REDINGTON SL (PRIVATE) LIMITED

FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT

FOR THE YEAR ENDED
31 MARCH 2026

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF REDINGTON SL (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Redington SL (Private) Limited ("the Company"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As management does not present any other information and we were not provided with any, we have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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 it appears from our examination, proper accounting records have been kept by the Company.

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Deloitte Associates
Chartered Accountants
Colombo
27 April 2026

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REDINGTON SL (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2025/2026 LKR	2024/2025 LKR
Revenue	4	3,153,736,213	2,358,091,681
Cost of sales	5	(2,771,383,132)	(2,075,167,337)
Gross profit		382,353,081	282,924,344
Other income	6	132,979,656	108,606,881
Operating expenses			
Administrative expenses		(97,977,429)	(77,035,629)
Distribution expenses		(131,873,464)	(136,907,365)
Other expenses		(6,268,207)	(18,619,374)
Finance expenses	7	(12,988,488)	(7,159,446)
Profit before tax	8	266,225,149	151,809,411
Income tax	9	(85,471,047)	(45,266,182)
Profit for the year		180,754,102	106,543,229
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement loss on defined benefit plan (net of tax)		(519,502)	(846,851)
Total comprehensive income		180,234,600	105,696,378
Earning per share			
Earning per share - basic	10	63.5	37.4

The accounting policies and notes from 1 to 28 form an integral part of these financial statements.

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REDINGTON SL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	31.03.2026 LKR	31.03.2025 LKR
Assets			
Non-current assets			
Property and equipment	11	76,637,946	4,626,166
Right of use of asset	13	147,374,826	815,633
Intangible assets	12	98,330	98,693
Deferred tax asset	14	45,637,997	58,707,375
Total non-current assets		269,749,099	64,247,867
Current assets			
Inventories	15	186,224,725	74,383,523
Trade and other receivables	16	989,158,456	952,425,094
Income tax receivable	17	-	678,887
Deposits, advances and prepayments		15,909,155	11,385,202
Cash in hand and at bank	18	310,105,587	364,657,801
Derivative financial instruments	23	3,304,689	-
Total current assets		1,504,702,612	1,403,530,507
Total assets		1,774,451,711	1,467,778,374
Equity and liabilities			
Capital and reserves			
Stated capital	19	28,441,000	28,441,000
Retained earnings		671,714,652	491,480,052
Total equity		700,155,652	519,921,052
Non-current liabilities			
Retirement benefit obligations - Gratuity	20	10,267,541	8,172,241
Lease liability	13	111,023,015	-
Total non-current liabilities		121,290,556	8,172,241
Current liabilities			
Trade and other payables	21	206,168,291	215,995,398
Amount due to a related party	22	662,204,729	721,002,650
Lease liability	13	34,254,041	919,630
Income tax payable	17	50,378,442	-
Derivative financial instruments	23	-	1,767,403
Total current liabilities		953,005,503	939,685,081
Total liabilities		1,074,296,059	947,857,322
Total equity and liabilities		1,774,451,711	1,467,778,374

I certify that these financial statements have been prepared in accordance with the Companies Act No. 7 of 2007.

Namal Peiris
Senior Manager - Finance & Accounts

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board of Directors by the following on 22 April 2026.

Prabhu Krishnamoorthy
Director

REDINGTON SL PRIVATE LIMITED

Pankaj Lamba
Director

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REDINGTON SL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Stated capital LKR	Retained earnings LKR	Total equity LKR
Balance as at 1 April 2024	28,441,000	385,783,674	414,224,674
Total comprehensive income for the year	-	105,696,378	105,696,378
Balance as at 31 March 2025	28,441,000	491,480,052	519,921,052
Total comprehensive income	-	180,234,600	180,234,600
Balance as at 31 March 2026	28,441,000	671,714,652	700,155,652

The accounting policies and notes from 1 to 28 form an integral part of these financial statements.

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REDINGTON SL (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2025/2026 LKR	2024/2025 LKR
Cash flows from operating activities			
Profit before tax		266,225,149	151,809,411
Adjustments for:			
Finance costs		1,970,363	1,823,301
Interest income		(5,144,562)	(8,136,591)
Provision/(Reversal) for expected credit loss (net)	8	(19,609,818)	(18,296,746)
Bad Debts written Off		-	29,037,358
Lease interest	13.2	4,629,407	1,419,051
Impairment/(reversal) on inventories		9,522,117	(4,057,884)
Depreciation and amortization	11 & 12	22,056,165	5,801,720
Depreciation of rights of use of assets	13.1	18,405,003	12,107,517
Gain/(loss) on fair value of derivative financial instruments	8	(5,072,092)	(4,044,688)
Retirement benefit costs - Gratuity	20	2,195,414	2,124,701
Operating profit before working capital changes		295,177,146	169,587,150
Decrease / (increase) in inventories		(121,363,319)	118,850,181
Increase in trade and other receivables		(17,123,542)	(313,655,706)
Decrease / (increase) in advance, deposits and prepayments		(11,465,293)	22,625,783
(Decrease) / increase in trade and other payables		(9,827,107)	(153,148,540)
Increase in amount due to a related party		(58,797,921)	465,334,134
Cash generated from operations		76,599,964	309,593,002
Income tax paid	17	(21,121,696)	(12,980,902)
Interest paid		(1,970,363)	(1,823,301)
Interest received	6	5,144,562	8,136,591
Gratuity paid	20	(842,260)	(4,238,894)
Net cash generated from/(used in) operating activities		57,810,207	298,686,496
Cash flows from investing activities			
Purchase of property and equipment	11	(94,067,582)	(1,140,264)
Net cash used in investing activities		(94,067,582)	(1,140,264)
Cash flows from financing activities			
Lease settlements during the year	13.2	(18,294,837)	(13,527,692)
Loans obtained during the year		499,107,609	273,996,735
Loan settlements during the year		(499,107,609)	(273,996,735)
Net cash used in financing activities		(18,294,837)	(13,527,692)
Net increase /(decrease) in cash and cash equivalents during the year		(54,552,212)	284,018,540
Cash and cash equivalents at the beginning of the year		364,657,800	80,639,260
Cash and cash equivalents at the end of the year		310,105,587	364,657,800

The accounting policies and notes from 1 to 28 form an integral part of these financial statements.

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1. General information

1.1. Reporting entity

Redington SL (Private) Limited, is a limited liability company incorporated on 28 October 2009 and domiciled in Sri Lanka. The registered office and the principal place of the company is located at No.65C, Dharmapala Mawatha, Colombo 07, Sri Lanka.

1.2. Principal activities and nature of operations

Redington SL (Private) Limited is an authorized wholesale distributor of information technology products, accessories and software in Sri Lanka.

1.3. Parent entity and ultimate parent entity

The parent undertaking and controlling party is Redington Distribution (Pte) Ltd, which is incorporated at Singapore and holds 100% of the issued share capital of the company as at the statement of financial position date and the ultimate parent company is Redington (India) Limited, in the director's opinion.

1.4 Date of authorisation for issue

The financial statements of Redington SL (Private) Limited for the year ended 31 March 2026 were authorised for issue on 22 April 2026.

2. Preparation of financial statements

2.1 Basis of preparation

These financial statements are prepared on a historical cost basis except for loss allowances on account of bad debts, inventory damages and obsolescence and recognition of fair value gains and losses on foreign exchange forward contracts. Further, revenue and costs are accrued and recorded in the financial statements of the period to which they relate.

No adjustment is made for inflationary factors affecting these financial statements.

2.2 Statement of compliance

These financial statements comply with Sri Lanka Accounting Standards (LKASs and SLFRSs) issued by the Institute of Chartered Accountants of Sri Lanka.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with LKASs and SLFRSs requires management to make judgements, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. In the selection and application of the company's accounting policies, which are described below, the directors are required to make judgements and assumptions and use assumptions in measuring items reported in the financial statements. These estimates are based on management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods as well if the revision affects both current and future periods.

The line items which reflect the most significant effect due to accounting judgements, estimates and assumptions are as appended below:

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2. Preparation of financial statements (Contd...)

2.3 Significant accounting judgements, estimates and assumptions (Contd...)

a) Provision for expected credit losses of trade receivables

The company reviews its trade receivables at each reporting date and assesses whether an allowance should be recorded in profit or loss. In particular, management's judgement is required in the estimation of loss allowance.

b) Retirement benefit obligations

The cost of defined benefit obligation is determined using the projected unit credit method. This involves making assumptions on discount rates, future salary increases and staff turnover. In determining the appropriate discount rates, management considers the interest rates over government bonds. Future salary increases are based on expected future inflation rates. The key assumptions used are disclosed in Note 19.1. Owing to the long-term nature of these plans, such estimates are subject to uncertainty.

c) Impairment of inventories

The company reviews its inventories at each reporting date and assesses whether an allowance should be recorded in profit or loss. In particular, management's judgement is required in the estimation of the impairment.

Revisions to accounting estimates are dealt with in accordance with Sri Lanka Accounting Standard (LKAS) 8, Accounting Policies, Changes in Accounting Estimates and Errors.

2.4 Going concern

When preparing the financial statements taking into account all available information about the future, the directors have made an assessment on the ability of the company to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation, cessation of trading or materially curtailing the scale of operations.

2.5 Functional and presentation currency

In determining the functional currency of the entity, the management is of the view that the currency which most faithfully represents the economic effect of the underlying transactions, events and conditions is Sri Lankan Rupees which is also the presentation currency.

2.6 Transactions in foreign currencies

All transactions in currencies other than the functional currency are recorded in Sri Lankan rupees, using the exchange rate prevailing at the time of effecting the transactions. At each date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are re-translated to Sri Lankan Rupee equivalents at the exchange rate prevailing on that date. Monetary liabilities for which forward exchange contracts are available, as at the date of statement of financial position are re-translated at the exchange rate prevailing on that date. Non-monetary assets and liabilities denominated in foreign currencies are not re-translated. Exchange differences arising on the settlement of monetary items and re-translation of monetary items, are recognised in profit or loss in the year in which they arise.

2.7 Comparative information

The accounting policies applied by the Company are in consistent with those used in the previous year. Previous year's figures and phrases are rearranged wherever necessary to conform to the current year's presentation.

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3. Summary of significant accounting policies (Contd...)

3.1 Valuation of assets and their bases of measurement (Contd...)

3.1.1 Property and equipment

(a) Cost

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. All items of property and equipment are initially recorded at cost. Subsequent expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business is treated as capital expenditure. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying amount of an item of property and equipment is derecognized on disposal or when no further economic benefits are expected from its use or disposal.

(b) Depreciation

Provision for depreciation is calculated using the straight-line method on the cost of property and equipment other than freehold land in order to allocate the depreciable amount over the estimated useful life of such assets. The estimated useful lives of assets are as follows:

	Years
Computer and related accessories	03
Furniture and fittings	04

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

3.1.2 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.1.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.1.4 Inventories

Inventories are valued at each statement of financial position date at the lower of their weighted average cost and net realisable value. Cost includes all expenses incurred in bringing inventories to their present condition and location. These generally include purchase cost, freight and clearing charges and applicable taxes. Net realizable value represents the estimated selling price for inventories less at estimated cost of completion and cost necessary to make the sales.

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3. Summary of significant accounting policies (Contd...)

3.1 Valuation of assets and their bases of measurement (Contd...)

3.1.5 Financial assets

The company initially recognises trade and other receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instruments.

The company derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has only trade and other receivables, foreign exchange forward contracts and cash and bank balances as financial assets.

3.1.5.1 Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payment that are not quoted in an active market. Thus, assets are at amortised cost and are stated at the amounts they are estimated to be realized, after recognizing a loss allowance, if any.

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- Significant financial difficulty of customer;
- A breach of contract such as a default or being more than 365 days past due;
- The restructuring of a trade receivable by the Company on terms that the Company would not consider otherwise;
- It is probable that the customer will enter bankruptcy or other financial reorganization.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.1.6 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term liquid investments, which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, deposits in bank and short term investments.

3. Summary of significant accounting policies (Contd...)

3.2 Liabilities and provision

3.2.1 Financial liabilities

The company initially recognises financial liabilities on the trade date at which the company becomes a party to the contractual provisions of the instrument. The company derecognises a financial liability discharged or cancelled or expired.

The company has the following financial liabilities: loans and borrowings, bank overdrafts, amounts due to related parties and trade payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, those financial liabilities are measured at amortised cost using the effective interest method.

Generally, the original equipment manufacture (OEM) warrants the products distributed by the company and these are assurance warranties provided in the normal course of business relating to product performance. The company generally, does not independently warrant the product it distributes.

3.2.2 Retirement benefit obligations

Defined benefit plan – Gratuity

The Defined Benefit Obligation recognized in the statement of financial position represents the present value of the Defined Benefit Obligation at the reporting date estimated using the projected unit credit method.

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

The company's obligations under the said Act is determined based on the projected unit credit method carried out by an actuarial valuer.

Gains and losses through re-measurements of the defined benefit liability are recognized in other comprehensive income and not reclassified to profit and loss in subsequent periods.

The gratuity obligation is not externally funded nor actuarially valued. This liability is grouped under non-current liabilities in the statement of financial position.

3.2.3 Defined contribution plans

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

3.2.4 Leases

The company recognizes a right-of-use asset and a lease liability which is measured at the present value of the lease payments that are payable on that date. In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. Summary of significant accounting policies (Contd...)

3.2 Liabilities and provision (Contd...)

3.2.4 Leases (Contd.)

Upon initial recognition, the company applies the cost model for the right-of-use asset and depreciates the asset from the commencement date to the end of the useful life of the underlying asset. Where the right does not transfer the ownership of the asset, the company depreciates it from commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. In addition, interest expense on the lease liability is recognized in the profit or loss. Right of use assets are subject to impairment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured and if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.2.5 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.2.6 Capital commitments and contingencies

Capital commitments and contingent liabilities as at the statement of financial position date are disclosed in the respective notes to the financial statements.

3.2.7 Promotional funds

Funds received from suppliers for the purpose of promoting their brand is set off against relevant expenses. Amounts unutilised at each statement of financial position date are treated as liabilities.

3.3 Income statement

3.3.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable on sale of products in the ordinary course of business. Revenue is shown of net value added tax and discounts. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured. Under SLFRS 15, revenue is recognized upon satisfaction of the performance obligation. Revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

3.3.2 Expenditure recognition

Expenses are recognized on an accrual basis. All expenditure incurred in the running of the business and in maintaining the property and equipment in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the company's performance.

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3. Summary of significant accounting policies (Contd...)

3.3 Income statement (Contd...)

3.3.3 Current income taxes

Current income tax is based on the elements of income and expenditure as reported in the financial statements and is computed in accordance with provisions of the Inland Revenue (Amendment) Act No. 45 of 2022.

3.3.4 Deferred tax

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

Deferred tax assets and liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credit and unused tax losses only, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the unused tax credits carried forward, of and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that is has become probable that future taxable profit will allow the deferred tax asset to be recoverable.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realized or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the statement of financial position. Deferred tax relating to items recognized directly in equity is recognized equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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		2025/2026	2024/2025
		LKR	LKR
4.	**Revenue**		
	Gross Revenue	4,354,607,191	2,911,522,731
	Net revenue adjustment	(1,200,870,978)	(553,431,050)
	Turnover	3,153,736,213	2,358,091,681
5	**Cost of Sales**		
	Inventories at the beginning of the year	45,862,070	111,992,015
	Purchase during the year	4,135,733,269	2,601,371,183
	Adjustments (Note 5.1)	(1,296,969,285)	(592,333,791)
	Closing stock at the year end	(113,242,922)	(45,862,070)
	Cost of sales	2,771,383,132	2,075,167,337

5.1 Adjustments include rebates, net accounting, **WHT** and stock obscelence.

		2025/2026	2024/2025
6.	**Other income**		
	Service income	105,243,210	81,609,152
	Interest income-Customer	-	1,114,579
	Realized exchange gain	17,342,322	13,418,342
	Interest income from deposit	5,144,562	7,022,012
	Miscellaneous income	177,471	1,398,107
	Fair value gain from forward exchange contract	5,072,091	4,044,689
		132,979,656	108,606,881
7.	**Finance expenses**		
	Loan interest	1,970,363	1,823,301
	Bank charges	6,348,840	3,910,679
	Lease interest	4,629,407	1,419,052
	Overdraft interest	39,878	6,414
		12,988,488	7,159,446

8. **Profit before tax**

Profit before tax is stated after charging all expenses including the following:

	2025/2026	2024/2025
Staff costs (Note 8.1)	120,077,842	114,317,023
Depreciation and amortisation	22,056,166	5,801,722
Auditor's remuneration	429,732	412,307
Expected credit losses allowances on financial assets	19,609,818	10,740,612
Fair value (loss)/ gain on forward exchange contract	(5,072,091)	(4,044,689)
Amortization on right of use of assets	18,405,003	12,107,517
Foreign exchange loss	3,820,113	17,062,652

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		2025/2026	2024/2025
		LKR	LKR
8.	**Profit before tax - (contd.)**		
8.1	**Staff costs**		
	Salaries	51,691,219	43,410,805
	Staff allowances	56,205,873	60,368,081
	Employees' Provident Fund and Employees' Trust Fund	7,753,684	6,540,054
	Staff welfare	2,231,652	1,873,382
	Retirement benefit cost	2,195,414	2,124,701
		120,077,842	114,317,023

9.	**Income tax expense**		
9.1	**Income tax recognised in profit or loss**		
	Current income tax (Note 9.2)	72,179,025	-
	Deferred tax	13,292,022	46,014,157
	(Over) / under provision of prior year tax liability	-	(747,975)
	Total income tax expense recognised in the current year	85,471,047	45,266,182

9.2	**Reconciliation between accounting profit and taxable income**		
	Profit before tax	266,225,149	151,809,411
	Income tax expense calculated at 30%	79,867,539	45,542,823
	Tax effect of expenses that are deductible in determining taxable profit	(13,258,236)	(6,517,579)
	Tax effect of expenses that are not deductible in determining taxable profit	23,850,664	8,422,509
	Tax effect of tax losses and tax credit utilized in the current year	(18,280,942)	(47,447,753)
	Income tax expense recognized in profit or loss	72,179,025	-

9.3	**Tax losses carried forward**		
	Tax losses brought forward from previous year	60,936,475	219,095,653
	Tax loss claimed during the year	(60,936,475)	(158,159,178)
	Tax losses carried forward for future years	-	60,936,475

9.4	**Income tax recognised in other comprehensive income**		
	Current tax	-	-
	Re-measurement gain / (loss) on defined benefit plan (net of tax)	222,644	362,936
		222,644	362,936

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	2025/2026	2024/2025
	LKR	LKR

10. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	2025/2026	2024/2025
Profit attributable to ordinary shareholders	180,754,102	106,543,229
Weighted average number of shares in issue during the year	2,845,000	2,845,000
Basic earnings per share	63.5	37.4

11. Property and equipment

	Furniture and fittings	Computers and office equipment	Total
	LKR	LKR	LKR
Freehold assets			
Cost			
Balance as at 31 March 2024	8,525,400	26,096,508	34,621,908
Additions during the year	-	1,140,264	1,140,264
Disposals during the year	-	-	-
Balance as at 31 March 2025	8,525,400	27,236,772	35,762,172
Additions during the year	-	94,067,582	94,067,582
Balance as at 31 March 2026	8,525,400	121,304,354	129,829,754
Accumulated depreciation			
Balance as at 1 April 2024	8,515,248	16,828,182	25,343,430
Charge for the year	-	5,792,576	5,792,576
Elimination on disposals during the year	-	-	-
Balance as at 31 March 2025	8,515,248	22,620,758	31,136,006
Charge for the year	-	22,055,802	22,055,802
Balance as at 31 March 2026	8,515,248	44,676,560	53,191,808
Written down value			
Balance as at 31 March 2026	10,152	76,627,794	76,637,946
Balance as at 31 March 2025	10,152	4,616,014	4,626,166

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		31.03.2026	31.03.2025
		LKR	LKR
12.	**Intangible assets - Computer software**		
	Cost		
	Balance at the beginning of the year	5,922,979	5,922,979
	Disposals during the year	-	-
	Balance at the end of the year	5,922,979	5,922,979
	Amortization		
	Balance at the beginning of the year	5,824,286	5,815,142
	Amortization for the year	363	9,144
	Elimination on disposals during the year	-	-
	Balance at the end of the year	5,824,649	5,824,286
	Carrying amount	98,330	98,693

13.	**Right of use of asset and lease lability**		
13.1	**Right of use of buildings**		
	Balance at the beginning of the year	815,633	12,923,150
	Additions during the year	164,964,196	-
	Less: Amorization for the year	(18,405,003)	(12,107,517)
	Balance at the end of the year	147,374,826	815,633
13.2	**Lease liability**		
	Balance at the beginning of the year	919,630	13,028,271
	Add: Leases obtained during the year	158,022,856	-
	Less: Settlements during the year	(20,742,913)	(13,527,692)
	Interest during the year	4,629,407	1,419,051
	Exchange effect	2,448,076	-
	Balance at the end of the year	145,277,056	919,630

13.3 These right of use of buildings have been acquired by the company on lease for administrative purposes as well as for storage of goods.

13.4	Lease liability: payable within one year	34,254,041	919,630
	Lease liability: payable after one year	111,023,015	-
		145,277,056	919,630

14.	**Deferred tax asset**		
	Balance at the beginning of the year	58,707,375	104,358,596
	Deferred tax recognized during the year		
	- Profit or loss	(13,292,022)	(46,014,157)
	- Other comprehensive income	222,644	362,936
	Balance at the end of the year	45,637,997	58,707,375

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14. Deferred tax asset - (contd.)

14.1 The closing deferred tax asset balance relates to the following:

	31.03.2026 LKR	31.03.2025 LKR
Property and equipment	873,500	1,039,331
Retirement benefit obligation	3,080,262	2,451,673
Right of use of assets	1,453,077	31,199
Provision for expected credit losses	31,918,506	26,035,561
Impairment of inventory	7,650,758	4,794,123
Fair value of forward exchange contracts	(991,407)	530,221
Annual Leave Encashment	507,267	425,528
Net unrealized exchange gain/loss	1,146,034	5,118,796
Carried forward tax losses	-	18,280,943
	45,637,997	58,707,375

15. Inventories

Inventories	113,242,922	45,862,071
Less: Allowance for Impairment of inventory (Note 15.1)	(25,502,527)	(15,980,410)
Goods in transit	98,484,330	44,501,862
	186,224,725	74,383,523

15.1 Movement in allowance for impairment of inventory

Balance at the beginning of the year	15,980,410	20,038,294
Impairment (reversal) /allowance made during the period	9,522,117	(4,057,884)
Balance at the end of the year	25,502,527	15,980,410

16. Trade and other receivables

Trade receivables	1,110,115,381	1,029,273,869
Unbilled revenue	-	19,185,800
Less: Provision for expected credit losses (Note 16.1)	(140,941,823)	(121,332,004)
	969,173,558	927,127,665
Other receivables (Note 16.2)	18,655,321	24,254,242
Staff receivables	1,329,577	1,043,187
	989,158,456	952,425,094

16.1 Movement of provision for expected credit loss

Balance at the beginning of the year	(121,332,004)	(139,628,748)
Recognized during the year	(34,309,148)	(24,926,034)
Write off during the year	-	29,037,358
Reversed during the year	14,699,329	14,185,420
Balance at the end of the year	(140,941,823)	(121,332,004)

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16.2 Other receivables

Interest income receivables	-	615,069
Receivable from vendors	18,655,321	23,639,173
	18,655,321	24,254,242

		31.03.2026 LKR	31.03.2025 LKR
17.	**Income tax (receivable) / payable**		
	Balance at the beginning of the year	(678,887)	13,049,990
	Income tax liability for the year	72,179,025	-
	Payments made during the year	(20,545,683)	(12,715,566)
	Under / (over) provision of prior year tax liability	-	(747,975)
	WHT receivables	(576,013)	(265,336)
		50,378,442	(678,887)
18.	**Cash in hand and at bank**		
	Cash in hand	106,873	339,115
	Cash at bank (Note 18.1)	309,998,714	364,318,686
		310,105,587	364,657,801
18.1	**Cash at bank**		
	National Development Bank PLC - Call deposit	138,476,692	54,288,157
	National Development Bank PLC - Current account	500,000	300,000
	National Development Bank PLC - USD account	67	1,196,914
	Sampath Bank PLC - Current account	41,316,798	29,851,196
	Hatton National Bank PLC - Current account	6,825,806	2,962,608
	MCB Bank - Current account	1,341,000	501,770
	MCB Bank - Call deposit	3,856,059	4,580,773
	MCB Bank - USD account	37,928	37,222
	Citi Bank Sri Lanka - Call deposit	776	762
	Citi Bank Sri Lanka - Current account	112,795,862	46,951,486
	HSBC Bank Sri Lanka - USD account	1,175,990	55,305,483
	HSBC Bank Sri Lanka - Current Account	2,787,972	17,405,937
	Habib Bank Sri Lanka - Current account	281,239	281,239
	Standard Chartered Bank - Current account	602,525	655,139
	National Development Bank PLC - Fixed deposit	-	150,000,000
		309,998,714	364,318,686

		No. of shares		
19.	**Stated capital**			
	Issued and fully paid ordinary shares	2,845,000	(28,441,000)	28,441,000

20.	**Retirement benefit obligation - Gratuity**		
	Balance at the beginning of the year	8,172,241	9,076,647
	Interest cost	898,946	1,089,198
	Charge for the year	1,296,468	1,035,503
	Actuarial losses on obligations	742,146	1,209,787
	Payments during the year	(842,260)	(4,238,894)
	Balance at the end of the year	10,267,541	8,172,241

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20. Retirement benefit obligation - Gratuity - (contd.)

20.1 The principal assumptions used for this purpose are as follows :

Discount rate per annum	10%	11%
Annual salary increment rate	10%	10%
Retirement age	60	60

20.2 Sensitivity of assumptions employed in the actuarial valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the profit or loss and statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

	Discount rate		Salary increment rate	
Increase/ (decrease) in the rate	1%	(1%)	1%	(1%)
Sensitivity effect on income statement increase/ (decrease) in the profit for the year	9,806,811	10,772,581	10,815,132	9,759,382
Sensitivity effect on employment benefit obligation increase/ (decrease) in the liability	(9,806,811)	(10,772,581)	(10,815,132)	(9,759,382)

	31.03.2026 LKR	31.03.2025 LKR
21. Trade and other payables		
Trade payables (Note 21.1)	92,610,576	136,228,976
Other payables	88,095,364	37,089,599
Advances	4,397,388	13,082,079
Accrued expenses	21,064,963	29,594,744
	206,168,291	215,995,398
21.1 Trade payables		
IBM World Trade Corporation	7,129,786	57,761,778
HP Indigo Ltd	-	52,101,450
Oracle Corporation Singapore Pte Ltd	4,999,003	8,875,395
Amazon Web Services, Inc	1,735,499	3,379,742
F5 Networks Singapore Pte Ltd	-	6,911,836
Autodesk Asia Pte. Ltd	21,473,306	-
Adobe Systems Software Ireland LTD	36,825,515	-
Veeam Software GmbH	20,447,467	7,198,775
	92,610,576	136,228,976

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		31.03.2026 LKR	31.03.2025 LKR
22.	**Amount due to a related party**		
	Redington Distribution (Pte) Ltd	662,204,729	721,002,650
23.	**Derivative financial instruments**		
a)	Fair value of forward exchange contracts	3,304,689	1,767,403

23.1 Total value of commitment to purchase as of 31 March 2026 is USD 1,875,279.38 (31 March 2025 - 2,232,495).

24. Banking facilities obtained and securities pledged

a) The company has obtained the following facilities from National Development Bank PLC.

Facility	Limit	Interest rate	Repayment terms	Security
Overdraft	Rs. 15Mn	Weekly AWPLR + 2% per annum, revised monthly	On demand	Primary mortgage bond for LKR 225,000,000 over stocks and book debts of the company.
Letters of credit	Rs. 150Mn	N/A	Sight/ Usance -210 days (Maximum)	
Post import finance	Rs. 150Mn	Weekly AWPLR + 2% per annum, revised monthly	Acceptances 210 days maximum	
Short term loans	Rs. 150Mn	To be negotiated at the time of granting	90 Days maximum	
Forward exchange contracts	Rs. 500Mn	N/A	365 days maximum	

b) The company has obtained the following facilities from The Hongkong and shanghai Banking Corporation Ltd

Facility	Limit	Interest rate	Repayment terms	Security
Overdraft	Rs. 25Mn	Standing Lending Facility (SLF) + 5%	On demand	Corporate guarantee issued by Redington Distribution (Pte) Ltd
Import Line	Rs. 225Mn	Standing Lending Facility (SLF) + 3%	Combine Limit a) Letter of Credit Sight/Usance 135 Days b) Post import Loans 75 days	
Forward exchange contracts	No Limit	N/A	365 days maximum	

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25. Related party transactions

The company had the following transactions with its immediate parent entity, Redington Distribution (Pte) Ltd, Singapore, during the current financial year.

Nature of transactions	2025/2026	Balance as at 31.03.2026	2024/2025	Balance as at 31.03.2025
	LKR	LKR	LKR	LKR
Purchase of information technology products	2,048,461,175	662,204,729	1,595,915,169	721,002,650
Settlements made	2,025,963,029		1,139,513,433	
Service income received	110,805,232		89,231,150	

All outstanding balances are unsecured and repayable on demand. No guarantees have been issued or received in respect of any related party balances.

26. Commitments and contingencies

There are no contingent liabilities or capital commitments as at the reporting date other than the below.

An ongoing tax assessment is in progress concerning the exchange gain and loss in the income tax computation for year of assessment 2022/23 and 2023/24. The Company has taken up the matter with the court and in parallel, the matter is currently under administrative review.

26.1 Litigation claims filed by the company

The company had initiated legal actions to recover monies receivable from several customers as detailed below.

Cases filed under Magistrate court- Colombo

Case No.	Amounts due as at 31.03.2026
	LKR
DMR 789/20	12,178,275
DMR/318/21	6,272,628
CHC/317/2021	33,222,533
DMR/1821/23	8,244,000
DMR/1191/24	2,509,934
DMR/03463/22	1,212,084

There were no other commitments or contingencies as at the date of the statement of the financial position.

27. Events after the reporting date

No significant events have taken place since the date of the statement of financial position that require adjustments to or disclosure in these financial statements.

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		31.03.2026	31.03.2025
		LKR	LKR
28.	**Financial instruments**		
28.1	**Categories of financial instruments**		
	Financial assets		
	At amortised cost	1,302,568,732	1,317,082,895
	At fair value	-	-
	Financial liabilities		
	At amortized cost	863,975,632	925,683,372
	At fair value	145,277,056	2,687,033

Carrying values of financial assets and liabilities that have a short term maturity such as trade and other receivables and payables, other financial assets and liabilities, cash and cash equivalents are reasonable approximation of their fair value. Therefore, a fair value hierarchy is not applicable.

28.2 Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Parent's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk and foreign currency risk.

28.3 Credit risk

Credit risk is the risk that the counterparty 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 other financial instruments.

The company trades only with recognised, creditworthy 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.

With respect to credit risk arising from the other financial assets of the company, such as cash and cash equivalents, the company's exposure to credit risk arises from default of the counterparty. The company manages its operations to avoid any excessive concentration of counterparty risk and the company takes all reasonable steps to ensure that the counterparties fulfil their obligations.

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts.

The requirement for impairment is analysed at each reporting date on an individual basis for major customers. In order to mitigate settlement and operational risks related to cash and cash equivalents, the company uses several banks with acceptable ratings for its deposits.

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	31.03.2026	31.03.2025
	LKR	LKR

28. Financial instruments (contd.)

28.3 Credit risk (contd.)

(a) The maximum exposure to credit risk at the reporting date

	31.03.2026 LKR	31.03.2025 LKR
Cash and short term deposits (Note 18.1)	309,998,714	364,318,686
Trade and other receivables (Note 16)	989,158,456	952,425,094
	1,299,157,170	1,316,743,780

b) Cash and short term deposits

The company limits its exposure to credit risk by keeping it's call deposits with selected bankers with board approval.

The company held cash at bank of Rs. 309.9 Mn as at 31 March 2026 (31 March 2025 - LKR 364.3. Mn) which represents its maximum credit exposure on these assets. The cash balance is held with financial institutions which have better rankings (AAA, AA, A, AA-).

c) The ageing of trade receivables at the reporting date

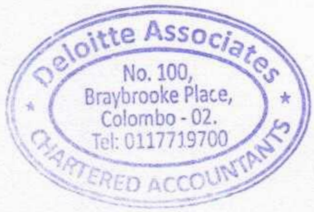
	Gross receivables		Loss allowance		Carrying value	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Not due	702,498,284	457,079,912	-		702,498,284	457,079,912
0-30 days	164,894,320	425,265,666	-		164,894,320	425,265,666
31-60 days	53,282,927	27,528,335	-	1,932,047	53,282,927	25,596,288
61-90 days	40,200,927	5,980,167	-	5,980,167	40,200,927	-
91-180 days	29,735,515	9,093,811	21,438,415	9,093,811	8,297,100	-
181-360 days	55,114	7,993,333	55,114	7,993,333	-	-
More than 360	119,448,294	96,332,645	119,448,294	96,332,645	-	-
Total	**1,110,115,381**	**1,029,273,869**	**140,941,823**	**121,332,003**	**969,173,559**	**907,941,865**

28.4 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 and to meet any unforeseen obligations. 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.



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28. Financial instruments (contd.)

28.4 Liquidity risk (contd.)

a) The following are the liquidity profile of the financial liabilities at its carrying value :

31 March 2026 — **Liquidity profile**

	Carrying amount LKR	1-3 months LKR	3-6 Months LKR	6-12 months LKR	above 12 months LKR
Trade and other payables	201,770,903	197,493,409	27,618	-	-
Amount due to a related party	662,204,729	662,204,729	-	-	-
Lease liability	145,277,056	145,277,056	-	-	-
	1,009,252,688	1,004,975,194	27,618	-	-

31 March 2025 — **Liquidity profile**

	Carrying amount LKR	1-3 months LKR	3-6 Months LKR	6-12 months LKR	above 12 months LKR
Trade and other payables	202,913,319	202,913,319	-	-	-
Amount due to a related party	721,002,650	721,002,650	-	-	-
Lease liability	919,630	919,630	-	-	-
	924,835,599	924,835,599	-	-	-

28.5 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.

Changes in foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

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

a) 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 deposits held with floating interest rates.

If interest rates had been higher/lower by 100 basis points and all other variables were held constant, the profit before tax for the year ended 31 March 2026 would increase/decrease by Rs. 368,493/- (2024/25-Rs. 652,877/-)

This is attributable to the company's exposure to interest rates on variable rates of interest.

b) 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 company has exposure to foreign currency risk where it has cash flows in foreign currency transactions which are affected by foreign exchange movements.

The company is exposed to fluctuations in the value of the US Dollar (USD)2.3 Million against the Sri Lankan Rupee (LKR) 742.2 Million. The company's functional currency is LKR, in which most of the transactions are denominated, and all other currencies are considered foreign currencies for reporting purposes.

If foreign exchange rates had been higher/lower by 100 basis points and all other variables were held constant, the profit before tax for the year ended 31 March 2026 would decrease by Rs. 7.4 Mn. (2024/25-Rs. 7.4Mn)

REDINGTON SL (PRIVATE) LIMITED
DETAILED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

		31.03.2026	31.03.2025
		LKR	LKR
1.	**Other payables**		
	Value Added Tax payable	63,070,443	27,050,166
	WHT payable	14,993,529	4,892,984
	Ceylinco General Insurance Limited	205,985	7,631
	Radiant Logistics Colombo Pvt Ltd	949,274	-
	Benchmark Logistics International Pvt Ltd	295,756	-
	Speedlink Cargo Service Pvt Ltd	88,104	-
	United Logistics Colombo Pvt Ltd	263,291	-
	Advantis Express (Pvt) Ltd	14,278	-
	Pay As You Earn payable	1,136,516	968,011
	Stamp duty payable	2,400	650
	Social Security Contribution Levy payable	7,075,788	3,431,516
	Miscellaneous suppliers	-	738,641
		88,095,364	37,089,599
2.	**Accrued expenses**		
	Employees' Provident Fund payable	967,154	705,669
	Employees' Trust Fund payable	145,074	105,851
	Performance allowance payable	5,608,100	17,213,924
	Provision for Leave Salary	1,690,890	1,418,426
	Amerasekera & Co	153,846	230,770
	Equity One Limited	233,274	240,251
	M.S.M. Fahim	315,400	222,000
	Incentive payables to dealers	9,098,953	6,849,105
	JDC Printing	-	1,076,382
	Deloitte Associates	421,019	412,306
	Speed Mark Security Pvt Ltd	160,310	134,884
	Secretarial House (Pvt) Ltd	29,935	28,306
	Staff bonus payable	578,726	538,710
	Other accrued expenses	1,662,282	418,160
		21,064,963	29,594,744

Deloitte Associates
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REDINGTON SL (PRIVATE) LIMITED
DETAILED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

	2025/2026 LKR	2024/2025 LKR
3. Administrative expenses		
Salaries	11,438,432	12,838,410
Staff allowances (Admin)	14,311,721	24,840,305
Employees' Provident Fund	1,372,612	1,543,861
Employees' Trust Fund	343,153	385,966
Bonus (Admin)	181,252	166,286
Training	47,980	40,964
Travelling	1,652,283	363,235
Lease amortization (Admin)	14,747,456	8,836,027
Staff welfare	2,231,652	1,873,382
Depreciation and amortization	22,056,166	5,801,722
Audit fee	429,732	412,307
Broadband and VPN expenses	1,241,180	162,996
Consultancy fee	1,020,447	868,162
Conveyance reimbursement	24,000	61,334
Courier charges	85,731	68,102
Electricity	3,386,997	3,138,520
Entertainment	1,756,581	1,576,716
Foreign travel	2,099,644	766,071
Gratuity	2,195,414	2,124,701
Insurance	2,166,803	1,810,965
Janitorial expenses	-	444,000
Legal fee	3,516,886	1,349,170
Miscellaneous expenses	15,090	(50)
Mobile reimbursement	-	137,786
Office expenses	2,993,801	1,890,210
Postage and stamp duties	575,325	7,860
Printing and stationery	215,142	231,966
Rates and taxes	3,374,617	26,791
Repairs and maintenance	-	303,449
Subscription	2,793,347	2,832,274
Sponsorship	-	200,000
Telephone charges	1,398,094	1,331,697
Water	150,827	133,680
Vehicle Parking Charges	-	177,000
Annual Leave Encashment	155,064	289,764
	97,977,429	77,035,629

Deloitte Associates
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CHARTERED ACCOUNTANTS

REDINGTON SL (PRIVATE) LIMITED
DETAILED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

		2024/2025 LKR	2023/2024 LKR
4.	**Distribution expenses**		
	Salaries	40,252,787	30,572,395
	Staff allowances (S&D)	41,315,427	34,989,066
	Employees' Provident Fund	4,830,335	3,688,181
	Employees' Trust Fund	1,207,584	922,046
	Incentives to partners	893,345	704,451
	Bonus (S&D)	397,473	372,424
	Conveyance reimbursement	1,597,451	983,334
	Delivery expenses	2,070,940	1,381,530
	Food and lodging	870,198	1,045,151
	Local travel	-	1,144,198
	Foreign travel	-	1,813,805
	Mobile reimbursement	-	817,499
	Provision/(Reversal) of provision for expected credit losses	19,609,818	10,740,612
	Lease amortization	3,657,548	3,271,490
	WHT	-	2,303,888
	Sales promotion	13,020,972	981,287
	Social Security Contribution Levy	-	38,434,263
	Security charges	1,787,416	1,437,877
	Annual Leave Encashment	117,400	1,128,663
	Miscellaneous expenses	244,770	175,205
		131,873,464	136,907,365

		2024/2025 LKR	2023/2024 LKR
5.	**Other expenses**		
	Unrealised exchange loss	3,820,113	17,062,652
	Realised exchange loss	2,448,094	-
	Stock adjustment	-	1,556,722
		6,268,207	18,619,374

		2024/2025 LKR	2023/2024 LKR
6.	**Deposits, advances and prepayments**		
	Prepayments	2,781,804	2,281,752
	Refundable deposits	12,583,572	5,632,314
	Import LC DA Commission	405,165	-
	Director of customs	138,614	3,471,136
		15,909,155	11,385,202

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