International Financial Reporting Standards (IFRS)] and reflect the financial position and performance of the Company and its subsidiary of NGTC Gem & Jewellery (Pvt) Ltd as a single economic entity.

#### **Consolidation Method**

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Company gains control over the subsidiary until the date control ceases. All inter company transactions, balances, income, and expenses have been eliminated in full upon consolidation.

#### **Impact of Consolidation**

The transition to consolidated financial statements has resulted in the following adjustments:

**Assets and Liabilities:** Recognition of additional assets and liabilities due to consolidation.

**Equity:** Elimination of inter company investments and recognition of non-controlling interests.

**Income and Expenses:** Inclusion of subsidiary revenues and expenses.

#### **Comparative Information**

As this is the first year the Company is presenting consolidated financial statements, comparative information for prior periods is not available. The Company has provided separate financial statements for the year ended 31 March 2024 as supplementary information.

#### **Use of Estimates**

The preparation of consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.



## FIVE YEAR PERFORMANCE SUMMARY

Five Year Performance Summary for the year ended 31 <sup>st</sup> March	Rs.'000				
	2020	2021	2022	2023	2024
Revenue	38,110	148,441	28,118	43,255	21,468
Gross profit/(loss)	4,206	22,456	1,170	9,885	8,084
(loss)before taxation	(25,771)	(1,386)	(46,341)	(30,213)	(138,681)
(loss)for the year	(26,440)	(1,795)	(41,526)	(17,754)	(138,681)
<b>Financial position</b>					
Total assets	208,054	207,159	211,190	215,967	218,645
	208,054	207,159	211,190	215,967	218,645
Equity	142,638	138,336	126,385	122,355	114,560
Total liabilities	65,415	68,823	84,805	93,612	104,086
	208,054	207,159	211,190	215,967	104,086
<b>Other information</b>					
Earnings/(loss)per share(Rs.)	(0.07)	(0.004)	(0.10)	(0.04)	(0.15)
Net asset per share(Rs.)	0.36	0.34	0.31	0.25	0.12
Current ratio(times)	4.03	3.52	2.75	1.94	1.06
Market price per share(voting)as at 31 March (Rs.)	0.50	0.90	0.50	0.9	0.40
Market price per share(non-voting)as at 31 March	0.20	0.30	0.30	0.3	0.30
Highest price per share during the year(voting)(Rs.)	1.00	0.90	1.40	1.2	0.40
Highest price per share during the year(non-voting)(Rs.)	0.60	0.50	0.70	0.5	0.30
Lowest price per share during the year(voting)(Rs.)	0.30	0.30	0.50	0.5	0.30
Lowest price per share during the year(non-voting)(Rs.)	0.10	0.20	0.30	0.2	0.20

## PUBLIC SHAREHOLDING

Float Adjusted Market Capitalization

Share Type	No of Shares	Public holding %	No. of Shares (Public Holding)	No of Public Share Holders	Market Price - As at 31.03.2024	Market Capitalization -As At 31.03.2024	Float Adjusted Market Capitalization -As At 31.03.2024
Voting	699,524,300	55.97%	391,523,751	14,135	0.4	279,809,720	196,609,500
Non-Voting	225,976,714	100.00%	225,976,714	4,809	0.3	67,793,014	67,793,014

The Company is compliant with the Minimum Public Holding requirement under option 5 of rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange

## SHAREHOLDER INFORMATION

### DISTRIBUTION OF SHAREHOLDING - VOTING ORDINARY SHARES AS AT 31 MARCH 2024

Value Band	No. of Shareholders	No. of Shares	%
1 - 1,000	10,913	2,288,995	0.79
1,001 - 10,000	2115	7,394,388	2.51
10,001 - 100,000	514	17,175,121	5.83
100,001 - 1,000,000	126	40,586,961	13.77
1,000,001 - above	21	227,156,317	77.10
<b>Total</b>	<b>13,689</b>	<b>294,601,782</b>	<b>100%</b>

Name of Shareholder	No. of shares as at 31 March 2024	%	No. of shares as at 31 March 2023	%
AMBROSIA MANAGEMENT PTE LTD	308,000,000	44.03%	88,000,000	29.87%
MISS. P.M.K. GAMAGE	36,648,472	5.24%	36,648,472	12.44%
MR. S. SIVAPIRIYAN	36,163,636	5.17%	-	-
MR. A.A.M.N.A. WEERASINGHE	30,893,031	4.42%	-	-
V V S LANKA HOLDINGS (PVT) LTD	21,824,985	3.12%	21,824,985	7.41%
MR. X. LIQIANG	16,800,730	2.40%	16,800,730	5.70%
MR. C.S.D. PERERA	14,245,373	2.03%	-	-
MR. W. YIN	11,432,629	1.63%	11,432,629	3.88%
SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	10,265,852	1.47%	10,265,852	3.48%
MR. S.S. SOORIYARACHCHI	8,306,565	1.19%	8,306,565	2.82%
DR. S.S.L. PERERA	7,396,786	1.06%	-	-
MR. U.K.B. DAMUNUPOLA	5,000,000	0.71%	-	-
MR. K. NEROOZAN	4,267,863	0.61%	-	-
MR. U.S. WAIDYANATHA	4,076,171	0.58%	-	-
MR. M.T. RAJAB KHAN	4,000,010	0.57%	1,610,673	0.55%
BIMPUATH FINANCE PLC	3,454,566	0.49%	3,454,566	1.17%
PEOPLES LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA	3,436,000	0.49%	1,334,400	0.65%
PEOPLES LEASING & FINANCE PLC/K.L.UDAYANANDA	3,104,069	0.44%	1,104,069	1.05%
MONAD (PRIVATE) LIMITED	2,835,000	0.41%	-	-
MR. S.R. BUDDADASA	2,800,030	0.40%	-	-
<b>Total</b>	<b>699,524,300</b>		<b>294,601,782</b>	

	2024	2023
<b>PUBLIC HOLDING</b>	55.97%	56.89%

## SHAREHOLDER INFORMATION

### DISTRIBUTION OF SHAREHOLDING - NON VOTING ORDINARY SHARES AS AT 31 MARCH 2024

Value Band	No. of Shareholders	No. of Shares	%
1 - 1,000	2038	689,430	0.35
1,001 - 10,000	1503	6,740,935	3.47
10,001 - 100,000	883	32,388,574	16.64
100,001 - 1,000,000	222	69,258,640	35.58
1,000,000 - above	28	85,556,044	43.96
<b>Total</b>	<b>4,674</b>	<b>194,633,623</b>	<b>100%</b>

Name of Shareholder	No. of shares as at 31 March 2024	%	No. of Shares as at 31 March 2023	%
SERAKA INVESTMENTS LIMITED	16,560,000	7.33%	16,560,000	8.51%
MR.S.ABISHEK	8,088,148	3.58%	8,088,148	4.16%
MR. C.S.D. PERERA	6,514,409	2.88%	1,935,308	0.99%
MR. S. SIVAPIRIYAN	6,120,003	2.71%	5,859,586	3.01%
MR. M.H.A. KAMIL	5,860,004	2.59%	3,635,000	1.87%
MERCHANT BANK OF SRI LANKA & FINANCE PLC 01	5,250,000	2.32%	5,250,000	2.70%
MR. M.F. CADER	4,909,316	2.17%	-	-
PEOPLES LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA	4,375,350	1.94%	-	-
MR. R.E. RAMBUKWELLE	3,735,000	1.65%	3,635,000	1.87%
MR. A. WIJESIRIWARDANE	3,489,641	1.54%	-	-
MISS. P.M.K. GAMAGE	3,216,900	1.42%	3,216,900	1.65%
MR. W.L.T. ANANDAWANSA	2,852,921	1.26%	2,852,921	1.47%
MR. C.R. PERERA	2,650,000	1.17%	3,225,008	1.66%
MR. H.K.S. HALLOLUWA	2,355,301	1.04%	2,355,901	1.22%
MR. M.S.M. YOONUS	2,323,500	1.03%	2,323,500	1.19%
DR. A.M.A.D.S. ABEYSINGHE	2,320,000	1.03%	2,320,000	1.19%
MR. R.R. GOMEZ	2,100,000	0.93%	2,100,000	1.08%
MISS. S. DURGA	2,079,424	0.92%	2,079,424	1.07%
MR. D.I.L. MADUSHAN	2,000,001	0.89%	2,000,001	1.03%
MR. S.M. NAZEER	1,800,000	0.80%	1,800,000	0.92%
<b>Total</b>	<b>225,976,714</b>		<b>194,633,623</b>	

	2024	2023
<b>PUBLIC HOLDING</b>	100%	98.35%

## NOTICE OF ANNUAL GENERAL MEETING OF BLUE DIAMONDS JEWELLERY WORLDWIDE PLC FOR THE YEAR ENDED 31 MARCH 2023/2024

NOTICE IS HEREBY GIVEN that the Thirty Fourth Annual General Meeting of Blue Diamonds Jewellery Worldwide PLC (“the Company”) will be held as a virtual meeting on Wednesday, 21<sup>st</sup> January 2026 at 10.30 a.m., emanating from the Board room of Blue Diamonds Jewellery Worldwide PLC., at No. 49, Ring Road, Phase 1, I.P.Z., Katunayake to transact the following businesses.

- 01 To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March 2024 together with the Report of the Auditors thereon.
- 02 To re-appoint Mr. G.T.B. Perera who was appointed to the Board on 9<sup>th</sup> August 2024 in terms of Article 21(3) of the Articles of Association of the Company.
- 03 To re-appoint Mr. L.T.W.Andrew who was appointed to the Board on 19<sup>th</sup> January 2023 in terms of Article 21(3) of the Articles of Association of the Company.
- 04 To re-appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company for the ensuing year and authorize the Directors to determine their remuneration.
- 05 To authorize the Directors to determine and make donations.

By Order of the Board

Sgd.

Kalrupco Management Services (Private) Limited  
Company Secretaries  
at Colombo  
10<sup>th</sup> December 2025

### NOTES:

- 01 The Shareholders are requested to register with their first names and last names via the link below before 4.00p.m., on 19<sup>th</sup> January 2026, to receive the link to join the AGM. The same names should be used to log in to participate in the AGM on 21<sup>st</sup> January 2026.  
<https://www.bluediamondsplc.com/agm>
- 02 A member entitled to attend and vote at the above Meeting is entitled to appoint a Proxy to attend and vote on behalf of him/her. A Form of Proxy is enclosed for this purpose. A Proxy need not be a member of the Company.  
  
The completed Form of Proxy must be forwarded by email to [agm2024@bluediamondsplc.com](mailto:agm2024@bluediamondsplc.com), fax to 0112341737, WhatsApp to +94710396659 or directly deposited at the office of the Company Secretaries, Kalrupco Management Services (Private) Limited, No. 31, Dudley Senanayake Mawatha, Colombo 08. No registration of proxies will be accommodated after this deadline.
- 03 Shareholders who are unable to participate at the Meeting through the online meeting platform are encouraged to appoint a director as his/her proxy by forwarding the duly completed Proxy Form clearly indicating their vote under each matter set out in the Proxy Form to the Company Secretaries as specified above in order that their vote may be identified and recorded as if he/she were present at the Meeting.

## BLUE DIAMONDS JEWELLERY WORLDWIDE PLC FORM OF PROXY

I/We, .....Of.....  
.....being a Member/s of the above named Company, hereby appoint  
Mr/Mrs/Miss.....(holder of NIC No.....) of  
.....failing him/her,

- (i) Mr.L.T.W.Andrew or failing him,  
(ii) Mr.G.T.D. Perera or failing him,

as my/our Proxy to represent me/us to speak and vote on my/our behalf for/or against the resolution and/or to speak at the 34<sup>th</sup> Annual General Meeting of the Company to be held as a virtual meeting emanating from the Boardroom of Blue Diamonds Jewellery Worldwide PLC., at No. 49, Ring Road, Phase 1, I.P.Z., Katunayake on Wednesday, 21<sup>st</sup> January 2026 at 10.30 a.m., and at any adjournment thereof for the following purposes.

Please indicate your preference by placing a 'X' in the box of your choice against each Resolution.

		For	Against
1.	Receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Audited Financial Statements for the year ended 31 <sup>st</sup> March 2024 together with the Report of the Auditors thereon.		
2.	To re-appoint Mr. G.T.B. Perera who was appointed to the Board on 9 <sup>th</sup> August 2024 in terms of Article 21(3) of the Articles of Association of the Company.		
3.	Re-appointment of Mr. L.T.W.Andrew in terms of Article 21(3) of the Articles of Association of the Company.		
4.	Re-appointment of M/s. Ernst & Young, Chartered Accountants, as Auditors of the Company for the ensuing year and authorize the Board of Directors to determine their remuneration.		
5.	Authorizing Directors to determine and make donations.		

Signed on this.....day of.....202..

.....  
\*Signature/s

.....  
Shareholder's NIC/PP/Co. Reg. No.

## INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

1. Please perfect the Form of Proxy overleaf, after filling in legibly your full name and address, by signing in the space provided and filling the date of signature and your National Identity Card Number.
2. The completed Form of Proxy must be forwarded to the Company Secretaries by email [agm2024@bluediamondsplc.com](mailto:agm2024@bluediamondsplc.com), fax 0112341737, WhatsApp to +94710396659 or directly deposited at the Office of Company Secretaries, Kalrupco Management Services (Private) Limited, No.31/1, Dudley Senanayake Mawatha, Colombo 08. not less than 48 hours before the time fixed for the Meeting.

No registration of proxies will be accommodated after this deadline.

3. If an Attorney has signed the Form of Proxy, the relative Power of Attorney should also accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
4. If the Shareholder is a company or a corporate body, the Proxy should be executed in accordance with its Articles of Association or Constitution. The Company may but shall not be bound to require evidence of the authority of any such attorney or officer.
5. If there is any doubt as to how the vote is to be exercised, by reason of the manner in which the Form of Proxy has been completed, no vote will be recorded by the Form of Proxy.

