

DEARO INVESTMENT LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024**

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DEARO INVESTMENT LIMITED

Opinion

We have audited the financial statements of Dearo Investment Limited (the company), which comprise the statement of Financial position as at March 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and medium-sized Entities (SLFRS for SMEs)

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

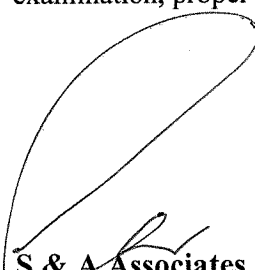
As part of an audit in accordance with SLAuSSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

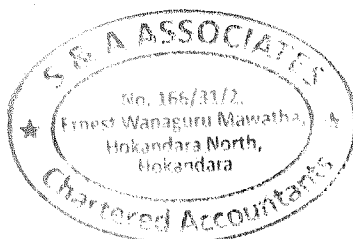
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the companies Act No: 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the company


S & A Associates
Chartered Accountants
Malabe
05 June 2025



DEARO INVESTMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH

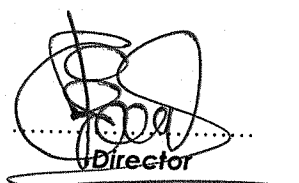
(All amounts are in Sri Lankan Rupees)

	NOTE	2024	2023
ASSETS			
Non Current			
Property, Plant & Equipment	04	4,318,966	892,608
Loans and Advances to Customers (net)		7,266,382	11,310,765
Non Current Assets		11,585,349	12,203,373
Current Assets			
Loans and Advances to Customers (net)		20,263,570	5,423,595
Interest Receivable		1,771,976	-
Cash & Cash Equivalents	05	81,679,838	85,351,095
Current Assets		103,715,384	90,774,690
Total Assets		115,300,733	102,978,063
EQUITY AND LIABILITIES			
Equity			
Stated Capital	06	100,000,000	100,000,000
Retained Earnings		5,039,329	(362,727)
Total Equity		105,039,329	99,637,273
Liabilities			
Non Current			
Employee Benefits		52,362	-
Non Current Liabilities		52,362	-
Current			
Income Tax Payable		4,281,881	-
VAT on FS Payable		3,967,430	-
Director's Loan	07	-	3,000,000
Accrued Expenses	08	1,959,731	340,790
Current Liabilities		10,209,042	3,340,790
Total Equity and Liabilities		115,300,733	102,978,063

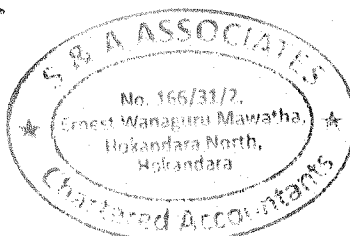
These Financial Statements are in compliance with the requirements of the Companies Act No 7 of 2007.

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Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by,


Director

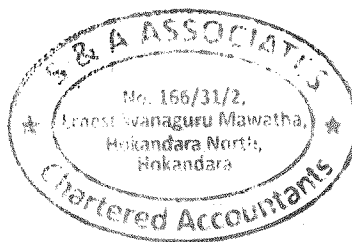

Director



DEARO INVESTMENT LIMITED
THE STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH

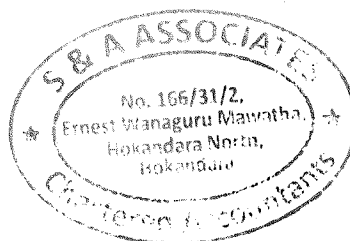
(All amounts are in Sri Lankan Rupees)

	NOTE	2024	2023
Revenue	09	31,792,180	2,489,238
Cost of Service	10	(2,281,610)	(285,000)
Gross Profit		29,510,570	2,204,238
Administration & Establishment	11	(14,662,743)	(2,316,964)
Promotional Expenses	12	(1,183,783)	(250,000)
Operating Profit/ (Loss)		13,664,044	(362,727)
Financial & Other		-	-
Profit / (Loss) Before VAT on FS		13,664,044	(362,727)
VAT on Financial Services		(3,967,430)	-
Profit/(Loss) before Tax		9,696,613	(362,727)
Tax Expenses	13	(4,281,881)	-
Profit/(Loss) After Tax		5,414,732	(362,727)
Other Comprehensive Income-EB Changes		(12,677)	-
Total Comprehensive Income for the Year		5,402,056	(362,727)
Earning per Share	19	0.54	(0.04)



DEARO INVESTMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024
(All amounts are in Sri Lankan Rupees)

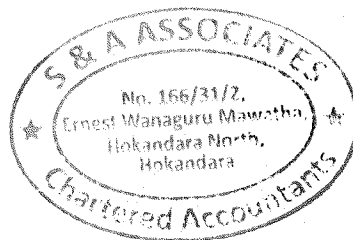
	Share Capital	Retained Earnings	Contribution for issue of Shares	Total
Balance as at 01 April 2023	100,000,000	(362,727)	-	99,637,273
Share Capital	-	-	-	-
Contribution for Issue of Shares	-	-	-	-
Profit/(Loss) for the Period	-	5,402,056	-	5,402,056
Balance As At 31st March 2024	100,000,000	5,039,329	-	105,039,329



DEARO INVESTMENT LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH

(All amounts are in Sri Lankan Rupees)

	2024	2023
Cash Flows from Operating Activities		
Net Profit before taxation	9,696,613	(362,727)
Adjustment for:		
Employee Benefit Cost	39,685	-
Depreciation	814,042	117,892
Operating Profit before Working Capital Changes	10,550,340	(244,835)
(Increase) / Decrease in Capital Receivable	(10,795,593)	(16,734,360)
(Increase) / Decrease in Interest Receivable	(1,771,976)	-
Increase / (Decrease) in Interest Payables	-	-
Increase / (Decrease) in VAT on FS	3,967,430	-
Increase / (Decrease) in Accrued Expenses	1,618,941	340,790
Cash Generated from Operations	3,569,143	(16,638,405)
Tax Paid	-	-
Net Cash from / (Used in) Operating Activities	3,569,143	(16,638,405)
Cash Flows from Investing Activities		
(Increase) / Decrease in Property, Plant & Equipment	(4,240,400)	(1,010,500)
Net Cash from / (Used in) Investing Activities	(4,240,400)	(1,010,500)
Cash Flows from Financing Activities		
Directors Loan	(3,000,000)	3,000,000
Contribution for Issue of Shares	-	-
Share Capital	-	100,000,000
Net Cash from / (Used in) Financing Activities	(3,000,000)	103,000,000
Net Increase / (Decrease) in Cash and Cash Equivalents	(3,671,257)	85,351,095
Cash and Cash Equivalent Beginning of the Year (Note 05)	85,351,095	-
Cash and Cash Equivalent End of the Year (Note 05)	81,679,838	85,351,095



DEARO INVESTMENT LIMITED
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

The Company was incorporated with the Registrar of Company in Sri Lanka on 01st September 2022, under Companies Act No. 07 of 2007 and the Registrar of Companies assigned PB 00262527 as company registration number. The registered office and place of business of the company is situated at No. 402, 4th Floor, Paramount Building, 9th Lane Nawala.

1.2 Principal Activities and Nature of Operations

During the year, the principal activity of the company was providing Money Lending services.

1.3 Date of Authorization for Issue

The financial statements for the year ended 31st March 2024 were authorized for issue in accordance with a resolution of the board of directors on 30th May 2025.

The board of directors is responsible for the preparation and the presentation of these financial statements.

2. GENERAL ACCOUNTING POLICIES AND STATEMENT OF COMPLIANCE WITH SLFRS FOR SMEs

2.1 Basis of preparation

These financial statements presented in Sri Lankan Rupees have been prepaid in accordance with generally accepted accounting principles and Sri Lanka Accounting Standards for small and medium – sizes entities (SLFRS for SMEs) lay down by the Institute of Chartered Accountants of Sri Lanka.

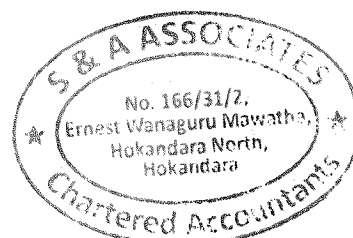
2.2 Statement of Compliance

The statement of financial position, statement of comprehensive income and statement of changes in Equity and cash flows, together with accounting policies and notes ("Financial statements") of the company as at 31st March 2024 and for the year ended, comply with the Sri Lanka Accounting standards for small and medium-sized Entities (SLFRS for SMEs) issued by the Institute of chartered Accountants of Sri Lanka.

2.3 Basis of Measurement

The financial statements have been prepared under the historical cost convention with exception of certain assets & liabilities at fair value through profit/loss.

The preparation of financial statements in conformity with SLFRSs for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are disclosed in the "Critical Accounting estimate assumptions" section of the financial statements.



DEARO INVESTMENT LIMITED
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Estimate and judgments are continually evaluated based on historical experience and other factors, including expectations of events that are believed to be reasonable under the circumstances.

2.4 Going Concern

The directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. Furthermore, management is not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

2.5 Comparative Information

The accounting policies have been consistently applied by the company and consistent with those of the previous year. The previous year's figures and phrases have been re-arranged wherever necessary to conform to the current year's presentation.

2.6 Materiality and Aggregation

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

2.7 Critical Accounting Estimates and Assumption

a) Useful Lives And Residual Values Appropriate For Property, Plant And Equipment

The company tests annually whether, the useful life and residual value estimates appropriate and in accordance with its accounting policy.

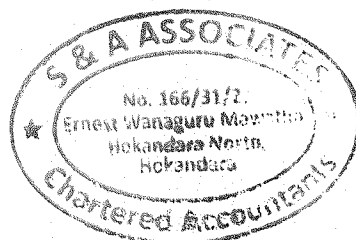
b) Impairment Loss on Trade Receivables

The company reviews its debtors to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in the income statement, the company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in estimated cash flows from a portfolio.

Management uses estimate based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimate and actual loss experience.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.



DEARO INVESTMENT LIMITED
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

3.1 Foreign Currency Translation

Transaction entered into by the Company in a currency other than the currency of the primary economic environment in which it operates (its "functional currency") are recorded at the rates prevailing when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognized in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation. Foreign currency non-monetary assets and liabilities that are measured in term of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

3.2 Revenue Recognition

3.2.1 Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

3.2.2 Interest Income

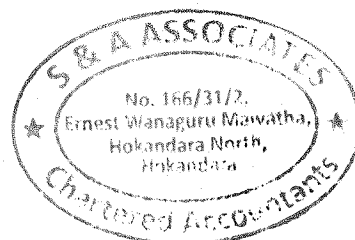
For all financial instruments measured at amortized cost and interest bearing financial assets classified as held to maturity, interest income is recorded using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument, where appropriate, to the net carrying amount of the financial assets.

Interest income included in finance income in the statement of comprehensive income.

3.2.3 Other

Other income is recognized on an accrual basis.

Net profits and losses of a revenue nature on the disposal of property plant and equipment and other non-current assets including investments have been accounted for in the statement of comprehensive income.



DEARO INVESTMENT LIMITED
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

3.3 Expenditure Recognition

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the business and in maintaining the property plant and equipment in a state efficiency has been charged to income in arriving at the profit for the year.

For the purpose of presentation of the statement of comprehensive income the directors are of the opinion that function of expenses method present fairly the elements of the company's performance and hence such presentation method is adopted.

3.3.1 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred.

3.4 Property Plant & Equipment

a). Recognition and measurement

Property plant, and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any, such cost includes the cost of replacing parts of the property plant and equipment. When significant parts of property plant and equipment are required to be replaced at intervals. The company de- recognizes the replaced the new part with its own associated useful expense life and depreciation.

b). Restoration Costs

Expenditure incurred on repairs or maintenance of property plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard

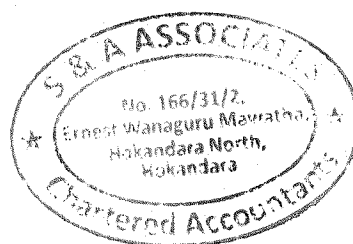
Of performance is recognized as an expense when incurred.

c). Depreciation

The provision for depreciation is calculated on the cost of property plant and Equipment in according to the reducing balance method.

d) De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount and it is recognized to the statement of comprehensive income.



DEARO INVESTMENT LIMITED
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

3.5 Financial Instruments

3.5.1 Financial Assets

These financial assets are recognized initially at the transaction price, subsequently they are measured at amortized cost using the effective interest method, less provision for impairment.

a) Trade Receivables

Sales are made on normal credit terms and trade receivables do not bear interest.

Where there is objective evidence that the carrying amounts of receivables are not recoverable and impairment loss is recognized in the statement of comprehensive income

b) Deposits and Other Receivables

Other receivables are recognized at cost less provision for bad and doubtful receivables.

c) Amount Due from Related Parties

Amount due from related parties are cost less provision for bad doubtful receivables.

d) Cash and Cash Equivalents

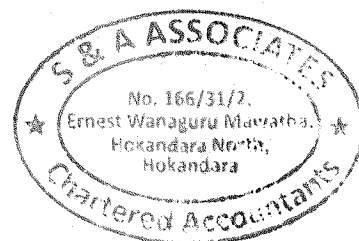
Cash and cash equivalents are defined as cash in hand and at demand deposits which are highly liquid investments and readily convertible to known amount of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, cash at bank and highly liquid interest bearing securities of 3 months or less and net of outstanding bank overdrafts.

The cash flows statements are reported based on the indirect method.

3.5.2 Financial Liabilities

The Company's financial liabilities include borrowing, trade payables, accrued and other payables and amounts due to directors. Financial liabilities are recognized initially at transaction price,



DEARO INVESTMENT LIMITED
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

3.5.3 Impairment of Financial Assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial asset is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial asset that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic condition that correlate with defaults.

Other factors may also be evidence of impairment, including significant changes with an adverse effect that have taken place in the technological, market, economics or legal environment in which the issuer operates.

The company assesses the following financial assets individually for impairment:

- (a) All equity instruments regardless of significance, and
- (b) Other financial assets that are individually significant

The company assesses other financial assets for impairment either individually or grouped or the basis of similar credit risk characteristics.

3.5.4 De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognized when:

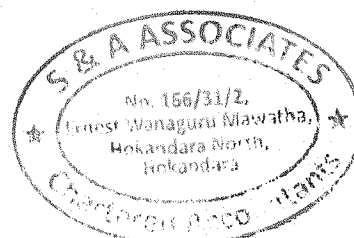
The rights to receive cash flows from the asset have expired

The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

The company has transferred substantially all the risks and rewards of the asset, or

The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained



DEARO INVESTMENT LIMITED

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS (Con't)

substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the company's continuing involvement in it.

In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

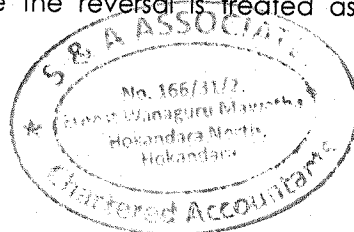
A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified such an exchange or modification is treated as a recognition 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 comprehensive income.

3.6. Impairment of Non- Financial Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists or when annual impairment testing for an asset is required the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units fair value less costs to sell and its value in use and determined for an individual asset, unless the assets does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a per tax discount rate that reflects current Market assessment of the time value of money and the risk specific to the asset. These calculation are collaborated by valuations multiples, quoted share prices or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot "exceed" the carrying amount that would have been determined, net of depreciation had, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.



DEARO INVESTMENT LIMITED
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

3.7 Provisions

Provisions are recognized when the company has present obligations (legal & constructive) as a result of a past event, where 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.

3.7.1 Retirement Benefit obligations

a) Defined Contribution Plans-EPF & ETF

Employees are eligible for Employees' Provident Funds contributions and Employees' Trust Funds contributions in line with respective statutes and regulations. The company contributes 12% and 3% of gross emoluments of Employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

3.8 Taxation

a) Current taxes

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 provision of the Inland Revenue Act No:24 of 2017 and amendments there to.

3.9 Related Party Transactions

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

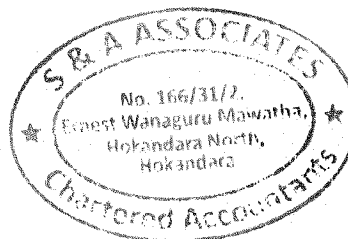
3.10 Off Statement of Financial Position and Statement of Comprehensive Income Items

a) Event Occurring after the Date of Financial Position

All material events occurring between the reporting date and the date on which the financial statements are authorized for issue have been considered and where necessary, adjustments to or disclosures in the financial statements have been made.

b) Contingencies & Unrecognized Contractual Commitments

Contingencies are possible assets or obligation that arise from past event and would be confirmed only on the occurrence or non-occurrence of uncertain further events, which are beyond the Company's control.



DEARO INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
(All amounts are in Sri Lankan Rupees)

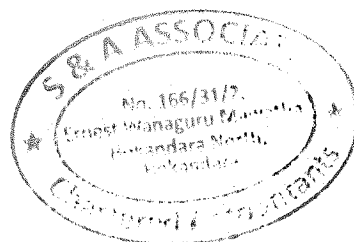
NOTE - 04 - PROPERTY, PLANT & EQUIPMENT

Note - 4.1 - At cost

	Cost as at 01.04.2023	Additions/ Transfers	(Disposals)/ Transfers	Cost as at 31.03.2024
<u>Furniture & Fittings</u>				
Office Furniture	487,000	2,895,900	-	3,382,900
Fittings	-	-	-	-
<u>Equipment</u>				
Computers	240,000	248,000	-	488,000
Printers	58,500	468,000	-	526,500
Photocopy Machines	225,000	628,500	-	853,500
	1,010,500	4,240,400	-	5,250,900
<u>Intangible Assets</u>				
Computer Software	-	-	-	-
	1,010,500	4,240,400	-	5,250,900

Note - 4.2 - At Depreciation

	Balance as at 01.04.2023	Additions/ Transfers	(Disposals)/ Transfers	Balance as at 31.03.2024
<u>Furniture & Fittings</u>				
Office Furniture	56,817	555,853	-	612,669
Fittings	-	-	-	-
<u>Equipment</u>				
Computers	28,000	89,333	-	117,333
Printers	6,825	74,100	-	80,925
Photocopy Machines	26,250	94,756	-	121,006
	117,892	814,042	-	931,934
<u>Intangible Assets</u>				
Computer Software	-	-	-	-
	117,892	814,042	-	931,934
	892,608			4,318,966



OCEAN FOODS MANUFACTURING (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH
(All amounts are in Sri Lankan Rupees)

2024

2023

Note - 4.3 - WDV

Furniture & Fittings

Furniture & Fittings
Fittings

2,770,231

430,183

Equipment

Computers
Printers
Photocopy Machines

370,667

212,000

445,575

51,675

732,494

198,750

Intangible Assets

Computer Software

4,318,966

892,608

NOTE - 05 - CASH AND CASH EQUIVALENTS

Cash - Loan Fund

81,623,335

85,218,928

Seylan Bank - 069013572133001

30,960

Cash in Hand

25,543

132,167

Cash and Cash Equivalents for the Purpose of Cash Flow Statement

81,679,838

85,351,095

NOTE - 06 - STATED CAPITAL

6.1 Number of Shares

Ordinary Shares

10,000,000

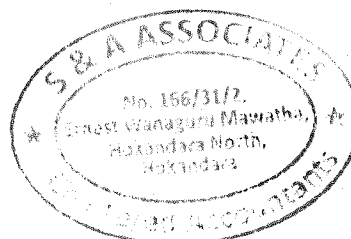
10,000,000

6.2 Value

Ordinary Shares

100,000,000

100,000,000



DEARO INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH
(All amounts are in Sri Lankan Rupees)

2024

2023

NOTE - 07 - DIRECTOR'S LOAN

Mr. Prasanna Sanjeeva

-	3,000,000
-	3,000,000

NOTE - 08 - ACCRUED EXPENSES

Audit Fee	150,000	50,000
Accountancy Charges	75,000	25,000
APIT	756,000	-
Electricity	12,581	3,839
Water	2,999	1,951
Staff Salary & Allowance	276,150	80,000
Directors Salary & Allowance	687,000	180,000
	1,959,731	340,790

NOTE - 09 - REVENUE

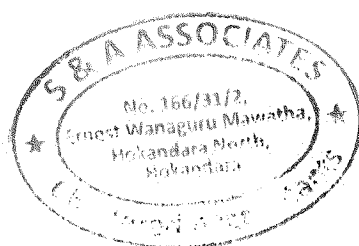
Loan Interest	28,369,765	1,953,288
Service Charges	3,422,415	535,950
	31,792,180	2,489,238

NOTE - 10 - COST OF SERVICE

Documentation & Legal Fee	2,281,610	285,000
	2,281,610	285,000

NOTE - 11 - ADMINISTRATION & ESTABLISHMENT EXPENSES

Accountancy Charges	50,000	25,000
Audit Fee	100,000	50,000
Bank Service Charges	2,795	-
Communication Charges	38,457	-
Company Incorporation Expenses	-	135,000
Depreciation	814,042	117,892
Director's Allowance	2,160,000	1,260,000
Director's Salary	6,840,000	-
Electricity	318,743	26,439
Employee Benefits Cost	39,685	-
Office Cleaning Expenses	114,710	14,788
Printing & Stationery	212,480	45,830
Staff Salaries & Allowance	3,313,800	510,000
Staff Uniform	47,500	85,000
Staff Welfare	32,244	-
Travelling	564,239	38,565
Water Expenses	14,048	8,451
	14,662,743	2,316,964



DEARO INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH
(All amounts are in Sri Lankan Rupees)

2024

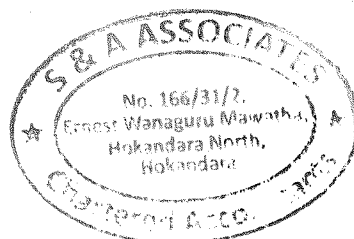
2023

NOTE - 12 - PROMOTIONAL EXPENSES

Printing of Calendar	129,000	-
Advertising & Promotional Expenses	1,054,783	250,000
	1,183,783	250,000

NOTE - 13 - INCOME TAX EXPENSES

Business Income	14,272,936	-
Investment Income	-	-
Other Income	-	-
Total Assessable Income	14,272,936	-
Less : Qualifying Payments	-	-
Taxable Income	14,272,936	-
Tax on Income Tax at Special Rates	-	-
Tax on Gain from Realization of Investment Assets	-	-
Tax on Balance Taxable Income	-	-
Tax on Income Tax at Normal Rates	4,281,881	-
Tax on Receipt of Final Withholding Payments	-	-
Total Tax Payable	4,281,881	-



DEARO INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH

(All amounts are in Sri Lankan Rupees)

2024

2023

NOTE - 14 - RELATED PARTY DISCLOSURES

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in the Sri Lanka Accounting Standard - LKAS 24 "Related Party Disclosures", the details of which are reported below. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated Customers.

NOTE - 14- 1 - Transactions with Key Management Personnel (KMPs) and the Close Family Members (CFM)

According to Sri Lanka Accounting Standard - LKAS 24 "Related Party Disclosures", Key management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) and the Assistant General Managers and Head of Finance have been classified as Key Management Personnel of the Company during the year under review.

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

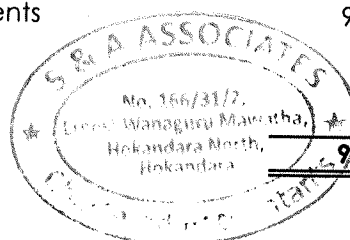
- (a) the individual's domestic partner and children;
- (b) children of the individual's domestic partner; and
- (c) dependents of the individual or the individual's domestic partner

There were no transactions with CFMs during the year.

NOTE - 14- 2 - Compensation to Key Management Personnel

There were no compensation paid to Key Management Personnel (KMP) During the year.

	2024	2023
Executive and Non Executive Directors' Emoluments	9,000,000	1,260,000
General Managers' Emoluments	-	-
Assistant General Managers' emolument	-	-
Non-cash benefits paid to KMPs (Note 38.3.1.1)	-	-
	9,000,000	1,260,000



NOTE - 14- 3 - Non-cash benefits paid to KMPs

There were no Non Cash Benefits paid to Key Management Personnel (KMP) During the year.

NOTE - 15 - DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

DEARO INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH
(All amounts are in Sri Lankan Rupees)

2024

2023

NOTE - 16 - CONTINGENT LIABILITY

There were no material contingent liabilities as at the reporting date, which required adjustment and or disclosures in the financial statement.

NOTE - 17 - CAPITAL COMMITMENTS

There were no material commitments as at the reporting date.

NOTE - 18 - EVENTS AFTER THE REPORTING DATE

There were no event after reporting date that require adjustments to or disclosure in the financial statements.

NOTE - 19 - EARNINGS PER SHARE

Basic Earnings Per Share

The calculation of basic earning/(loss) per ordinary share has been done based on ordinary net profit/(loss) attributable to shareholders divided by weighted average number of ordinary shares in at the statement of financial position date & calculation as follows.

Amount used as the numerator

Profit attributable to the equity holders of the Company (Rs.)	5,402,056	(362,727)
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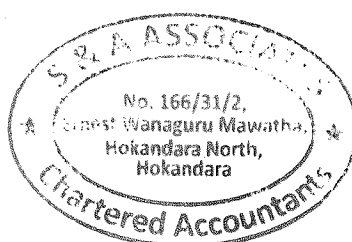
Amount used as the denominator

Weighted Average number of ordinary shares outstanding during the year	10,000,000	10,000,000
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Earnings Per Share	0.54	(0.04)
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Diluted Earnings Per Share

The calculation of diluted earnings/(loss) per ordinary share is based on net profit/(loss) attributed to ordinary shareholders & weighted average number of ordinary shares outstanding after adjustment for the effect of all diluted potential ordinary shares. These were no potentially dilutive shares outstanding at any time during year/previous year.



DEARO INVESTMENT LIMITED
INCOME TAX COMPUTATION
YEAR OF ASSESSMENT 2023/24

(All amounts are in Sri Lankan Rupees)

Schedule

Business Income	14,272,936
Investment Income	-
Other Income	-
Total Assessable Income	14,272,936
Less : Qualifying Payments	-
Taxable Income	14,272,936
Tax on Income Tax at Special Rates	A -
Tax on Gain from Realization of Investment Assets	-
Tax on Balance Taxable Income	-
Tax on Income Tax at Normal Rates	4,281,881
Tax on Receipt of Final Withholding Payments	-
Total Tax Payable	4,281,881
Tax Credits	-
Balance Tax Payable / (Refund Claimed)	4,281,881

SCHEDULE - A - TAX RATE (BUSINESS INCOME)

The Company Applicable Tax Rate is 30% for the F/Y 2023/24

DEARO INVESTMENT LIMITED
PROFIT ADJUSTMENT & INCOME TAX COMPUTATION
YEAR OF ASSESSMENT 2023/24
(All amounts are in Sri Lankan Rupees)

Schedule

Amount Derived		
Service Fees	1	31,792,180
Consideration Received in Respect of the Trading Stocks		-
Realization Gain of Capital Assets & Liabilities		-
Total Amount Derived		31,792,180
Excluded Business Income		
Exempt amount		-
Final Withholding Payment		-
Total Excluded Amount		-
Net Amount Derived		31,792,180
Deduction from the Business Income		
Allowance for Trading Stock		-
Deductible Amount of Financial Cost including Interest	2	-
Losses Claimed from Business	4	244,835
Main Deduction incurred in the business	3	17,274,409
Temporary Concessions		-
Total Deductions other than Investment Incentives		17,519,244
Assessable income other than Investment Incentives		14,272,936
Less : Investment Incentives		-
Assessable Income from Business		14,272,936

SCHEDULE - 01 - SUMMARY OF GROSS INCOME

Gross Income as per Income statement		31,792,180
Less		
Business Income	31,792,180	
Investment Income	-	
Other Income	-	
Total Excluded Income	-	31,792,180
		-

SCHEDULE - 02 - DEDUCTIBLE AMOUNT OF FINANCIAL COST INCLUDING INTEREST

Stated Capital		100,000,000
Revenue Reserves		5,039,329
Total Equity		105,039,329
4 times of the above		420,157,317
Financial Instruments Value		-
Finance Cost B/f		-
Finance Cost for the Year		-
Total Finance Cost		-
Allowable Finance Cost		-
Finance Cost C/f		-

DEARO INVESTMENT LIMITED
PROFIT ADJUSTMENT & INCOME TAX COMPUTATION
YEAR OF ASSESSMENT 2023/24
(All amounts are in Sri Lankan Rupees)

SCHEDULE - 03 - RECONCILIATION OF DEDUCTIONS

Expenses	Direct & Operating	Administration	Promotional
Amount as per Income Statement	2,281,610	14,662,743	-
Specific Deductions			
Business	-	-	-
Investment	-	-	-
Main Deductions			
Business (Note 03-1)	2,281,610	13,809,016	1,183,783
Investment	-	-	-
Disallowed Expenses (Note 03-1)	-	853,727	-

SCHEDULE - 03 - 1 - CALCULATION OF MAIN DEDUCTION

Expenses	Direct & Operating	Administration	Promotional
Amount as per Income Statement	2,281,610	14,662,743	1,183,783
Specific Deductions	-	-	-
Less: Disallowed Expenses	-	-	-
Finance Cost	-	-	-
EB Provision	-	39,685	-
Depreciation	-	814,042	-
Total Disallowed Expenses	-	853,727	-
Main Deduction	2,281,610	13,809,016	1,183,783

SCHEDULE - 04 - LOSS DEDUCTIONS

B/F Loss from 2022/23	
Loss During the Year	(244,835)
Total Losses	(244,835)
Profit during the Year	14,517,771
Losses Transfer to Higher rate to Lower Rate	-
Losses Deductible	(244,835)
Losses Expired	-
Losses C/F to 2024/25	-