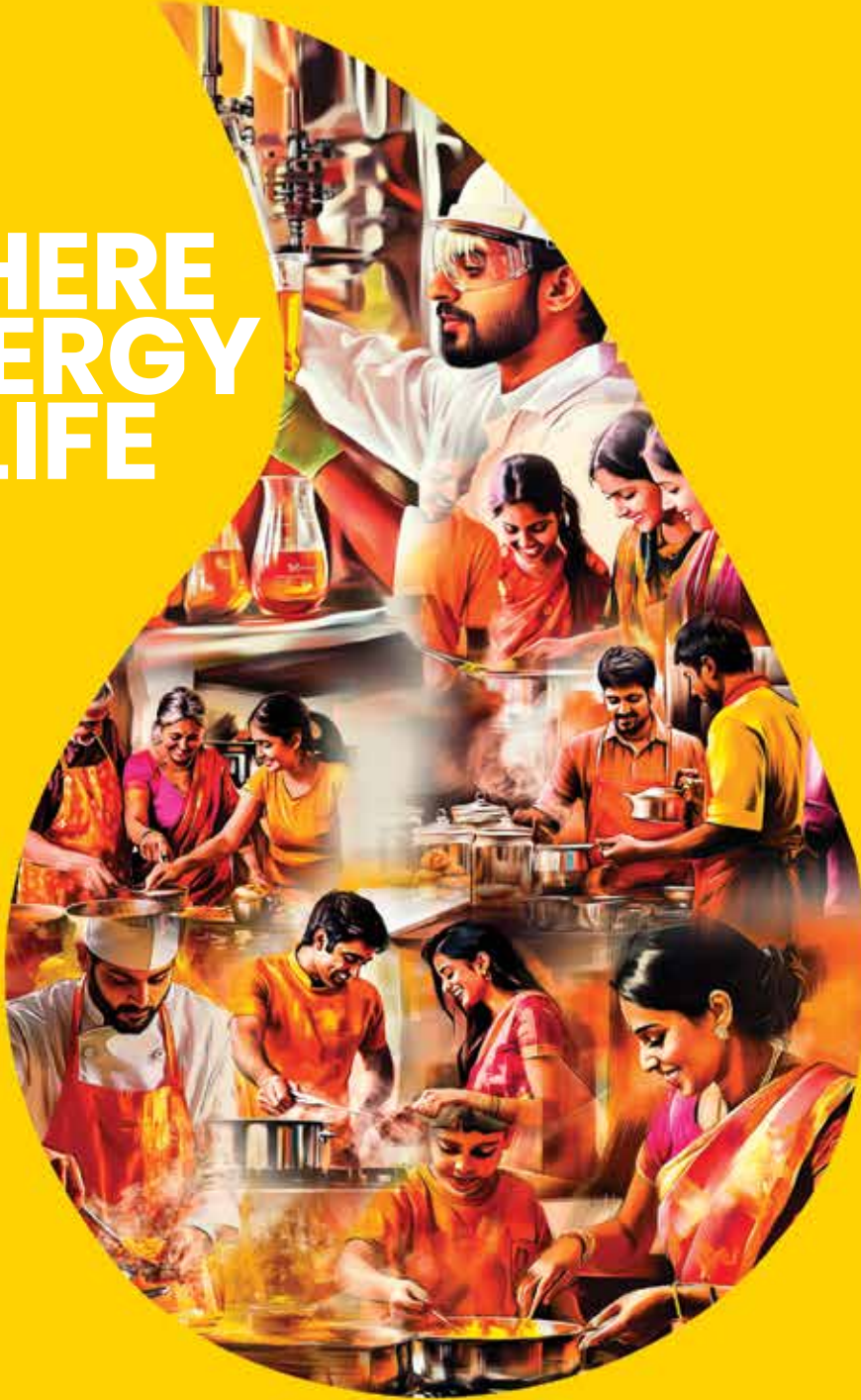


WHERE ENERGY IS LIFE



LAUGFS
GAS

WHERE ENERGY IS LIFE



Over the years, LAUGFS Gas has become an indispensable part of daily life - powering everything from the preparation of everyday meals, to empowering businesses, and supporting critical national services. Our commitment extends beyond households, playing a vital role in advancing communities and enabling greater efficiency, convenience, and opportunity.

This report reflects our ongoing dedication to delivering reliable, efficient, and sustainable energy solutions. It underscores our role not only in powering routine tasks, but also in driving innovation and progress across a wide range of sectors. Through detailed insights into our operations, milestones, and future ambitions, our performance this year reaffirms our unwavering focus on enriching the lives of Sri Lankans and contributing to national development.

**TODAY, WE OFFER MORE
THAN JUST ENERGY; WE
POWER THE MOMENTS
THAT MATTER MOST,
BECAUSE AT LAUGFS
GAS, WE ARE WHERE
ENERGY IS LIFE.**

CONTENTS

04 About the Report

ABOUT US

07 Our Vision, Mission and Values

08 Key Milestones

09 Board of Directors

KEY HIGHLIGHTS FOR 2024/25

13 Financial Highlights

14 Non-Financial highlights

15 Group Chairman's Message

18 Group Deputy Chairman's Statement

STRATEGIC ROADMAP

22 Value Creation Model

24 Stakeholder Engagement

27 Materiality Topics

30 Strategy and Resource Allocation

MANAGEMENT COMMENTARY

35 Operating Environment

38 Risk Report

CLUSTER REVIEWS

47 Energy

49 Transportation and Logistics

51 Trading

53 Property

CAPITAL MANAGEMENT REVIEW

56 Financial Capital

60 Manufactured Capital

66 Intellectual Capital

70 Human Capital

78 Social and Relationship Capital

86 Natural Capital

GOVERNANCE AND STEWARDSHIP

104 Corporate Governance Report

115 Statement of Compliance

Statutory Reports

124 Investment Committee Report

125 Management Committee Report

126 Remuneration Committee Report

127 Audit Committee Report

130 Report of the Related Party
Transaction Review Committee

132 Nominations and Governance
Committee Report

134 Annual Report of the
Board of Directors

138 Statement of Directors'
Responsibilities

FINANCIAL STATEMENTS

139 Financial Calendar

140 Independent Auditor's Report

144 Statement of Profit or Loss

145 Statement of
Comprehensive Income

146 Statement of Financial Position

148 Statement of Changes in Equity

150 Statement of Cash Flows

152 Notes to the Financial Statements

SUPPLEMENTARY INFORMATION

229 Five Year Summary

231 Real Estate Portfolio

232 Share Information

238 Value Added Statement

239 Our Reach

240 Notice of Meeting

241 Form of Proxy - Voting

243 Form of Proxy - Non-Voting

Corporate Information - Inner Back
Cover



Scan this QR Code with
your smart device to view
all previous Annual Reports
including the most recent
report for FY 2024/25.

ABOUT THE REPORT

GRI 2-1, 2-2, 2-3, 2-4, 2-5

This Integrated Annual Report presents a holistic view of the financial and non-financial performance of the LAUGFS Gas PLC Group, including financial results, strategic progress, operational resilience, and commitment to sustainable value creation.

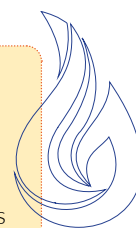


REPORT PROFILE

As the 12th Integrated Annual Report published by the Group, this report builds on the foundation laid by previous disclosures, including the most recent report for the financial year 2024/25. All past reports are accessible via the Group's official website for reference and download - <https://www.laugfsgas.lk/investment-related>

Key Improvements in FY 2024/25

Expanding on sustainability disclosures by reporting on GRI "In Accordance" and incorporating GRI 11 Oil and Gas Sector Standards, where possible in the Capital Reports



2019/20



2020/21



2021/22



2022/23



2023/24



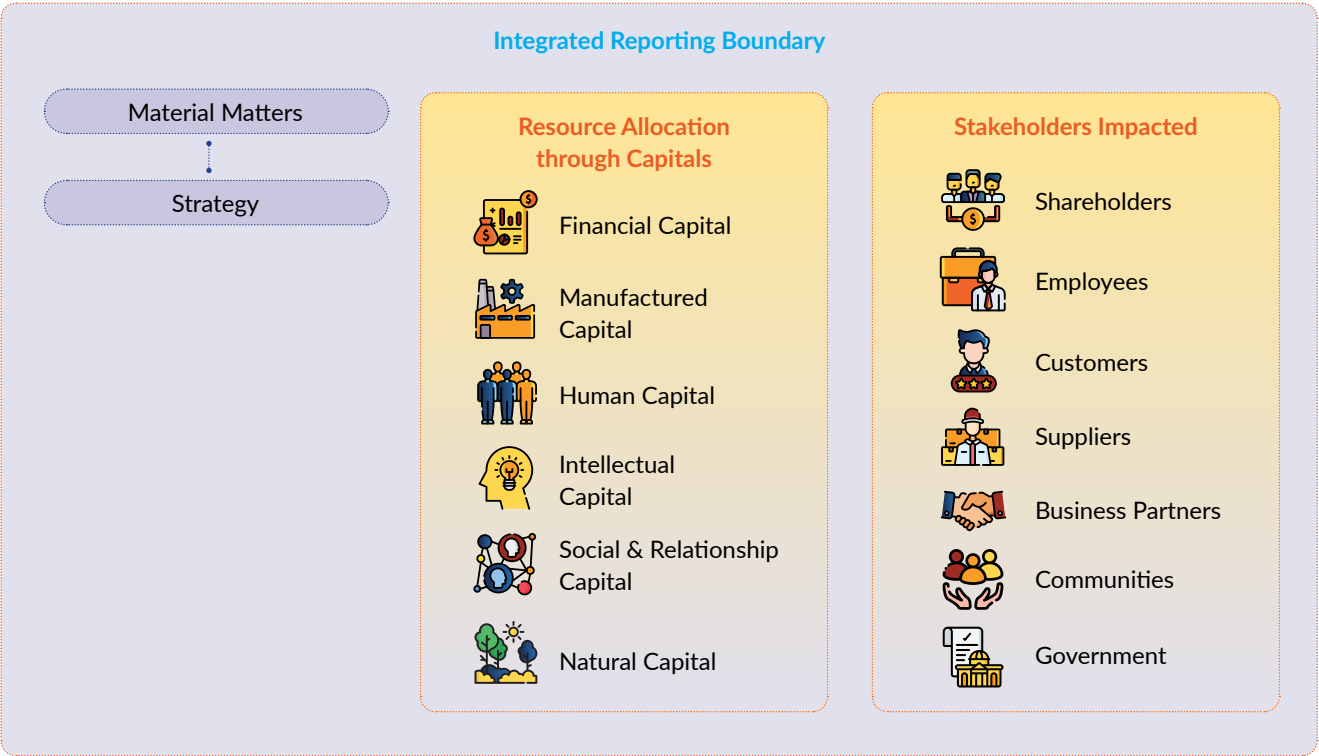
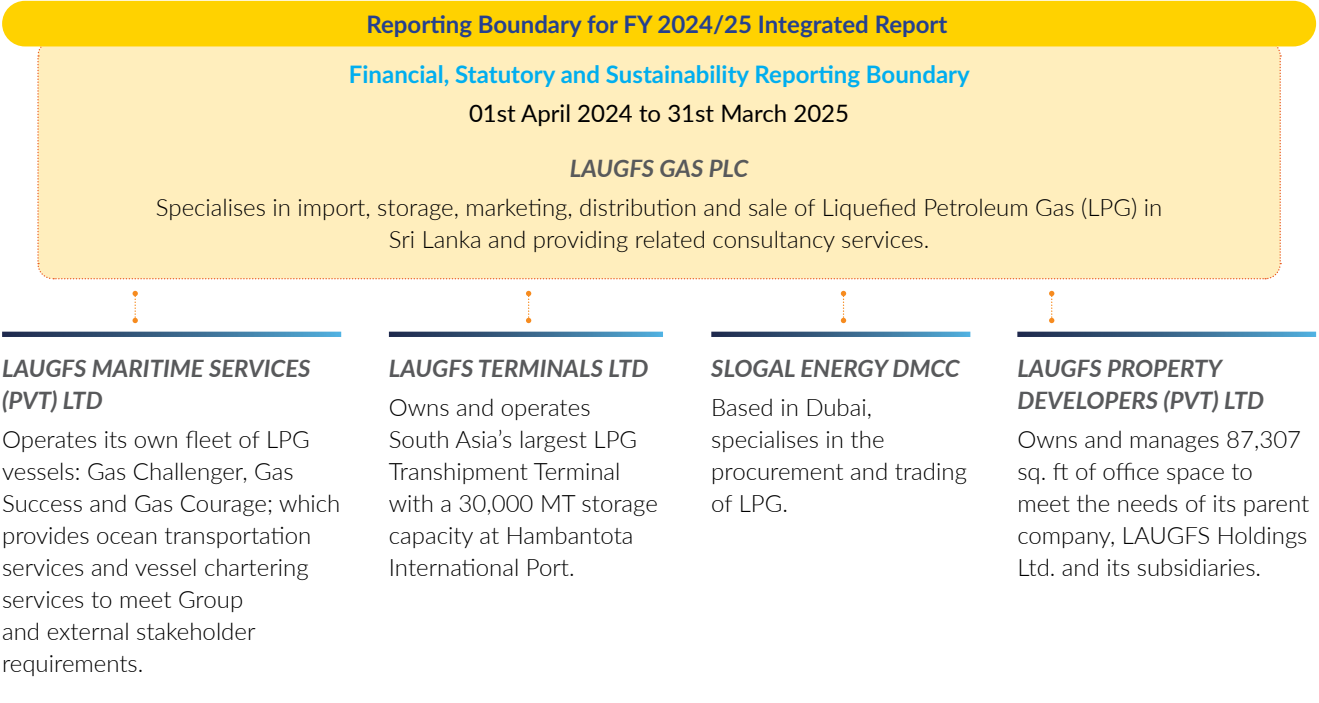
Won Gold Award for the Power and Energy Sector at TAGS AWARDS 2024

REPORTING FRAMEWORKS

Financial Reporting	Governance and Risk Reporting	Integrated Reporting V	Sustainability Reporting V
<p>Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka M</p> <p>The Companies Act No. 7 of 2007 M</p> <p>CSE Listing Rules M</p>	<p>The Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka V</p> <p>The new Corporate Governance rules issued by the CSE for listed entities M</p>	<p>Integrated Reporting Framework <IR> by the International Integrated Reporting Council V</p>	<p>Global Reporting Initiative (GRI) Standards "In Reference" V</p> <p>GRI 11 Oil and Gas Sector Standards 2021 V</p> <p>United Nations Sustainable Development Goals V</p>
<p>M - Mandatory Requirements V - Voluntary Adoption</p>			

SCOPE AND BOUNDARY

This current report covers the period from 01st April 2024 to 31st March 2025, which coincides with the Group's financial reporting period.



ABOUT THE REPORT

INTEGRATED REPORTING PROCESS

LAUGFS Gas PLC's integrated reporting process brings together both financial and non-financial information to deliver a cohesive and comprehensive perspective of the Group's strategy, performance and prospects. This process is underpinned by close collaboration across key internal functions, including finance, operations, HR, marketing, risk, governance and sustainability, ensuring a well-rounded evaluation of the Group's financial results and ESG performance.

The final report has been prepared in line with the guiding principles for integrated reporting with the content elements arranged to demonstrate the Group's commitment to stakeholder value creation over the short, medium and long term.

ASSURANCE

The LAUGFS Gas Group adopts a combined assurance model to validate the integrity and credibility of its Integrated Annual Report. Internally, assurance is provided by cross-functional teams responsible for reviewing both financial and non-financial data, reinforcing the Group's commitment to accuracy, reliability, and timely disclosure.

To further ensure transparency, completeness, and stakeholder confidence, the Group has engaged the services of Ernst & Young to conduct limited assurance on selected Economic, Environmental, Social, and Governance (EESG) indicators presented in this report. This report is on page 101.

In line with statutory requirements, the financial statements for the year ended 31st March 2025 have been independently audited by the Group's external auditors Ernst & Young, whose audit opinion is presented on pages 140 to 143 of this report.



FORWARD-LOOKING STATEMENTS

This Integrated Annual Report contains forward-looking statements relating to LAUGFS Gas PLC's future outlook, performance expectations, and strategic direction. These statements are based on current assumptions, estimates, and information available at the time of reporting.

However, given the dynamic and highly regulated nature of the energy sector in which the Group operates, actual results may differ materially due to various risks, uncertainties, and external factors beyond management's control. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements.

Disclaimer: LAUGFS Gas PLC assumes no obligation to update or revise any forward-looking statements to reflect new information, future events, or changes in circumstances, unless required by law.

There are no restatements of information contained in prior annual reports published by the Group.

BOARD RESPONSIBILITY STATEMENT

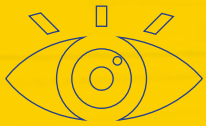
The Board of Directors of LAUGFS Gas PLC assumes full responsibility for the integrity of this Integrated Annual Report for FY 2024/25 and confirms that the report provides a balanced and transparent reflection of both financial and non-financial performance, in alignment with the Group's strategic priorities and commitment to sustainable value creation.

FEEDBACK

Recognising the importance of stakeholder insights in enhancing the quality of future annual reports, the Board welcomes feedback on its integrated report and requests that all such feedback should be directed to:

Chief Legal Officer
LAUGFS Gas PLC
101, Maya Avenue
Colombo 06.
Contact No. +94 011 556 6287

OUR VISION, MISSION AND VALUES



Vision

To be the most preferred and trusted Sri Lankan multinational that touches the day-to-day lives of people in Sri Lanka and beyond, through a diverse Group of Companies.



Values



Integrity and Accountability



Innovation and Creativity



Synergy and Teamwork



Resilient Leadership



Customer Centricity



Agility to Change



Mission

Be the leader in the market segments we operate in.

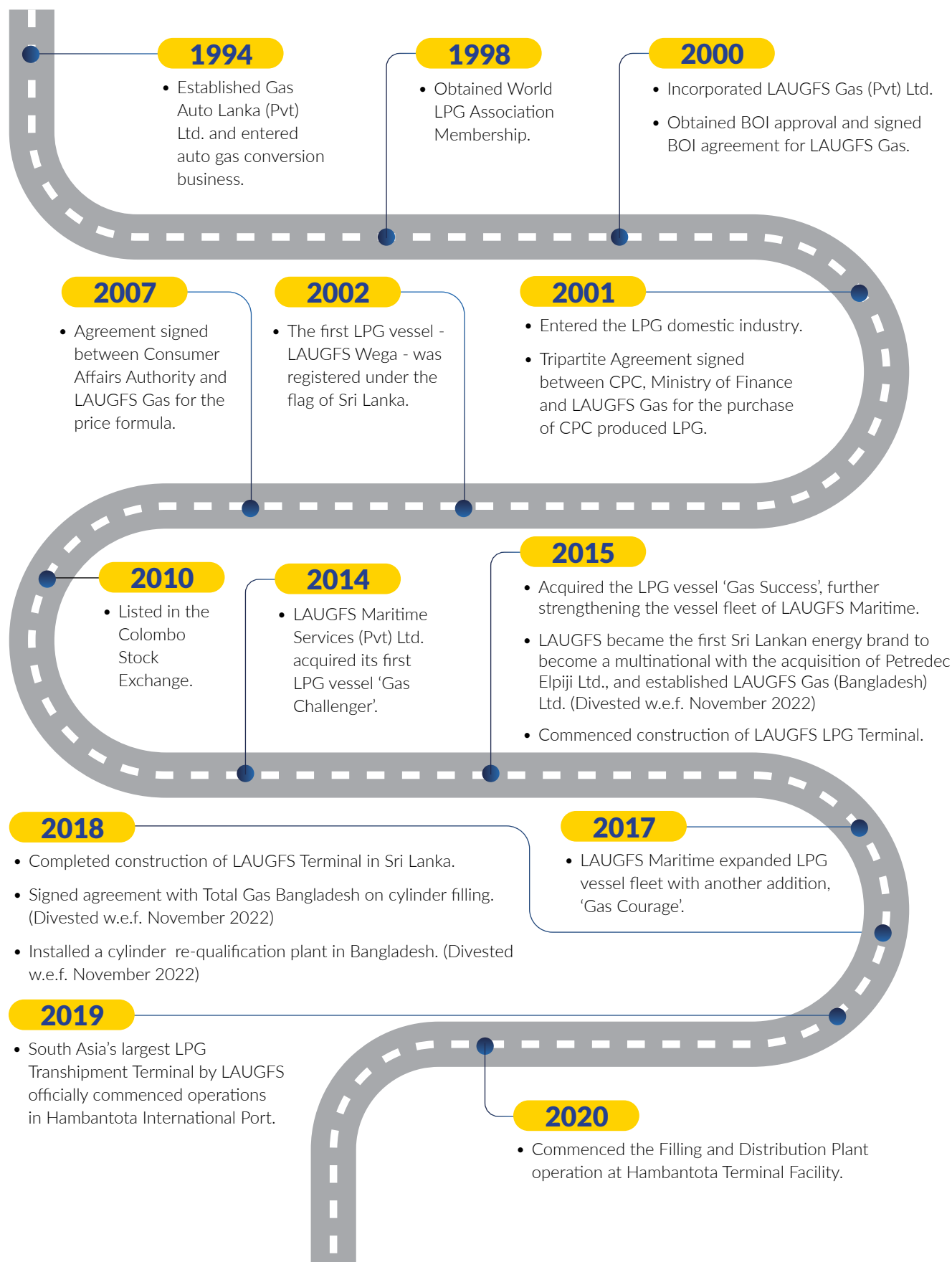
Introduce latest innovations, technology and solutions to add value to the consumer.

Promote a 'safety' culture, encompassing People, Products and Processes.

Ensure fair returns to all our stakeholders.

Lead by example as an exemplary Sri Lankan entity.

KEY MILESTONES



BOARD OF DIRECTORS



**DESHABANDU W. K. H.
WEGAPITIYA, PhD**

Non-Executive Group Chairman



MR. U. K. THILAK DE SILVA

Non-Executive Group Deputy Chairman



DR. R. P. EDIRISINGHE

*Group Managing Director/
Group Chief Executive Officer*



PROF. S. P. P. AMARATUNGE

Independent, Non-Executive Director



MR. R. SELVASKANDAN

Independent, Non-Executive Director



MR. P. M. B. FERNANDO

Independent, Non-Executive Director



MR. K. R. GOONESINGHE

Independent, Non-Executive Director

BOARD OF DIRECTORS

DESHABANDU W. K. H. WEGAPITIYA, PhD

Non-Executive Group Chairman

Mr. W.K.H. Wegapitiya is the founder Chairman of LAUGFS Holdings Limited, the parent company of LAUGFS Gas PLC, one of the most highly-diversified business groups in Sri Lanka, having a wide spectrum of business presence in the areas of LPG distribution, petroleum, lubricants, power generation, property development, shipping, heavy engineering, automobile services, leisure and restaurants, consumer retailing, manufacture of industrial solid tyres and salt. He currently functions as Group Chairman. He is also the Non-Executive Chairman of LAUGFS Gas PLC.

He holds a degree (B.Sc) in Business Administration from the University of Sri Jayewardenepura, and obtained his MBA from the Post Graduate Institute of Management (PIM). He also holds a PhD from the Post Graduate Institute of Management of University of Sri Jayewardenepura.

In 1995, he was instrumental in creating Gas Auto Lanka (Private) Limited, the initial enterprise of the now diversified LAUGFS Holdings Limited. His visionary leadership, remarkable entrepreneurship and extraordinary personal strength to withstand and overcome all adversities thrown in his way, enabled him to succeed in all his endeavours to create the "LAUGFS" business conglomerate, in a relatively short period of time. He is a well-known figure in the local entrepreneurial community in Sri Lanka as he has led a truly successful story. He has been recognised as the best entrepreneur in the country many times over. He is a frequent speaker, presenter and a panellist on topics such as "Business Excellence", "Leadership" and "Entrepreneurship" organised by a variety of organisations locally and overseas. He is also a well-known personality in the global LP gas and energy circles and a regular participant and speaker at international forums on

LP gas and energy management. He is the Chairman of all subsidiary entities of LAUGFS Holdings Limited.

He served as a Council member of the University of Sri Jayewardenepura. He was a past Chairman of Chamber of Young Lankan Entrepreneurs (COYLE), Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) and was an executive committee member of the Ceylon Chamber of Commerce.

Mr. Wegapitiya has attended four meetings of the Board of Directors of LAUGFS Gas PLC held during the financial year 2024/2025. He also attended at board sub-committee meetings held during the financial year under review, whenever invited to be present.

MR. U. K. THILAK DE SILVA

*Non-Executive
Group Deputy Chairman*

Mr. Thilak De Silva presently serves as the Group Deputy Chairman of this highly diversified business conglomerate. The Group is engaged in the widest landscape in business in the country, consisting of LP Gas downstream operations, petroleum fuel distribution, blending, storage distribution and sale of lubricants, maritime services including ownership and management of gas carriers, heavy engineering, vehicle emission testing, property development, leisure and hospitality with ownership and management of star class hotels, consumer retail chains, the manufacture and export of solid tyres, pharmaceuticals and IV solutions, and the generation of hydro, solar and other types of renewable energy.

Mr. Thilak De Silva hails from a widely known, well-respected family with business interests from southern Sri Lanka having had its lucrative operations in the south and in the central highlands.

He had his primary and secondary education in the country and moved to the United Kingdom for his

undergraduate studies in the sphere of Engineering Technology in the first instance, followed by a study in Operations Management. Having qualified from prestigious institutions in the United Kingdom in both disciplines, he returned to Sri Lanka to take up the mantle of the family business as its Executive Director.

In the year 1995, however he was compelled to leave the business in the able hands of the rest of the family to join his erstwhile colleague to commence the groundbreaking initiative of "LAUGFS" to convert the vehicles driven by traditional fuels into LPG driven ones. This initiative proved to be the turning point that laid the foundation for the creation of a massive business conglomerate, and the rest is history.

He was instrumental in the phenomenal growth of "LAUGFS", a household brand in Sri Lanka with over 50,000 customers across the country looking to its products and services on a daily basis for their varying needs. Mr. De Silva's untiring efforts, business acumen and industry knowledge amply supplemented by his undisputed and amazing charisma has driven the business operations to greater heights and made an indelible imprint on the glorious story of growth and development of the Group.

Mr. De Silva has been a member, mover and participant in a number of entrepreneurship and management development programmes conducted across the country and overseas. He was a recipient of a scholarship from the Association for Overseas Technical (AOTS) programme in Japan in the year 2003. He is a regular participant in many LP gas business forums conducted in various parts of the world over the years and is widely connected to industry personalities in the energy sector.

Mr. De Silva has attended all five meetings of the Board of Directors of LAUGFS Gas PLC held during the financial year 2024/2025. He also

attended at board sub-committee meetings held during the financial year under review, whenever invited to be present.

DR. R. P. EDIRISINGHE

Group Managing Director/Group Chief Executive Officer

Dr. Ravi Edirisinghe is the Group Managing Director/Group Chief Executive Officer of LAUGFS Holdings Limited, one of Sri Lanka's most diversified conglomerates. With over 30 years of dynamic leadership experience, Dr. Edirisinghe brings with him an exceptional track record in steering business transformations, strategic expansions, and operational excellence across both local and international platforms.

His career journey encompasses top-tier leadership roles in leading organisations in Sri Lanka including, diversified conglomerates, export-oriented organisations and subsidiaries of Fortune 500 companies. His experience spans to large-scale manufacturing, shipping and logistics, trading & distribution, freight forwarding and international operations. He has served in key leadership positions at Impressions Limited, Avery Dennison (A subsidiary of a Fortune 500 Group), Linea Intimo (An MAS Holdings Company), Freight Links International, Sunshine Tea Limited (A subsidiary of Sunshine Holdings Ltd), GAC Group Sri Lanka, and he was the Chief Commercial Officer at McLaren's Group. These roles have paved his reputation as a strategic visionary and turnaround specialist in highly competitive industries.

With 17 years of leadership experience in manufacturing and 13 years of leadership experience in shipping and logistics, Dr. Edirisinghe has consistently demonstrated his ability to align business strategies with market realities, driving growth, innovation, and profitability. His insights and leadership have not only shaped

corporate outcomes but have also contributed to national development, having served as a consultant to the Ministry of Highways and the Ministry of Science & Technology in Sri Lanka.

Dr. Edirisinghe holds an impressive array of academic and professional qualifications. He is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) – UK, a Member of the Association of Chartered Certified Accountants (ACCA) – UK, and a Member of The Chartered Global Management Accountants (CGMA) – USA. Additionally, he is a Chartered Member of the Chartered Institute of Logistics and Transportation (CILT) – UK. Academically, he has earned a Master of Business Administration (MBA), a Master of Science (MSc) in Supply Chain and Logistics and a PhD in Financial Economics.

Further enhancing his global perspective, he has undergone specialised executive education in Lean Manufacturing and modern business practices at the University of Kentucky (USA), INSEAD (France), and the National University of Singapore. In recognition of his outstanding contributions to the business community, he was honoured with the Achievers Award in 2004 by the University of Sri Jayewardenepura.

PROF. S.P. P. AMARATUNGE

Independent, Non-Executive Director

Professor S.P. P. Amaratunge, a visionary builder of organisations, astute university administrator, academic par-excellence, renowned business consultant and humanist. He served as the Chairman of the University Grants Commission and the Vice Chancellor, University of Sri Jayewardenepura, and was also appointed as the Chairman of the Committee of Vice Chancellors and Directors Sri Lanka (CVCD) in 2019. His substantial position is as the professor of Business Economics at the University of Sri Jayewardenepura.

Professor Amaratunge, holds a BA (Hons.) in Economics from the University of Sri Jayewardenepura, a MA in Economics from the University of Colombo, a MSc. In Economics of Rural Development from Saga National University and Ph.D. from Kogoshima National University in Japan, counts over 27 years' service at the University of Sri Jayewardenepura. An authority in Rural Economic Development, Professor Amaratunge has won several awards including the prestigious Research Excellence Award (2002) of the Kyushu Society of Rural Economics, Japan. He has over 75 refereed publications to his credit, both locally and internationally.

Having provided yeoman service as Dean, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura (2008-2014) in completing several important infrastructure development projects and setting up of specialty facility units for undergraduate and postgraduate level education, Professor Amaratunge continued his organisation building endeavours under his stewardship as Vice Chancellor (2014-2017) of the University. Thus, he spearheaded the setting up of two new Faculties of Study, namely Engineering and Technology, to the existing cluster of five (Faculties of Arts and Humanities, Management Studies and Commerce, Applied Sciences, Medicine and Graduate Studies). He served with distinction as Chairman, Federation of University Teachers Associations (FUTA) of Sri Lanka (2009 - 2012), a period studded with noteworthy achievements such as establishing sister unions, a research grant scheme for academics and a facility scheme for entry at grade one for their children. Professor Amaratunge had the honour of being the youngest appointed member of the University Grants Commission (2010), and held key positions in several State commissions of importance. In addition, not confining his services to the academia, he sits on the Boards of Management

BOARD OF DIRECTORS

of several prominent corporates as an Independent Director.

Professor Amaratunge sits on a number of other Board of Directors of several corporates as an Independent Director, namely Raigam Wayamba Saltern PLC, Citizens Development Business Finance PLC, Prime Lands Residencies PLC, LAUGFS Power PLC, Southern Salt Company (Pvt) Limited and Raigam Wayamba Cereal (Pvt) Limited.

Professor S.P.P. Amaratunge is the Chairman of Nominations and Governance Committee and also is a member of Audit Committee, Remuneration Committee and Related Party Transaction Review Committee.

Please refer page number 113 for the attendance of Board meetings and sub committees.

MR. R. SELVASKANDAN

Independent, Non-Executive Director

Mr. Rajaratnam Selvaskandan is an Independent, Non-Executive Director at LAUGFS Gas PLC, a position he has held for several years. With more than four decades of experience in legal practice and management, Mr. Selvaskandan is a highly accomplished Attorney-at-Law (SL) and admitted as a Solicitor of England & Wales, Canberra and Hong Kong. He is an expert in corporate and commercial transactions, mergers and acquisitions, banking and financing matters, investment structuring and project development.

Mr. Selvaskandan is a Senior Partner at Varners, a leading law firm in Sri Lanka, where he has served since 2004. He was admitted to the Supreme Court of Sri Lanka as an Attorney-at-Law in 1982 and has since built an impressive career in private practice and public service. He was a State Counsel at the Attorney General's Department in Sri Lanka before serving as a Partner in a renowned law firm in Hong Kong for more than two decades.

In addition to his role at LAUGFS Gas PLC, Mr. Selvaskandan is also Director of CT Land Development PLC and serves on the Board of several other prominent companies, including Abans PLC and Abans Electricals PLC.

As an Independent Non-Executive Director at LAUGFS Gas PLC, Mr. Selvaskandan brings a wealth of legal knowledge and business acumen to the Board. He is committed to ensuring that the Company operates with integrity and transparency and that it meets the highest standards of corporate governance.

Mr. R. Selvaskandan is the Chairman of Remuneration Committee, and a member of Audit Committee, Related Party Transaction Review Committee and Nominations and Governance Committee.

Please refer page number 113 for the attendance of Board meetings and sub committees.

MR. P. M. B. FERNANDO

Independent, Non-Executive Director

Mr. P M B Fernando started his professional career at KPMG Ford Rhodes Thornton & Company and was a partner of the firm. He has extensive experience as Head of Finance, holding positions of Senior Vice President – Finance of Vanik and Forbes Ceylon Group, Group Finance Director of Confifi Group, and Director Finance – Asian Region of Virtusa (an Information Technology Company based in Boston USA).

Mr. Fernando is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants of the UK. He holds a Bachelor of Science (Applied Science) Degree from the University of Sri Jayewardenepura.

Mr. Fernando was the Managing Director of Capital Reach Holdings Ltd, Director/Chief Executive Officer of Softlogic Finance PLC, Director/Chief Executive Officer of LAUGFS Capital Ltd, and Chief Executive Officer of Orient Finance PLC.

He was an Independent, Non-Executive Director and the Chairman of the Audit Committee of DFCC Bank PLC from 2013 to 2022. Currently, he is an Independent, Non-Executive Director of LAUGFS Power PLC, LAUGFS Leisure Ltd., LAUGFS Eco Sri Limited, K-Seeds Investments (Pvt) Ltd., Renuka Hotels PLC, DSI Samsons Group (Pvt) Ltd., PGP Glass Ceylon PLC, Hatton Plantations PLC, Lotus Hydropower PLC and Reach Asia Leisure Limited.

Mr. P.M.B. Fernando is the Chairman of Audit Committee and Related Party Transaction Review Committee.

Please refer page number 113 for the attendance of Board meetings and sub committees.

MR. K. R. GOONESINGHE

Independent, Non-Executive Director

Mr. K. R. Goonesinghe is an Attorney-at-Law possessing over 36 years of experience in the Bar, and is a previous Vice President of the Bar Association of Sri Lanka. He is specialised in the areas of Criminal, Civil, Commercial and Arbitration Law.

He presently also serves on the Board of LAUGFS Power PLC as an Independent Non-Executive Director.

Mr. K. R. Goonesinghe is the member of Audit Committee, Related Party Transaction Review Committee and Nominations and Governance Committee.

Please refer page number 113 for the attendance of Board meetings and sub committees.

FINANCIAL HIGHLIGHTS

Year ended 31 March	Group			Company		
	2025 Rs. '000	2024 Rs. '000	Change	2025 Rs. '000	2024 Rs. '000	Change
Summary of Operations						
Revenue	44,187,406	31,199,517	42%	23,720,381	22,475,780	6%
Gross Profit	2,723,053	4,505,814	-40%	2,298,317	4,078,850	-44%
Profit from Operations	701,041	3,216,386	-78%	923,308	3,153,180	-71%
Other Operating Income	135,735	110,092	23%	129,713	106,775	21%
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	2,617,604	5,096,158	-64%	1,946,407	4,118,967	-53%
Finance Cost	(2,412,357)	(4,005,583)	-40%	(1,345,024)	(2,533,107)	-47%
Profit/(Loss) Before Tax	(1,639,557)	(777,129)	111%	(366,873)	622,363	-159%
Income Tax Expense	(883,979)	(181,629)	387%	(646,832)	(158,728)	308%
Profit/(Loss) for the Year	(2,523,536)	(958,759)	163%	(1,013,706)	463,634	319%
Total Comprehensive Income/(Loss) for the Year Net of Tax	(771,519)	(911,689)	-15%	788,361	(571,212)	-238%
Summary of Financial Position						
Property, Plant and Equipment	32,812,502	31,427,641	4%	14,134,618	12,087,961	17%
Right of Use Assets	1,053,575	1,155,723	-9%	20,398	24,211	-16%
Investment Properties	4,048,907	3,905,607	4%	1,405,000	1,294,000	9%
Investments in Subsidiaries	-	-	-	24,703,753	24,804,529	0%
Other Non-Current Financial Assets	24,787	18,838	32%	24,787	18,838	32%
Current Assets	11,797,537	8,389,591	41%	4,286,096	2,572,215	67%
Total Assets	49,746,624	44,907,458	11%	44,574,684	40,801,808	9%
Non Current Liabilities	17,721,949	18,523,857	-4%	10,273,952	9,388,053	9%
Current Liabilities	29,252,857	22,840,264	28%	13,534,260	11,435,644	18%
Total Liabilities	46,974,806	41,364,122	14%	23,808,212	20,823,697	14%
Shareholders' Interest						
Stated Capital	1,000,000	1,000,000	0%	1,000,000	1,000,000	0%
Fair Value Reserve of Financial Assets at FVTOCI	(15,526)	(21,475)	28%	15,978,907	15,814,985	1%
Revaluation Reserve	6,175,066	4,955,079	25%	5,455,734	4,210,225	30%
Foreign Currency Translation Reserve	392,681	526,581	-25%	-	-	-
Accumulated Losses	(5,403,984)	(3,524,141)	-53%	(1,668,169)	(1,047,099)	-59%
Equity attributable to Equity Holders of the Parent	2,148,236	2,936,044	-27%	20,766,472	19,978,111	4%
Return on Equity (%)	-118%	-33%	-37%	-5%	2%	-310%
Net Assets Value per Share (Rs.)	5.55	7.59	-27%	53.66	51.62	4%
Leverage						
Interest Cover (Times)	0.32	0.81	60%	0.73	1.25	42%
Financial Ratio						
Gross Profit Margin	6%	14%	57%	10%	18%	47%
EBITDA Margin	6%	16%	74%	8%	18%	55%
Net Profit Margin	-6%	-3%	-86%	-4%	2%	-307%
Earnings/(Loss) per Share (Rs.)	(6.56)	(2.52)	0%	(2.62)	1.20	319%
Dividend Payout (%)	-	-	-	-	-	-
Assets Turnover (Times)	0.89	0.69	28%	0.53	0.55	-3%
Equity to Assets (Times)	0.06	0.08	-10%	0.47	0.49	-8%
Current Ratio (Times)	0.40	0.37	10%	0.32	0.22	41%
Quick Ratio (Times)	0.23	0.26	23%	0.23	0.17	58%

NON-FINANCIAL HIGHLIGHTS



Human Capital

Key Indicators	Unit	2024/25	2023/24
Number of employees	Nos.	209	200
Female participation	Nos.	17	20
New recruits	Nos.	51	62
Number of training hours	Nos.	2,805	4,070



Manufactured Capital

Value of PPE	Rs.	32,812,501,581	31,427,640,624
Capital expenditure	Rs.	982,206,364	300,719,144
Storage capacity	MT	33,150	33,150
Depreciation and amortisation	Rs.	1,844,804,605	1,867,703,758



Intellectual Capital

- Lloyd's Registry Certification
- ISO 45001:2018 Occupational Health and Safety Management Systems Certification from Sri Lanka Standards Institute
- ISO 9001:2015 Quality Management Systems Certification from Sri Lanka Standards Institute



Social & Relationship Capital

Channel partners	Nos.	7,000+	7,000+
Distributors	Nos.	30	30
% of products complying with safety standards	%	100	100
CSR	Rs.	13,067,744	9,702,241



Natural Capital

Raw materials consumed	MT	171,583	58,411
Energy consumption	MJ	20,300,993	258,108,774
Water consumption	M ³	14,929	11,522

GROUP CHAIRMAN'S MESSAGE

As Sri Lanka continues its journey of economic recovery, the LAUGFS Gas Group is committed to being a reliable partner in the Country's progress. At the heart of our strategy lies the commitment to transparent governance practices, adherence to evolving regulatory standards, and the consistent delivery of reliable, safe, and customer-centric energy solutions.

Deshabandu W.K.H. Wegapitiya, PhD
Group Chairman



GROUP CHAIRMAN'S MESSAGE

GRI 2-22

Dear Shareholders,

It is my pleasure to present to you the LAUGFS Gas PLC Group Annual Report and Financial Statements for the year ending 31st March 2025. In many ways, FY 2024/25 was a year marked by cautious optimism for the LAUGFS Gas Group, one where we embraced emerging macroeconomic stability through strategic recalibration and disciplined execution of our strategic imperatives.

I am indeed very pleased to note that our focus on brand consolidation and operational resilience in the domestic space alongside repositioning our regional footprint, have collectively translated into a strong topline performance, with LAUGFS Gas Group revenue growing by a robust 42% year-on-year to LKR 44.2 Bn, up from LKR 31.2 Bn recorded in the previous financial year.

ECONOMIC LANDSCAPE

The economic environment in 2024 continued to reflect emerging signs of macroeconomic stabilisation following a prolonged period of crisis and uncertainty. After two consecutive years of contraction, Sri Lanka recorded positive GDP growth of approximately 5%, signalling the first meaningful rebound in national output since the economic downturn of 2022. This growth was driven primarily by a resurgence in industrial and export activity and the gradual recovery of the tourism sector.

Inflationary pressures, which had previously eroded real incomes and operational viability, began to ease significantly, aided by tighter monetary policy and improving supply conditions. Interest rates, which had peaked to historic highs in the immediate aftermath of the crisis, started to decline in 2024, thereby reducing the cost of capital and supporting credit

growth. The foreign exchange market also showed signs of relative stability, with the Sri Lankan Rupee holding firm within a narrow band to help restore predictability in pricing, input costs, and international trade.

Further contributing to this stabilisation was the continuation of the Government's reform agenda under the Extended Fund Facility (EFF) program with the International Monetary Fund (IMF). Reforms focused on fiscal consolidation, restructuring of state-owned enterprise, and trade and tax policy enhancements were seen as key enablers for a more disciplined fiscal framework. Another major milestone for the year was the successful conclusion of Sri Lanka's external debt restructuring negotiations, which improved sovereign risk perception and helped to boost the Country's credit outlook.

ENERGY SECTOR DYNAMICS

Within this broader context, demand for Liquefied Petroleum Gas (LPG) began to recover, driven primarily by domestic consumption and the early signs of industrial resurgence. However, disruptions in global and local supply chains, coupled with inflation-driven cost increases, placed significant pressure on margins and required continuous adjustments to pricing strategies. At the same time, the Government's liberalisation of the petroleum and LPG markets introduced a more competitive landscape, compelling energy providers like LAUGFS Gas to prioritise operational agility and reliability to reinforce customer trust. The growing emphasis on sustainability further enhanced LPG's relevance as a transitional energy source, positioning it as a vital component in Sri Lanka's evolving energy mix.

STRATEGIC RESPONSE

Keen to capitalise on Sri Lanka's economic recovery, our actions this past year were defined by cautious optimism underscored by the need to balance short-term resilience with long-term impact.

With tighter working capital cycles and rising utility and input costs exerting pressure on the balance sheet, stabilisation became a strategic imperative, prompting focused efforts towards prudent liquidity management, rigorous cost optimisation, and the establishment of reliable supply chains that could withstand both domestic and regional volatility.

Moreover, with the stability in global LPG prices, improved port operations, and the resurgence of tourism and industrial activity in key markets creating space for us to strengthen our competitive position in the domestic LPG sphere. To that end, substantial resources were allocated during the year towards investments in upgrading core infrastructure and further supported by the expansion in our distribution footprint to enhance customer access across rural and underserved markets. As always, our goal remains to ensure uninterrupted service delivery to our customers, preserve market confidence and secure our brand's position in a more competitive operating context.

Simultaneously, we pivoted towards digital adoption to elevate delivery speed, enhance traceability, and maximise terminal throughput, ultimately improving efficiency and lowering cost to serve. I am pleased to note that digital technology is also helping to lower carbon intensity across operations.

At the same time, we explored regional opportunities to diversify revenue streams to mitigate exposure to localised risks stemming from macroeconomic fluctuations and regulatory changes in Sri Lanka. Leveraging our LPG shipping and terminal infrastructure, we expanded our presence in regional markets such as the Maldives and Bangladesh, both geographies where our expertise provides distinct advantages.

LOOKING AHEAD

Looking to the future, the outlook for Sri Lanka's short to medium-term economic trajectory is cautiously optimistic. Progress under the IMF reform programme, implementation of the debt restructuring agenda, and the stabilisation of inflation are expected to create a more enabling environment for business. Sectors such as tourism, logistics, and manufacturing are poised for growth, which in turn is expected to drive higher domestic energy demand.

As Sri Lanka continues its journey of economic recovery, the LAUGFS Gas Group is committed to being a reliable partner in the Country's progress. At the heart of our strategy lies the commitment to transparent governance practices, adherence to evolving regulatory standards, and the consistent delivery of reliable, safe, and customer-centric energy solutions.

While we are uniquely positioned to support national energy security through our import terminal operations and fleet of LPG vessels, which allow us to ensure uninterrupted and cost-effective product availability, we plan to optimise terminal infrastructure to improve distribution efficiency. Furthermore, we expect to accelerate our regional operations to ease pressure on domestic operations.

However, the path ahead is not without risk. External shocks, global market fluctuations, and the need for consistent policy execution will continue to test business resilience. Against this backdrop, LAUGFS Gas remains firmly focused on building a resilient, agile, and regionally competitive energy business that contributes meaningfully to Sri Lanka's energy security over the long term.

APPRECIATIONS

Before I conclude, I wish to extend my sincere appreciation to my colleagues on the Board for their diligence, valuable insights, and steadfast counsel throughout the year. The Board joins me in expressing deep gratitude to the corporate management team for their outstanding leadership, and to all members of our staff for their commitment and dedication in driving forward the Group's vision.

We are equally grateful to our loyal customers, suppliers, business partners, and all other stakeholders for their continued confidence in us. A special word of thanks goes to our valued shareholders for their enduring trust and support.

The LAUGFS Gas Group looks to the future with determination, confident in its ability to realise the vision of becoming a resilient, agile, and regionally competitive energy leader. As we move forward, I urge all our stakeholders to continue working with us to turn this vision into a shared reality.



Deshabandu W.K.H. Wegapitiya, PhD
Group Chairman

21st July 2025

GROUP DEPUTY CHAIRMAN'S MESSAGE



Despite a persistently challenging macroeconomic environment, the LAUGFS Gas Group demonstrated resilience and strategic agility to deliver a healthy financial performance in FY 2024/25. Consolidated revenue grew by an impressive 42% year-on-year, reaching LKR 44,187 Mn, compared to LKR 31,200 Mn in the previous financial year.

U.K. Thilak De Silva
Group Deputy Chairman

Dear Shareholders,

Summing up FY 2024/25, I would say it was a period that was both challenging and rewarding for the LAUGFS Gas Group. The year was shaped by a cautiously optimistic yet complex operating landscape as Sri Lanka's macroeconomic recovery gathered pace under the IMF-led reform programme, with gradual improvements seen in key economic indicators such as inflation, interest rates, and foreign exchange reserves, collectively setting the stage for a more stable operating environment in comparison to previous years. Nonetheless, headwinds in the form of fiscal consolidation and uneven consumer demand, alongside regulatory and policy uncertainty continued to pose challenges for sectors reliant on consumer and industrial activity.

With the external context presenting a mix of risks and opportunities, the LAUGFS Gas Group effectively navigated this dynamic environment by leveraging the Group's stability and reputation to reinforce operational agility and resilience. Faced with significant cost pressures we prioritised cost management and deliberately strengthened working capital discipline to ensure business continuity.

On the other hand, encouraged by improving domestic demand for LPG, we redoubled efforts to consolidate our local market leadership. Likewise seeing the growing regional focus on energy security and energy transition fuelling a keen interest in private-sector investment in infrastructure, we pivoted quickly to seize opportunities to advance our regional expansion strategy.

PERFORMANCE OF CLUSTERS

Despite a complex external environment, the LAUGFS Gas Group demonstrated resilience and agility across all operating segments. With cost discipline, strategic recalibration, and tactical responsiveness embedded

into day-to-day operations, each cluster contributed meaningfully to strengthening the Group's long-term value creation and regional footprint.

Energy

In the Energy segment, we remained steadfast in our commitment to delivering reliable, safe, and accessible LPG solutions, empowering households and businesses alike. With the Country's post-crisis recovery gaining traction, we quickly capitalised on improving consumer sentiment and the increasing adoption of LPG for household and industrial use. Notably however, the imposition of VAT on LPG, which directly affected the affordability of domestic gas for consumers across all income segments. The high retail price, inclusive of VAT, severely curtailed consumer spending, particularly in the middle-and lower-income brackets that continued to struggle under the pressure of rising costs of living. Against this backdrop, the segment made a conscious decision to refrain from price adjustments, focusing instead on improving reliability and ensuring widespread access to LPG across Sri Lanka. In this regard, strategic initiatives such as the "One Hour Delivery" service and the expansion of our dealer network were instrumental in deepening market access and improving service efficiency. To complement these efforts, we infused LKR 965 Mn worth of new cylinders to strengthen our inventory levels.

Transportation and Logistics – Maritime Services

Amidst regional oversupply and sustained freight rate pressures, the Maritime segment undertook a strategic shift to pursue revenue diversification with special emphasis on exploring niche areas such as petrochemical cargo handling, reefer container services, and project logistics. The segment actively pursued strategic partnerships to support entry into high-growth markets in Southeast Asia and Africa. Leveraging

key differentiators, such as full vessel ownership, the ability to access smaller ports unsuitable for Very Large Gas Carriers (VLGCs), and a proven track record of operating within regulatory-sensitive LPG markets like Sri Lanka, the Maldives, and Bangladesh, the Maritime segment launched a focused campaign aimed at capitalising on emerging opportunities across the maritime value chain.

In readiness to support this regional expansion drive, a series of targeted operational initiatives were implemented to enhance efficiency and cost control, including disciplined voyage planning, strategic fleet utilisation, and optimisation of crew management practices. Maintenance protocols were further strengthened to extend vessel lifespans and minimise unplanned downtime, while procurement processes were also streamlined to absorb rising operational costs without compromising on service quality or competitiveness.

Transportation and Logistics – Terminals

In the year under review, Terminal operations made good headway in its regional growth strategy by establishing stronger trade linkages with key markets beyond Sri Lanka. In parallel, a suite of value-added services, including gas blending and cylinder filling, was introduced to enhance LAUGFS Terminals' positioning as a comprehensive and competitive service provider within the regional energy logistics landscape. At the same time, the focus on operational efficiency was further intensified to optimise loading operations and strengthen safety protocols at our Hambantota terminal as part of a broad based strategy to enhance its position as a reliable LPG hub in the Indian sub continent.

Trading

The Trading segment represented by SLOGAL Energy DMCC delivered significant year-on-year growth, benefitting from increased regional

GROUP DEPUTY CHAIRMAN'S MESSAGE

demand and deeper penetration into neighbouring markets, thereby playing a key role in generating foreign exchange inflows for the Group and positioning LAUGFS as a credible regional trading partner.

Property

The Property segment continued to serve as a stable and reliable income generator during the year backed by the timely renewal of several key tenancy agreements. At the same time, the segment focused on ensuring sustained competitiveness and long-term client satisfaction by elevating service standards and preserving the quality of facilities to deliver an exceptional tenant experience.

FINANCIAL RESULTS

Despite a persistently challenging macroeconomic environment, the LAUGFS Gas Group demonstrated resilience and strategic agility to deliver a healthy financial performance in FY 2024/25. Consolidated revenue grew by an impressive 42% year-on-year, reaching LKR 44,187 Mn, compared to LKR 31,200 Mn in the previous financial year. While the Energy segment retained its position as the Group's largest revenue contributor, accounting for approximately 54% of total consolidated revenue, the Trading segment was the clear standout performer for the current year. The Trading segment experienced exponential growth, with revenue from external customers surging more than threefold from LKR 6,234 Mn in FY 2023/24 to LKR 19,989 Mn, fuelled by increased demand in high-growth regional markets such as Bangladesh and the Maldives.

The Transportation and Logistics segment, meanwhile, remained under pressure due to subdued global shipping demand and regional oversupply, which weighed on performance throughout the year.

While revenue growth was significant, Group Gross Profit declined by 40%

year-on-year, largely due to a sharp rise in cost of sales. This erosion in gross margins filtered through to the Group's operating profitability, with Operating Profit contracting to LKR 701 Mn during the year. The decline in Operating Profit was also influenced by increased selling, distribution, and administrative expenses, which rose in tandem with revenue expansion to support growing operational scale.

The exchange gain recorded for the year was also lower, as the appreciation of the Sri Lankan Rupee against the US Dollar compressed margins in the Trading segment.

On a positive note, the Group achieved a 40% year-on-year reduction in finance costs, supported by proactive engagement with financial institutions to capitalise on the low interest rate environment to negotiate interest rebates on existing facilities, which significantly improved the Group's cost of funds. As a result, gearing remained at a manageable level, reflective of careful debt structuring and repayment discipline.

Throughout the year, the Group maintained a stable liquidity and capital position underpinned by rigorous cash flow monitoring practices and well planned investment in essential infrastructure, underscoring the commitment to financial resilience and operational continuity.

FUTURE OUTLOOK

As Sri Lanka embarks on a path of recovery over the coming months and years, the journey ahead will demand a firm political resolve demonstrated through a solid commitment to policy continuity, and institutional reform. Against this backdrop, sectors such as tourism, manufacturing, and logistics, all key end-users of LPG, are expected to gain momentum, presenting significant opportunities for LAUGFS Gas to accelerate growth and deepen its contribution to national progress.

In response, our strategy for the short to medium term is clear, where our

focus will be on strengthening energy reliability by enhancing our import and distribution capabilities to ensure uninterrupted access to LPG across Sri Lanka, particularly in underserved regions. We will also look to deepen the penetration into regional markets to help diversify revenue and generate much-needed foreign exchange inflows that support national economic resilience.

Moreover, we will continue to work with conviction to invest in infrastructure modernisation across terminals and logistics platforms to drive operational efficiency, reduce cost per unit, and enhance service delivery to reinforce our role as a reliable and efficient energy logistics partner in the region.

As we look ahead, our intention remains unchanged - to build an agile, efficient, and future-ready organisation that delivers sustainable value for all stakeholders.

ACKNOWLEDGEMENTS

I wish to thank the Chairman and Board of Directors for their exceptional stewardship and strategic foresight with which they continue to guide the Group. I also take this opportunity to extend my heartfelt appreciation to the senior leadership team and every employee of LAUGFS Gas Group across the Country for their commitment to the Group's values and vision.

Last but not least, I would like to extend my heartfelt gratitude to our shareholders, customers, strategic partners and other stakeholders for their unwavering support. Your continued commitment to our shared goals inspires us to strive for greater heights in the years ahead.



U.K. Thilak De Silva
Group Deputy Chairman

21st July 2025

Where Energy Nurtures Growth



Just as a mother's nurturing hands prepare a nourishing meal, LAUGFS Gas fuels the daily routines that support families, businesses, and entire communities.

Our strategy is centered on sustainable growth, innovation, and community empowerment. By embracing responsible practices and strengthening operational efficiency, we are focused on driving long-term progress - creating enduring value for our customers and contributing meaningfully to national development.



STRATEGIC REPORT



VALUE CREATION MODEL

GRI 2-6

INPUTS



Financial Capital

Total Assets

Rs. 49,747 Mn

Total Liabilities

Rs. 46,975 Mn

Shareholders' Funds

Rs. 2,772 Mn



Manufactured Capital

Value of property, plant and equipment

Rs. 32,813 Mn

Storage capacity

33,150 MT



Human Capital

Total number of employees

209

Total hours allocated for Training and Development

OVER 2,800 Hrs



Intellectual Capital

Channel Partners

Distributors **30**

Dealers **7,000+**



Social & Relationship Capital

Brand equity certifications and standards

Health and Safety



Natural Capital

Energy consumed -

50,493,038 MJ

Water consumed -

14,929 M³

Material consumed -

171,583,257 MT

OUR BUSINESS MODEL

By creating a viable and profitable business model that has the ability to drive value creation through specialisation, efficiency, and a focus on quality we hope to produce value over the short, medium, and long terms for both our internal and external stakeholders. We make ongoing investments in creating our own supply chain which are crucial to attaining our objectives.

KEY BUSINESS ACTIVITIES



Energy

Distribution and marketing of LPG in Sri Lanka

Transportation and Logistics

Own and charter LPG vessels

Own and operate LPG storage terminals



Trading

Procuring and trading of LPG



Property

Manage rentable space of 87,307 sq. ft.

SUPPORT ACTIVITIES

STRONG INFRASTRUCTURE

RESOURCE MANAGEMENT

Talent management, corporate planning to optimise resource allocations

TECHNOLOGY DEVELOPMENT

Integrated IT systems

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

OUTPUTS & IMPACTS

ECONOMIC



ENERGY

Revenue -
Rs. 23,720 Mn
Loss -
Rs. 1,014 Mn



TRADING

Revenue -
Rs. 38,177 Mn
Profit -
Rs. 77 Mn



TRANSPORTATION AND LOGISTICS

Revenue -
Rs. 2,610 Mn
Loss -
Rs. 1,652 Mn



PROPERTY

Revenue -
Rs. 118 Mn
Profits -
Rs. 64 Mn

SOCIAL



SHAREHOLDERS

Operating profit
Rs. 701 Mn
Loss -
Rs. 2,524 Mn



CONSUMERS

Convenient access
Affordable and clean
energy solutions
Value-added
services



BUSINESS PARTNERS

Payments to
suppliers of
Rs. 40,563 Mn



EMPLOYEES

Salaries and other
benefits -
Rs. 1,358 Mn
Employee
promotions - **10**
Total hours of
training - Over
2,800



COMMUNITY ENGAGEMENT

Donations -
Rs. 13 Mn

ENVIRONMENTAL



CARBON FOOTPRINT (MT) MTCO2E

Direct (Scope 1) **1,868,714**
Indirect (Scope 2) **322,901**
Other Indirect (Scope 3)
146,926



WATER DISCHARGE

5,148 M3



EFFLUENTS AND WASTE

Non-hazardous waste -
3,365 Kg
No hazardous waste disposed

STAKEHOLDER ENGAGEMENT

GRI 2-29

LAUGFS Gas recognises that meaningful and ongoing stakeholder engagement is essential to building a resilient, responsible, and future-focused business.

Stakeholder engagement is therefore viewed as a continuous process that enables the Group to better understand expectations, identify emerging risks and opportunities,





and co-create solutions that are both innovative and inclusive. Insights gained through this process directly inform decision-making, enhance operational performance, and strengthen the Group's licence to operate.

Through consistent and transparent dialogue, the company aims to enhance institutional knowledge, improve strategic alignment with stakeholder interests, strengthen social and relationship capital, safeguard brand reputation, and reinforce its status as a trusted energy provider. Effective engagement also plays a crucial role in supporting the LAUGFS Gas Group's transition towards cleaner, more sustainable energy solutions.

To ensure the best possible outcomes from its engagement efforts, LAUGFS Gas has implemented a comprehensive Stakeholder Management Process which is aligned with international best practices. This structured framework enables the Group to map and prioritise stakeholders based on their level of influence and interest, define tailored engagement strategies, systematically monitor feedback, and integrate stakeholder insights into business planning and operations.

The approach to stakeholder engagement is periodically reviewed to ensure its continued relevance in a dynamic and evolving energy landscape.



	Customers		Dealers		Distributors	Strength of Relationship			
<h3>Engagement Mechanisms and Frequency of Engagement</h3> <table><tr><td><ul style="list-style-type: none">• Workshops AN• Awareness programmes AN• On-site inspections AN• Distributor evaluations M• Distributor meetings W• Dealer evaluations M• Dealer conventions A</td><td><ul style="list-style-type: none">• Surveys AN• Meetings AN• Conferences AN• Website O• Social Media O• Mass Media promotional campaigns AN</td></tr></table>							<ul style="list-style-type: none">• Workshops AN• Awareness programmes AN• On-site inspections AN• Distributor evaluations M• Distributor meetings W• Dealer evaluations M• Dealer conventions A	<ul style="list-style-type: none">• Surveys AN• Meetings AN• Conferences AN• Website O• Social Media O• Mass Media promotional campaigns AN	<h3>Key Concerns Raised</h3> <ul style="list-style-type: none">• Customer satisfaction• Awareness• Affordability• Product quality• Accessibility• Product availability• Commissions• Health and safety
<ul style="list-style-type: none">• Workshops AN• Awareness programmes AN• On-site inspections AN• Distributor evaluations M• Distributor meetings W• Dealer evaluations M• Dealer conventions A	<ul style="list-style-type: none">• Surveys AN• Meetings AN• Conferences AN• Website O• Social Media O• Mass Media promotional campaigns AN								

Material Matters

- Reliability of Service
- Customer Loyalty
- Distribution Channels
- Performance-driven Culture

LAUGFS Group Value Creation Commitments

- Assurance of high quality, safe, reliable products
- Best-in-class customer experience, including 24-7, 365 day island-wide availability
- Opportunities for sustained growth for distributors
- 1345 - Dedicated customer service hotline



Shareholders

Strength of Relationship ★★★★★

Engagement Mechanisms and Frequency of Engagement

- Annual General Meeting **A**
- Investor forums and discussions **AN**
- Annual Report **A**
- Quarterly financial results **Q**
- CSE Announcements **AN**
- Press releases **AN**
- Corporate Website **O**
- Social Media **O**

Key Concerns Raised

- Progress of projects
- Earnings growth
- Business continuity
- Corporate governance and risk management practices

Material Matters

- Consistent Performance
- Economic
- Good Governance and Compliance

LAUGFS Gas Group Value Creation Commitments

- 42% year on year revenue growth
- LKR (1,640) Mn NPBT
- LKR (2,524) Mn NPAT
- (118%) - ROE



Employees

Strength of Relationship ★★★★★

Engagement Mechanisms and Frequency of Engagement

- Performance appraisals **A**
- Open door policy **O**
- Training sessions **O**
- HR meetings **M**
- Welfare events **O**
- Employee Engagement activities **O**

Key Concerns Raised

- Attractive & Competitive remuneration and benefits
- Opportunities for training and skill development
- Performance appraisals
- Career progression
- Grievance handling
- Workplace safety

Material Matters

- Performance-driven Culture
- Employee Safety and Wellbeing

LAUGFS Gas Group Value Creation Commitments

- 51 new recruits
- 10 Employees promoted (9 - Male & 1 - Female)
- 2.9% increase in injuries

AN - As Needed **O** - Ongoing **A** - Annual **Q** - Quarterly **M** - Monthly **W** - Weekly

STAKEHOLDER ENGAGEMENT



Government/Regulators

Strength of Relationship ★★★★★

Engagement Mechanisms and Frequency of Engagement

- Written communications **AN**
- Face to face interactions **AN**
- Annual returns **A**
- Round table sessions **AN**

Material Matters

- Consistent Performance
- Economic
- Good Governance and Compliance
- Reliability of Service
- Environmental Responsibility

Key Concerns Raised

- Compliance with all applicable regulatory requirements, including adherence to mandatory pricing requirements
- Participation in government initiated projects
- Health and safety
- Timely payment of regulatory dues and taxes
- Contribution to economic growth
- Environmental initiatives

LAUGFS Group Value Creation Commitments

- LKR 884 Mn incurred as taxes
- ZERO incidents of non-compliance with regulations
- Reduction in environmental pollution
- Preservation of marine ecosystems



Suppliers

Strength of Relationship ★★★★★

Engagement Mechanisms and Frequency of Engagement

- Meetings **AN**
- One-on-one discussions **AN**
- Supplier Screening and On-Boarding **AN**
- Emails **AN**

Material Matters

- Supply Chain Dynamics

- Corporate Website **O**
- Social Media **O**

LAUGFS Group Value Creation Commitments

- Opportunities for sustained growth for suppliers

Key Concerns Raised

- Prices
- Credit periods
- Terms of contract
- Meeting quality standards
- Delivery time
- Transparency



Communities

Strength of Relationship ★★★★★

Engagement Mechanisms and Frequency of Engagement

- Awareness programmes **AN**
- Corporate Website **O**
- Social Media **O**

Material Matters

- Community Wellbeing

Key Concerns Raised

- Employment opportunities
- Community development
- Awareness of product features
- Promotions

LAUGFS Group Value Creation Commitments

- Rs. 13 Mn spent on CSR activities

AN - As Needed **O** - Ongoing **A** - Annual **Q** - Quarterly **M** - Monthly **W** - Weekly

MATERIALITY TOPICS

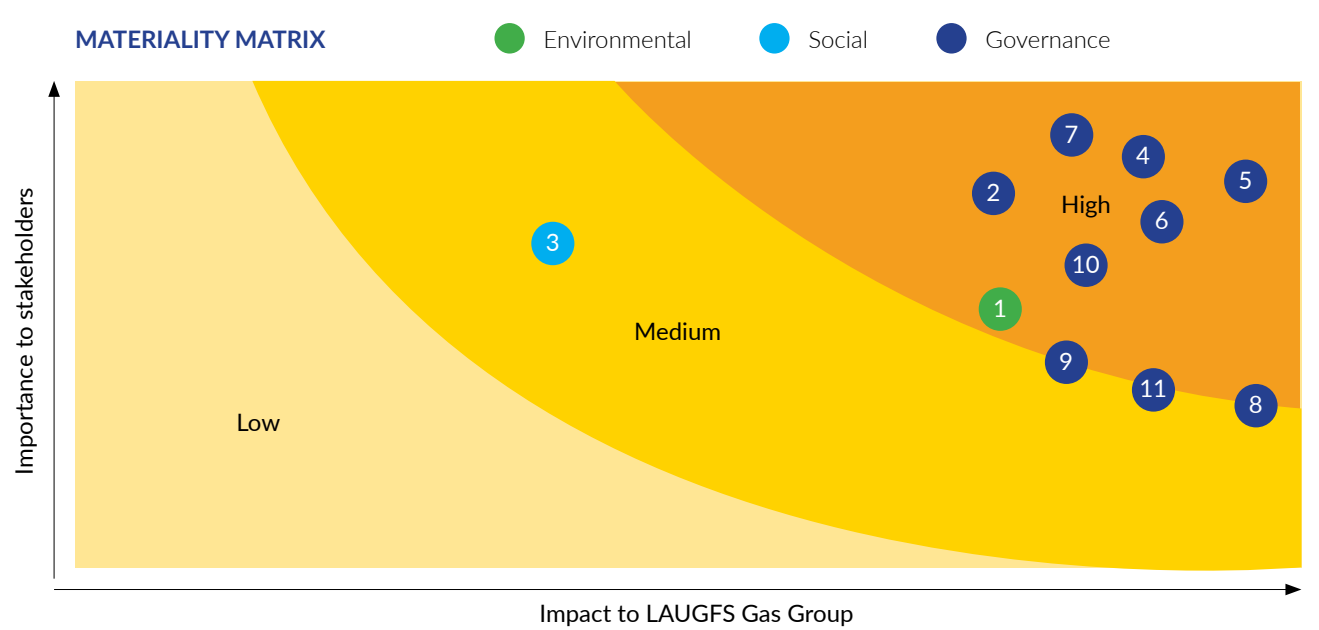
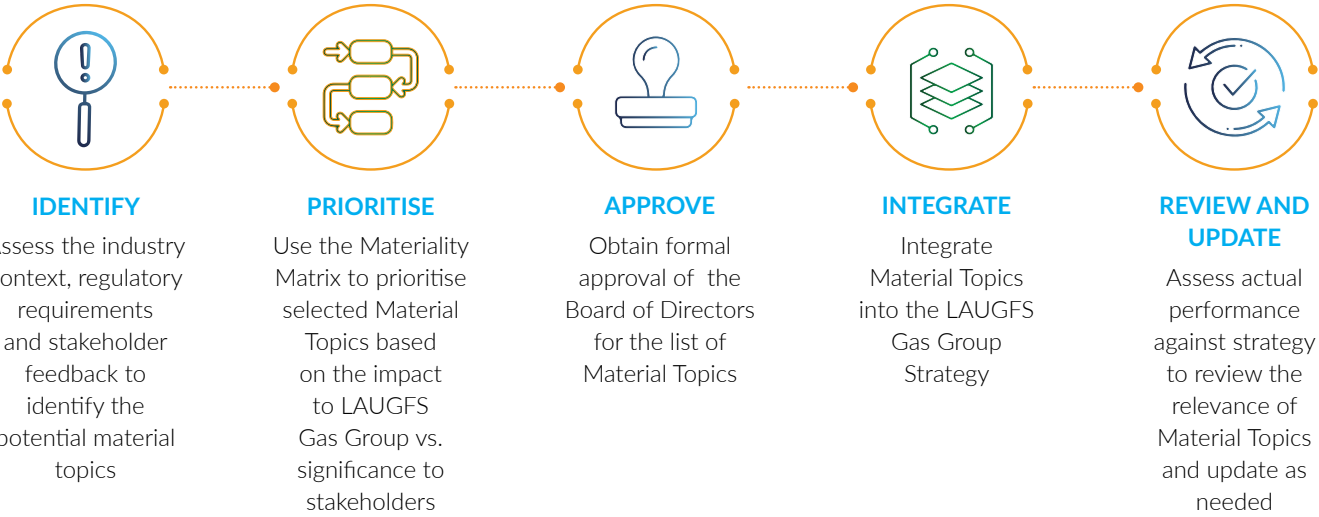
GRI 3 - 1, 3 - 2

The LAUGFS Gas Group defines Material Topics as those that substantially impact the Group’s ability to create value in the short, medium, and long term, while significantly influencing key stakeholder decisions.

LAUGFS Gas employs a comprehensive process to identify material matters arising from internal drivers, stakeholder dialogue, and broader contextual factors such as economic, environmental, social, and regulatory developments.

Material Topics identified in this way are then prioritised using a Materiality Matrix, which maps the impact to the Group against their relevance to stakeholders thereby providing a greater clarity regarding the most significant ESG-related themes that are likely to influence the Group’s performance and prospects.

Prioritised Material Topics are presented to the Group’s leadership for validation and for determining the approaches to be followed to integrate these topics into the Group’s overall strategy, risk management framework, and reporting practices. This process not only strengthens ESG accountability but also enables transparent dissemination of key material matters to both internal and external stakeholders, enhancing alignment, trust, and long-term value creation.



MATERIALITY TOPICS

	Material Topic	GRI Relevance	Topic Boundary	Impact to the LAUGFS Gas Group	Importance to Stakeholders	Stakeholders Impacted	
1	Environmental Responsibility	GRI 301, GRI 302, GRI 303, GRI 305, GRI 306	Internal & External	High	High	Shareholders, Employees, Customers/Distributors, Suppliers, Government, Community	
2	Employee Safety and Wellbeing	GRI 202, GRI 401, GRI 402, GRI 403, GRI 405, GRI 406, GRI 407, GRI 408, GRI 409	Internal	High	High	Employees	
3	Community Wellbeing	GRI 413	External	Medium	High	Community, Government	
4	Consistent Performance	GRI 201, GRI 207	Internal/ External	High	High	Shareholders, Employees, Government	
5	Competitive Position	N/A	Internal/ External	High	High	Shareholders	
6	Good Governance and Compliance	GRI 205	Internal/ External	High	High	Shareholders, Government, Employees, Customers	
7	Reliability of Service	N/A	Internal/ External	High	High	Customers, Distributors, Employees	
8	Customer Loyalty	GRI 416, GRI 417, GRI 418	Internal/ External	High	Medium	Customers, Shareholders	
9	Supply Chain Dynamics	GRI 308, GRI 414, GRI 204	Internal/ External	High	Medium	Suppliers, Distributors	
10	Distribution Channels	N/A	Internal/ External	High	Medium	Distributors, Customers, Employees	
11	Performance-driven Culture	GRI 404	Internal/ External	High	Medium	Employees, Shareholders	

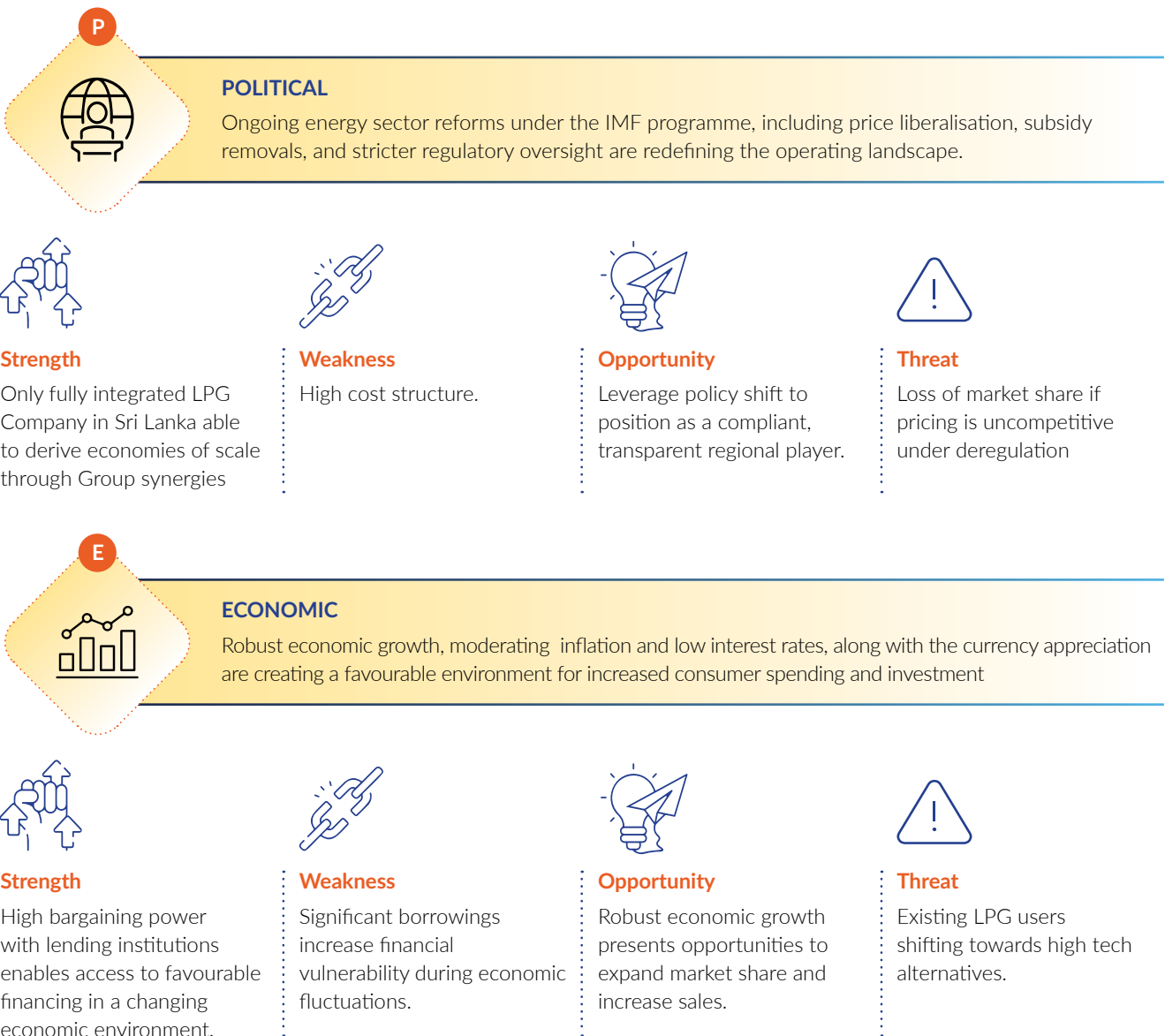
Link to Strategy					Resource Allocation Through Capitals
Profitable Growth	Financial Stability	Operational Efficiency	Sustainable Growth	Right Approach	
			✓	✓	
✓		✓	✓	✓	
			✓	✓	
✓	✓	✓			
✓	✓	✓	✓	✓	
				✓	
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✓			✓		
✓		✓		✓	

STRATEGY AND RESOURCE ALLOCATION

The LAUGFS Gas Group operates within Sri Lanka’s highly regulated and inherently volatile LPG sector, where market dynamics are heavily influenced by global price fluctuations, policy shifts, and local economic conditions.

In response, the Group has established five strategic pillars to guide its strategic overall direction.

This is supported by continuous and ongoing strategic reorientation that prioritises flexibility, proactive risk mitigation, and clear competitive differentiation. To that end, regular PESTE (Political, Economic, Social, Technological, and Environmental) analysis are conducted and systematically mapped against the Group’s internal SWOT framework to ensure that strategic decisions are both contextually relevant and aligned with LAUGFS’ core strengths and long-term objectives



S



SOCIAL

Shifting demand away from conventional LPG and towards low-cost alternatives.



Strength

Strong island-wide retail footprint enables last-mile delivery and flexible offerings.



Weakness

Pricing structure based on world market contract pricing and exchange rates.



Opportunity

Target large untapped retail segments.



Threat

Losing lower-income customers to informal or alternative energy sources.

T



TECHNOLOGICAL

Clean energy advancements and digital innovation are accelerating resulting in the development of emerging technologies such as solar cooking, electric stoves, and smart energy systems



Strength

Engaging in research and development to provide LPG solutions which are technologically advanced.



Weakness

Operational rigidity may delay tech adoption.



Opportunity

Use digital platforms to build brand loyalty and improve refill conversion rates.



Threat

Clean energy solutions gaining traction among environmentally conscious consumers

E



ENVIRONMENTAL

Climate-related disruptions such as floods, droughts and extreme weather events are becoming more frequent and can impact storage facilities, transport infrastructure, and supply chains



Strength

Position as a resilient, disaster-ready energy provider.



Weakness

Higher maintenance and safety cost due to weather impact.



Opportunity

Rising ESG (Environmental, Social and Governance) expectations from stakeholders.



Threat

Increased frequency of disruptions that threaten continuity of operations

STRATEGY AND RESOURCE ALLOCATION

PILLAR 1: Profitable Growth

Emphasises the importance of expanding its market presence and revenue streams in a sustainable manner.

Material Topics

Consistent Performance | Competitive Position

Associated Risks

Business & Country Risk | Social Risk

Progress for 2024/25

Tactical Initiatives

LKR **965** Mn
invested on new cylinders

LKR **82** Mn
invested in branding



Future Targets

- Improve market share with special focus on commercial sector
- Explore South East Asia regional markets where emerging economies prevailed
- Conduct regular marketing surveys targeting key customers

PILLAR 2: Financial Stability

Focus on prudent financial management, effective cost control, and maintaining a healthy balance sheet.

Material Topics

Consistent Performance

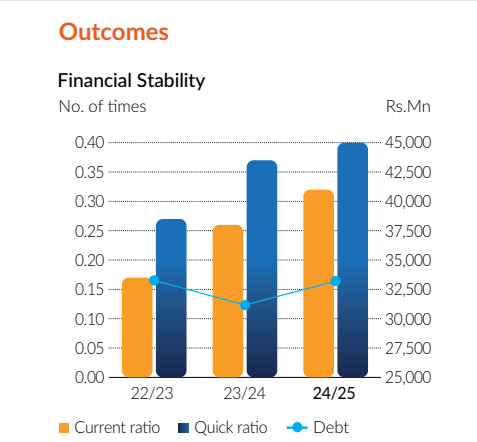
Associated Risks

Credit Risk | Liquidity Risk | Interest Rate Risk

Progress for 2024/25

Tactical Initiatives

- Special attention was given to loan restructuring with key banking partners
- Stringent controls were imposed in regulating the long term liabilities



Future Targets

- Improve debt to equity ratio and reducing debt burden.
- Strengthening Group's liquidity position.
- Current and quick ratio to be improved.

PILLAR 3: Operational Efficiency

Optimising the Group's processes and systems to enhance productivity and reduce costs.

Material Topics

Reliability of Service | Supply Chain Dynamics |
Distribution Channels | Performance-driven Culture

Associated Risks

Operational Risk | Human Resource Risk |
Information Risk

Progress for 2024/25

Tactical Initiatives

LKR **493** Mn

invested in maintenance and
upkeep of PPE

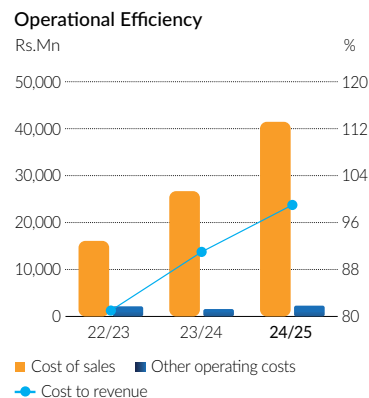
LKR **1** Mn

invested in training

LKR **2** Mn

invested in upgrading network
infrastructure

Outcomes



Future Targets

- Increase the number of LPG cylinders undergoing re-qualification to enhance safety
- Infuse new cylinders to the market to improve product availability
- Conduct regular surveys targeting key customer segments, including home delivery customers and dealers
- Promote a performance driven culture among distributors

PILLAR 4: Sustainable Growth

Balance economic growth with environmental sustainability, through the adoption of sustainable business practices, and reducing the Group's carbon footprint

Material Topics

Consistent Performance

Associated Risks

Credit Risk | Liquidity Risk | Interest Rate Risk

Progress for 2024/25

Tactical Initiatives

1,895 hours

of safety training

99 %

of material used were recycled

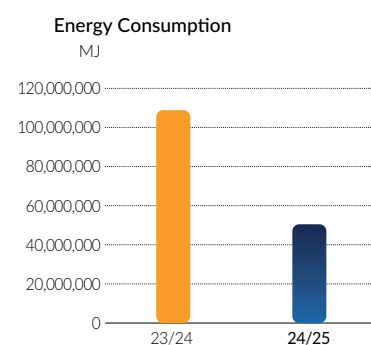
5,148 m³

water recycled and discharged

LKR **13** Mn

spent on CSR initiatives

Outcomes



Future Targets

- Implementing Sustainability Standards (S1 and S2)

STRATEGY AND RESOURCE ALLOCATION

PILLAR 5: Right Approach		
Fostering a culture of integrity and ensuring compliance with regulation as well as through the adoption of best practices		
Material Topics Good Governance and Compliance	Associated Risks Legal Risk Compliance Risk	
Progress for 2024/25		
Tactical Initiatives Compliance with Section 9 of CSE listing rules of corporate governance Compliance with all other regulations applicable across various operations	Outcomes ZERO incidents regarding non-compliance of regulations reported	Future Targets • Zero non-compliances

OPERATING ENVIRONMENT

GLOBAL ECONOMIC OVERVIEW

GDP Growth

Global GDP growth for 2024 reached approximately 3.2%, a slowdown compared to previous years due to trade policy uncertainties and rising geopolitical tensions. Advanced economies continued to experience weak growth, largely constrained by tight monetary conditions and soft domestic demand, with their overall expansion slowing to below long-term averages. In contrast, emerging markets and developing economies (EMDEs) saw modest improvement, supported by easing inflation and recovering demand, although growth remained uneven due to country-specific vulnerabilities, elevated debt levels, and limited fiscal space. Together, these dynamics contributed to the slowest pace of global expansion outside of recessions in recent decades.

Global output growth

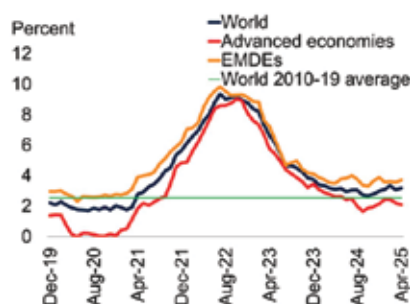


Inflation

Global inflation trends showed a notable easing, with overall inflation declining from approximately 6.8% in 2023 to 5.9% in 2024, reflecting the lagged impact of tighter monetary policies and easing supply-side pressures. Advanced economies experienced a sharper decline in inflation, with several countries seeing price levels return close to central bank targets, driven by reduced demand pressures and effective policy tightening. Inflation in emerging markets and developing economies (EMDEs) also moderated but remained elevated relative to advanced economies, largely due to persistent

pressures in food and energy prices. Despite the global disinflationary trend, inflation in EMDEs continues to be a key challenge, underscoring the need for cautious monetary and fiscal policy coordination.

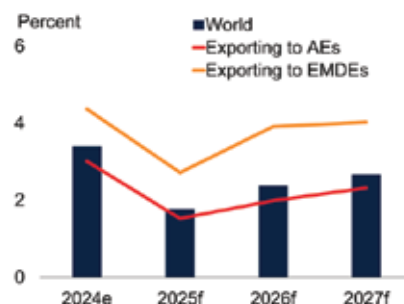
Global headline CPI inflation



Global Trade

Overall, 2024 marked a subdued year for global trade, driven by escalating trade frictions and policy uncertainty between major economies. While global trade expanded by 3.4% in 2024, this was notably slower than in previous years, reflecting increasing trade barriers and geopolitical tensions. Advanced economies saw trade volumes soften due to weaker demand and elevated tariffs, while emerging markets, still heavily reliant on exports, were significantly affected by disruptions in global value chains and diminished commodity trade. Despite the challenges, there were pockets of resilience where exporters front-loaded orders ahead of tariff hikes and increased regional trade integration.

Global trade growth



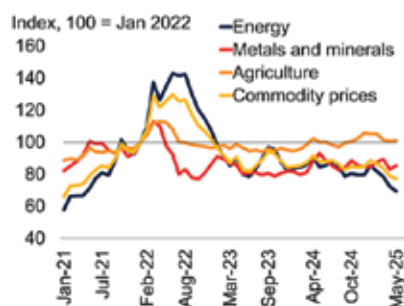
Global Energy Prices

Global energy prices experienced significant volatility in 2024, influenced by a combination of supply dynamics, geopolitical tensions, and shifting demand patterns.

Brent crude oil prices ended 2024 at \$74.64 per barrel, marking a 3% decline from the previous year. The market saw early-year increases due to geopolitical tensions, including the Israel-Hamas conflict, but these were offset by weakening demand and increased production from non-OPEC+ countries. Despite mid-year fluctuations, oil prices remained subdued, reflecting a balance between supply and demand forces.

Meanwhile, Natural gas prices exhibited divergent trends across regions. In the U.S., prices surged by over 50% due to a structural expansion of liquefied natural gas (LNG) exports, tightening domestic supply. Conversely, European natural gas prices declined, supported by mild weather conditions and robust inventories. This regional disparity highlighted the evolving dynamics in global energy markets.

Commodity prices



OPERATING ENVIRONMENT

OUTLOOK AND PROSPECTS FOR THE GLOBAL ECONOMY

Global growth is expected to slow to just 2.3% in 2025, the weakest pace since 2008 outside of recession years, which is attributed to heightened trade tensions and policy uncertainty denting investment and consumer confidence.

Inflation is anticipated to remain at approximately 2.9% in 2025, driven by tight labour markets and persistent tariffs, before gradually easing, while global trade growth, is projected to moderate from 3.4% in 2024 to 1.8% in 2025, with a partial recovery expected in subsequent years.

Energy prices are set to decline over the medium term, with fossil fuel prices forecast to drop in 2025 and 2026, before beginning to stabilise in 2027.

SRI LANKAN ECONOMIC CONTEXT

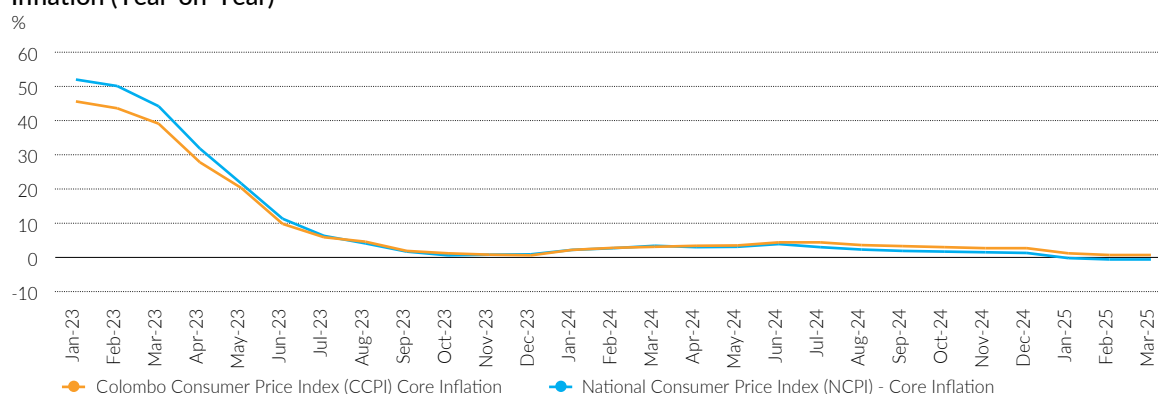
GDP Growth

Sri Lanka's economy recorded a robust recovery in 2024, achieving a real GDP growth of 5.0%, marking a significant rebound following two consecutive years of contraction. This growth was primarily driven by a resurgence in the industrial sector, particularly in construction and food and beverage manufacturing, alongside a strong performance in tourism-related services. The services sector also expanded bolstered by gains in transport and accommodation services, while the agriculture grew despite challenges such as localised weather disruptions.

Inflation

Inflation in Sri Lanka dropped from a staggering 17.4% in 2023 to a deflationary state by end 2024. This unprecedented drop was driven by steep reductions in electricity tariffs, falling fuel prices, and a significant appreciation of the Sri Lankan rupee. By December, the Colombo Consumer Price Index registered a year-on-year deflation of 1.7%, the lowest inflation rate in nearly a decade. Core inflation mirrored this decline, averaging just 2.5% for the year compared to 15.8% in 2023. This sharp deflationary shift reflects a combination of policy measures, favourable currency movements, and base effects.

Inflation (Year-on-Year)

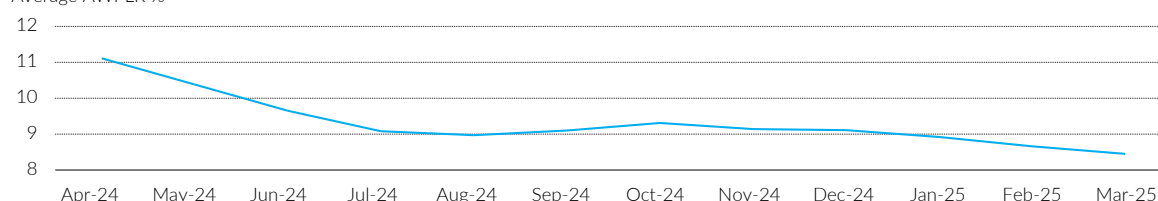


Interest Rates

The Central Bank reduced policy rates by a cumulative 650 basis points since mid-2023 and, in November 2024, transitioned to a single policy interest rate framework, setting the Overnight Policy Rate (OPR) at 8.00%. This replaced the dual rate system, streamlining monetary operations and enhancing policy clarity. The Average Weighted Call Money Rate (AWCMR) aligned closely with the OPR by year-end, improving the transmission of monetary policy. These measures were aimed at supporting economic recovery, improving market confidence, and facilitating sustained credit growth.

Intetest Rate Movements

Average AWPLR %

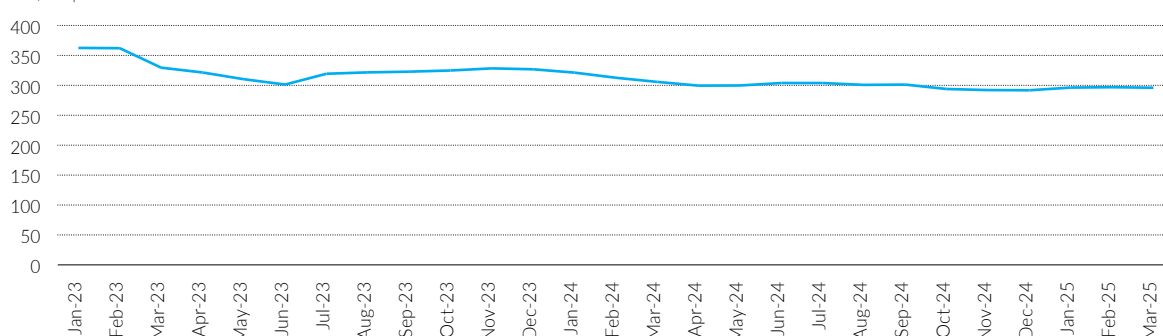


Exchange Rate

The LKR exhibited a notable appreciation for the second consecutive year, despite experiencing intermittent volatility. This positive trend was primarily attributed to the Central Bank's strategic interventions in the domestic foreign exchange market, including the purchase of record levels of foreign exchange. Under the flexible exchange rate policy, the LKR strengthened, benefiting consumers through lower import prices.

Exchange Rate Movements

Rs./US\$



OUTLOOK AND PROSPECTS FOR THE SRI LANKAN ECONOMY

Sri Lanka is expected to sustain its recovery trajectory into 2025, with real GDP growth projected at approximately 3–4%, supported by a continued rebound in domestic demand and improving investor confidence. The Central Bank anticipates that inflation will stabilise by mid-2025 and reach the desired 5% target over the medium term. While trade is expected to remain manageable, with a resilient current account bolstered by tourism and remittances, imports will likely rise following the resumption of vehicle imports. Energy prices, largely influenced by global geopolitical uncertainty, are expected to remain relatively volatile but at moderate levels, providing some relief to domestic production costs and helping contain inflationary pressures. Overall, the macroeconomic outlook for 2025 is cautiously optimistic and hinges on continued policy discipline, external financing support, and sustained momentum in structural reforms.

IMPACT TO THE LAUGFS GAS GROUP

Risks	Key Macroeconomic Development	Opportunities
Volatility in international LPG and crude oil prices may increase sourcing costs and squeeze margins Unpredictable freight and insurance charges due to geopolitical tensions	Global Energy Price Movements	Ability to leverage storage and shipping infrastructure for strategic procurement
	Rebound in Sri Lanka's economy	Gradual rebound in household consumption and industrial activity expected to support volume growth across domestic and industrial segments
	Moderation of Inflation	Improvement in consumer purchasing power and boosts affordability of LPG, especially in the domestic sector
	LKR Appreciation	Stronger LKR reduces import cost of LPG, easing pressure on retail pricing and improving cost competitiveness

RISK REPORT

INTRODUCTION

At LAUGFS, our disciplined and forward-looking risk management strategy forms the cornerstone of our resilience in an increasingly dynamic and complex operating environment. Our approach is not only designed to identify, evaluate, and manage key risks, but also to maintain the agility required to capitalise on emerging opportunities that enhance long-term stakeholder value. This strategic foresight reinforces our leadership position in Sri Lanka's LPG industry.

We recognise that our long-term success depends on our ability to continuously discover, assess, and navigate both business opportunities and threats. To that end, we follow a structured and methodical process to evaluate material challenges across social, environmental, and economic dimensions. These assessments are vital in shaping a sustainable and value-generating business model.

Our annual Risk Management process includes active engagement with key stakeholders to identify potential risks, assess their impacts, and formulate comprehensive response strategies encompassing preventive, investigative, and mitigative measures. Regular monitoring, ongoing discussions, and the use of key risk indicators (KRIs) ensure that our governance and decision-making processes remain robust, transparent, and proactive.

Together, these efforts support LAUGFS' commitment to sustainability, resilience, and continuous value creation in an ever-evolving market landscape.

RISK GOVERNANCE

At LAUGFS Gas Group, effective risk governance is fundamental to our strategic decision-making and long-term sustainability. In an increasingly uncertain and challenging operating environment, our commitment to proactive and structured risk management enables us to remain agile, resilient, and accountable.

The Board of Directors holds ultimate responsibility for overseeing the Group's risk management framework. It determines the Group's risk appetite and ensures the effectiveness of mitigation strategies through oversight by the Audit Committee. The Board is supported by the Enterprise Risk Management (ERM) process and a robust governance structure, which collectively reinforce integrity and foresight in identifying, assessing, and managing risks.

The Audit Committee plays a critical role in assisting the Board, providing deep insights by analysing risk registers, reviewing internal audit reports, recommending corrective actions, and conducting bi-annual risk profile evaluations. Through these

efforts, the Committee ensures that the Group's risk exposure is aligned with its strategic objectives and operational realities.

Recognising the current challenges facing both the country and the business, risk management has become an integral component of every corporate management discussion. Multiple committees and functional teams have been empowered to identify and manage evolving risks, while the Senior Leadership team provides strategic guidance and timely interventions.

To institutionalise risk awareness across all levels of the organisation, LAUGFS has adopted the Three Lines of Defence model. This model clearly delineates roles and responsibilities across operational management (first line), monitoring and reporting (second line), and internal audit (third line), thereby strengthening accountability and promoting a culture of informed risk-taking and resilience.

Together, these mechanisms underscore LAUGFS' unwavering commitment to good corporate governance and long-term value creation in a complex business landscape.

Board of Directors

01st Line of Defence

Risk Owners

Heads of Departments/Branches

Operational managers are responsible for identifying, managing, and reporting risks as part of daily operations, ensuring that the operations are conducted in a manner that is consistent with the Company's risk appetite & Company requirement.

02nd Line of Defence

Corporate Management Team

The Second line of defence oversees the effectiveness of the first line, conducts risk assessments, monitors emerging risks, and advises the Board on risk matters, including policy updates.

03rd Line of Defence

Group Internal Audit

The Group Internal Audit function provides independent assurance to the Board by evaluating the effectiveness of the risk management framework and recommending improvements.



RISK REGISTER

All Strategic Business Units (SBUs) under the LAUGFS Gas Group maintain Risk Registers using a standardised format that captures key risk information, including root causes, potential impacts, likelihood, and corresponding Risk Treatment Plans. These Risk Registers serve as a centralised, structured repository of risk-related data across the Group, enabling a clear and consistent approach to risk documentation and monitoring. The Risk Registers are updated regularly to reflect evolving conditions and emerging risks, ensuring that the Group remains responsive and

agile. They are reviewed and discussed by the SBU Boards, while significant risk exposures are escalated to the Board Audit Committee for in-depth analysis and decision-making on risk mitigation.

KEY RISKS



Understanding the risks and opportunities that impact our business, society and environment or influence stakeholder decisions, is a crucial element in addressing them. Each year, the Group evaluates material issues to better understand and manage the risks and opportunities. In partnership with our stakeholders and the

Group's management team, risks are prioritised to identify material risks and opportunities. Influence of geo-politics and economic uncertainties, volatility in commodity prices, regulatory pressures, changes in the business environment and accelerated competitor strategies were among the major risks that both our Company and its stakeholders were exposed to during the year. LAUGFS follows a Five-tier Risk Rating Model, which is consistently applied across the Group. The Risk Rating is based on the assessed Impact and the Likelihood.

RISK REPORT

Almost Certain					
Likely				1 2	
Possible			3 4	11	
Unlikely			5 6 7	12 10	
Rare			8 9		
	Insignificant	Minor	Moderate	Major	Critical

Risk Rating	What it means
Extreme	<ul style="list-style-type: none"> Board attention is required
High	<ul style="list-style-type: none"> Immediate action by Senior Management with a detailed research and management of risk through appropriate responses
Significant	<ul style="list-style-type: none"> Senior Management attention required Management responsibility specified Risk should be treated using one or more of the risk treatment options
Moderate	<ul style="list-style-type: none"> Risk should be treated using one or more of the risk treatment options Risk should be managed using specific monitoring or treatment procedures
Low	<ul style="list-style-type: none"> Risk is accepted with minimal treatment and can normally be managed using existing routine procedures Low risks need to be monitored and periodically reviewed to ensure they remain acceptable


Key Risk	Management Approach	Risk Rating
1 Supply Chain Risk (Consistent product Supply is key to meeting the needs of our downstream business)	Long-Term Supplier Contracts <ul style="list-style-type: none"> The Group is seeking options to convert key suppliers into long-term contractual partners to enhance supply security and build strategic alliances. Focus on Continuity and Sustainability <ul style="list-style-type: none"> Aligns procurement strategies with the Group's broader goals of resilience, sustainability, and stakeholder value creation. Global Supplier Engagement <ul style="list-style-type: none"> Actively engages with expert LPG traders worldwide to diversify sourcing and ensure supply reliability. Experienced Procurement Team <ul style="list-style-type: none"> Sourcing and negotiations are handled by seasoned professionals to ensure strategic alignment and risk mitigation. 	 High
2 Liquidity Risk (Challenges in managing working capital)	Comprehensive Cash Flow Forecasting <ul style="list-style-type: none"> The finance team regularly conducts detailed cash flow projections to monitor and manage liquidity requirements effectively. Supplier Negotiations <ul style="list-style-type: none"> Group Supply Chain engages in ongoing discussions with key suppliers to negotiate and extend credit terms, improving cash flow flexibility. Collaboration with Group Treasury <ul style="list-style-type: none"> The finance team works closely with the Group Treasury to negotiate favourable borrowing terms and optimise funding arrangements. Loan Restructuring Initiatives <ul style="list-style-type: none"> Implements proactive strategies for loan restructuring to align debt obligations with current cash flow capabilities. 	 High
3 Customer satisfaction (Maintaining high levels of customer satisfaction is critical to sustaining brand loyalty, market share, and long-term business performance.)	Customer Feedback Mechanisms <ul style="list-style-type: none"> Regularly gathers customer insights through surveys, complaints, and service hotlines to identify areas for improvement. Customer Support <ul style="list-style-type: none"> Maintains a dedicated customer service team operating via Hotline 1345 (7 AM – 7 PM) to promptly address customer queries, complaints, and service issues. Continues Service Quality Monitoring <ul style="list-style-type: none"> Continuously monitors service delivery standards and enforces strict adherence to safety and operational protocols, aligned with SLSI and ISO quality management systems. Product Availability Assurance <ul style="list-style-type: none"> Strengthens supply chain and distribution networks to ensure uninterrupted product availability and delivery. Customer Education & Awareness <ul style="list-style-type: none"> Conducts safety awareness campaigns and product handling guidance to enhance customer trust and satisfaction. 	 Significant

Key Risk	Management Approach	Risk Rating
<p>4 Health, Safety and Environment Risk</p> <p>Boiling, Liquid, Expanding, Vapour, Explosion (BLEVE)</p> <ul style="list-style-type: none"> • Accidents • Injuries • Fatalities • Spills and leaks 	<ul style="list-style-type: none"> • Our extensive Group Health, Safety, Security and Environment (GHSSE) culture is supported by proactive and comprehensive policies, frameworks, and initiatives • LAUGFS practices and maintains a safety-embedded culture across the Group by absorbing the principles of Sustainable Development with the highest concern. <p>B2C – Domestic</p> <ul style="list-style-type: none"> • We ensure safety by procuring our cylinders only from certified global suppliers. • Installation of re-qualification facilities to test the safety and reliability of our cylinders. • All LAUGFS products comply with ISO 9001, the first in the industry to do so. • Constant awareness of safety instructions is being circulated through internal communications and meetings. • Stringent adherence to SLSI requirements of compositions and other technical requirements are met. • Instructions and other technical guidance have been thoroughly provided to the customers. <p>B2B – Commercial & Bulk Customers</p> <ul style="list-style-type: none"> • We conduct 'On-premises' Health and Safety Executive (HSE) audits on a quarterly basis. • Proper maintenance of customer LPG pipelines. • Our 'Incident Investigation Team' is prepared to address any emergency or crisis relating to our assets that may affect our business partners. • Conducting certificate courses on safety training for Commercial and Bulk customer representatives. <p>B2B – Distributors</p> <ul style="list-style-type: none"> • Safety officers conduct routine HSE audits covering all distributor locations. • Group Internal Audit conducts routine audits and follow-up audits of Operational Health and Safety (OH&S) on a periodic basis. <p>Employees & Premises</p> <ul style="list-style-type: none"> • Robust gas leak detection monitors are in place. • Stringent adherence to ISO 45001:2018 accreditation • We conduct fire drills to gauge overall preparedness, carry out analysis of our evacuation procedures, and have implemented a new headcount management system that uses Radio-Frequency Identification (RFID). <p>Transportation & Logistics Sea cargo</p> <ul style="list-style-type: none"> • LAUGFS Maritime Services (Pvt) Ltd strictly adheres to Zero Tolerance Policy of risk. • All our vessels comply with the International Safety Management Code (ISM). • LAUGFS vessels and storage terminals are certified by Lloyd's Register. <p>Land transportation</p> <ul style="list-style-type: none"> • We conduct continuous road safety training along with defensive driving training sessions for all our truck drivers. • We ensure that all our trucks leaving and entering our plants are scrutinised by a well-defined checklist. • Fleet audits are conducted and reviewed quarterly. 	<p>● Significant</p>

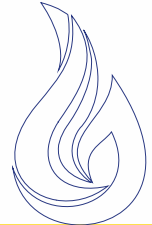
Key Risk	Management Approach	Risk Rating
<p>5 Financial Risk</p> <ul style="list-style-type: none"> • Foreign currency risks • Liquidity risks • Interest rate risk • Market risk 	<p>Optimising Borrowing Costs</p> <ul style="list-style-type: none"> • The Group Treasury Division actively negotiates with banks to secure the best possible rates for deposits and borrowings. <p>Strategic Banking Relationships</p> <ul style="list-style-type: none"> • Maintains strong, long-term relationships with financial institutions to secure favourable terms and ensure access to funding when needed. • Engages in positive negotiations with banks and applies financial risk management techniques to mitigate currency and rate fluctuations. <p>Ongoing Liquidity Monitoring</p> <ul style="list-style-type: none"> • Group Treasury continuously monitors the Group's liquidity requirements to ensure timely financial decision-making. <p>Effective Credit Management</p> <ul style="list-style-type: none"> • Implements structured credit policies to minimise defaults and improve receivables turnover. 	<p>●</p> <p>Moderate</p>
<p>6 Customer Relationship & Market Risk</p> <p>(Customer relationship and market risk directly impact LAUGFS Gas PLC's brand reputation, customer retention, and market share.)</p>	<p>International Quality Compliance</p> <ul style="list-style-type: none"> • All our products comply with recognised international quality standards to ensure safety, reliability, and customer satisfaction. <p>Focus on Innovation</p> <ul style="list-style-type: none"> • Continuously explores new technologies and service models to meet evolving customer needs and stay competitive. <p>Nationwide Distribution Coverage</p> <ul style="list-style-type: none"> • Ensures convenient product access through widespread, multi-channel distribution networks reaching all regions of the country. <p>Customer Feedback Mechanisms</p> <ul style="list-style-type: none"> • Conducts regular customer feedback reviews and surveys to measure engagement and address areas of concern promptly. <p>Customer Relationship Management (CRM) System</p> <ul style="list-style-type: none"> • A comprehensive CRM system is in place, supported by a robust technical support infrastructure to manage customer interactions effectively. <p>Dealer and Distributor Empowerment</p> <ul style="list-style-type: none"> • Strengthens last-mile delivery by providing motorbikes to dealers and distributors, enhancing home delivery capabilities. <p>Market Monitoring</p> <ul style="list-style-type: none"> • Closely monitors competitor activities and promptly implements strategic actions to maintain market position. <p>Data Privacy Assurance</p> <ul style="list-style-type: none"> • Maintains strict data protection protocols with zero substantiated complaints regarding breaches of customer privacy or data loss. <p>Inclusive Market Coverage</p> <ul style="list-style-type: none"> • Ensures all market segments are served through a strategically developed distribution and engagement plan. 	<p>●</p> <p>Moderate</p>

RISK REPORT

Key Risk	Management Approach	Risk Rating
<p>7 Legal Risk</p> <p>(Risk of liabilities arising from third parties and non-compliance with laws and regulations)</p>	<p>Expert Legal Consultation</p> <ul style="list-style-type: none"> We have in-house legal experts to resolve legal matters efficiently and mitigate potential liabilities. <p>Adherence to Governance Standards</p> <ul style="list-style-type: none"> Complies with both mandatory and voluntary corporate governance frameworks, ensuring transparency and accountability. <p>Compliance with Regulatory Requirements</p> <ul style="list-style-type: none"> Aligns with environmental, legal, and compliance best practices, maintaining full adherence to applicable laws and regulations across all operational areas. 	<p>●</p> <p>Moderate</p>
<p>8 Compliance Risk</p> <p>(Adverse impact on liabilities arising from third parties and non-compliance with laws and regulations)</p>	<ul style="list-style-type: none"> The Audit Committee plays a key oversight role by reviewing a comprehensive compliance checklist at each meeting and forwarding its observations and recommendations to the Board to support informed decision-making. Periodic ISO compliance reviews and monitoring of effluent discharge quality ensure alignment with Central Environmental Authority (CEA) requirements. Wastewater is treated through an on-site treatment plant, reinforcing our zero-tolerance policy on environmental non-compliance. The Finance and Legal Departments monitor compliance with financial reporting, taxation, and legal obligations, while all other departments are accountable for regulatory compliance in their operational areas. The Board is regularly updated on ongoing litigations and engages external experts when necessary to guide strategic responses The Related Party Transactions (RPT) Committee functions effectively by constantly reviewing annual recurrent transaction thresholds to ensure alignment with governance standards. A minimum notice period is maintained for all significant operational changes, in full compliance with regulatory requirements. 	<p>●</p> <p>Moderate</p>
<p>9 Human Resource Risk</p> <p>(Possibility of losing best performers due to country's situation)</p>	<p>Positive Work Culture</p> <ul style="list-style-type: none"> Cultivates a collaborative and engaging work environment through strong employee relations and open communication. <p>Competitive Remuneration</p> <ul style="list-style-type: none"> Offers industry-aligned salary and benefits packages to attract and retain top talent. <p>Skill Development Programs</p> <ul style="list-style-type: none"> Provides on-the-job training and specialised development programs to continuously enhance employee skills, knowledge, and productivity. 	<p>●</p> <p>Moderate</p>

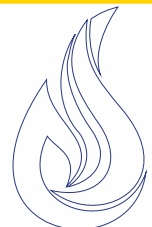
Key Risk	Management Approach	Risk Rating
10 Social Risk (Potential adverse relationship with communities in the vicinity of the projects)	Stakeholder-Centric Interventions <ul style="list-style-type: none"> • Designs and implements social interventions based on the relevance and impact of stakeholders on Group operations. Community Engagement & Welfare <ul style="list-style-type: none"> • Builds enduring relationships with rural communities through continuous engagement, CSR programs, local employment, and welfare initiatives, thereby enhancing public trust and social license to operate. Collaboration with Authorities <ul style="list-style-type: none"> • Maintains close coordination with regulatory bodies and key stakeholders to foster transparent communication and effective collaboration on social and environmental matters. 	 Moderate
11 Risk to Business Continuity (Threats to business continuity due to unprecedented events such as geopolitical tension, supply chain disruptions, natural disasters, travel restrictions, etc.)	Strategic Cost Management <ul style="list-style-type: none"> • Implements cost containment measures to address LPG price volatility, especially amid geopolitical disruptions (e.g., Russia–Ukraine conflict, Middle East tension in Iraq-Israel). Emergency Backup Infrastructure <ul style="list-style-type: none"> • Maintains a standby carousel at the Hambantota Terminal to ensure uninterrupted operations during emergencies. Contingency & Evacuation Planning <ul style="list-style-type: none"> • Developed comprehensive contingency and evacuation plans, specifically addressing natural disasters such as floods and other emergencies. 	 Significant
12 Information Risk (Risk of unauthorised access, manipulation and dissemination to the public of confidential information relating to the Group.)	ISO-Aligned IT Governance <ul style="list-style-type: none"> • The centralised Group IT function enforces a comprehensive IT Policy aligned with ISO 27001 standards for Information Security Management Systems (ISMS) and Business Continuity Management Systems (BCMS). Cybersecurity Awareness Programs <ul style="list-style-type: none"> • Conducts ongoing training and awareness initiatives on cybersecurity threats such as malware attacks and phishing to strengthen organisational vigilance. Data Infrastructure Enhancement <ul style="list-style-type: none"> • Expands server capacity and maintains multiple geographically dispersed data storage locations to ensure system redundancy and data recovery. Strict Access Controls <ul style="list-style-type: none"> • Implements stringent access restriction protocols, ensuring that only authorised personnel can access confidential and sensitive information. 	 Moderate

Where Progress Powers Possibilities



In industrial settings, machinery and the energy that drives production are essential to forward momentum. LAUGFS Gas plays a pivotal role in keeping industries operational - providing dependable energy that fuels both innovation and economic growth.

Our commitment to resilience and continuous innovation positions us as a key enabler of national development - powering homes, industries, and communities, and helping realise the milestones that shape Sri Lanka's future.



MANAGEMENT DISCUSSION AND ANALYSIS



CLUSTER REVIEWS



ENERGY SECTOR

The Energy segment of the LAUGFS Gas Group is built on a strong value proposition of delivering reliable, safe, and accessible LPG solutions. With a strong presence across the entire LPG value chain, from sourcing and storage to bottling and distribution, the energy segment plays a vital role in supporting energy security in Sri Lanka through the provision of LPG solutions that meet the diverse needs of both households and industries.

54 % Contribution to Consolidated Revenue



40 % Share of Group Assets



41 % Share of Group Liabilities



Supporting Key National Priorities

Ensuring a stable and uninterrupted - supply of essential energy resources such as LPG at affordable prices

Contribution to the achievement of the Sustainable Development Goals



CLUSTER REVIEWS

ENERGY SECTOR

CONTEXT AND STRATEGY

While early signs of economic revival began to emerge in the current year, bolstered by an appreciating exchange rate and increased investor confidence, the sector remained under considerable strain due to a mix of macroeconomic adjustments, fiscal policy changes, and lingering impacts of socio-political uncertainty. The lead-up to the national elections also contributed to a cautious business sentiment and slower decision-making cycles, which further impacted consumer spending patterns and investment flows.

One of the most significant challenges for the LAUGFS Gas Energy sector arose from the imposition of VAT on LPG, which directly affected the affordability of domestic gas for consumers across all income segments. The high retail price, inclusive of VAT, severely curtailed consumer spending, particularly in the middle-and lower-

income brackets that continued to struggle under the pressure of rising costs of living and the extra tax burden due to the reduced tax free allowance and increased personal income tax rates. The resulting erosion of disposable income caused a contraction in domestic demand, directly influencing volumes in the LPG sector.

Additionally, contract pricing volatility in the global LPG market also impacted the LAUGFS Gas energy operations in FY 2024/25 . Despite fluctuations in the cost of imports, retail prices were not adjusted accordingly, placing significant downward pressure on both the top and bottom lines. This resulted in substantial margin compression, increased pressure on working capital, and difficulties in managing cash flows and meeting financial commitments, particularly in the domestic LPG segment where government price

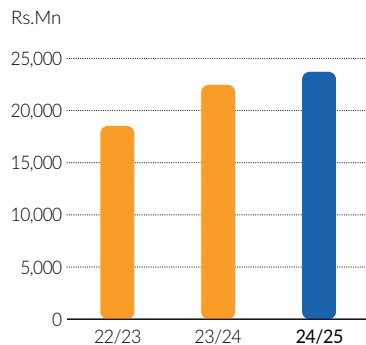
controls further limited pricing flexibility.

Moreover, inability to revise domestic LPG prices in line with market realities meant that LAUGFS Gas had to navigate heightened levels of financial risk while maintaining supply continuity in a price-sensitive market.

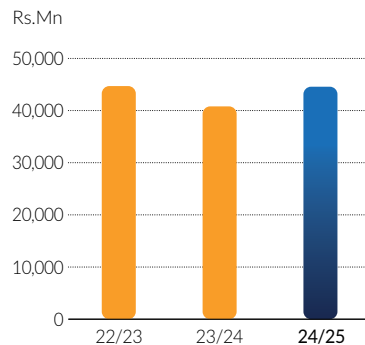
In response to this challenging environment, the LAUGFS Gas Energy cluster focused on strengthening resilience by consolidating core competencies and streamlining operations. A notable initiative was the expansion of distributor capacity aimed at enhancing the efficiency and reach of the redistribution process. Likewise substantial resources were allocated towards infrastructure development and workforce expansion alongside more stringent efforts to safeguard supply chain security.

KEY PERFORMANCE HIGHLIGHTS

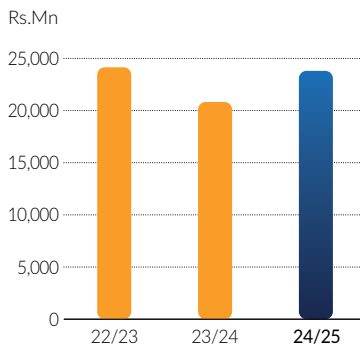
Revenue



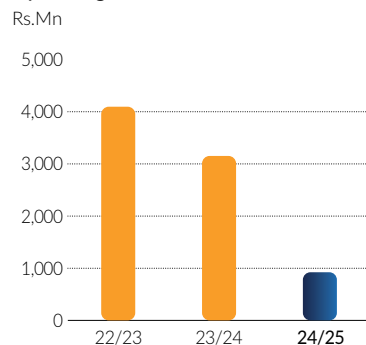
Assets



Liabilities



Operating Profit



LOOKING AHEAD

Looking ahead, the LAUGFS Gas Energy sector will continue to closely monitor the evolving macroeconomic conditions, including any fiscal reforms post-election, fluctuations in global energy markets, and changes to the regulatory framework with a view to mitigating risk and ensure operational continuity, while ensuring nation-wide access to reliable and safe energy solutions.

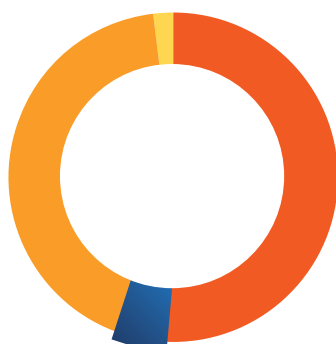




TRANSPORTATION AND LOGISTICS SECTOR

The Transportation and Logistics segment of the LAUGFS Gas Group offers integrated maritime transport, terminal operations, and related logistics services. The segments' strategically located terminals, storage infrastructure and vessel fleet position the segment as a key enabler of regional energy connectivity and trade.

0.8 % Contribution to Consolidated Revenue



41 % Share of Group Assets



38 % Share of Group Liabilities



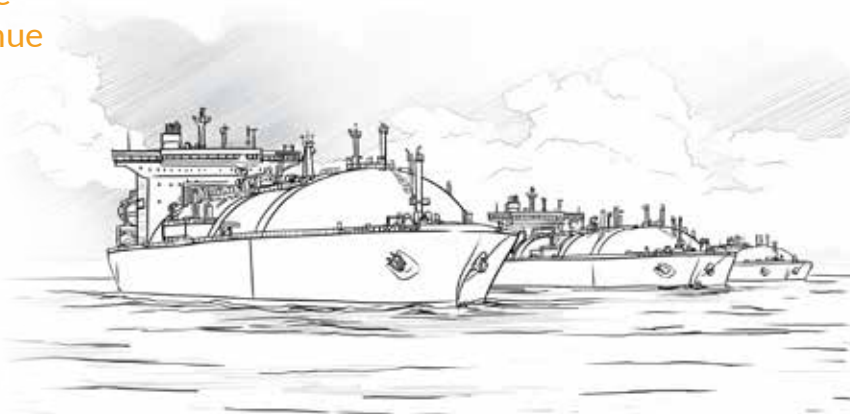
Supporting Key National Priorities

Supporting uninterrupted LPG distribution to ensure energy security across regional markets

Contribution to foreign exchange inflows through diversified revenue via third-party charters

Aligning future investments with decarbonisation trends through next-generation vessel planning

Contribution to the achievement of the Sustainable Development Goals



CLUSTER REVIEWS

TRANSPORTATION AND LOGISTICS



LAUGFS Maritime Services (LMS)

It was a challenging year for LAUGFS Maritime Services (Pvt) Ltd (LMS), the marine logistics arm of LAUGFS Gas PLC which specialises in the transportation of Liquefied Petroleum Gas (LPG) across the South Asian region. Internal cargo volumes from LAUGFS Gas PLC declined due to supply constraints and pricing challenges. Further, given the highly cost-sensitive nature of the regional LPG transport market the Company had to contend with increased exposure to spot market dynamics, where fluctuations in bunker fuel prices, heightened competition in charter rates, and geopolitical uncertainties continued to exert pressure on operating margins.

Against this backdrop, LMS focused revenue diversification through third party charters. Leveraging strategic advantages, including full vessel ownership, the capability to access smaller ports unsuitable for Very Large Gas Carriers (VLGCs), and extensive experience in handling LPG cargo within regulatory-sensitive markets such as Sri Lanka, Maldives, and Bangladesh, an aggressive campaign was launched to explore opportunities in the region.



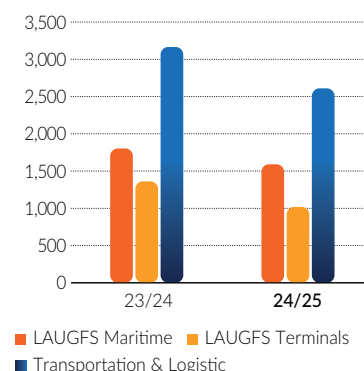
LAUGFS Terminals

In its continued efforts to establish a strong regional presence, LAUGFS Terminals focused on expanding its customer base and driving revenue growth. During the year, the Company actively pursued trade linkages with key regional markets, strengthening its footprint beyond Sri Lanka. To support this strategy, a series of value-added services such as gas blending and cylinder filling, were introduced to position LAUGFS Terminals as a more comprehensive and competitive service provider within the regional energy logistics landscape.

KEY PERFORMANCE HIGHLIGHTS

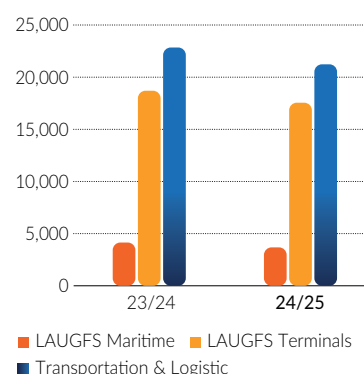
Revenue

Rs.Mn



Assets

Rs.Mn



LOOKING AHEAD

Going forward, LMS will aim to achieve 95% capacity utilisation across its active fleet to support a turnaround in profitability by the end of the next financial year. A key focus will be revenue diversification through third-party charters, with targeted initiatives to strengthen commercial presence in Bangladesh and along East African routes.

Moreover, with upcoming dry-docking cycles requiring significant capital outlay and further straining cash flows, the Company will begin monetising underperforming assets, starting with the planned divestment of Gas Courage via a structured long-term charter arrangement. LMS also intends to explore co-ownership or leasing models for next-generation vessels in line with decarbonisation trends.

Additionally, plans are in place to implement digital technologies for fleet analytics, including bunker consumption tracking, engine diagnostics, and voyage profitability monitoring.



TRADING SECTOR

SLOGAL Energy DMCC serves as the LAUGFS Gas Group's international trading arm, enabling strategic procurement and global sourcing of LPG to ensure supply security and cost efficiency across regional markets.

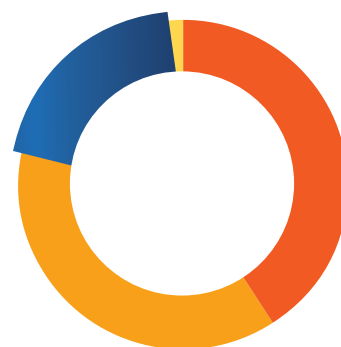
45 % Contribution to Consolidated Revenue



13 % Share of Group Assets



19 % Share of Group Liabilities



Supporting Key National Priorities

Contribution towards energy security through uninterrupted access to essential energy resources

Contribution to the achievement of the Sustainable Development Goals



CLUSTER REVIEWS

TRADING

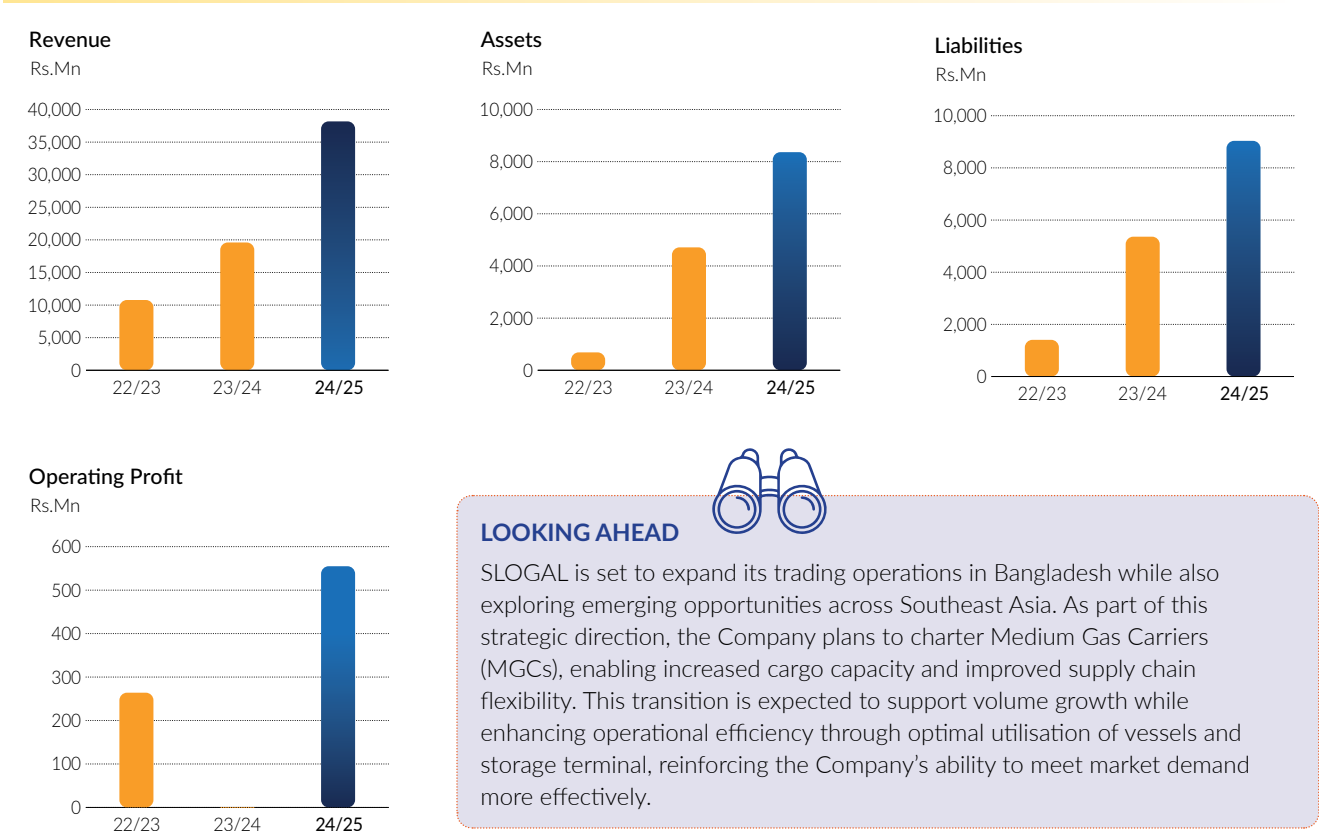
STRATEGY AND FOCUS

It was a mixed year for SLOGAL as volatility in crude oil prices alongside shifts in production from major LPG-producing regions continued to influence LPG markets in 2024.

Proactively responding to the rapidly evolving market landscape, SLOGAL prioritised strengthening supply chain resilience. Leveraging its strategic location in Dubai, the Company rolled out a supplier diversification strategy aimed at broadening its sourcing base to enable access to more competitive pricing.

Furthermore, the widened supplier base also proved to be a key advantage in navigating growing geopolitical risks and market volatility throughout the current year.

KEY PERFORMANCE HIGHLIGHTS

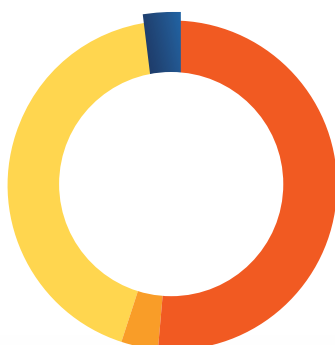




PROPERTY SECTOR

The Property segment of the LAUGFS Gas Group focuses on optimising the value of the Group's real estate assets through strategic development, leasing, and property management initiatives.

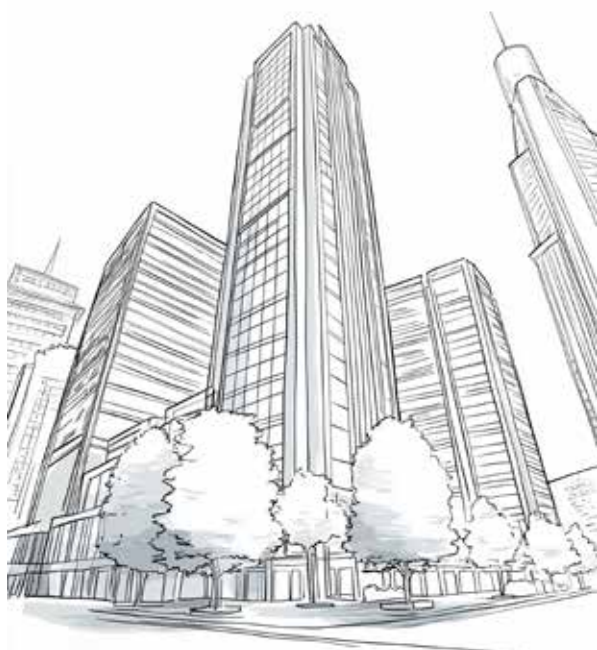
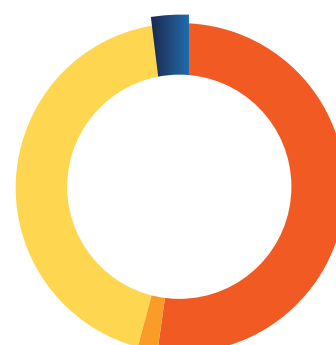
0.2 % Contribution to Consolidated Revenue



6 % Share of Group Assets



2 % Share of Group Liabilities



Supporting Key National Priorities

Contributing towards the country's infrastructure development for sustainable development and long-term value creation

Contribution to the achievement of the Sustainable Development Goals



CLUSTER REVIEWS

PROPERTY

STRATEGY AND FOCUS

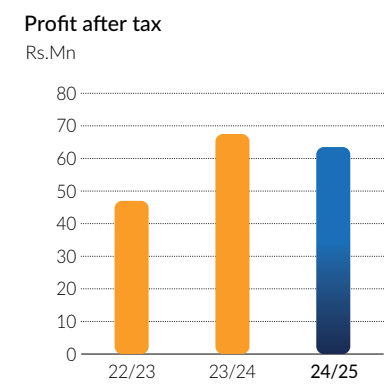
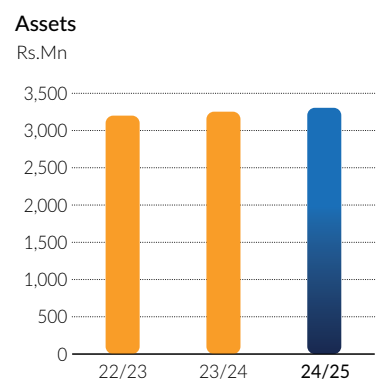
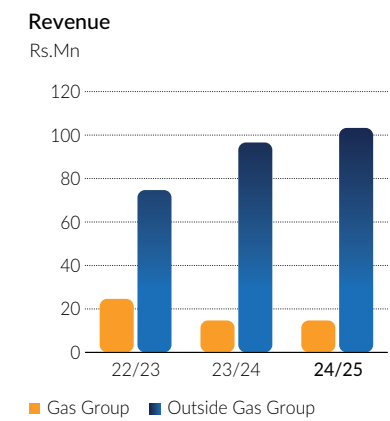
LAUGFS Property Developers owns and manages the LAUGFS Corporate Office, a premium commercial property located in Havelock Town, comprising 87,307 square feet of Grade-A office space. The building accommodates LAUGFS Group offices, and achieved

high occupancy rate supported by successful renewal of multiple tenancy agreements.

Throughout the year, the Company focused on retaining its client base, while driving operational excellence by enhancing service standards,

maintaining facility quality, and delivering a superior tenant experience to sustain its competitive edge and ensuring continued client satisfaction.

KEY PERFORMANCE HIGHLIGHTS



THE CAPITALS

56-59



Financial
Capital

60-65



Manufactured
Capital

66-69



Intellectual
Capital

70-77



Human
Capital

78-85



Social & Relationship
Capital

86-90



Natural
Capital

FINANCIAL CAPITAL



Financial capital encompasses the monetary resources including equity capital, debt capital, and retained earnings required to fund the day-to-day operations, invest in growth opportunities, and support its long term business strategy of the LAUGFS Gas Group.

CAPITAL PROFILE

LKR **2,772** Mn
Equity Capital

LKR **18,278** Mn
Long Term Borrowings

LKR **13,595** Mn
Short Term Borrowings

LINK TO STRATEGY

- Profitable Growth
- Financial Stability
- Operational Efficiency
- Sustainability

MANAGEMENT APPROACH

The LAUGFS Gas Group aims to manage its financial capital effectively to ensure the Group has adequate liquidity to meet its obligations, and invest in projects that drive future profitability.

HIGHLIGHTS FOR FY 2024/25



LKR 44,187 Mn

Group revenue



LKR 77 Mn

PAT recorded by the Trading Segment

STAKEHOLDER OUTCOMES

- 6% - ROCE
- LKR 4,644 Mn paid to service debt commitments

IMPACT ON OTHER CAPITALS



Strong financial performance supports expansion in physical and digital infrastructure



Consistent financial results enhances reputation and industry standing



Strong financial results helps to improve stakeholder confidence and trust



REVENUE

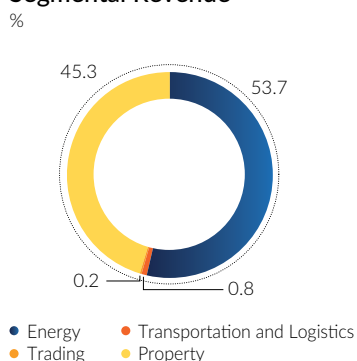
LAUGFS Gas PLC recorded strong revenue growth during FY 2024/25, primarily driven by the robust performance of the Trading segment. Consequently, Group revenue rose to LKR 44,187 Mn, marking 41.6% year-on-year increase compared to LKR 31,200 Mn reported in the previous financial year.

The Energy segment continued to be the Group's largest revenue contributor, accounting for approximately 54% of consolidated revenue. Supported by a recovery in LPG sales momentum in the latter part of the year, the segment posted revenue of LKR 23,720 Mn, an increase of 6% from LKR 22,476 Mn recorded in the prior year.

The Trading segment was the second-largest contributor to Group revenue. Underpinned by increased regional demand from Bangladesh and Maldives markets, revenue for the segment surged to LKR 19,989 Mn from LKR 6,234 Mn in the previous year, representing a more than threefold increase year on year.

The Transportation and Logistics segment continued to remain under pressure, with revenue from external customers contracting by 84% year on year, which in turn led to a significant reduction in revenue while intersegmental sector has been improved significantly almost by two fold.

Segmental Revenue



GROSS PROFIT

Group Gross Profit declined by 40% year-on-year, falling from LKR 4,505 Mn in FY 2023/24 to LKR 2,723 Mn in the year under review. This erosion in gross profit was the result of a significant increase in the cost of sales attributed to elevated global LPG prices during the period. However, the Group did not implement corresponding pricing adjustments in the domestic market, which led to the compression of margins.

OPERATING PROFITS

The adverse impact on Gross Profit was evident in the Group's Operating Results, with Operating Profit for FY 2024/25 declining sharply by 78% to LKR 701 Mn, compared to LKR 3,216 Mn recorded in the previous year. Other contributory factors to the decline included, the increase in selling and distribution expenses as well as administrative overheads, both rising in line with the Group's revenue expansion. Additionally, Other Operating Income declined in the current year due to a reduction in interest rates, while the exchange gain recorded in the current year was also lower than in the previous year, which negatively affected margins in the energy segment.

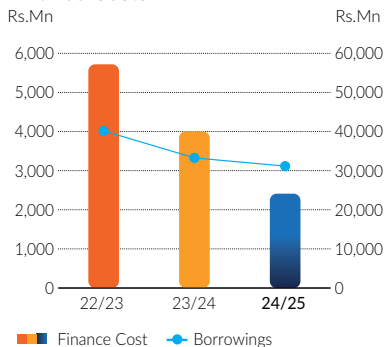
PROFIT BEFORE TAX (PBT)

The Group recorded a loss of LKR 1,640 Mn in the current financial year as a result of the cascading effect of the above.

A notable decline in finance costs was observed in the current year. Finance costs declined by 40% year on year following successful negotiations with Banks which enabled the Group to benefit from interest rebates on existing facilities.

FINANCIAL CAPITAL

Finance Costs



TAX EXPENSES

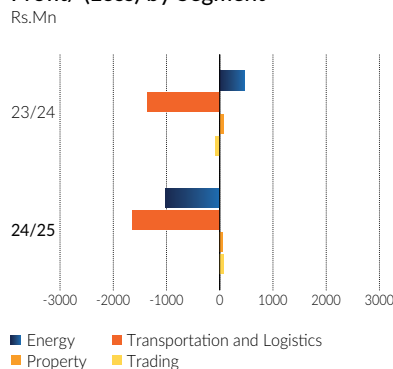
Tax expense attributed to the LAUGFS Gas Group increased to LKR 884 Mn for FY 2024/25, from LKR 182 Mn in the previous financial year. The significant increase was primarily attributable to an additional charge related to the deferred tax assets.

PROFIT AFTER TAX (PAT)

The LAUGFS Gas Group reported a loss amounting to LKR 2,524 Mn for FY 2024/25. Of this, the Energy segment recorded a loss of LKR 1,014 Mn, while the Transportation and Logistics segment reported a loss of LKR 1,652 Mn.

In contrast, the Trading segment posted Profit After Tax (PAT) of LKR 77 Mn for the year under review, reflecting a notable turnaround from the loss of LKR 86 Mn recorded in FY 2023/24.

Profit/ (Loss) by Segment



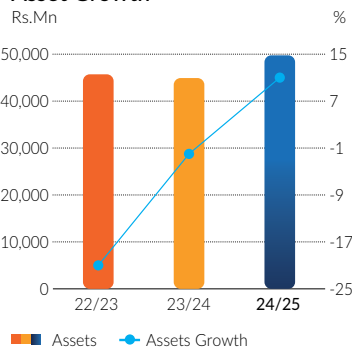
EARNINGS PER SHARE (EPS)

In direct correlation to the Loss reported in FY 2024/25, EPS for the current year declined to a negative LKR.6.56 from a negative of LKR. 2.52 recorded in the previous financial year.

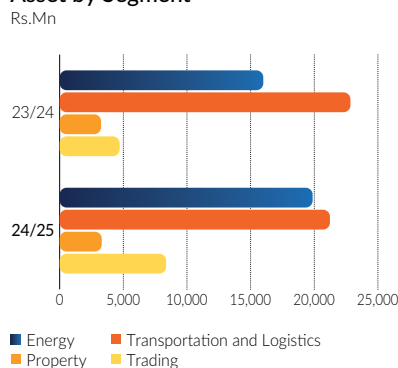
ASSETS

The Group's total assets remained broadly similar to the previous year. The Transportation and Logistics segment accounted for the largest share of Group assets, accounting for 43% of the total asset mix, followed by the Energy segment at 40% share of total Group Assets, and the remaining held by the Trading and the Property Development segments.

Asset Growth



Asset by Segment



LIABILITIES

The Group's liabilities remained largely unchanged year-on-year, with no significant movements recorded. The Group continued to adhere to its established funding strategy and did not undertake any new borrowings during the year. However, current liabilities saw an increase, driven by higher volumes in the Trading segment.

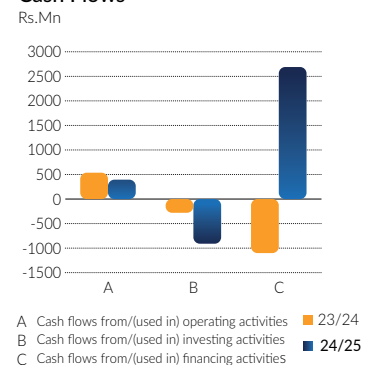
EQUITY

The adverse impact of the Group's loss position was seen in the decline in Total Equity from LKR. 3,543 Mn in the previous year to LKR 2,772 Mn as at 31st March 2025, a 22% erosion year on year.

CASH FLOWS

Influenced by operating losses incurred during the year, operating cash flows of the LAUGFS Gas Group declined to LKR 395 Mn in the current financial year, compared to LKR 537 Mn in FY 2023/24.

Cash Flows





Challenges

Margin Compression

Operating and net profit margins have shown a year-on-year reduction, suggesting cost pressures and/or limited pricing flexibility in certain segments.

Limited Positive Operating Cash Flows

Cash generation from core operations has not been sufficient to fully meet outflows, which continues to place strain on working capital reserves.



Opportunities

Shifting Regional Demand Profiles

Emerging markets across South and Southeast Asia have demonstrated increasing dependence on LPG as a transitional energy source. This trend will create new volume demand over the medium term.

Unexploited Domestic Market

The Group's share in the local LPG segment stands in the range of 25%–30%. This implies that there remains potential for structured market share gains through enhanced distribution coverage or brand repositioning.

Expanding Commercial LPG Applications

As infrastructure and SME activity grow in key economic centers, the opportunity to cater to small-scale commercial segments appears to be strengthening, particularly in urban and peri-urban areas.

Demographic and Consumption Trends

Rising household incomes and urbanisation patterns are expected to drive increased adoption of LPG for residential use, with particular concentration among emerging middle-income populations.

Regional Maritime Service Demand

The strategic positioning of the Group's maritime capabilities could be leveraged to support increasing intra-regional trade flows, especially among economies like Bangladesh, Vietnam, and Malaysia, where demand for logistics and shipping services continues to rise.

SHORT-TERM FOCUS AREAS

Implementation of a Cost-Reflective Pricing Mechanism

Consider adopting a pricing approach that is structured around the global contract price for LPG, adjusted to reflect relevant local cost structures. The intention is to align the domestic pricing framework with international benchmarks while maintaining operational feasibility.

Interim Deployment of Operational Assets

Assess the potential for utilising currently underleveraged strategic infrastructure in a manner that supports short-term liquidity requirements. This may involve optimising asset rotation or shared usage to alleviate immediate cash flow tightness without incurring significant new investments.

Refined Procurement Coordination Model

Explore the possibility of sourcing LPG directly from suppliers where commercially viable. Following procurement, the distribution of volumes across affiliated or strategically linked entities may assist in improving shipment efficiency and reducing per-unit procurement costs.

LONG-TERM STRATEGIES

Maritime Asset Optimisation for Third-Party Engagement

Evaluate the feasibility of deploying vessels under charter arrangements (e.g., time-charter) to third-party customers during non-core cycles. This model will support more predictable revenue generation from fleet operations while also improving utilisation rates across the maritime portfolio.

MANUFACTURED CAPITAL



Manufactured Capital represents the core physical infrastructure that forms the bedrock of the LAUGFS Gas Group's operational architecture. Complementing the Group's physical assets are IT infrastructure and backend support systems that collectively form an ecosystem to facilitate seamless integration across production, logistics, and other critical business functions.

CAPITAL PROFILE - PROPERTY, PLANT AND EQUIPMENT (PPE)

LAUGFS GAS PLC

32 acres land
Mabima

39,100 Sq.ft.
gas filling and storage complex

3,150 MT
LPG storage capacity

LAUGFS TERMINALS

10 acres leasehold land
Hambantota port

30,000 MT
LPG storage terminal

LAUGFS MARITIME SERVICES

Vessel Name	Capacity
Gas Challenger	3,300 MT
Gas Success	3,700 MT
Gas Courage	1,800 MT

LAUGFS PROPERTY DEVELOPERS

87,307 sq.ft. & **48** perches
building land

use as corporate office of
LAUGFS Holdings

21.47 perches land
use as car park of
LAUGFS corporate office

OTHER FREEHOLD PROPERTY (rented out to third parties)

- 1.67 acres of land
- 8,393 sqft of building space

LINK TO STRATEGY

- Profitable Growth
- Financial stability
- Operational Efficiency

MANAGEMENT APPROACH

Given its foundational role in supporting the midstream and downstream processes, the LAUGFS Gas Group maintains a highly disciplined approach to developing its Manufactured Capital to ensure all physical and digital assets continue to function at optimal levels in alignment with the Group's strategic objectives.

HIGHLIGHTS FOR FY 2024/25



LKR 982 Mn

invested on PPE

LKR 493 Mn

incurred on maintenance and upkeep of PPE



LKR 2 Mn

invested in upgrading network infrastructure

STAKEHOLDER OUTCOMES

- Uninterrupted product availability
- Access to a wider range of solutions at different price points
- Guarantee of the highest quality products manufactured on par with global standards

IMPACT ON OTHER CAPITALS



Improved long term profitability by generating business volumes and enhanced cost efficiencies



Enhances reputation and industry standing



Builds customer trust and reinforces stakeholder loyalty across the value chain



8. BETTER FINANCIAL AND ECONOMIC GROWTH



9. ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

BEST PRACTICES FOR PROCUREMENT OF PPE

Procurement of PPE at LAUGFS is underpinned by a rigorous process that reflects the Group's unwavering commitment to global best practices, safety, operational excellence, and strategic alignment. Each CAPEX proposal undergoes a thorough evaluation to ensure that investments are timely, financially justified, technically sound, and fully aligned with the Company's long-term strategic goals.

The approval process for CAPEX is clearly structured to maintain robust governance and accountability:

- All the proposals exceeding Rs. 3 Mn require Board approval.

As a policy, LAUGFS procures plant and equipment only from Original Equipment Manufacturers who adhere to strict quality standards, including compliance with global LPG standards and international standards such as:

- IP68 for ingress protection against dust and water
- ATEX Certification for equipment intended for explosive atmospheres
- FM Approval for compliance with rigorous safety and property loss prevention standards,
- UL Listing for ensuring product safety and compliance with recognised standards.

By embedding these standards into the PPE procurement process, LAUGFS strives to mitigate critical operational risks, such as gas leaks and explosions, while reinforcing its commitment to world-class safety, environmental responsibility, and continuous improvement.

In the year under review, the Group procured PPE to the value of LKR 982 Mn.

UPGRADING PPE

Given the capital-intensive nature of its day to day operation, a modern, high-performing asset base is essential for LAUGFS Gas PLC. Regular investments in PPE enable the Group to enhance production and distribution efficiency, reduce operational downtime, meet stringent regulatory standards, increase the market share and deliver consistent product quality to customers. To ensure that capital investments deliver maximum value, all Capital Expenditure

(CAPEX) investments follow a planned and systematic approach. The detailed CAPEX plan formulated at the start of the year based on the strategic business plan, serves as the foundation for PPE upgrades undertaken during the course of the year. Additionally, each CAPEX proposal is subject to rigorous evaluation, ensuring that investments are timely, justified, and aligned with the Company's strategic direction.

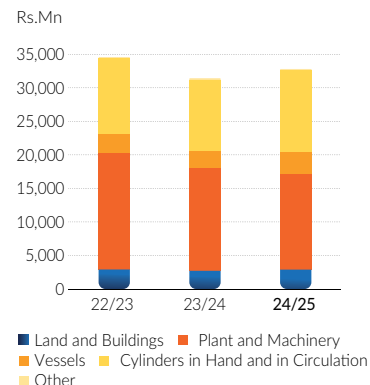


MANUFACTURED CAPITAL

Group PPE Composition as at 31st March 2025

	Energy (Rs.Mn)	Transportation and Logistics (Rs.Mn)	Trading (Rs.Mn)	Property (Rs.Mn)
Buildings	97	1,504	-	81
Plant, Machinery and Equipment	457	13,803	-	-
Motor Vehicles	54	-	-	-
Cylinders in hand and in Circulation	12,350	-	-	-
Vessels	-	3,216	-	-

Assets by Type



MAINTENANCE AND UPKEEP

The highly specialised and safety-sensitive nature of the equipment used by LAUGFS, in the handling, storage, and distribution of LPG, warrants regular maintenance for safeguarding asset integrity, optimising performance, minimising downtime, and ensuring aligning with stringent health, safety, and environmental regulations.

To this end, the Group's comprehensive maintenance programme is designed to cover the full lifecycle of each asset, from commissioning through to decommissioning. The Group's engineering team plays a central role in executing the maintenance programme and also undertakes planning, tracking, and reporting of all maintenance activities.

The LAUGFS Group's comprehensive maintenance programme is designed to cover the full lifecycle of each asset, from commissioning through to decommissioning and includes.

Scheduled Preventive Maintenance

Systematic inspections and servicing based on manufacturer recommendations and industry best practices to pre-empt potential failures.

Predictive Maintenance

Leveraging data and operational analytics to anticipate equipment wear and proactively schedule interventions before issues arise.

Corrective Maintenance

Immediate and structured response mechanisms for addressing any equipment anomalies or breakdowns to minimise disruption.

Regulatory Compliance Maintenance

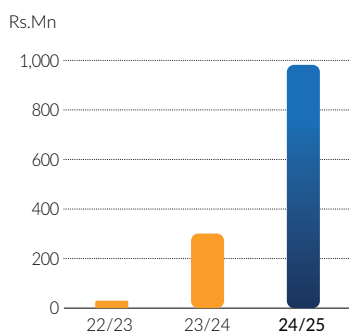
Regular audits and maintenance checks to ensure all equipment meets national LPG regulatory standards and global certifications such as ATEX, IP68, and FM/UL requirements.

Continuous Improvement Initiatives

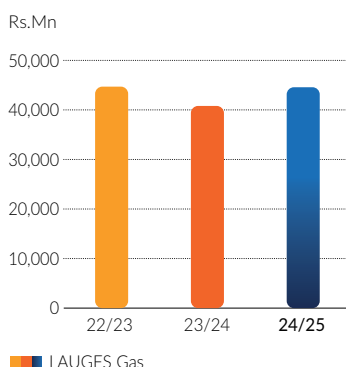
Ongoing review and enhancement of maintenance protocols based on incident analysis, technological advances, and feedback from operational teams.

In the year under review, the Group incurred approximately LKR 493 Mn on maintenance and upkeep of PPE.

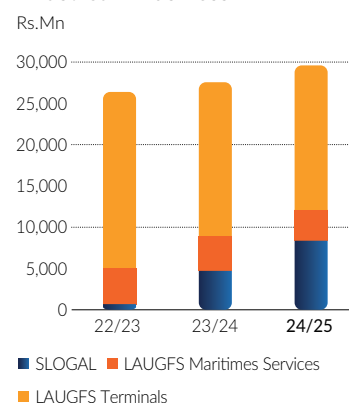
Investments in PPE



Monetised Value of our Downstream Business



Monetised Value of our Midstream Business



LAUGFS has strategically invested in building a strong, resilient IT backbone to support the Group's long-term growth strategy, ensuring that its technology ecosystem remains efficient, scalable, and future-ready. New IT investments are carefully planned based on the depreciation cycle of existing hardware and the evolving scalability requirements essential to sustain current operations and enable future expansion.

LAUGFS GROUP IT BACKBONE

SAP ERP System

The LAUGFS Group operates through SAP ERP system as its central enterprise resource planning (ERP) platform, enabling seamless integration and streamlined operations across all its entities. Currently, the Group operates with key SAP ERP components, including:

SAP ECC (ERP Central Component)

Managing core business processes such as finance, supply chain, human resources, and procurement.

SAP BI (Business Intelligence)

Providing advanced analytics and reporting capabilities to support data-driven decision-making.

SAP DW (Data Warehouse)

Enabling efficient data storage, retrieval, and management for comprehensive business insights.




SAP PI (Process Integration)

Facilitating seamless communication and integration between SAP and non-SAP applications, ensuring smooth data flow across the enterprise.



MANUFACTURED CAPITAL

DIGITISATION AND PROCESS AUTOMATION

Digitisation / Automation Initiative	Business Unit / Department	Key Benefits
 SALES FORCE AUTOMATION	LAUGFS GAS	<ul style="list-style-type: none"> • Visibility of redistribution sales and stock status of the market Distributor-wise/ National • Increased sales efficiency • Accurate sales forecasting and reporting • Faster ordering process • Mobile accessibility
 ROBOTIC PROCESS AUTOMATION (RPA) FOR THE BANK RECONCILIATION	LAUGFS GROUP	<ul style="list-style-type: none"> • Increased efficiency and productivity • Cost saving • Improved accuracy and compliance • Faster processing and turnaround • Scalability and flexibility • 24*7 availability
 REVAMP OF COMPANY PERFORMANCE MANAGEMENT SYSTEM (PMS)	LAUGFS GROUP	<ul style="list-style-type: none"> • Holistic employee evaluation • Improved fairness and transparency • Enhanced employee engagement and motivation • More effective performance feedback and coaching

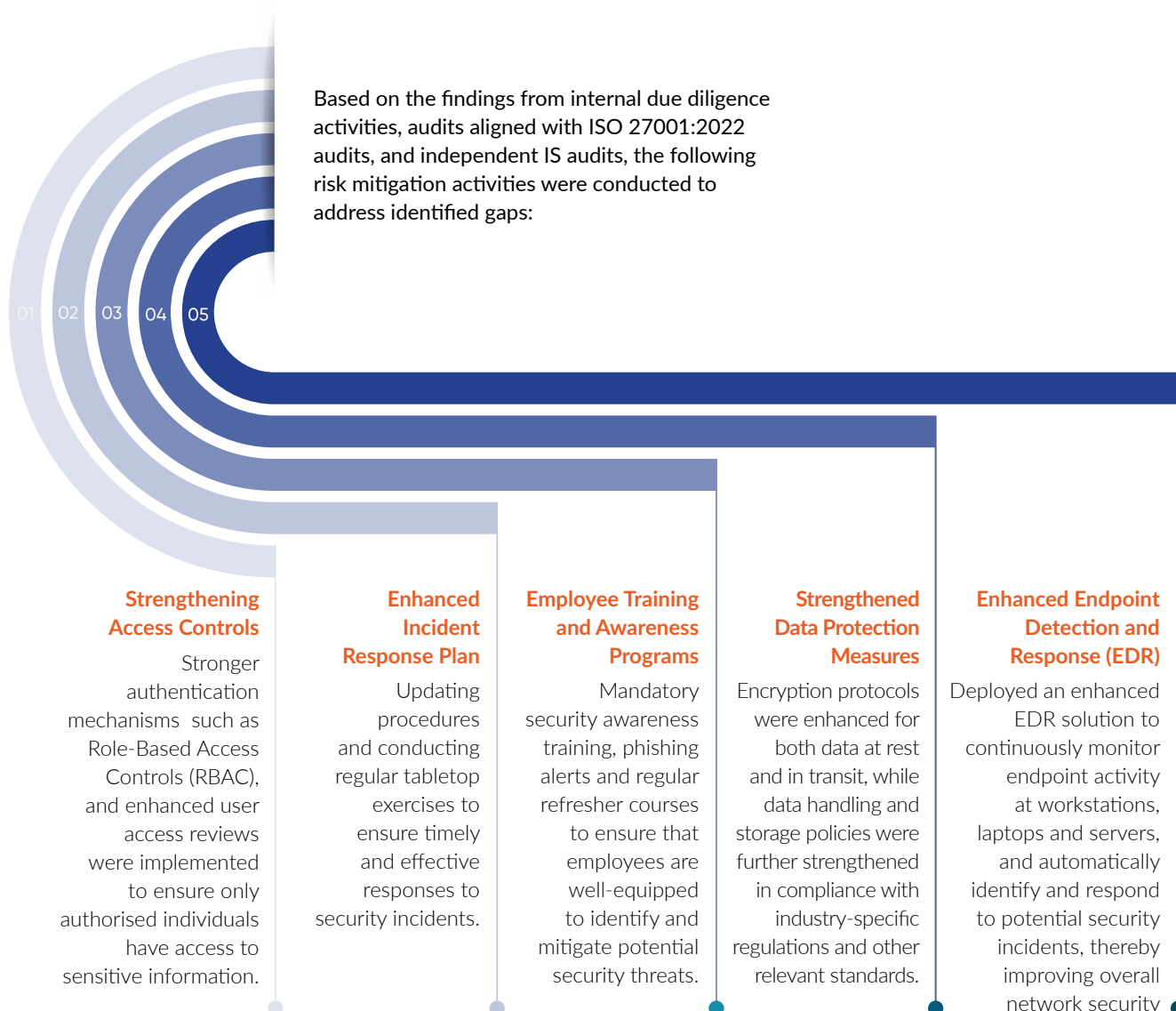
INFORMATION SECURITY SYSTEMS

With the continuous evolution and expansion of the Group's IT systems architecture, information security has been prioritised as a key focus area for LAUGFS. To safeguard against emerging threats, investments have been made in high-end firewalls and advanced threat protection mechanisms. Policies outlining stringent security application protocols, aligned with global best practices such as ISO 27001, have also been established. These are regularly reviewed, and updated to ensure robust risk mitigation. Likewise internal teams carry out proactive monitoring

and periodic internal security audits to verify the resilience and reliability of the Group's security posture. The ISO 27001:2022 standard is used as the basis for these adjust, particularly for identifying risks, and implementing corrective actions as needed. In addition, independent external audits are conducted to evaluate specific areas of the IS architecture, focusing on compliance with regulatory requirements, system resilience against cyber threats, and the overall effectiveness of data protection measures.

LAUGFS Group IT Policies

- ISMS Manual - Part I_v1.0
- ISMS Manual - Part II_v1.0
- Acceptable Usage Policy of IT Assets and Services_v1.0
- Information Systems Acquisition, Development & Maintenance Policy_v1.0



Challenges

The Group IT function continues to strengthen the organisation's digital foundation, while also navigating industry-wide challenges that demand sustained attention and investment. As with many established enterprises, evolving cybersecurity threats such as phishing and ransomware pose significant risks, necessitating a careful balance between robust security and operational usability. Legacy systems within certain entities that present integration and maintenance challenges, have been prioritised for immediate resolutions.



Opportunities

Strategically expand manufactured capital to rescale operations to meet growing demand, particularly in emerging markets

SHORT - MEDIUM TERM GOALS

- Complete the commission of the YOKOGAWA System at LAUGFS Terminals
- Invest in a more robust Web Application Firewall with the capability to monitor and control web traffic, protecting applications against threats like SQL injection, cross-site scripting (XSS), and other vulnerabilities

LONG TERM PLANS

- Expand the vessel fleet at LAUGFS Maritime Services
- Implement a Data Loss Prevention solution for the LAUGFS Group to enhance content inspection, monitor cloud-based data, and enforce encryption policies to prevent unauthorised access or data exfiltration.

INTELLECTUAL CAPITAL



The LAUGFS Gas Group Intellectual Capital consists of a collection of intangible assets that together strengthen the Group's status as the leading LPG provider in Sri Lanka.

CAPITAL PROFILE



MOST AWARDED

Sector Winner in the Power and Energy Sector

2024

CORPORATE HAPPINESS INDEX

Sector Winner in the Power and Energy Sector

2024

LMD READERS' CHOICE - MOST LOVED BRANDS

Oil, Lubricants and Gas Brands

2025



Won Gold Award for the Power and Energy Sector at TAGS AWARDS 2024



LINK TO STRATEGY

- Operational Efficiency
- Sustainability

MANAGEMENT APPROACH

The LAUGFS Gas is firmly committed to strengthening its Intellectual Capital base to ensure the Group remains agile, forward-thinking, and well-positioned to seize emerging opportunities, address challenges, and deliver sustained value in a dynamic market environment.

HIGHLIGHTS FOR FY 2024/25



LKR 82 Mn

invested in branding



LKR 1 Mn

invested in continuous professional development

STAKEHOLDER OUTCOMES

- Improved access and 24-7, 365 day availability
- High quality, safe, reliable products
- ZERO incidents of non-compliance with regulations

IMPACT ON OTHER CAPITALS



Strong brand credentials help in securing new customers in order to grow revenue and market share

Strategic partnerships that facilitate business expansion



Strong business ethics help to reinforce trust among customers and suppliers



BRAND LEADERSHIP

The LAUGFS Gas Group has built an enviable reputation as the preferred supplier of LPG across both B2B and B2C segments. Anchored by its core brand values of Reliability, Trust, Customer-centricity, Innovation and Teamwork the Group has built a fully integrated LPG ecosystem that positions LAUGFS as the undisputed leader in Sri Lanka's LPG industry.

The Group's highly scalable midstream infrastructure encompassing LPG trading and logistics which includes a modern fleet of LPG tankers and state-of-the-art 33,150 MT storage and filling terminals at Hambantota and Mabima, both operating under the highest international safety standards, serve as critical hubs, enabling large-scale importation, safe storage, and efficient handling of LPG.

Meanwhile, downstream activities are supported by the extensive dealer and distributor network comprising 30 authorised distributors and 7,000+ dealers, ensuring last-mile delivery of LPG to households, businesses, and industries across Sri Lanka.



Relaunched home delivery service with 1-hour gas cylinder delivery.

Special Women's Day campaign, offering free LPG cylinders to women-led small businesses.



Town campaigns and other BTL activities

Project Life campaign to provide free LPG cylinders and accessories to rural families.



INTELLECTUAL CAPITAL

GRI 2-23, 2-24, 2-26, 2-27, 205-1, 205-2, 205-3, (Sector Standard): 11.19, 11.20

KNOWLEDGE BASE

The LAUGFS Gas Group's senior leadership team brings together a powerful blend of industry expertise, strategic acumen, and deep technical knowledge gained over decades of collective experience in the LPG, energy, logistics, and infrastructure sectors. This seasoned leadership provides critical insights into market dynamics, regulatory landscapes, risk management, and innovation opportunities to support the achievement of Group strategic objectives. Moreover, their deep understanding of local and regional energy markets enables LAUGFS to navigate challenges, seize emerging opportunities, and continuously deliver value to its customers, partners, and stakeholders.

Recognising the criticality of continuously strengthening the knowledge base, the Group invests in targeted development programmes for continuous professional development and encourages senior teams to actively participate in global energy forums and partner with industry experts for knowledge sharing and global best practice adoption.

STRATEGIC PARTNERSHIPS

Strategic partnerships are vital for LAUGFS Gas Group as they strengthen its downstream distribution reach, ensuring reliable last-mile delivery of LPG across Sri Lanka. To that end, the Group has a longstanding agreement with Abans PLC enabled retail customers to purchase new LPG cylinders and other accessories through the Abans elite showrooms around the Country. And the tie up with LIOC (Lanka IOC), allows LAUGFS GAS to distribute LPG through LIOC's island-wide network of fuel stations.

ETHICS AND INTEGRITY

At LAUGFS Gas, ethics and integrity are the heart of the Group's operational model, shaping how business is conducted at all levels.

- There were no incidents of bribery or corruption reported in the current financial year
- There were no operation assessed related to risk corruption
- All employees and governance body members were trained on anti corruption policies and procedures

Tone from the Top

The Board of Directors sets the tone at the top, ensuring that ethical conduct, fairness, and transparency are non-negotiable pillars embedded across all operations.

Zero-tolerance on bribery, corruption, and unethical practices

Reinforced through the Anti Bribery and Corruption Policy.

Avoidance of Anti-competitive Practices

Strict measures are in place to avoid anti-competitive practices in any form, ensuring fair competition. The Group was not subject to any legal actions in relation to anti-competitive behaviour.

Disciplinary Policy

Ensuring ensure a fair and equitable procedure is followed in dealing with employee misconduct and imposing punishment, while safeguarding employee right.

STANDARDS AND CERTIFICATIONS

Standards and certifications strengthen the Group's license to operate by ensuring full compliance with both local and international regulatory requirements, which is critical for managing reputational risk, and maintaining market leadership in the energy sector.

Code of Conduct

Outlines clear expectations for ethical behaviour, responsible decision-making, and compliance with both local and international laws. This Code is disseminated across all levels through structured training, internal communications, and leadership reinforcement, ensuring every employee, business partner, and stakeholder understands their responsibility to uphold the Group's standards.

Whistle-blower mechanism

Empowers employees and stakeholders to report suspected violations or unethical conduct without fear of retaliation. Reports are thoroughly investigated, and corrective actions are promptly taken to uphold the Group's ethical framework.

Standards and certifications also enhance customer trust and strengthen contracting and partnership opportunities by providing formal assurance of LAUGFS' commitment to best practices, safety, and sustainability, all factors that are increasingly valued by B2B and B2C clients alike.

MEMBERSHIPS AND AFFILIATIONS

The LAUGFS Gas Group has also selectively obtained the following Membership and Affiliations that add further value to various aspects of business;

- **WLGA:** Provides global best practices, regulatory updates, and risk management strategies for the LPG industry
- **The Employers Federation of Ceylon**
- **The Chamber of Commerce:** Provides policy advocacy and regulatory support, ensuring compliance with government regulations
- **The Ceylon National Chamber of Commerce:** Helps mitigate risks by providing business intelligence and policy insights



Challenges

Retaining critical expertise and knowledge amidst increasing industry competition and global talent mobility.



Opportunities

Leveraging internal expertise to drive product innovation and differentiate in the local LPG market.

Expanding knowledge-sharing and learning partnerships to strengthen employee capabilities and leadership pipelines.

SHORT TERM GOALS (0-12 MONTHS)

- **Streamline HR Processes:** Identify and eliminate inefficiencies in key HR processes (e.g., recruitment, onboarding, performance reviews) to enhance speed, consistency, and user experience.
- **Integrate Core Values into Performance Management:** Embed organisational values into the Performance Management process by aligning goal setting, feedback, and appraisal mechanisms with behavioural expectations.
- **Establish and Standardise HR Policies & Procedures:** Develop, update, and communicate clear and consistent HR policies and procedures across all SBUs to ensure compliance, operational consistency, and transparency.

MEDIUM-TERM GOALS (1-3 YEARS)

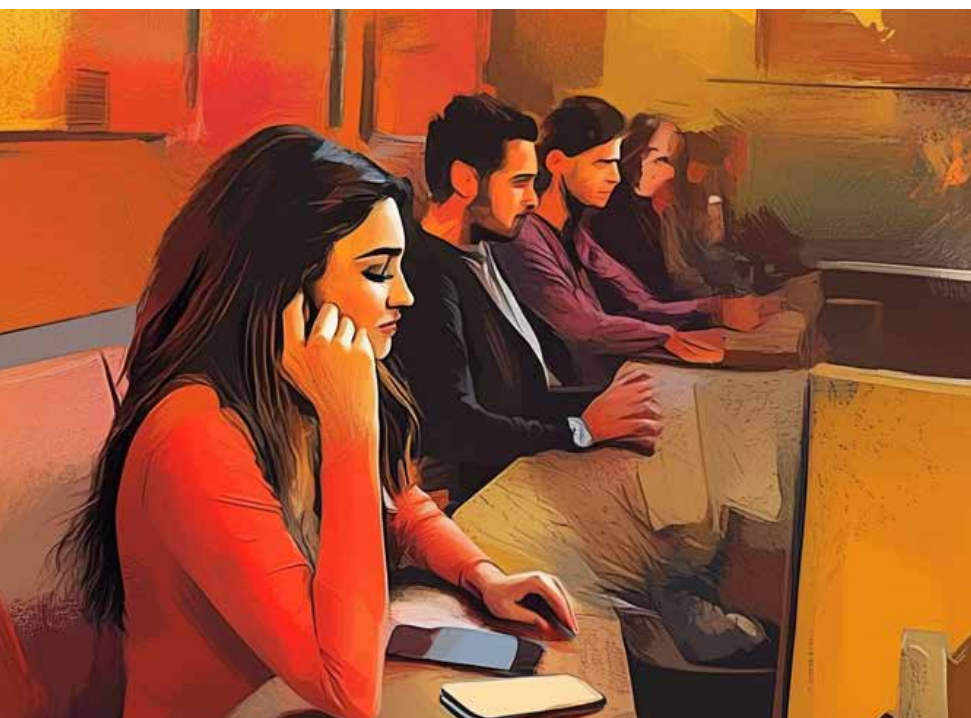
- **Develop Leadership Bench Strength:** Roll out a structured Leadership Development Framework, including assessments, coaching, and career pathing for future leaders.
- **Institutionalise Succession Planning:** Identify critical roles and high-potential talent across the Group and build talent pipelines with focused development plans.
- **Promote a Learning Culture:** Embed continuous learning as a norm through blended learning pathways, knowledge-sharing platforms, and recognition for learning achievements.

LONG-TERM GOALS (3+ YEARS)

- **Create an Inclusive, Values-Driven Culture:** Foster a workplace where diversity is embraced, and all employees - particularly underrepresented groups such as women - are supported through inclusive policies, leadership accountability, and development pathways aligned with LAUGFS's values.
- **Build a Future-Ready Workforce:** Align workforce capabilities with long-term business strategies and emerging industry trends, including digital transformation, sustainability, and automation.
- **Position LAUGFS as an Employer of Choice:** Strengthen employer branding to attract and retain top talent by enhancing employee value proposition and aligning with future workforce expectations.

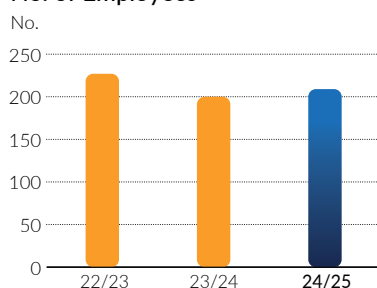
HUMAN CAPITAL

GRI 2-7, 2-8

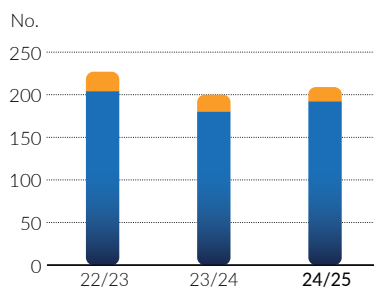


Human capital is central to the success and sustainability of the LAUGFS Gas Group. Comprising a diverse, multi-ethnic, and multidisciplinary workforce, the Group's employees bring together a wealth of skills, experience, and perspectives that drive innovation, operational excellence, and customer satisfaction. Their collective contribution forms the backbone of the Group's ability to adapt, grow, and deliver long-term value across all areas of business.

No. of Employees



Male:Female Ratio



Age-wise

Below 30	39
30-50	130
Above 50	40

Region-wise - Sri Lanka

Permanent	178
Probation	16
Contract	14

Region-wise - UAE

Permanent	1
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Category wise

HOD and above	19
Manager	40
Executive	30
Non- Executive	117
Trainee	3

Employment Type

	Male	Female
Permanent	162	17
Probation	16	0
Contract	14	0

Activity-wise

	Male	Female
Downstream	144	14
Midstream	43	3
Service	5	0

LINK TO STRATEGY

- Operational Efficiency
- Right Approach

MANAGEMENT APPROACH

Recognising that Human Capital is one its most valuable assets, the LAUGFS Gas Group invests in creating a robust work workplace that embraces a culture of growth, inclusivity, and empowerment to ensure employees receive the best in-class experience at every stage of employment.

HIGHLIGHTS FOR FY 2024/25

**Rs. 1,358 Mn**

Distributed as monetary benefits to employees



Annual performance review conducted for all eligible employees

200**Rs. 1 Mn**

invested in training

1,895 hours of safety training

Launched a special leadership development programme to support career progression of high performing employees

Commenced regular surveys to measure employee satisfaction

STAKEHOLDER OUTCOMES

- **51** new recruits
- **10** Employees promoted
- **2.9%** Increased in injuries

IMPACT ON OTHER CAPITALS



Consistent improvement in employee productivity drives cost efficiency



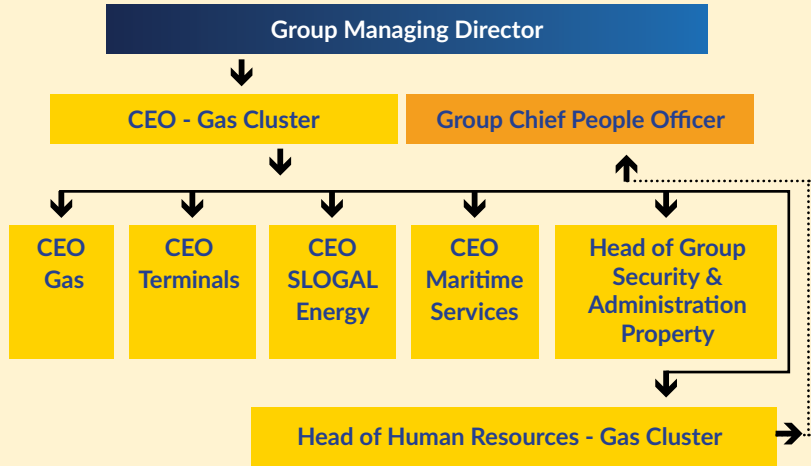
Improved employee satisfaction and loyalty enhances the Groups' reputation as an employer of choice



A diverse workforce helps to earn and retain the trust of key stakeholders, including customers and distributors



LAUGFS GAS PLC HR GOVERNANCE STRUCTURE AND FRAMEWORK



NON-DISCRIMINATION

LAUGFS strictly adheres to international human rights practices to create a workplace free from discrimination, harassment, and exploitation.

No incidents of discrimination were reported during the current year

PREVENTION OF CHILD LABOUR

LAUGFS maintains a zero-tolerance policy on child labour in line with international labor standards and local regulations to prevent the employment of minors in any form. The Company aligns with the ILO Conventions and the United Nations Global Compact (UNGC) Principles, ensuring that all its operations and business partners uphold the prohibition of child labour.

No incidents of child labour were reported during the current year

REGULATORY COMPLIANCE

- Shop and Office Employees Act of 1954 • Factories Ordinance
- EPF Act • ETF Act • Payment of Gratuity Act of Sri Lanka

No incidents of non-compliance with laws and regulations were reported during the current financial year

HUMAN RIGHTS

LAUGFS recognises the fundamental right to voluntary employment and operates on the principle that employees have the freedom to leave at their discretion and may do so in accordance with the terms of their employment contracts, thus eliminating the risk of forced labour.

LAUGFS Gas Group operations are not at risk for forced or compulsory labour

DIVERSITY AND EQUAL OPPORTUNITY

LAUGFS is an equal opportunity employer actively promotes the values of equality and fairness, ensuring that all employees, regardless of their background have equal access to opportunities for growth and success.

As part of this commitment LAUGFS strives to maintain a 1:1 ratio in the salaries offered to men and women in comparable positions across the organisation.

HUMAN CAPITAL

GRI 202-2, 401 -1, 2-19, 2-20, 201-3, 202-1, 401 -2, 401-3, 403 -6, 405 - 2 (Sector Standard) 11.10, 11.11

RECRUITMENT AND SELECTION

Recruitment at LAUGFS Gas is a strategically planned process that begins well before the start of the financial year. The Group Chief People Officer (GCPO) collaborates closely with HR Cluster partners to assess the manpower needs of each business cluster. These insights are consolidated into the annual manpower plan, which in turn drives the formulation of the human capital budget for the upcoming year. The primary aim of this exercise is to ensure that all sectors across the Group are adequately resourced to support their growth ambitions. Once approved by the Board, the manpower plan and budget serve as the overarching framework for all recruitment efforts across the Group during the fiscal year.

As an equal opportunity employer, LAUGFS Gas is firmly committed to merit-based recruitment. All vacancies are publicly advertised and also circulated internally, giving existing employees a fair opportunity to apply. The Group's Recruitment Policy provides clear guidelines to ensure the right candidate is selected for each role. Both internal and external applicants are assessed equally, based on their qualifications, experience, attitude, growth potential, and ability to take on greater responsibility.

selection process includes competency assessments and multiple interview rounds. These recruitments are overseen by the Group Managing Director, in collaboration with the GCPO, the relevant Cluster HR Head, and, where necessary, internal technical experts. Notably, the entire Senior Management Team at LAUGFS Gas is sourced locally from Sri Lanka.

Candidates applying for executive and non-executive positions are required to present themselves for an interview, with final selections made by the GCPO / Cluster HR Partners in line with predetermined criteria outlining required minimum job competencies and subject to verification of the candidates credentials, including qualifications, experience, age etc. New recruits are arranged into batches and required to participate in a comprehensive 01 day induction programme to understand what is expected of an employee of the LAUGFS Gas Group.

As per the Groups' terms of employment, all new recruits remain on probation for a period of 06 months, at the conclusion of which they are drafted to the main cadre based on the sign off from their immediate superior.

Recruitments & Attrition by Gender

	Recruitments	Attrition
Male	48	38
Female	3	3

Recruitments & Attrition by Region

	Recruitments	Attrition
Sri Lanka	51	41
UAE	-	-

REMUNERATION AND BENEFITS

LAUGFS Gas is committed to providing all employees with fair and competitive remuneration that reflects the nature of their role, along with their qualifications, experience, and performance. Salary surveys are also undertaken from time to time to ensure the Group's salary structures are competitive and remain on par with industry standards.

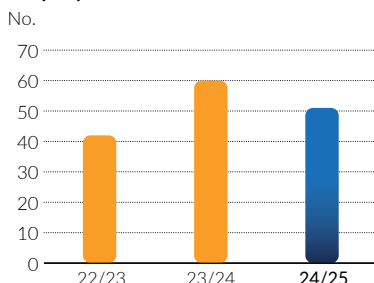
The Group's salary structures are fully compliant with all applicable labour regulations. This includes contributions of 12% of an employee's basic monthly salary to the Employees' Provident Fund (EPF) and 3% to the Employees' Trust Fund (ETF). Additionally, annual provisions are made for gratuity obligations for employees who have completed five or more years of continuous service, in accordance with the Gratuity Act of Sri Lanka.

Going beyond statutory requirements, LAUGFS Gas upholds strong equity principles by ensuring equal pay for equal work. Men and women in similar roles across all employee categories receive equal basic pay, with the Group maintaining a 1:1 salary ratio wherever roles and responsibilities are comparable.

During the year under review, the National Minimum Wage of Workers (Amendment) Act, No. 3 of 2021, revised the national minimum monthly wage to LKR 12,500. However, as the Group's minimum wage thresholds are significantly above this benchmark, the amendment had no impact on existing compensation structures.

For management-level roles, the

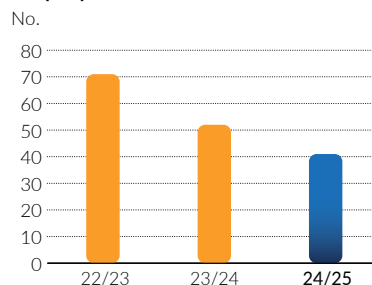
Employee Recruitments



Gas Cluster

Recruitments	51
Employee Attrition	41

Employee Attrition



Recruitments & Attrition by Age

	Recruitments	Attrition
Below 30	28	16
30-50	18	18
Above 50	5	7

Other Employee Benefits

- Free meals for employees working for LAUGFS Gas
- Comprehensive health insurance schemes
- Educational aid and professional membership claims
- Gift vouchers for achievers
- Special risk allowance for essential services
- Free uniforms
- Gifts for birthdays, weddings and new-child births
- Death donations (Rs. 50,000/= for a passing away of a close family member)
- Annual book donations for families having more than two children
- Scholarship programme for the higher education of employees' children

**Employees Entitled for parental leave**

159 **7**
Male Female

**Employees on parental leave**

2 **0**
Male Female

**Employees who returned to work during the period after parental leave**

100%



Total No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work

100%

Gender Pay Parity Ratio

Gas Cluster	FY 2024/25		FY 2023/24	
	Male	Female	Male	Female
HOD and above	1.11	1	1.11	1
Manager	1	1	1.15	1
Executive	1.2	1	1.38	1
Non-Executive	1.16	1	1.36	1
Trainee	1	1	1	1

PERFORMANCE MANAGEMENT

Performance management is central to building a motivated, high-performing workforce required to support the LAUGFS Gas Group operations.

The Group has implemented a structured annual appraisal process for all permanent employees to assess individual performance against pre-defined objectives set at the beginning of each year.

This comprehensive evaluation goes beyond measuring results. It provides a platform for meaningful dialogue between employees and their managers - offering feedback, identifying areas for development, and pinpointing training needs. The

appraisal process also plays a key role in talent planning, guiding decisions around internal transfers, promotions, and other career advancement pathways.

Top performers are recognised and rewarded through bonuses, promotions, and targeted development opportunities, reinforcing a culture of meritocracy and continuous growth

Apart from the annual performance appraisal, performance reviews are also performed upon completion of the probationary period, during the course of disciplinary issues or for the purpose of facilitating employee transfers / job rotations and interim promotions.

Employee Category

Gas Cluster	Employees benefiting from the performance appraisals		Employee receiving promotion	
	Male	Female	Male	Female
HOD and above	16	0	2	0
Manager & Asst. Manager	39	4	1	0
Executive	19	8	3	1
Non- Executive	109	5	3	0

TRAINING AND DEVELOPMENT

LAUGFS Gas is committed to ensuring that all employees receive the training they need to perform their roles effectively and grow within the organisation. Training efforts prioritise the development of technical skills, delivered through a blended learning model based on the 70:20:10 principle, 70% on-the-job experience, 20% mentoring, and 10% classroom learning. In recent years, greater focus

has also been placed on soft skills and leadership development to support long-term career growth.

Training programmes are guided by an annual training calendar developed by the Group HR team. This calendar is informed by inputs from clusters and departments, as well as the training needs identified during annual performance appraisals. Technical training is coordinated by Cluster HR

HUMAN CAPITAL

GRI 2-30, 402 -1, 404-1 (Sector Standard) 11.10, 11.11, 11.13

Partners to address business-specific needs, while Group HR oversees all general training, including areas such

as compliance, ethics, leadership, and soft skills.

Average Training Hours by Employee Category

Gas Cluster	FY 2024/25
Executive and above	5.37
Non-Executive	19.39

Average Training Hours by Gender

Gas Cluster	FY 2024/25
Male	14.28
Female	3.79

CAREER PROGRESSION

The LAUGFS Gas Group's structured approach to career progression is based on nurturing internal talent. Career advancement opportunities are aligned with individual performance, potential, and business needs, ensuring employees are equipped to take on

greater responsibilities over time. In the year under review, a special Leadership Development Programme was initiated to groom identified high performers by providing them with targeted training, mentorship, and exposure to prepare them for future leadership roles within the organisation.

Promotions Granted

Gas Cluster	FY 2024/25		FY 2023/24	
	Male	Female	Male	Female
HOD & above	2	0	2	0
Manager & Asst. Manager	1	0	2	1
Executive	3	1	5	1
Non-Executive	3	0	4	0

EMPLOYEE RELATIONS

The Group acknowledges that strong employee relations are integral to building a productive and sustainable work environment where individuals feel valued, respected, and motivated to perform at their best. Positive workplace relationships help reduce conflict, lower turnover, and enhance job satisfaction, engagement, and overall productivity, contributing directly to the Group's strategic success.

To ensure transparency and timely communication, formal mechanisms are in place to notify employees of operational changes. Executives

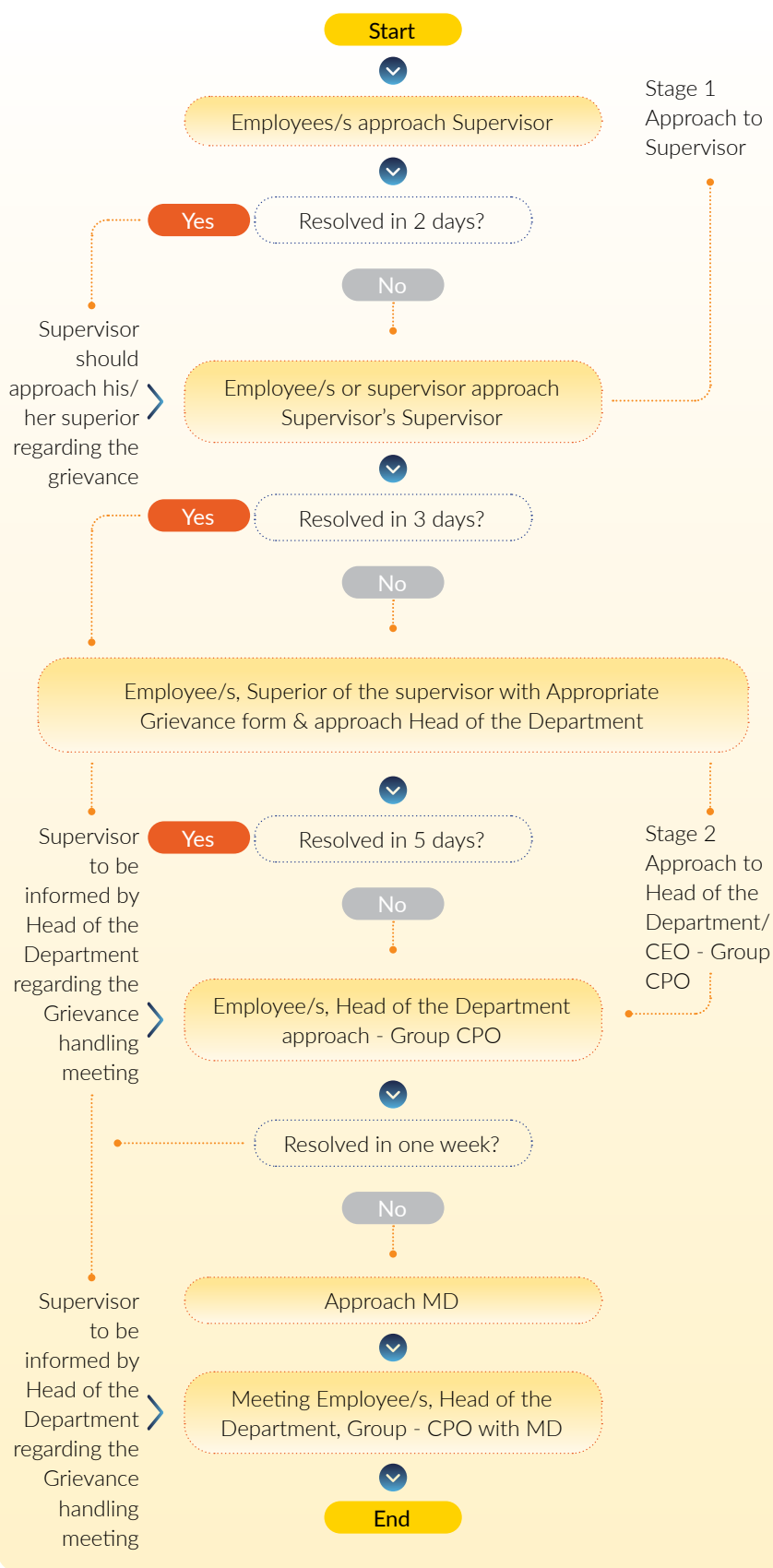
are informed via email, while site employees are updated through bulletin boards, with operational changes communicated at least two weeks in advance. The Group also promotes open communication through its open-door policy, encouraging managers to use team briefings and regular meetings to foster trust and collaboration.

A formal grievance channel is in place to enable employees to raise concerns. All grievances are investigated promptly and resolved fairly through an impartial review, creating a strong foundation of trust, which has eliminated the need for collective agreements.

Employee engagement is further reinforced through a vibrant annual events calendar that offers opportunities for informal interaction, stress relief, and improved work-life balance, helping to create a more connected and motivated workforce.



LAUGFS GAS GROUP GRIEVANCE HANDLING PROCEDURE

MEASURING
EMPLOYEE
SATISFACTION

In the current year the LAUGFS Gas Group initiated regular employee surveys. These surveys are designed to assess various dimensions of the employee experience, including retention levels, overall happiness, development needs, and feedback on areas for improvement.

Insights from these surveys are gathered and closely monitored by the Group HR team to inform strategic decisions aimed at enhancing employee engagement, satisfaction, and long-term retention.

OCCUPATIONAL HEALTH AND
SAFETY

Ensuring a safe and healthy working environment is a top priority at LAUGFS Gas. The Group is fully committed to protecting the well-being of its employees, customers, visitors, and other stakeholders by adhering to all applicable regulatory requirements and aligning with international best practices. Reinforcing this commitment, the Group has voluntarily adopted the ISO 45001:2018 Occupational Health and Safety (OHS) Standard, which provides a structured framework to manage health and safety risks across all operations.

The Group's OHS system features well-defined protocols for hazard identification, risk assessments, and the implementation of control measures. Routine, location-specific hazard inspections are conducted to proactively identify risks, which are then formally documented and mitigated through appropriate corrective actions. In the event of an incident or injury, the Group follows a strict incident management protocol that includes prompt documentation, root-cause

Safety Regulations and Best Practices Endorsed by the LAUGFS Gas Group

- WLPG Standard
- SLSI Standard
- Factory ordinance
- National Fire Regulations
- ISO 45001 Occupational Health and Safety Standard
- There were no major incidents of non-compliance with safety regulations reported in FY 2024/25

investigation, corrective actions, and updates to prevent recurrence - ensuring continuous improvement of the OHS system.

Oversight and enforcement of safety procedures fall under the dedicated Health, Safety, and Environment (HSE) Department, led by the Head of HSE. This department works closely with cluster-wise HSE Managers and on-site HSE Officers stationed at each location, all of whom are responsible for conducting regular safety audits and monitoring workplace safety based on a standardized checklist. In addition, specially trained Emergency Response Teams are in place to manage fire emergencies, while the broader safety culture is actively promoted to encourage employee vigilance and accountability.

Supporting employee well-being, a visiting physician is available weekly at the corporate office's onsite medical centre, offering convenient access to primary health consultations.

Extending its safety focus beyond internal operations, LAUGFS Gas also champions public road safety. The Group conducts vehicle safety inspections and provides specialised defensive driving training for all drivers, reinforcing its broader commitment to safety for both employees and the wider community.

There were no work related ill health incidents.

IDENTIFIED SAFETY RISKS FOR THE LAUGFS GAS GROUP

Fire & explosion



Approved fire fighting system and firefighting team allocated.

Falls, Trips and Slips



Ensure floors around benches and machinery are kept clean & tidy and extension leads off the ground using cable stands

LPG leaks & BLEVE



Periodically inspection carrying out and required test, accessory replacement is carried out on time.

Providing appropriate PPE and conducting awareness & training sessions for all employees as per the category & requirement.

Leakage of Chemicals



Special storage infrastructure with secondary containment units



100% of employees are covered by the health and safety management system.

LAUGFS Gas PLC

Our Safety Teams (2024/25)

HSE	3
HSE Steering Committee	16
Joint Safety Committee	16
Emergency Team Leaders	17
Firefighting team	35
First Aid Team	25

Injury Record (2024/25)

First Aid	11
Work related injuries	2
Lost Time Accident	0
Work related fatalities	0
Injury rate	3.50%

LAUGFS Terminal

Our Safety Teams (2024/25)

HSE Committee	10
Fire Fighting Team	6
Leak Response Team	4
Evacuation Team	2

Injury Record (2024/25)

First Aid Injuries	18
Work related injury	0
Absenteeism rate	0
No. of lost work days	2.5
Work related fatalities	0
Injury rate	3.75%



Challenges

- Attracting and retaining skilled talent amidst growing industry competition
- Managing workforce adaptability in the face of rapid technological and operational changes



Opportunities

- Leveraging internal talent development programmes to build future-ready leadership
- Enhancing employee engagement through digital HR tools and data-driven decision-making

SHORT TERM GOALS (0–1 YEAR)

- **Optimise Talent Acquisition:** Standardise and streamline recruitment processes across SBUs to ensure timely onboarding of critical talent.
- **Enhance Onboarding & Induction:** Institutionalise a Group-wide induction framework that fosters cultural alignment and accelerates time-to-productivity.
- **Upskill Workforce:** Conduct targeted technical, compliance, and soft skills training to close immediate competency gaps.
- **Strengthen Employee Engagement:** Implement structured feedback mechanisms and recognition programs to enhance motivation and morale.
- **Reinforce Performance Management:** Ensure alignment of individual KPIs with business objectives through SMART goal setting and periodic reviews.

MEDIUM-TERM GOALS (1–3 YEARS)

- **Leadership Development & Succession Planning:** Roll out structured leadership programs and identify successors for key roles to ensure business continuity.
- **Digital HR Transformation:** Automate core HR processes and introduce talent analytics to drive informed workforce decisions.
- **Employer Branding:** Strengthen the organisation's reputation as an employer of choice through targeted value propositions and brand visibility.
- **Cultural Integration:** Reinforce organisational values and behaviours through leadership modelling, communication, and recognition mechanisms.

LONG-TERM GOALS (3+ YEARS)

- **Build a Future-Ready Workforce:** Invest in critical capabilities such as digital acumen, innovation, and strategic thinking to support business transformation.
- **Institutionalise a Learning Culture:** Evolve into a learning organisation through integrated L&D systems, mentorship, and continuous development pathways.
- **Advance DEI Initiatives:** Embed diversity, equity, and inclusion principles across all levels to drive innovation and inclusive growth.
- **Strategic Workforce Planning:** Align long-term human capital strategies with organisational growth, succession, and sustainability priorities.
- **Human Capital as a Value Driver:** Position HR as a strategic partner in business planning, transformation, and risk mitigation.

SOCIAL AND RELATIONSHIP CAPITAL



Social and Relationship Capital carries immense significance for the LAUGFS Gas Group as the strong social ties with stakeholders, including customers, suppliers, and communities, together form a supportive ecosystem to fuel growth and resilience.

CAPITAL PROFILE

OVER 2 Mn

B2B and B2C customers across Sri Lanka, Bangladesh and the Maldives

340+

local and overseas suppliers

30

strong island-wide distributor network

LINK TO STRATEGY

- Profitable Growth
- Financial Stability
- Operational Efficiency
- Sustainable Growth

MANAGEMENT APPROACH

A comprehensive and integrated approach underpins the LAUGFS Gas Group efforts to build strong connections with key stakeholders who are vital for the continuity and long term sustainability of Group operations.



HIGHLIGHTS FOR FY 2024/25



Increased the number of LPG cylinders undergoing re-qualification to enhance safety.

Added new cylinders to the market to improve product availability and reliability

Conducting regular surveys targeting key customer segments, including home delivery customers and distributors



Rs. 40.5 Bn
paid to suppliers

Introduction of a formal Supplier Code of Conduct

Rs. 13 Mn

spent on CSR initiatives

STAKEHOLDER OUTCOMES

- Assurance of high quality, safe, reliable products
- Best-in-class customer experience, including 24/7 x 365 day island-wide availability
- Opportunities for sustained growth for suppliers and distributors

IMPACT ON OTHER CAPITALS



The support of loyal customers, suppliers and distributors help to enhance revenue generation and improve market share



Strong relationships with key stakeholders enhanced brand reputation



Feedback from stakeholders drive continuous improvement of physical and digital infrastructure



CUSTOMERS

The LAUGFS Gas Group caters to two distinct customer segments in Sri Lanka: the B2C market and the B2B sector. Underpinned by a strong commitment to customer-centricity, the Group has adopted targeted approaches that aim to position LAUGFS as the trusted and more preferred supplier of LPG for all customer segments.

CUSTOMER PROFILES

Retail (B2C)



Residential households: - The largest customer segment, using LPG primarily for cooking and other general household needs.

Commercial (B2B)

Restaurants, hotels, bakeries, and other business that utilise LPG for cooking and heating applications

Industrial (B2B)

Manufacturing facilities and other industries requiring LPG for various industrial processes.



Primary Need

Safe and reliable supply of LPG for various household and commercial applications, such as cooking and heating.



Preference for

- Convenience: Easy access retailers or delivery services
- Safety: Assurance of high-quality cylinders, LPG and apparatus
- Reliability: Consistent supply and timely deliveries
- Brand reputation: Trust in the LAUGFS Gas brand and its commitment to safety and quality

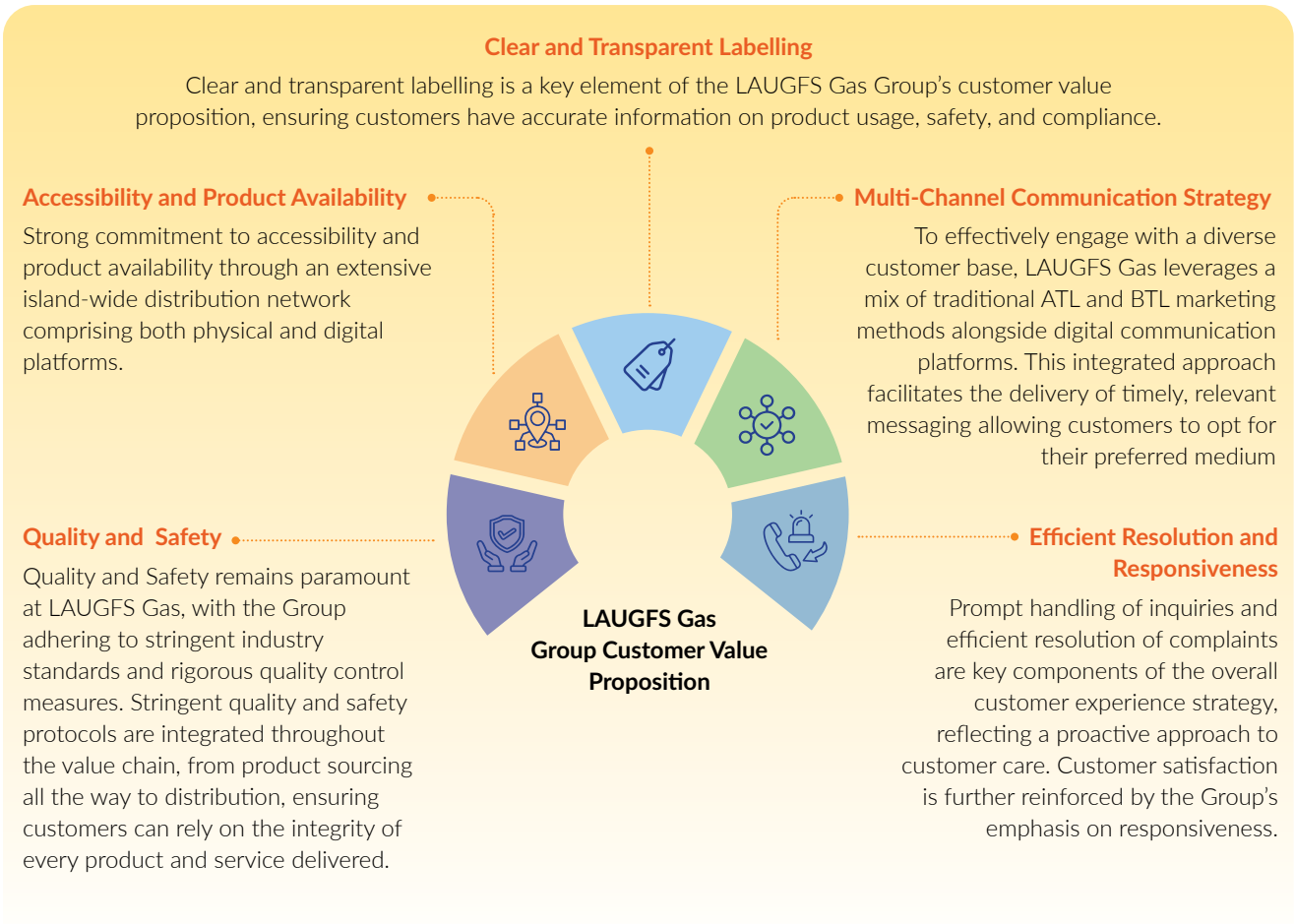


SOCIAL AND RELATIONSHIP CAPITAL

GRI 416-1, 416-2, 417 -1, 417-2, 417-3, 418 - 1, 2-6, 204 -1

FULLY FLEDGED CUSTOMER VALUE PROPOSITION

LAUGFS Gas Group is deeply committed to delivering a comprehensive customer value proposition with every facet of the Group's operations designed to create a seamless and trusted experience for all customers across Sri Lanka.



Quality and Safety

The LAUGFS Gas Group upholds the highest standards of product quality and safety across the entire LPG lifecycle, guided by a deep commitment to protect customers and ensure regulatory compliance. The process begins with rigorous quality control protocols applied during the filling, storage, and distribution of LPG, ensuring every cylinder delivered meets both national and international standards, including SLS 1196 and SLS 1178, as well as the NFPA 58 code for the safe storage and handling of liquefied petroleum gas. Reinforcing this, all LPG filling and storage facilities are certified under ISO 9001:2015 Quality Management Standards, demonstrating the Group's structured

approach to managing product quality and operational integrity.

ISO 45001:2018 Occupational health and safety management system certification to ensure a safe and healthy workplace by identifying, controlling, and reducing risks related to occupational health and safety, preventing accidents, and protecting employees and others.

Product safety is further embedded through a comprehensive cylinder re-qualification process. All returned cylinders are subjected to thorough inspections to assess structural soundness and verify suitability for reuse. Only those meeting strict safety criteria are purged of residual

gas, cleaned, and refilled under tightly controlled conditions that prevent leakage and ensure accurate gas quantity. Before redistribution, cylinders undergo final safety checks to confirm compliance. Cylinders that no longer meet safety standards are responsibly decommissioned and recycled, preventing unsafe units from re-entering circulation and minimising environmental impact.

In 2024/25, the Group strengthened its product quality and safety processes by increasing the number of cylinders undergoing re-qualification and infusing new cylinders to the market to improve reliability and safety. Continuous testing was also carried out on cylinder coatings, with plans to adopt

cost-effective marine-grade paint to enhance durability and resistance to wear. These proactive measures reflect the Group's unwavering focus on continuous improvement in safety and quality management.

There were no incidents of non-compliance with health and safety regulations related to products reported during the year.

Accessibility and Product Availability

The Group operates an extensive, island-wide distribution network through 30 authorised LAUGFS Gas dealers and distributors, in addition to 70+ LIOC fuel stations, ensuring consistent product availability across the Country.

Clear and Transparent Labelling

As an LPG supplier, the LAUGFS Gas Group prioritises consumer safety, transparency, and regulatory compliance in its labelling practices. All LPG cylinders are labelled in strict adherence to the standards set out by the relevant SLSI product code, ensuring that essential information, such as product characteristics, safety instructions, and handling guidelines are clearly indicated.

There were no incidents of non-compliance concerning product and service information and labelling reported during the year.

Multi-Channel Communication Strategy

The LAUGFS Gas Group employs an integrated multi-channel marketing and communication strategy.

Above-The-Line (ATL) and Below-The-Line (BTL) campaigns serve as the primary modes of outreach and promote the benefits and safe use of LPG and are further complemented by digital engagement through social media platforms like Facebook, Instagram, LinkedIn, and TikTok, to support ongoing customer engagement, while providing easy access to information, promotions, and updates. Additionally, the Group's distributors are provided regular training to reinforce key safety messages and best practices, ensuring clear and effective communication at every customer touchpoint.

There were no incidents of non-compliance concerning marketing communications reported during the year.

Efficient Resolution and Responsiveness

The Group views customer complaints as valuable opportunities for continuous improvement. Customers can easily lodge complaints through the dedicated contact centre, which operates from 7.00 a.m. to 7.00 p.m. on weekdays and is staffed by teams trained to respond promptly and effectively. The introduction of the short code 1345 in 2023 has further simplified the complaint submission process.

All complaints with utmost dedication, striving for swift resolution while maintaining transparent communication with customers throughout, reflecting its commitment to achieving 100% customer satisfaction.

There were no substantiated complaints concerning breaches of customer privacy and losses of customer data reported during the year.



SUPPLIERS

The LAUGFS Group views its Supply Chain (GSC) as a network of Strategic Business Partners who drive value creation and support the Group's sustainable competitive advantage.

The Group Supply Chain (GSC) handled LKR 87 Bn spent in 2024/25 FY on behalf of the entire Group, of this amount, LKR 40 Bn was spent for the LAUGFS Gas Group, accounting for 46% of the total. 90% Spent on foreign vendors and 10% on Local with regards to gas related purchases.

SUPPLIER SCREENING AND ON-BOARDING

The LAUGFS Gas Group recognises suppliers as vital business partners who play a key role in the continuity and sustainability of its operations. As

such, significant emphasis is placed on engaging with the right partners who align with the Group's core values. To that end the Group Procurement Policy sets out Standard Operating Procedures (SOPs) for screening and onboarding of new suppliers

In line with established SOP's all new suppliers undergo a rigorous evaluation process that assesses their compliance with legal and regulatory requirements, alongside their demonstrable commitment to social and environmental best practices. Due diligence is conducted to verify suppliers credentials, including pre-qualification assessments that evaluate suppliers on ethical conduct, legal compliance, environmental impact, and financial stability before engagement. Additionally, risk-based screening is conducted, particularly for suppliers operating in high-risk regions or sectors, complemented by detailed self-assessment questionnaires completed by suppliers. When non-compliance is identified, the Group

SOCIAL AND RELATIONSHIP CAPITAL

GRI 11.10, 11.12, 308-1, 308-2, 414-1, 414-2, 2-6

works closely with suppliers to develop corrective action plans and monitors progress to ensure improvements are achieved.

These stringent due diligence measures help guarantee that suppliers align with the Group's values, supporting responsible and sustainable sourcing throughout the supply chain.

Suppliers who successfully complete the screening requirements are formally on-boarded through the LAUGFS Gas Group Supplier Code of Conduct, a formally binding contract that outlines the ethical, environmental, and social responsibilities expected from suppliers.

LAUGFS GAS GROUP PROCUREMENT BEST PRACTICES

Pre-qualification/KYC checks:
Assess supplier capability, ensure the supplier has proper storage, filling, transportation, and handling infrastructure, analyse financial stability and capacity to meet demand, ensure the supplier complies with all legal, environmental, and safety norms.

Formal agreements: Define terms for supply, pricing, delivery, safety responsibilities, and dispute resolution.

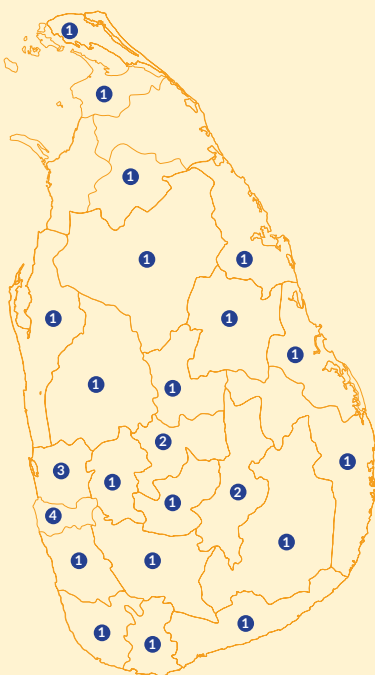
Service Level Agreements (SLAs):
Include KPIs such as delivery timelines, volume accuracy, emergency response time, etc.

Supplier Environmental Assessment	
Percentage of new suppliers that were screened using environmental criteria	4%
Total number of existing suppliers assessed for environmental impacts	10
Number of suppliers identified as having significant actual and potential negative environmental impacts	None
Significant actual and potential negative environmental impacts identified	None
Percentage of suppliers with whom improvements were agreed upon as a result of negative environmental impacts identified	None
Percentage of suppliers with whom relationships were terminated as a result of negative environmental assessment, and why.	None

Additionally, the Group's Procurement team maintains continuous rapport with all suppliers and market intermediaries based on the principles of trust and shared value.

DISTRIBUTORS

Distributors play a vital role in the LAUGFS Gas Group's value chain, serving as the essential link that delivers the Group's products to the market. Acknowledging their importance, the Group has developed an extensive island-wide network of over 7,000+ channel partners, ensuring a strong LAUGFS presence across all 25 districts of Sri Lanka.



Strength of Relationship

Time frame	Percentage of Distributors
>1 year	-
1 - 5 years	12%
5 - 10 years	46%
15 - 20 years	27%
<20 years	15%

The LAUGFS Gas dealer network is complemented by the ongoing partnership with LIOC, that enables the Group to leverage LIOC's network of fuel stations to enhance island-wide LPG availability in the retail market.

STRENGTHENING DISTRIBUTOR NETWORKS

Given the central role of distributors in the Group's business model, the objective is to cultivate them as long-term strategic partners who can support growth and operational goals over time.

The Company fosters strong engagement with distributors through a multifaceted approach that promotes open communication and collaboration. Multiple channels have been established to ensure timely information sharing on product updates and market developments.

Field Sales Managers are responsible for maintaining regular engagement with distributors in their respective territories. These interactions help identify performance gaps and capture distributor feedback, which is escalated to management when necessary. Distributor performance is monitored monthly by the Sales Administration Department, based on reports from Field Sales Managers. Where needed, the Group provides targeted support, including financial assistance and capacity-building initiatives, to strengthen distributor capabilities.

Process for Appointing New Distributors

A press notice is published inviting expressions of interest



Potential candidates are required to complete the Distributorship Application Form available at the specified location.

After the application deadline, all submissions undergo an impartial evaluation following established SOPs.



Applicants are graded from A to E based on their financial stability, capital investment capability, prior distribution experience, and compliance with minimum financial requirements.

Final selection by LAUGFS Gas Group Management.



Formal appointment is conditional upon the distributor's commitment to complete necessary infrastructure requirements within a specified timeframe and subsequently signing the distributor agreements.

SOCIAL AND RELATIONSHIP CAPITAL

COMMUNITY

Community Support

The LAUGFS Gas Group considers community support to be an integral part of its corporate ethos. Recognising both the positive and potential negative impacts on the community owing its operations, the LAUGFS Gas Group's community strategy is built on the principle of shared value creation.

POSITIVE AND NEGATIVE IMPACTS TO THE COMMUNITY RESULTING FROM LAUGFS GAS GROUP OPERATIONS

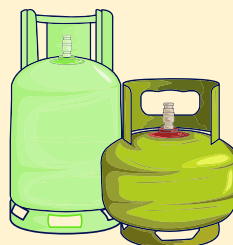


Positive Impacts



Employment and Livelihoods

The Group's operations support direct and indirect employment across the island, including through its distribution and retail networks, contributing significantly to local livelihoods.



Energy Accessibility

The LAUGFS Gas Group ensures consistent LPG availability across Sri Lanka, promoting clean energy access and reducing reliance on traditional biomass, which supports health and environmental outcomes for communities.

Skills Development

Through training programmes for distributors and service providers, the Group helps uplift skills and capabilities within local communities.



Community Investment

Targeted CSR initiatives, such as school support programmes, disaster relief efforts, and health and safety awareness campaigns add tangible value to community well-being.



Negative Impacts



Safety and Environmental Risks

LPG operations inherently carry safety and environmental risks that may affect nearby communities if not managed appropriately (e.g., risk of gas leaks or emissions during transport and storage).



Infrastructure Strain

Expansion activities may sometimes lead to increased traffic or infrastructure demands in certain localities.

KEY COMMUNITY PROJECTS

In 2024/25, the LAUGFS Gas Group continued to redefine its role as more than just an energy provider, through carefully curated social outreach programmes aimed at supporting national wellbeing, cultural solidarity, and the health and dignity of all Sri Lankans. Key projects conducted include:

Project LIFE: Powering Dignity Through Access

Project LIFE is an ongoing project by the LAUGFS Gas Group and serves as a direct response to resolving the toxic smoke from traditional firewood stoves that continue to be used by underserved communities across Sri Lanka, where firewood remains the primary source of cooking fuel. Recognising that toxic smoke from firewood stoves poses a significant risk of the health and wellbeing of these communities, the LAUGFS Gas Group's Project LIFE was scaled up in the current year to support over 30+ low-income households, selected based on vulnerability, income status, and prolonged firewood usage. Each beneficiary received a complete LPG starter pack, including a 5kg cylinder, regulator, and single-burner cooker, along with training in safety and proper usage.

Post-reviews suggest that the impact of the initiative extends beyond immediate convenience with several beneficiaries reporting improved health conditions, reduced cooking times, and greater independence.

Dansalata Diriyak: Enabling Traditions with Safe Energy

The Dansalata Diriyak programme represents the LAUGFS Gas Group commitment to preserving the cultural heritage and religious traditions of Sri Lanka. The programmes conducted in the current year saw the Group providing energy support for 400+ community-led dansals held across the country in celebration of Vesak and Poson Poya 2024.

Vesak Edition

In May 2024, during the Vesak season, LAUGFS Gas donated over 200 LPG cylinders to dansal organisers across all nine provinces with LAUGFS Group teams undertaking to coordinate with temples, youth groups, and civil organisations to ensure timely distribution, technical guidance, and post-event follow-up. From roadside tea and biscuit stalls to large-scale rice dansals serving full meals islandwide, LPG cylinders provided by the Group helped to ensure seamless food preparation while eliminating the risks of open fire cooking.

Poson Edition

In June 2024, more than 200 Poson dansals across the country. Special attention was given to religious zones in the North Central and Eastern provinces, including Mihintale and Polonnaruwa, where thousands gathered for pilgrimage.



LONG TERM PLANS

Introduce a performance-based reward scheme aimed at motivating distributors, offering top performers access to a range of monetary incentives and non-monetary recognition benefits.

NATURAL CAPITAL



As an integrated LPG supplier, the LAUGFS Gas Group has a significant connectivity with nature through its reliance on natural resources, particularly natural gas.

CAPITAL PROFILE

LINK TO STRATEGY

- Operational Efficiency
- Sustainable Growth
- Right Approach

MANAGEMENT APPROACH

The LAUGFS Gas Group's approach to managing Natural Capital is firmly grounded in compliance with environmental regulations and adherence to best practices in sustainability. Additionally, the Group also engages in active dialogue with local communities and stakeholders to address environmental concerns and implement sustainable practices.



In September 2024, to mark the International Day for the Preservation of the Ozone Layer, LAUGFS Gas carried out its environmental sustainability initiative Project 'Wanaropa'. As part of this project, we planted trees within our Mabima Filling Plant premises to enhance green cover and contribute to cleaner air. In addition, we distributed tree saplings to the public, encouraging them to plant and nurture these trees in their own communities. This collective effort aimed to raise awareness about the importance of reforestation in protecting the ozone layer and combating climate change, while fostering a culture of environmental responsibility among employees, customers, and the wider community.

HIGHLIGHTS FOR FY 2024/25



99%

of material used were recycled



5,148 m³

water recycled and discharged

STAKEHOLDER OUTCOMES

- Reduction in environmental pollution
- Preservation of marine ecosystems
- Zero oil spills

IMPACT ON OTHER CAPITALS



Sustained commitment towards environmental stewardship enhances the Group's reputation



Compliance with environmental regulations builds stakeholder trust



COMPLIANCE AND BEST PRACTICES

Compliance and best practices form the basis of the LAUGFS Gas Group's commitment to managing environmental impacts responsibly and sustainably. The Group leads by example, aligning its operations with international maritime environmental treaties to uphold the highest standards in marine and air pollution control. Likewise at the national level, the Group maintains full compliance with environmental regulations and licensing frameworks. These commitments are internalised through a robust environmental management system coupled with regular audits and further reinforced by a strong internal governance framework to promote accountability and continuous improvement across all areas of operation.

LAUGFS GAS GROUP COMMITMENT TO COMPLIANCE AND BEST PRACTICES



Maritime Sector
(Pollution Control)

MARPOL (International Convention for the Prevention of Pollution from Ships)

Compliance with all annexes of MARPOL to minimise marine pollution.



Air Emissions
(Maritime)

IMO Sulphur Cap Regulation (2020)

Use of low-sulphur fuel to meet global sulphur limits ($\leq 0.5\%$ sulphur content).



Waste Management
at Sea

MARPOL Annex V

Garbage Management Plan ensures responsible disposal and recycling of ship-generated waste.



Energy Efficiency

IMO's Ship Energy Efficiency Management Plan (SEEMP)

Optimising fuel use and improving vessel operations to lower GHG emissions.



Ballast Water

Ballast Water Management (BWM) Convention – IMO

Implementation of a Ballast Water Management Plan to prevent invasive species transfer.



Terminal Operations
– Sri Lanka

Environmental Protection License (EPL) from CEA

Operations of the LPG terminal are licensed and monitored under national environmental law.



Scheduled Waste
Management

Local Environmental Authority Licensing

Holding required licenses for handling and disposal of hazardous/scheduled waste.

NATURAL CAPITAL

GRI 301-1, 301-2, 301-3, 302-1, 302-2, 302-4

MATERIALS

As a leading supplier of LPG, the Group recognises its responsibility to minimise environmental impacts associated with the use of both renewable and non-renewable materials in its operations. To this end, it actively promotes the recycling and reuse of materials wherever possible. A key aspect of this commitment is the Group's LPG cylinder recycling programme. Used and expired cylinders are systematically collected from customers, with all handling carried out safely and efficiently. In line with established Standard Operating Procedures, each cylinder is carefully inspected to determine whether it can be refurbished or must be decommissioned.

Cylinders deemed suitable for reuse are cleaned, pressure-tested, and equipped with new valves and seals, in compliance with Sri Lanka Standards Institution (SLSI) mandated safety and quality requirements.

Cylinders that are beyond refurbishment are dismantled in an environmentally responsible manner, with metal components sent for recycling to minimise waste.

The Group maintains comprehensive records of cylinder lifecycles and recycling activities, demonstrating transparency and accountability throughout the supply chain.

Material Usage

	Unit	FY 2024/25	FY 2023/24
Material used by weight - Renewable	MT	76,616	57,646
Materials used by weight - Non-Renewable	MT	94,966	77,031
Recycled input materials used by weight	MT	76,616	57,646
% reclaimed products and their packaging materials	MT	None	None

ENERGY

The LAUGFS Gas Group relies on a mix of electricity, diesel, and renewable energy sources, primarily solar power to meet its operational energy needs. Recognising the environmental impact of non-renewable energy use, the Group has implemented a comprehensive energy management approach aimed at improving efficiency and transitioning towards cleaner energy alternatives.

As part of this approach, systems have been put in place to systematically capture and monitor energy

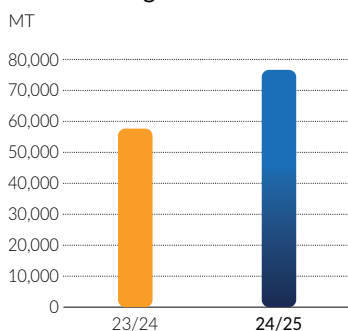
consumption data across all operational sites and energy sources, which helps to identify inefficiencies, and initiate targeted action.

The Group also maintains detailed records of indirect energy consumption related to activities beyond its immediate operations, particularly those tied to its LPG distribution network, including fuel usage by third-party logistics providers, transport fleets, and storage facilities associated with product delivery.

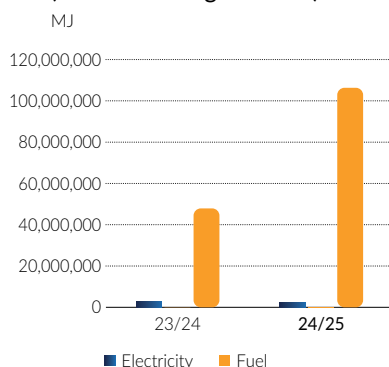
Energy Consumption

	Unit	FY 2024/25	FY 2023/24
Non-renewable Energy consumption - Electricity	MJ	2,593,350	2,536,934
Non-renewable Energy consumption - Fuel (Petrol)	MJ	None	15,491
Non-renewable Energy consumption - Fuel (Diesel)	MJ	47,899,687	106,327,175
Energy consumption outside of the organisation (Diesel)	MJ	26,008,595	24,941,647
Total Energy consumption	MJ	50,493,037	108,879,600

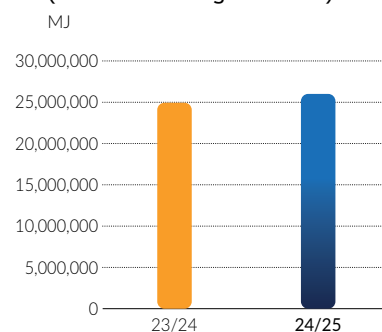
Material Usage



Energy Usage (Within the Organisation)



Energy Usage (Outside the Organisation)



To better understand and manage its environmental impact, the Group also calculates emission intensity by relating total emissions to relevant output metrics, such as energy produced or revenue earned.

EMISSIONS

The LAUGFS Gas Group takes a comprehensive and systematic approach to measuring its carbon footprint, encompassing all three scopes of greenhouse gas emissions Scope 1, Scope 2, and Scope 3.

Direct Scope 1 emissions gases released from sources owned or controlled by the Group include fuel combustion generated by onsite activities. Scope 2 emissions, generated indirectly from the consumption of purchased electricity, as well as energy usage and procurement practices across operations. Scope 3 emissions covers all other indirect emissions within the value chain, such as those from purchased goods and services, business travel, and waste management.

To better understand and manage its environmental impact, the Group also calculates emission intensity by relating total emissions to relevant output metrics, such as energy produced or revenue earned. This enabled the LAUGFS Gas Group to identify key areas for improvement, implement targeted efficiency measures, and continuously reduce its overall carbon footprint.

Air Emissions

	Unit	FY 2024/25	FY 2023/24
Direct (Scope 1) GHG emissions	MT CO ₂ e	1,868,714	1,805,081
Energy indirect (Scope 2) GHG emissions	MT CO ₂ e	322,901	315,877
Other indirect (Scope 3) GHG emissions	MT CO ₂ e	146,926	129,502
GHG emissions intensity (LPG filling and bulk sales)	MT	24.36	29.19

The LAUGFS Gas Group does not monitor or report on ozone depleting substances / Nitrogen oxides (NOx), sulphur oxides (SOx), and other such air emissions.

WATER AND EFFLUENTS

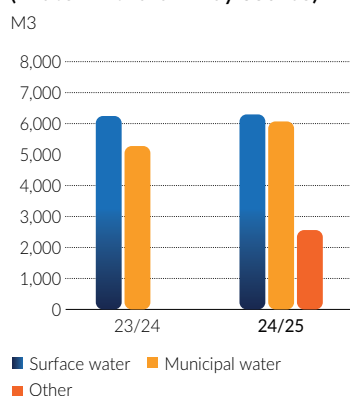
As a leading LPG supplier, the LAUGFS Gas Group utilises water primarily for cleaning empty cylinders collected from customers before refilling, alongside meeting utility and sanitation needs for employees. Municipal water supply remains the principal source for all these requirements.

Demonstrating its commitment to responsible water stewardship, the Group continuously monitors water consumption across all operations. This is supported by investments in water-saving technologies and ongoing staff awareness programmes aimed at minimising water wastage throughout the organisation.

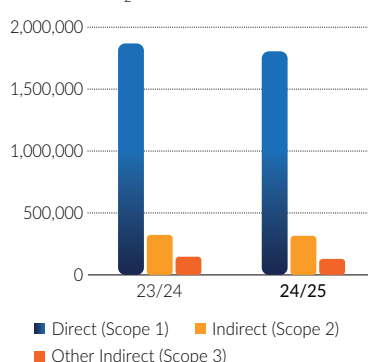
In compliance with the Environmental Protection License (EPL) and scheduled waste management licences, the Group's terminals in Colombo and Hambantota are equipped with advanced effluent treatment plants. These facilities ensure that wastewater is treated effectively, with effluent quality rigorously monitored to meet or exceed EPL standards.

Additionally, the Group tracks and reports annual water withdrawal, consumption, and discharge volumes in accordance with the metrics outlined by the Global Reporting Initiative (GRI) standards, reinforcing its commitment to transparency and sustainable water management.

Water Usage (Water withdrawn by source)



Emissions (MT) MTCO₂e



NATURAL CAPITAL

Water Consumption

	Unit	FY 2024/25	FY 2023/24
Water withdrawal by source - Surface Water	m ³	6,297	6,246
Water withdrawal by source - Municipal Water	m ³	6,070	5,276
Water withdrawal by source - Other (Rain Water etc.)	m ³	2,563	-
Water recycled and reused	m ³	None	None

Effluents and Waste

	Unit	FY 2024/25	FY 2023/24
Waste water discharged - Location and volume	m ³	5,148	4,788
Total weight of hazardous waste disposed & disposal method	m ³	-	-
Total weight of non-hazardous waste disposed & disposal method	kg	3,365	79,982



Challenges

- Heavy reliance on diesel and other fossil fuels
- Complex process for handling and recycling LPG cylinders



Opportunities

- Expanding the use of solar and other renewable energy sources to reduce reliance on fossil fuels
- Strengthening cylinder recycling initiatives to increase material recovery rates

GRI CONTENT INDEX

Statement of use	LAUGFS GAS PLC has reported in accordance with the GRI Standards for the period 01ST APRIL 2024 TO 31ST MARCH 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: OIL AND GAS SECTOR 2021

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	

GENERAL DISCLOSURES

GRI 2: General Disclosures 2021	2-1 Organisational details	4				
	2-2 Entities included in the organisation's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4				
	2-4 Restatements of information	4				
	2-5 External assurance	4				
	2-6 Activities, value chain and other business relationships	22, 80, 82				
	2-7 Employees	70				
	2-8 Workers who are not employees	70				
	2-9 Governance structure and composition	105				
	2-10 Nomination and selection of the highest governance body	106				
	2-11 Chair of the highest governance body	106				
	2-12 Role of the highest governance body in overseeing the management of impacts	104				

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
	2-13 Delegation of responsibility for managing impacts	108				
	2-14 Role of the highest governance body in sustainability reporting	112				
	2-15 Conflicts of interest	106				
	2-16 Communication of critical concerns	110				
	2-17 Collective knowledge of the highest governance body	106, 108				
	2-18 Evaluation of the performance of the highest governance body	106, 114				
	2-19 Remuneration policies	72, 106				
	2-20 Process to determine remuneration	72, 106				
	2-22 Statement on sustainable development strategy	16				
	2-23 Policy commitments	68, 116				
	2-24 Embedding policy commitments	68				
	2-25 Processes to remediate negative impacts	75				
	2-26 Mechanisms for seeking advice and raising concerns	68				
	2-27 Compliance with laws and regulations	68				
	2-28 Membership associations	69				
	2-29 Approach to stakeholder engagement	24				
	2-30 Collective bargaining agreements	74				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	27				
	3-2 List of material topics	27				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	72				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	238				
	201-3 Defined benefit plan obligations and other retirement plans	72				
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	72				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	72				
	202-2 Proportion of senior management hired from the local community	72				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	80				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	80				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	68				

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 205: Anti-corruption 2016 Sector Standard 11.20	205-1 Operations assessed for risks related to corruption	68				
	205-2 Communication and training about anti-corruption policies and procedures	68				
	205-3 Confirmed incidents of corruption and actions taken	68				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	157				
GRI 207: Tax 2019	207-1 Approach to tax	157				
	207-2 Tax governance, control, and risk management	157				
	207-3 Stakeholder engagement and management of concerns related to tax	157				
	207-4 Country-by-country reporting	157				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	88				
	301-2 Recycled input materials used	88				
	301-3 Reclaimed products and their packaging materials	88				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	88				
	302-2 Energy consumption outside of the organisation	88				
	302-4 Reduction of energy consumption	88				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	89				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	89				
	303-2 Management of water discharge-related impacts	89				
	303-3 Water withdrawal	89				
	303-4 Water discharge	89				
	303-5 Water consumption	89				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	89				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	89				
	305-2 Energy indirect (Scope 2) GHG emissions	89				
	305-3 Other indirect (Scope 3) GHG emissions	89				
	305-4 GHG emissions intensity	89				
	305-5 Reduction of GHG emissions	89				
	305-6 Emissions of ozone-depleting substances (ODS)	89				
	305-7 Nitrogen oxides (NOx), Sulphur oxides (SOx), and other significant air emissions	89				

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	89				
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	89				
	306-3 Waste generated	89				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	82				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	82				
	308-2 Negative environmental impacts in the supply chain and actions taken	82				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	72				
GRI 401: Employment 2016 Sector Standard 11.10	401-1 New employee hires and employee turnover	72				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	72				
	401-3 Parental leave	72				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	74				
GRI 402: Labor/ Management Relations 2016 Sector Standard 11.10	402-1 Minimum notice periods regarding operational changes	74				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	75				
GRI 403: Occupational Health and Safety 2018 Sector Standard 11.9	403-1 Occupational health and safety management system	75				
	403-2 Hazard identification, risk assessment, and incident investigation	75				
	403-3 Occupational health services	75				
	403-4 Worker participation, consultation, and communication on occupational health and safety	75				
	403-5 Worker training on occupational health and safety	75				
	403-6 Promotion of worker health	75				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	75				
	403-8 Workers covered by an occupational health and safety management system	75				
	403-9 Work-related injuries	75				
	403-10 Work-related ill health	75				

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	74				
GRI 404: Training and Education 2016 Sector Standard 11.10	404-1 Average hours of training per year per employee	74				
	404-2 Programs for upgrading employee skills and transition assistance programs	73				
	404-3 Percentage of employees receiving regular performance and career development reviews	73				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	72				
	405-2 Ratio of basic salary and remuneration of women to men	72				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	71				
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	71				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	71				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	71				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	71				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	71				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	71				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	71				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	82				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	82				
	414-2 Negative social impacts in the supply chain and actions taken	82				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	80				

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	80				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	80				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	80				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	80				
	417-2 Incidents of non-compliance concerning product and service information and labeling	80				
	417-3 Incidents of non-compliance concerning marketing communications	80				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	80				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	80				

INDEPENDENT ASSURANCE REPORT



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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF LAUGFS GAS PLC ON THE SUSTAINABILITY REPORTING CRITERIA PRESENTED IN THE INTEGRATED ANNUAL REPORT FY 2024/25

Scope

We have been engaged by LAUGFS Gas PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on LAUGFS Gas PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in LAUGFS Gas PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by LAUGFS Gas PLC

In preparing the Subject Matter, LAUGFS Gas PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at <https://www.globalreporting.org>

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's

Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

LAUGFS Gas PLC's responsibilities

LAUGFS Gas PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised)), and the terms of reference for this engagement as agreed with the LAUGFS Gas PLC on 27 June 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing,

and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures

INDEPENDENT ASSURANCE REPORT



were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organisation through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained

during the course of our assurance engagement and requested changes wherever required.

- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of LAUGFS Gas PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.

14 August 2025
Colombo

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

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

A member firm of Ernst & Young Global Limited

Where Integrity Sustains Trust



Like the steady flame of a well-regulated gas burner, effective governance is built on balance, consistency, and control. At LAUGFS Gas, our approach to stewardship is grounded in discipline, transparency, and accountability - ensuring every aspect of our business operates safely, ethically, and with long-term value at its core.

From Board oversight to risk management, every system is carefully calibrated to maintain the trust of our stakeholders. Through strong governance and principled leadership, we ensure that progress is not only pursued - but protected.



GOVERNANCE & STEWARDSHIP

CORPORATE GOVERNANCE REPORT

GRI 2-12

CHAIRMAN'S INTRODUCTION



At LAUGFS Gas PLC, we are committed to leading by example in embedding good governance principles throughout the organisation. This commitment is reflected in our consistent efforts to uphold transparency, accountability, and ethical conduct across all levels of the Company.

Our governance philosophy stems from the understanding that strong oversight and disciplined leadership drive long-

term value creation. Accordingly, the Board has continued to strengthen oversight frameworks, ensure ethical conduct, and support strategic agility in a dynamic external environment.

Throughout the financial year 2024/25, the Board reaffirmed its dedication to continuous improvement by proactively aligning our internal governance framework with evolving regulatory expectations. A key priority during the year was ensuring full compliance with the revised Section 9 of the Colombo Stock Exchange (CSE) Listing Rules on Corporate Governance. I am pleased to confirm that all requirements were met in full, in line with the mandated timelines.

In conclusion, I affirm that the Board, Corporate Management, and all employees of LAUGFS Gas PLC have carried out their responsibilities in strict adherence to all applicable laws and regulatory requirements. Furthermore, on behalf of the Board, I wish to declare that the Board of Directors, Corporate Management and employees of the Group have acted in good faith in conducting the affairs in compliance with code of conduct, the anti-bribery and corruption policy and all other relevant conduct policies.

CORPORATE GOVERNANCE PHILOSOPHY

The LAUGFS Gas Group's corporate governance philosophy is founded on the belief that sound governance is essential to safeguarding stakeholder interests while supporting strategic growth and long-term sustainability.

The Company's governance framework is anchored by the commitment to regulatory compliance and further strengthened by the voluntary adoption of globally recognised governance principles that together form a cohesive framework to promote operational accountability across all levels of the organisation.

The Company's governance frameworks are continuously evolving through regular reviews to align with evolving regulatory expectations and global best practices.

THE BOARD

The Board of Directors of LAUGFS Gas PLC functions as the highest governing authority within the organisation, providing strategic direction and oversight. Operating in accordance with a formal Board Charter that sets out its Terms of Reference (TOR), the Board is responsible for shaping the Group's mission, vision, and long-term strategy, ensuring that execution is aligned with the broader interests of all stakeholders.

MATTERS RESERVED EXPRESSLY FOR BOARD CONSIDERATION

Risk Capital and Liquidity Planning

- Changes relating to the Company's capital structure
- Approval of the annual capital plan
- Approval of risk appetite

Financial Results and Dividends

- Approval of interim and final financial statements, dividends and any significant change in accounting policies or practices

Strategy

- Approval of the Company's strategic plan
- Reviewing actual performance against strategy
- Approving capital projects, investments, acquisitions, mergers or disposals

Governance and Control

- Approval of principal regulatory filings
- Review and update the Terms of Reference (TOR) of Board Sub Committees
- Approval of Board and Board Sub Committees performance evaluation process
- Review and update the Corporate Governance Framework
- Approval of division of responsibilities between the Chair and the Chief Executive Officer

Remuneration

- Approval of the framework for determining the policy and specific remuneration of the Chair and Executive Directors and KMP's
- Approval of Non-Executive Director payments

Board and Sub Committee Membership

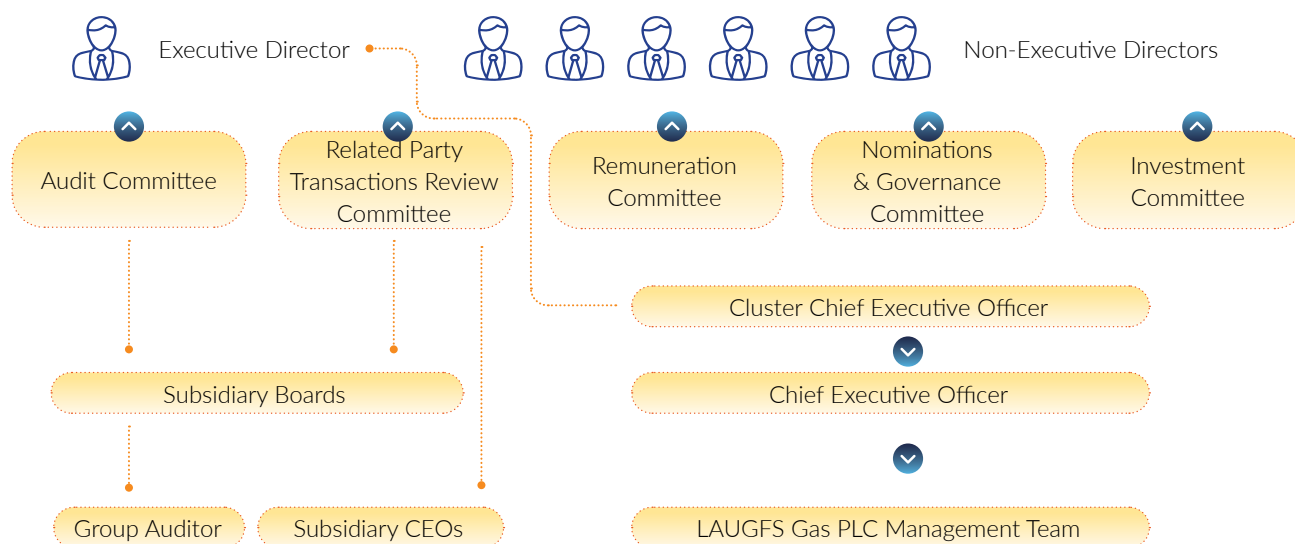
- Board Appointments and removals
- Establishment of Board Committees and their membership

As the principal custodian of corporate governance, certain key matters are reserved exclusively for Board deliberation, reinforcing its central role in ensuring accountability, transparency, and stakeholder value creation.

GOVERNANCE STRUCTURE

The Board

Appointed by shareholders



Regulatory Frameworks

- Companies Act No. 07 of 2007
- CSE Listing Rules
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021
- Shop and Office Employees Act of 1954
- Factories Ordinance No. 45 of 1942
- Sri Lanka Accounting and Auditing standards
- Other applicable regulations

Voluntary Frameworks

- Code of Best Practices for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- <IR> Framework issued by the IIRC
- Global Reporting Initiative (GRI)
- UN SDG's
- UN Global Compact (UNGC)

Internal Frameworks

- Articles of Association
- Board Charter
- Board Approved Sub Committee TOR's
- Code of Conduct
- Board approved internal policies and procedures

CORPORATE GOVERNANCE REPORT

GRI 2-17, 2-10, 2-15, 2-18, 2-19, 2-20, 2-11

BOARD COMPOSITION

LAUGFS Gas PLC is governed by a strong and well-balanced Board. The composition of the Board is determined by the Articles of Association and aligned with the latest regulatory frameworks.

In line with the Board balance requirements specified under Section 9.8.2 of the revised CSE Listing Rules on Corporate Governance, which mandate that at least two (2) Directors or one-third of the Board (whichever is higher) must be Independent Directors, the composition of the Board of LAUGFS Gas PLC as at 31st March 2025 comprised 7 members, including 6 Non-Executive Directors and 1 Executive Director.

Non-Executive Directors play a critical role in providing independent oversight, enhancing governance standards, and promoting accountability. Their objective perspective supports balanced, well-informed decision-making and reinforces the integrity and effectiveness of the Board's overall

APPOINTMENT/RE-ELECTION/ RESIGNATION/RETIREMENT OF DIRECTORS

The appointment of Directors to the LAUGFS Gas PLC Board is governed by a structured and transparent process under the oversight of the Board Nominations and Governance Committee (NGC). The Committee evaluates potential candidates based on their professional expertise, industry experience, and leadership acumen, with the goal of enhancing the collective competence and effectiveness of the Board.

As part of this process, the NGC also considers the number and scope of external directorships held by each candidate to ensure they are able to dedicate sufficient time and attention to their role at LAUGFS Gas, and discharge their responsibilities with due care, diligence, and integrity.

In accordance with the Company's Articles of Association, one-third of the Non-Executive Directors are required to retire by rotation at each Annual General Meeting (AGM), and may seek re-election by the shareholders. The NGC assesses the eligibility of each retiring Director for reappointment by evaluating their performance, participation in Board activities, and contribution to strategic discussions.

Directors appointed to fill a casual vacancy during the year are also subject to shareholder approval at the next AGM, where they may stand for re-election.

In keeping with good governance practices and applicable regulatory standards, Directors who have served on the Board for nine consecutive years, or who have reached the age of 70, are required to retire.

All Director appointments, re-elections, resignations, and retirements are promptly disclosed to the Colombo Stock Exchange (CSE) and communicated to shareholders, reflecting the Company's strong commitment to transparency and corporate governance.

PROCEDURES FOR ASSURING DIRECTORS' INDEPENDENCE

Assurance regarding the Independence of Non-Executive Directors is obtained based on the following guidelines;

Definition

Independence is determined against criteria as set out in the Finance Business Act Direction No. 5 of 2021, Listing Rules of the Colombo Stock Exchange and in compliance with Annexure C of the CA Code 2023.



Assessment

Independent assessment of Directors is conducted annually by the Board, based on annual declaration and other information submitted by Non-Executive Directors.



Outcome

The Board is satisfied there are no relationships or circumstances likely to affect or appear to affect, Directors' independence during the period under review.

Board changes for FY 2024/25

New Appointments

Dr. Ravinda Prabath Edirisinghe - the current Group Managing Director/ Group CEO appointed to the Board with effect from 2nd May 2025

Resignations

Mr. P. Kudabalage - Group Managing Director/Group CEO resigned from the Board with effect from 28th May 2025

MANAGING CONFLICTS OF INTEREST

All members of the Board are expected to act in good faith and uphold their fiduciary responsibilities to shareholders and stakeholders, maintaining the highest standards of integrity and ethical conduct by avoiding situations that could result in a conflict of interest or even the perception of one.

To this end, Directors are expected to exercise sound judgement, transparency, and diligence in recognising and disclosing any potential or actual conflicts of interest. Such disclosures must be made promptly to the Board to facilitate appropriate oversight.

The oversight of conflict of interest matters is entrusted to the Related Party Transactions Review Committee (RPTRC), which is responsible for reviewing all conflict-related disclosures by Directors. The RPTRC evaluates the nature, context, and potential impact of each disclosure and recommends suitable mitigation measures to the Board.

Moreover, in alignment with the best practices delineated in the Code, any Director with a vested interest is expected to exercise due diligence by recusing themselves from participating in meetings where matters pertinent to their interest are deliberated upon.

oriented framework applies to Key Management Personnel (KMP), with remuneration packages designed to reward leadership, strategic execution, and long-term contributions to the Group's success. For confidentiality reasons, the total compensation ratio of the highest-paid executive is not publicly disclosed.

Meanwhile, Non-Executive Directors receive a fixed fee for their role on the LAUGFS Gas Board and its Sub-Committees. These fees are determined based on prevailing market rates and industry norms, and are reviewed annually by the Board to ensure continued relevance, competitiveness, and fairness.

Director	Directorship Status	No of Board seats held in Listed Companies	
		Executive Capacity	Non-Executive Capacity
Mr. W.K.H. Wegapitiya	NED	None	1
Mr. U.K. Thilak De Silva	NED	None	1
Mr. P. Kudabalage (resigned w.e.f. 28th May 2025)	ED	1	None
Mr. P. M.B. Fernando	INED	None	4
Prof. S.P.P. Amaratunge	INED	None	4
Mr. R. Selvaskandan	INED	None	3
Mr. K.R. Goonesinghe	INED	None	1
Dr. R.P. Edirisinghe (appointed w.e.f. 2nd May 2025)	ED	1	None

DIRECTORS' REMUNERATION

The LAUGFS Gas PLC Remuneration Policy establishes a clear differentiation between the compensation structures of Executive and Non-Executive Directors.

Remuneration for Executive Directors include both fixed and variable components. The fixed component is benchmarked against market standards

and reflects the Director's role, skills, and experience. The variable component comprises performance-based incentives that are directly linked to the overall performance and the achievement of long-term strategic objectives. This structure ensures that remuneration for Executive Directors remains merit-based and closely aligned with LAUGFS Gas long-term sustainability and value creation goals. A similar performance-

DIVISION OF RESPONSIBILITIES

In line with global best practices, there exists a clear division of responsibilities among the Company's leadership level ensuring no one individual has unfettered power over decision making.

The LAUGFS Gas Board is led by a Non-Executive Chairman, who provides objective leadership and oversees Board effectiveness by promoting unbiased discussions and decision-making at the Board level. The Managing Director/CEO is responsible for executing the Board's strategic directives, managing day-to-day operations, and driving the Company's performance in alignment with its long-term goals. The MD/CEO is a full time employee and as such is required to fully dedicate their professional time to the service of the Company and as such is not permitted to engage in any other business, except as a Non-Executive Director of another entity.

CORPORATE GOVERNANCE REPORT

GRI 2-13, 2-17

DIVISION OF RESPONSIBILITIES

Group Chairman

The Group Chairman typically presides over the Board of Directors, providing strategic direction, leadership, and ensuring effective governance, vis-a-vis;

- Ensuring the Board meets regularly to discuss relevant matters
- Maintaining the appropriate balance of power between Executive Director's (ED) and Non-Executive Director's (NED)
- Securing the effective participation of both ED's and NED's in all Board matters
- Implementing decisions/directions of the regulator
- Preparing the agenda for each Board Meeting or delegate such function and to maintain minutes in an orderly manner to the Company Secretary
- Ensuring appropriate steps are taken to maintain effective communication with shareholders and that the views of shareholders are communicated to the Board
- Overseeing the annual assessment on the performance and the contribution during the past 12 months of the Board and the MD/CEO

Group Managing Director/Group CEO

The GMD/GCEO is responsible for the day-to-day operations and overall management of the Group. In this capacity the GMD/GCEO is required to;

- Implement business and risk strategies in order to achieve the Company's strategic objectives.
- Establish an appropriate management structure that promotes accountability, and transparency throughout Company operations, and preserves the effectiveness and independence of control functions.
- Promote, together with the Board, a sound corporate culture to reinforce ethical, prudent and professional behaviour.
- Ensure implementation of proper compliance culture and being accountable for accurate submission of information to the regulator.
- Strengthen the regulatory and supervisory compliance framework.
- Address the supervisory concerns and non-compliance with regulatory requirements or internal policies in a timely and appropriate manner.

BOARD COMMITTEES

To assist in performing its oversight role, the Board has appointed several Sub Committees to provide oversight in specific key areas.

Board Audit Committee (BAC)

No of meetings in 2024/25: **06**

Areas of Oversight

- Financial Reporting
- Internal Controls
- Internal Audit
- External Audit

Report on page 127

Remuneration Committee (RC)

No of meetings in 2024/25: **02**

Areas of Oversight

- Remuneration policy for Key Management Personnel
- Goals and targets for Key Management Personnel
- Performance evaluation

Report on page 126

Related Party Transaction Review Committee (RPTRC)

No of meetings in 2024/25: **04**

Areas of Oversight

- Review of related party transactions

Report on page 130

Board Nomination and Governance Committee (NGC)

No of meetings in 2024/25: **02**

Areas of Oversight

- Selection and appointment of Directors, MD/CEO and key management personnel
- Director Performance and Succession Planning
- Governance Framework Oversight

Report on page 132

MANAGEMENT-LEVEL COMMITTEES

Management-level committees are established to assist the Group MD / CEO in bringing more focused oversight into critical areas on a day to day basis.

COMPANY SECRETARY

The Company Secretary is tasked with ensuring the strength, integrity, and seamless functioning of LAUGFS Gas corporate governance framework. Serving as a trusted governance advisor to the Board, the Company Secretary is responsible for ensuring that all Board and Committee activities are conducted in full compliance with statutory obligations, regulatory requirements, and established corporate governance best practices.

Key responsibilities include:

- Coordinating Board, including the preparation and timely circulation of agendas, papers, and meeting minutes.
- Ensuring that Board decisions are accurately documented and communicated to relevant stakeholders for effective follow-through.
- Maintaining statutory records and ensuring compliance with applicable laws, CSE listing rules, and codes of corporate governance.
- Facilitating onboarding for new Directors and organising ongoing Director training to keep the Board informed of evolving legal, regulatory, and governance trends.

- Acting as a conduit between the Board, senior management, regulators, and shareholders to foster trust and uphold sound governance principles across the Group.

As the main liaison for governance-related matters, the Company Secretary provides independent and timely advice on Board processes, disclosure obligations, and compliance frameworks, enabling Directors to make informed and responsible decisions. All Board members have unrestricted access to the Company Secretary, reinforcing transparency and accountability at the highest level.

DIRECTORS' TRAINING

All newly appointed Directors to the LAUGFS Gas Board undergo a structured induction programme designed to familiarise them with the Company's strategic priorities, governance frameworks, risk landscape, and regulatory obligations. This onboarding process ensures that Directors are well-equipped to contribute effectively from the outset.

Ongoing training and development needs are identified through the annual Board evaluation process. Based on this assessment, the Company Secretary, in consultation with the Nominations and Governance Committee (NGC), arranges targeted training interventions to address identified knowledge gaps and upcoming governance or strategic challenges.

Director training is delivered through a combination of in-house briefings, expert-led workshops, and externally accredited programmes, with a strong emphasis on:

- Emerging regulatory and governance developments
- Shifting industry and macroeconomic dynamics
- ESG priorities and sustainability frameworks

KEY BOARD RESPONSIBILITIES

Regulatory Compliance

The Board of Directors of the LAUGFS Gas holds ultimate responsibility for ensuring full compliance with all applicable legal and regulatory requirements. In fulfilling this duty, the Board works closely with its Committees and the executive management team to establish and uphold robust compliance frameworks, guided by a zero-tolerance stance on non-compliance.

To foster a culture of transparency and accountability, the Board has implemented secure and confidential communication channels that enable employees to report compliance concerns or violations without fear of reprisal. These mechanisms support early detection and timely resolution of potential risks, reinforcing the Company's ethical foundation.

Recognising the increasingly dynamic and complex nature of the regulatory landscape, the Board regularly engages with regulators and consulting subject matter experts to anticipate and manage compliance risks effectively while embracing early adoption of regulations as much as possible.

CORPORATE GOVERNANCE REPORT

GRI 2-16

During the financial year 2024, the Board ensured full adherence to the revised Section 9 of the Colombo Stock Exchange (CSE) Listing Rules on Corporate Governance, thereby reaffirming the Company's ongoing commitment to ethical business conduct and sound governance.

Financial Control and Reporting

The Board of Directors of LAUGFS Gas fulfils its fiduciary responsibility by upholding the highest standards of financial discipline, transparency, and accountability. Further underscoring the commitment to sound financial stewardship and sustainable value creation, the Board retains exclusive authority over all critical financial decisions, including the approval of annual budgets, financial statements, dividend declarations, capital expenditure programmes, investment strategies, funding arrangements, and other significant financial commitments ensuring alignment with the Company's strategic direction and long-term objectives.

The Board works closely with the Board Audit Committee, to safeguard the integrity, accuracy, and reliability of financial reporting. To that end, the Board regularly reviews the Group's financial performance to track progress against strategic and financial targets, assess emerging risks, and ensure

compliance with applicable accounting standards, regulatory obligations, and globally accepted financial reporting frameworks.

The Board also oversees the preparation and approval of all statutory and regulatory financial disclosures, including annual and interim financial statements and the Company's Integrated Annual Report, ensuring all disclosures present a true, fair, and comprehensive representation of Company's financial position, performance, and future outlook.

For more information, please refer

- The Annual report of the Board of Directors on page 134
- Directors' Responsibility for Financial Reporting on page 138
- Report on Corporate Governance on page 104
- Report of the Auditors on page 140

RISK MANAGEMENT AND INTERNAL CONTROL

The Board holds ultimate responsibility for ensuring that the Company's risk management and internal control frameworks are robust, effective, and closely aligned with its strategic direction. In discharging this duty, the Board undertakes to establish the Company's risk appetite and provides

oversight for the development of a robust risk management framework to identify, assess, and mitigate potential risks to operations, reputation, and financial stability.

Working under delegated authority, the Board Audit Committee (BAC) and the Group Risk & Control Division play a key role in operationalising this mandate. Collectively, the BAC and the Group Risk & Control Division are also charged with regularly conducting enterprise-wide risk assessments, monitoring key risk indicators, and evaluating the adequacy and effectiveness of mitigation strategies in response to emerging risks.

The BAC is further tasked with obtaining independent assurance from both internal and external auditors regarding the efficacy and integrity of the Company's risk management and internal control systems. Where deficiencies or gaps are identified, the BAC provides recommendations for improvement and reports these to the Board, enabling the timely implementation of corrective measures.

For more information, please refer the Risk Management Report on page 38.

CONDUCT AND ETHICS

The Board plays a crucial role in promoting ethics and conduct, striving to lead by example in setting the tone from the top. To permeate the culture of integrity and good conduct across the organisation, the Board has established a comprehensive conduct framework comprising a comprehensive range of policies and procedures.



Code of Conduct

The Code of Conduct serves as a guiding compass for every employee of the Group, outlining the principles, values, and behavioural standards expected in the workplace. It embodies the LAUGFS Gas Group's core beliefs and commitment to ethical conduct, professionalism, and respect for all stakeholders. The code outlines expectations regarding integrity, honesty, confidentiality, and compliance with laws and regulations. It also addresses aspects such as conflicts of interest, discrimination, harassment, and proper use of Group resources. By adhering to the Code of Conduct, employees and Directors demonstrate their dedication to upholding the Group's reputation and fostering a positive work environment built on trust, accountability, and mutual respect. Regular training, communication, and reinforcement of the code ensure that it remains relevant and ingrained in the Group-wide culture, guiding employees in their daily interactions and decision-making processes.



Anti Bribery and Corruption Policy

The Group's anti-bribery and corruption policy stands as a cornerstone of its commitment to ethical business conduct and compliance with regulatory standards. Formulated in adherence to legal requirements, this policy articulates a steadfast stance against any form of bribery or corruption in all aspects of the Group's operations. The policy delineates clear guidelines and protocols for all employees, contractors, and business partners, emphasising the importance of integrity, transparency, and fairness in all business dealings. Through comprehensive training programs and ongoing awareness initiatives, the Group endeavours to instill a culture of compliance and ethical behaviour at every level of the organisation covering all employees (100%). Additionally, robust monitoring mechanisms and regular audits are implemented to detect and address any breaches of the policy swiftly and decisively.



Whistleblower Policy

The Group's whistleblower policy serves as a key tool for promoting transparency, accountability, and ethical behaviour. It provides employees, contractors, and other stakeholders with a platform to anonymously report any concerns or suspicions regarding unethical conduct, fraud, or violations of Company policies or regulations. The policy is designed to assure whistleblowers of protection from retaliation and ensures that their reports are thoroughly investigated by designated authorities. By fostering a culture where individuals feel empowered to speak up without fear of reprisal, the whistleblower policy helps uncover potential issues early, allowing the Group to address them promptly and prevent further harm. Regular communication and training on the policy's procedures and protections reinforce its importance and encourage active participation in maintaining a culture of integrity and accountability within the Group.

CORPORATE GOVERNANCE REPORT

GRI 2-14

INFORMATION TECHNOLOGY (IT) AND CYBERSECURITY GOVERNANCE

The Board of Directors of the LAUGFS Gas Group plays a central role in overseeing IT and cybersecurity governance. To ensure the Group's technology strategies are closely aligned with its broader business objectives, risk management framework, and sustainability commitments, the Board sets the strategic direction for IT investments, prioritising initiatives that contribute to stronger financial outcomes, support social responsibility, and promote environmental stewardship.

To support this mandate, the Board has instituted comprehensive IT governance policies and frameworks to guide the effective utilisation of digital resources across financial management, risk controls, and compliance functions. Operating under delegated authority, the Group IT and Security Steering Committee monitors the performance of IT systems and data security systems to ensure they contribute to operational efficiency across the Group's value chain.

STEWARDSHIP OF HUMAN CAPITAL

The Board assumes overall responsibility for the stewardship of human capital. The Board provides strategic oversight ensuring that the Group's people strategy is aligned with its long-term business objectives, values, and risk management framework. While entrusting the day-to-day management of HR functions to the centralised Human Resources Department.

The HR Department is mandated to continuously review and update all policies and processes in line with emerging global best practices, evolving workforce expectations, and applicable regulatory requirements, including local labour legislation.

Meanwhile the Board Human Resources and Remuneration Committee is tasked with institutionalising a structured and competitive remuneration framework designed to attract and retain high-performing talent while ensuring alignment with industry benchmarks, internal equity, and regulatory standards.

For more information, please refer the Human Capital Report on page 70.

STAKEHOLDER ENGAGEMENT

Acknowledging that transparent communication and timely engagement are critical to building and sustaining stakeholder trust, the Board places a high priority on strategic, structured stakeholder engagement that supports long-term value creation.

To ensure consistency and accountability in this area, the Board has delegated oversight of stakeholder engagement to the Group Managing Director/CEO, who is responsible for setting the overall direction and priorities. Under the leadership of the Group Managing Director/CEO, the Corporate Management team is tasked with formulating targeted engagement plans for key stakeholder groups.

At the operational level, day-to-day stakeholder interactions are managed by the executive management team, ensuring that all engagement efforts are aligned with the Board's expectations and uphold the Group's commitment to openness, responsiveness, and ethical business conduct.

For more information, pls refer Stakeholder Engagement on page 24.

ESG GOVERNANCE

The Board, as the apex body endorses the integration of ESG considerations into LAUGFS Gas strategic direction, risk management, and policy development in line with Group

corporate objectives and evolving regulatory expectations

The Board sets the Group's ESG strategy and has delegated functional authority to the Sustainability team to oversee implementation at all levels of the Group.

SHAREHOLDER RELATIONS AND COMMUNICATION

The Board undertakes to ensure shareholders are provided with accurate and comprehensive information on the Company's performance, strategic direction, risks, and governance practices. This is achieved through regular financial disclosures, the Annual General Meeting (AGM), interim reports, press releases, and updates published on the corporate website.

The Board also encourages proactive two-way communication by offering shareholders multiple formal and informal channels to raise queries, provide feedback, or seek clarifications. The Managing Director/Group CEO and the Company Secretary serve as key contact points for shareholder engagement, ensuring that shareholder concerns are addressed promptly and transparently.

ANNUAL GENERAL MEETING (AGM)

The Annual General Meeting (AGM) serves as a formal platform for shareholders of LAUGFS Gas to receive updates on the Company's performance, review financial statements, and participate in key decision-making processes. It also provides an opportunity to ask questions, vote on important resolutions, such as the appointment of Directors, approval of dividends, and auditor appointments, as well as to hold the Board accountable for its stewardship and governance.

To facilitate meaningful participation, the Annual Report, notice of AGM,

resolutions requiring shareholder approval, and voting instructions are distributed to shareholders at least 15 working days in advance to provide sufficient time for preparation prior to the AGM.

LAUGFS Gas PLC's next AGM is scheduled to be held on 10th September 2025.

BOARD MEETINGS

Board meetings are held every quarter or more frequently when required. Attendance at scheduled meetings is mandatory, and all Directors are expected to be well-prepared and actively contribute to robust, constructive discussions.

It is the duty of the Group Chairman to ensure meetings are conducted

effectively by encouraging participation from all Directors, fostering diverse viewpoints while maintaining a focused approach to addressing all agenda items, including the review and approval of Board resolutions. Each meeting also includes updates from the Chair of Board sub-committees on key matters discussed since the previous meeting.

A total of 05 Board meetings were held in FY 2024/25.

Director	Board Meetings	Audit Committee	Related Party Transactions Review Committee	Remuneration Committee
Mr W.K.H. Wegapitiya	4/5	5/6*	4/4*	2/2*
Mr U.K. Thilak De Silva	5/5	5/6*	3/4*	2/2*
Mr P. Kudabalage (resigned w.e.f. 28th May 2025)	5/5	6/6*	4/4*	2/2*
Mr P. M. B. Fernando	5/5	6/6	4/4	-
Prof. S. P. P. Amaratunge	5/5	6/6	4/4	2/2
Mr R. Selvaskandan	5/5	6/6	4/4	2/2
Mr K. R. Goonesinghe	5/5	5/6	4/4	2/2
Dr. R.P. Edirisinghe (appointed w.e.f. 2nd May 2025)	1/1	1/1*	1/1*	1/1*

* Attends by invitation

PROCESS FOR SCHEDULING BOARD MEETINGS

Before the Meeting

The Company Secretary, in consultation with the Group Chairman and the MD/CEO, are responsible for setting the agenda for Board meetings. The agenda is carefully structured to ensure adequate time is allocated to address all key matters, including strategy, financial performance, industry developments, risk management, and regulatory compliance in order to facilitate meaningful discussions and informed decision-making.

A Board-approved procedure allows any Director to formally request, in writing, the inclusion of additional matters or proposals in the agenda. Once the agenda is finalised, a comprehensive information pack containing the meeting agenda and relevant Board papers is circulated to all Directors at least seven working days before the scheduled meeting.

At the Meeting

All Board members are expected to come well prepared and actively participate in all matters outlined under the agenda. The Chair of each Board committee will be called upon to provide an update on significant matters discussed at their respective Board sub-committee meetings, which are typically scheduled before the Board meeting.

The MD/CEO will be invited to provide a comprehensive update on the Group's business and operations to date as well as an overview of the context in which these outcomes were achieved, while selected members of the Corporate Management are also invited to make presentations on the items set out under the agenda.

The Company Secretary maintains minutes of every Board meeting.

After the Meeting

The Company Secretary is required to submit the minutes of the meeting to the Chairman for approval prior to being circulated among the Directors and other members of Corporate Management who were present at the particular meeting. Minutes of the meetings are typically circulated within two weeks after the meeting date.

CORPORATE GOVERNANCE REPORT

GRI 2-18

BOARD AND BOARD SUB COMMITTEE EVALUATION

The effectiveness of the Board and its Subcommittees undergoes an annual evaluation. As part of this process, all Directors are required to complete a self-assessment, providing their insights on the Board's balance and overall effectiveness in functioning.

EVALUATING THE PERFORMANCE OF THE CEO

The performance of the Managing Director/CEO of LAUGFS Gas is evaluated annually by the Board at the conclusion of each financial year. This assessment is benchmarked against the strategic goals, operational targets, and key performance indicators established at the start of the year.

Following the evaluation, the Board submits its recommendations to the Remuneration Committee, which considers any adjustments to the MD/ CEO's compensation, ensuring alignment with performance outcomes, long-term value creation, and shareholder expectations.

STATEMENT OF COMPLIANCE

Appendix I: Statement of Compliance pertaining to Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule	Requirement	Complied	Reference (within the Report)	Page
168 (1) (a)	The nature of the business together with any change thereof.	Yes	About the Report	4
168 (1) (b)	Signed financial statements of the Group and the Company.	Yes	Financial Statements	144 - 228
168 (1) (c)	Auditors' Report on financial statements.	Yes	Independent Auditor's Report	140
168 (1) (d)	Accounting policies and any changes therein.	Yes	Notes 1 to 3 to the Financial Statements	152- 167
168 (1) (e)	Particulars of the entries made in the Interests Register.	Yes	Annual Report of the Board of Directors	134
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company.	Yes	Note 27 to the Financial Statements Annual Report of the Board of Directors	220 134
168 (1) (g)	Corporate donations made by the Company	Yes	Note 5.5 to the Financial Statements	173
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period.	Yes	Annual Report of the Board of Directors	134- 137
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered.	Yes	Note 5.5 the Financial Statements	173
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries.	Yes	Audit Committee Report	127
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board.	Yes	Statement of Directors' Responsibilities	138

Rule	Requirement	Complied	Reference (within the Report)	Page
(i)	Names of persons who were Directors of the entity.	Yes	Annual Report of the Board of Directors	135
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein.	Yes	About the Report	5
(iii)	The names and the number of shares held by the 20 largest holders of voting shares and the percentage of such shares held.	Yes	Share Information	232
(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the listed entity complies with the Minimum Public Holding requirement.	Yes	Share Information	234
(v)	A statement of each Director's holding in shares of the entity at the beginning and end of each financial year.	Yes	Annual Report of the Board of Directors	136
(vi)	Information pertaining to material foreseeable risk factors of the entity.	Yes	Risk Report	38-45
(vii)	Details of material issues pertaining to employees and industrial relations of the entity.	Yes	Human Capital Materiality Topics	70-77 27-29
(viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties.	Yes	Real Estate Portfolio	231

STATEMENT OF COMPLIANCE

GRI 2-23

Rule	Requirement	Complied	Reference (within the Report)	Page
(ix)	Number of shares representing the entity's stated capital.	Yes	Note 19 to the Financial Statements	206
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Yes	Share Information	233 and 236
(xi)	Financial ratios and market price information.	Yes	Five year summary Financial Highlights Share Information	230 13 234 and 237
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year.	Yes	Note 8 - Property, Plant and Equipment to the Financial Statements	179
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the years.	Not Applicable		
(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes.	Not Applicable		
(xv)	Disclosures pertaining to Corporate Governance practices in terms Section 9 of the Listing Rules.	Yes	Corporate Governance	104-114
(xvi)	Related party transactions exceeding 10% of the equity or 5% of the total assets of the entity as per audited financial statements, whichever is lower.	Yes	Report of the Related Party Transaction Review Committee	130-131

Appendix III - Statement of Compliance with Colombo Stock Exchange (CSE) Listing Rules – Section 09 on Corporate Governance

Code Ref.	Requirement	Extent of Compliance	Effective date of Compliance
9.1	Corporate Governance Rules		
9.1.1 9.1.2 9.1.3	Extent of Compliance with Corporate Governance Rules	The extent of compliance with Corporate Governance Section 09 of the Listing Rules issued by the CSE is tabulated below	01 October 2023
9.2	Policies		
9.2.1	Availability of Policies	The following policies which are mandated by the revised CSE listing rules are currently in place	01 October 2024
		<p>The below mentioned policies are uploaded in the Corporate website and are currently being reviewed those to ensure whether all criteria specified in the revised CSE Listing Rules are covered within those policies.</p> <ul style="list-style-type: none"> • Policy on matters relating to the Board of Directors • Policy on Board Sub Committees • Policy on Corporate Governance, Nominations and Re-election • Policy on Remuneration • Policy on Risk Management and Internal Controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Corporate Disclosure • Policy on Whistle Blowing • Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, including policies on trading in the entities listed securities • Policy on Anti-Bribery and Corruption 	

Code Ref.	Requirement	Extent of Compliance	Effective date of Compliance
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company	01 October 2024
9.2.3	Disclosures in the Annual Report	Please refer pages 104 to 133	01 October 2024
9.2.4	Requesting Policies by shareholders	A formal procedure is being developed to facilitate providing of any of the above policies to the shareholders upon a written request	01 October 2024
9.3	Board Committees		
9.3.1	Establishment of Board Committees	The Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transaction Review Committee are in place.	01 October 2023
9.3.2	Board Composition, Responsibilities and Disclosures	The Composition of all Board committee are in line with the revised Listing Rules of CSE. Each Sub Committee is governed by its own Terms of Reference. The Secretary to the Committee arranges the meetings and maintains minutes and records under the supervision of the Chairperson of the respective Sub Committee.	01 October 2023
9.3.3	Chairperson of Board Committees	The Chairperson of the Board Sub committees is not the Chairperson of the Board.	01 October 2024
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with Shareholders		
9.4.1	Record Maintenance	The Company Secretary maintains records of all resolutions and information (appointment of proxy number of votes in favour and against and number of shares in respect of vote was directed to be abstained) of general meetings.	01 October 2023
9.4.2	Communication and relation with shareholders and investors	The Company has an established policy on communication. Further, it is in the process of revising the communication policy incorporating the provisions of the revised CSE Listing Rules for effective communication and relations with shareholder and investors.	01 October 2023
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Availability of policy on governing matters relating to the board of directors	The requirements are currently captured in the Board Charter and several other policies. The Company is in the process of updating the Board Charter with provisions of the revised CSE Listing Rules	01 October 2024
9.5.2	Disclosure in the Annual Report	Disclosures are made in the annual report of the Board of Directors given on page 134.	01 October 2024
9.6	Chairperson and CEO		
9.6.1	Chairperson and CEO	The Chairperson is a Non-Executive Director and the position of Chairperson and CEO is not held by the same individual.	01 October 2023
9.6.2	Disclosure of non compliance	Not applicable	01 October 2023
9.6.3	Appointment of Senior Independent Director	The Chairperson and the CEO are not the same person or the Chairperson and CEO's are not close family members nor related parties. The designation of the Senior Independent Director does not arise under the revised CSE Listing Rules.	01 October 2023

STATEMENT OF COMPLIANCE

Code Ref.	Requirement	Extent of Compliance	Effective date of Compliance
9.6.4	Disclosure of non-compliance in the Annual Report	Not applicable	01 October 2023
9.7	Fitness of Directors and CEO		
9.7.1 9.7.2	Appointment of Fit and Proper Persons	The Board has a formal and transparent process in place for the succession and appointment of directors. The Nominations and Governance Committee processes and short-lists candidates and makes recommendations to the Board for approval. All appointments were duly notified to CSE. In any future appointments the criteria stated in the revised CSE Listing Rules will also be taken into account.	01 October 2023
9.7.3	Fit and Proper Assessment Criteria <ul style="list-style-type: none"> – Honesty Integrity and Reputation – Competence and Capability – Financial Soundness 	The assessment criteria detailed in the revised CSE Listing Rules have been incorporated into the annual declaration of the Directors and CEO.	01 October 2024
9.7.4	Annual declaration from Directors and CEO	Annual declarations from Directors confirming that each of them have continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st March 2024.	01 October 2023
9.7.5	Disclosures in the annual report	Disclosures are made in the annual report of the Board of Directors given on page 134.	01 October 2023
9.8	Board Composition		
9.8.1	Board at minimum to consist of five directors	The Company is complying with the requirement the Board of Directors of the Company consisted of seven Directors as at 31st March 2025	01 October 2024
9.8.2	Minimum number of Independent Directors (Min.2 or 1/3 of total number whichever is higher)	The Company is complied with the minimum number of Independent Directors. The Board of Directors of the Company consisted of four (04) Independent Directors as at 31st March 2025.	01 October 2024
9.8.3 9.8.4	Criteria for determining independence	The Company is complied with the criteria for determining Independence of a Director. The Company take into account the provisions of the Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2017) and the revised the criteria for determining the Independence of a Director taking into account on the revised CSE Listing Rules.	01 October 2023
9.8.5	Declarations	Annual Declaration was obtained from the Board of Directors incorporating the provisions made under the revised CSE Listing Rules as at 31st March 2025.	01 October 2023
9.9	Alternate Directors		
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent non-executive Directors.	01 January 2024

Code Ref.	Requirement	Extent of Compliance	Effective date of Compliance
9.10	Disclosures relating to Directors		
9.10.1	Policy on the maximum number of directorships	20 directorships	01 October 2023
9.10.2	Appointment of new director	Nominations and Governance Committee reviews all new appointments.	01 October 2023
9.10.3	Changes to the composition	There were no changes to the composition of the Board Committees after the effective date of the revised CSE Listing Rules	01 October 2023
9.10.4	Disclosure in the Annual Report.	Please refer page 10 for profiles of Directors	01 October 2023
9.11	Nominations and Governance Committee		
9.11.1	Availability of Nominations and Governance Committee	The Nominations and Remunerations Committee was renamed as the Nomination and Governance Committee effective from 29th May 2024	01 October 2024
9.11.2	Appointment and re-election of directors	The Committee follows Article of Association in appointment and re-election of directors	01 October 2024
9.11.3	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties	01 October 2023
9.11.4(1)	Composition -minimum of three (03) directors out of which a minimum of two (02) members shall be independent directors	The Company is in compliance with the revised CSE Listing Rules	01 October 2024
9.11.4(2)	Composition - Independent Director shall be appointed as the chairperson of the committee	An Independent Director functioned as the chairman of the committee	01 October 2024
9.11.4(3)	Composition - The Chairperson and the members of the Committee shall be identified in the Annual Report	The Chairman and the members of the committee are defined in the Nominations and Governance Committee Report given on page 132	01 October 2024
9.11.5	Functions	The Company documented the functions of the committee in the terms of reference. All functions are effectively discharged by the committee. Please refer Nominations and Governance Committee report on page 132	01 October 2024
9.11.6	Disclosing the Annual Report	Disclosure requirements are covered in the Nominations and Governance Committee report given on page 132	01 October 2024
9.12	Remunerations Committee		
9.12.1	Definition of Remuneration	The Company has established a formal transparent policy on remuneration and defined remuneration in terms of cash and non-cash benefits	01 October 2024
9.12.2	Remuneration Committee	The Remuneration Committee was in place	01 October 2024

STATEMENT OF COMPLIANCE

Code Ref.	Requirement	Extent of Compliance	Effective date of Compliance
9.12.3 9.12.4	Remuneration Policy Executive Directors/ Non-Executive directors	The remuneration policy of the Company has been amended incorporating following sections and same has been approved by the Board <ul style="list-style-type: none"> – Remuneration policy for Non-Executive members of the Board of Directors – Remuneration policy for Executive members of the Board of Directors 	01 October 2024
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which defined the scope, authority and duties in compliance with the revised CSE Listing Rules	01 October 2024
9.12.6 (1) & (2)	Composition - Minimum of three (03) Directors out of which a minimum of two (02) directors shall be independent Directors	The Committee consists of three (03) Independent Directors	01 October 2024
9.12.6 (3)	Composition - Independent Director shall be appointed as the chairperson of the committee	An Independent Director functions as the Chairman of the Committee throughout the year	01 October 2023
9.12.7	Functions	The Company has documented the functions of the Committee in terms of reference. All functions are effectively discharged by the Committee please refer Remuneration Committee report on page 126	01 October 2023
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 126	01 October 2023
9.13	Audit Committee		
9.13.1	Audit Committee	The Company has established the Audit Committee to perform audit and risk functions	01 October 2023
9.13.2	Terms of Reference	The committee has adopted a Terms of Reference which define the scope, authority and duties	01 October 2023
9.13.3 (1) & (4)	Composition A minimum of three (3) Directors, out of which a minimum two (02) or majority of the members, whichever higher shall be Independent Directors	The company is in compliance throughout the year with the revised CSE Listing Rules.	01 October 2024
9.13.3 (2)	Composition The quorum for a meeting of the audit committee shall require that the majority of those in attendance to be Independent Directors	The quorum for the meeting is three (03). The Audit Committee Charter is in line with the revised CSE Listing Rules.	01 October 2024

Code Ref.	Requirement	Extent of Compliance	Effective date of Compliance
9.13.3 (3)	Composition The Audit Committee may meet as often as required provided that the Audit Committee compulsory meets on a quarterly basis prior to recommending the financials to be released to the market	The Committee met four (04) times during the year. The Committee reviewed the quarterly and annual financial statements and recommended same to the Board of Directors prior to publication.	01 October 2024
9.13.3 (5)	Composition Independent Director shall be appointed as the Chairperson of the Committee	An Independent Director functioned as the Chairman of the Committee throughout the year.	01 October 2024
9.13.3 (6)	Composition The CEO and the CFO shall attend the Audit Committee Meetings by invitation	The Chairman, GMD, Cluster CEO, CEO, CFO, Group Finance Director, Head of Group Audit and a representative of the External Auditor are typically invited to attend meetings. Other board members may also attend meetings upon invitation.	01 October 2024
9.13.3 (7)	Composition The Chairperson of the Audit Committee shall be a member of a recognised professional accounting body	The Chairman of the Audit Committee is an Independent Non-Executive Director, a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.	01 October 2024
9.13.4	Functions	The Company has documented the functions of the Committee in the Audit Committee Charter. The Company is in the process of making further improvements to the Audit Committee Charter in order to be in line with the revised CSE Listing Rules. Functions are effectively discharged by the Committee. Please refer Audit Committee Report on page 127.	01 October 2024
9.13.5	Disclosures in the Annual Report	Disclosure requirements are covered in the annual Audit Committee report given on page 127.	01 October 2024
9.14	Related Party Transactions Review Committee		
9.14.1	Availability of Related Party Transactions Review Committee	Related Party Transactions Review Committee is in place.	01 October 2023

STATEMENT OF COMPLIANCE

Code Ref.	Requirement	Extent of Compliance	Effective date of Compliance
9.14.2	<p>Composition</p> <p>A minimum of three (03) directors out of which two members (02) shall be Independent Directors.</p> <p>Committee may also include executive directors.</p> <p>An independent director shall be appointed as the Chairperson of the Committee</p>	The Company in compliance throughout the year with the revised CSE Listing Rules an Independent Director functioned as the chairman of the committee throughout the year.	01 April 2024
9.14.3	Functions	<p>The Related Party Transactions Review Committee is responsible for reviewing the Related Party Transactions to ensure the interests of shareholders as a whole are taken into account when entering into Related Party Transactions.</p> <p>The Committee has established and maintained a policy, procedure and process for the identification, clarification and reporting the Related Party Transactions on an end to end basis across the operations. The Company is in the process of improving the policy in line with the revised CSE Listing Rules.</p> <p>Please refer Related Party Transactions Review Committee report on page 130.</p>	01 October 2023
9.14.4 (1)	<p>General requirements</p> <p>The committee shall meet at least once a calendar year</p>	The committee met four (04) times during 2024/25. The minutes of all meetings are properly documented and tabled at the subsequent board meetings for ratification.	01 October 2023
9.14.4 (2)	<p>General requirements</p> <p>The Committee should ensure that they have all have access to enough knowledge or expertise to assess all aspects of proposed Related Party Transactions</p>	The Committee has adequate knowledge and expertise to assess all aspects of Related Party Transactions.	01 October 2023
9.14.4 (3)	<p>General requirements</p> <p>Approval by Board of Directors</p>	Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which have been reviewed by the Committee	01 October 2023

Code Ref.	Requirement	Extent of Compliance	Effective date of Compliance
9.14.4(4)	General requirements Conflict of Interest	The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest that may arise in transacting with related parties. Directors provide declarations to the Board about their material interest in business transactions at the time of appointment and thereafter on quarterly basis. Directors do not participate in, an excuse themselves from the meeting when the Board considered any matters in which transactions with related entities are discussed and where a conflict in interest may arise.	01 October 2023
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	The committee takes into account the provisions of the said list and rules when reviewing Related Party transactions.	01 October 2023
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE Listing Rules has not arisen during the year	01 October 2023
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosures is required to be made as per revised CSE Listing Rules.	01 October 2023
9.14.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Related Party Transactions Review Committee report given on page 130	01 October 2023
9.14.9	Acquisition and Disposal of assets from/to related parties	The Company has not acquired/disposed substantial assets from/to related parties	01 October 2023
9.16	Additional disclosures		
9.16	(i) Declaration of all material interests (ii) Review of internal controls and compliance controls (iii) Compliance with laws rules and regulations (iv) material non compliances	Disclosure requirements are covered in the Annual Report of the Board of Directors given on page 134. Material non-compliance with any Law or Regulation has not arisen during the year 2024	01 October 2023

INVESTMENT COMMITTEE REPORT

The Investment Committee as at 31st March 2025 comprised
Mr. U.K. Thilak De Silva (Chairman)
- Non-Independent/ Non-Executive Director, Mr. W.K.H. Wegapitiya - Non-Independent/Non-Executive Director, Mr. P. Kudabalage - Non-Independent/ Executive Director (resigned w.e.f. 28th May 2025), Mr. R. Selvaskandan - Independent/ Non-Executive Director, Mr. P. M. B. Fernando - Independent/ Non-Executive Director and Mr. K. R. Goonesinghe - Independent/Non-Executive Director, Dr. R.P. Edirisinghe (appointed w.e.f. 02nd May 2025).

The purposes of the Investment Committee of the Board of Directors mainly are;

- i. To provide oversight of the investment functions of LAUGFS Gas PLC.
- ii. To assist the Board of Directors in evaluating investments, mergers and acquisitions, enterprise services, joint ventures, divestitures transactions, acquisition and dispose of high value assets in which the Company engages as part of its business and/or investment strategy from time to time.
- iii. To bring about and maintain an independent and unbiased feasibility driven investment culture.
- iv. To ensure adherence of the investment decisions and recommendations of the Board on specific investment operations.
- v. To review Company plans and actions on management of investment financial risks.
- vi. Review and recommend investment policies to the Group.

The Committee is well equipped with the required expertise, leadership of the members of the Committee in specially evaluating risk and investment

management. Chief Executive Officers of Companies, Head of Group Audit, Head of Legal and Head of Finances/ Chief Financial Officers of Companies are invited to Committee meetings to consider their opinions and expertise in investment activities.

The Committee very carefully considers the matters falling under Section 185 of the Companies Act No. 7 of 2007 as major transactions and other Related Party Transactions and investment in order to comply with the guidelines provided in prevailing accounting standards, Code of Best Practices on Corporate Governance and Listing Rules and to make necessary disclosures and/or market announcements as appropriate.

The Committee reviews and oversees significant treasury matters such as capital structure and allocation strategy, derivative policy, liquidity, fixed income investments, borrowings, currency exposure, dividend policy, share issuance and repurchase, and capital spending and expenditure. From time to time, the Committee reports to the Board of Directors and makes recommendations to the Board as to scope, direction, quality, investment levels and execution of the Company's investment activities, mergers and acquisition, acquisition and dispose of assets, enterprise services, joint venture and divestiture transactions. Further, the Committee evaluates and concentrates on capitalisation of investments, risk and credit management, return on capital employed in different investment activities in the Group.

The Committee has the authority and obtains advice, guidance and expertise from independent professionals on certain investment activities as appropriate and when required. The Committee in discharging duties and responsibilities further focuses on formulation of investment strategies,

evaluation of prospective investment opportunities, monitoring and evaluation of return on investments, the overall direction of the Group and review of business operational results.

The Committee has established a Group-wide Investment Policy in which stringent adherence is enforced during the year. The Committee continues to periodically review the effectiveness of investments set against the standards of the Policy whilst also planning to periodically review the effectiveness of the Policy in place. The ultimate objective of the Investment Committee is to bring about and maintain an independent and unbiased feasibility-driven investment culture and recommend investments to minimise opportunity cost of capital.



U. K. Thilak De Silva
Chairman
Investment Committee

21st July 2025

MANAGEMENT COMMITTEE REPORT

The Management Committee of LAUGFS Gas PLC comprises Mr. W. K. H. Wegapitiya (Chairman of the Committee) Mr. U. K. Thilak De Silva, Mr. P. Kudabalage (resigned w.e.f. 28th May 2025), Mr. R. Selvaskandan and Dr. R.P. Edirisinghe (appointed w.e.f. 02nd May 2025). The Committee assists the Board of Directors with its responsibilities to improve strategic and management direction in an efficient manner. Main responsibilities of the Management Committee include;

- Setting up of the Group vision and ensure that the business plan is in line in order to achieve the Group vision.
- Making recommendations to Board of Directors in the matters related to day-to-day management activities, key strategic business and corporate initiatives, key promotional campaigns and key annual strategic corporate planning activities.
- Assisting the management with directions, management guidelines, circulars, expertise to identify critical strategies and issues facing the Company and its market environment in order to arrange alternative strategic options.
- Ensuring the management has implemented an effective and efficient strategic corporate planning process including development of annual corporate business plans and reviewing same.
- Monitor and evaluate trends and opportunities in the relevant industries and market places both local and international. Understanding the organisation's industry, market/community and core competencies.
- Discuss key investment opportunities and possible divestment opportunities. Discuss key Group restructuring initiatives in order to optimise the operations of the Group.

- Discuss the establishment and optimisation of key policies in relation to the operation of the Group in order to ensure corporate governance and regulatory compliance. Implementation of necessary best practices in the organisation.
- Discuss and decide on matters relating to Human Resources, talent acquisition and development in order to optimise the Human Resources of the Group.
- Advising the senior management and making recommendations to the Board of Directors on opportunities to improve the business scope, cost effectiveness and quality of services provided by the Company and its subsidiaries.
- Assisting the management in development of strategic business dashboards and necessary performance indicators in order to make important business and management decisions in an accurate and efficient manner.
- Reviewing and monitoring Group budgets, evaluating of performance of individual companies in the Group and introduction of new management systems.
- Discuss on key administrative and legal matters relevant to the operation of the Group. The Committee regularly meets to review and evaluate financial performance and to carry out its duties and responsibilities mentioned above.

The Committee invites Chief Executive Officers of the individual companies and the members of the Senior Management team as appropriate, such as the Chief Human Resources Officer. Having evaluated the matters, the Committee makes recommendations

to the Board of Directors on various management related issues. In conclusion, I wish to thank my colleagues Mr. U. K. Thilak De Silva, Mr. P. Kudabalage, Mr. R. Selvaskandan and Dr. R.P. Edirisinghe the members of the management team for their valuable contribution and support to the work of the Committee.



W. K. H. Wegapitiya
Chairman
Management Committee

21st July 2025

REMUNERATION COMMITTEE REPORT

COMPOSITION

The committee comprises of Non-Executive & Independent Non-Executive Directors and operates within agreed terms of reference. Composition of the committee;

1. Mr. R. Selvaskandan - Chairman
- Independent/Non-Executive Director
2. Mr. K. R. Goonesinghe - Member
- Independent/Non-Executive Director
3. Prof. Sampath Amaratunge - Member - Independent/Non-Executive Director

CHARTER OF THE COMMITTEE

The Remuneration Committee operates under a Charter that is reviewed annually, outlining its objectives, duties, responsibilities, and composition. This Charter defines the Committee's role in guiding the Company's strategic HR practices, ensuring they deliver quality service to employees. It aims to create a supportive environment where employees can work with trust and confidence, aligning their efforts with Company goals while also achieving their Individual aspirations. By adhering to this Charter, the Committee ensures that HR policies and remuneration strategies are effective, equitable, and aligned with both organisational and individual objectives.

KEY RESPONSIBILITIES

- To make recommendations to the Board on Company's remuneration policy/ structure and its specific application to the Board of Directors, Executive Directors and general application to the Key Management Personnel (KMP)
- To review and make recommendations on the remuneration and incentive framework, including any proposed equity incentive awards including terminal benefits/pension rights for the Executive Directors and KMPs

- To evaluate the performance of the Group Chief Executive Officer and Chief Executive Officers and KMPs and to ensure that management development plans and succession plans are in place for Executive Directors and KMPs
- Communication with shareholders on the remuneration policy and the Committee's work on behalf of the Board through a Remuneration Committee Report.
- To make recommendations at the appropriate service contracts are available for Executive Directors.
- To review and approve compensation payable to Executive Directors and Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive
- To ensure that no Director or any of his associates is involved in deciding his own remuneration
- To review from time to time as appropriate the Terms of Reference and the effectiveness of the Remuneration Committee and recommend to the Board any necessary changes

EMPLOYEE ENGAGEMENT AND MOTIVATION

LAUGFS Gas has actively addressed several people-related challenges to improve employee engagement and motivation. To overcome these, the Company introduced regular recognition programs and wellness initiatives. Open communication channels and feedback forums were established to enhance transparency and employee voice. Career development workshops and mentoring programs were rolled out to encourage continuous learning and growth. Together, these focused and strategic initiatives have successfully cultivated a more engaged, motivated, and productive workforce, contributing to the Company's overall success and positive workplace culture.

MANAGING DIVERSITY AND INCLUSION

LAUGFS Gas implements diverse recruitment practices to attract a broader talent pool and minimise biases. Additionally, providing unconscious bias training to all employees helps mitigate prejudices and fosters a more inclusive workplace. Strong leadership commitment to these initiatives underscores the organisation's dedication to cultivating a genuinely inclusive culture. Collectively, these strategies enhance diversity and inclusion, driving greater innovation, employee satisfaction, and overall workforce performance.

LEADERSHIP COACHING

Leadership coaching is a dynamic, personalised process designed to unlock leaders' potential and enhance their effectiveness in guiding teams and driving organisational success. Through tailored assessments, goal setting, and skill development, coaches work closely with individuals to identify strengths, address weaknesses, and target areas for growth. Coaching sessions focus on building critical leadership competencies such as communication, emotional intelligence, and strategic thinking, while also nurturing qualities like confidence, adaptability, and accountability. To strengthen these efforts, LAUGFS Gas partners with recognised institutions to deliver specialised leadership training programs, ensuring access to the latest insights and best practices. The objective of leadership coaching and training is to cultivate resilient, visionary, and influential leaders who can navigate complexity and inspire their teams to achieve greater levels of performance.



R. Selvaskandan
Chairman
Remuneration Committee

21st July 2025

AUDIT COMMITTEE REPORT

OVERVIEW OF THE AUDIT COMMITTEE

The Audit Committee operates as a formally established Sub-Committee of the Board of Directors. This report summarises its activities during the financial year, focusing on financial reporting, risk management, internal controls, the internal audit process, and interactions with External Auditors.

The committee's primary function is to oversee the preparation, presentation, and adequacy of disclosures in the financial statements of LAUGFS Gas PLC and its subsidiaries. This oversight is conducted by Sri Lanka Accounting Standards, aiming to provide additional assurance to the Board of Directors regarding the reliability of financial statements and processes.

ROLE OF THE COMMITTEE

The role of the Audit Committee is to support the Board in fulfilling its oversight responsibilities concerning various aspects, including the integrity of the Company's and Group's financial statements, internal control and risk management systems, compliance with legal and regulatory requirements, the suitability, performance, and independence of External Auditors, and the adequacy and performance of the Internal Audit function conducted by the Group Internal Audit. These functions and responsibilities are clearly outlined in the committee's charter, which has been approved by the Board.

AUDIT COMMITTEE CHARTER

The Board approved charter of the Audit Committee is in place and clearly defines the terms of reference of the Committee. The Audit Committee Charter is reviewed annually to ensure all new developments related to the Audit Committee are duly incorporated.

MANDATE

To review and monitor:

The scope of functions and responsibilities are adequately set out in the terms of reference of the Committee, which has been approved by the Board.

- External financial reporting obligations of the Company, including its obligations under the Colombo Stock Exchange Listing Rules, Rules/Regulations of the Securities and Exchange Commission and Companies Act No. 7 of 2007.
- Review & evaluate the performance of the Company's internal audit function. Ensuring the efficiency, effectiveness and adequacy of the Company's internal controls and risk management measures.
- Maintaining an effective system of internal control, and compliance with legal and regulatory requirements that may have a material impact

COMPOSITION OF THE AUDIT COMMITTEE

During the year, the Board Audit Committee was composed of four Non-Executive Directors, who are independent, and in compliance with regulatory composition requirements.

Name of the Audit Committee Member	Directorship status
Mr. P.M.B. Fernando	Chairman/Non-Executive Independent Director
Prof. S.P.P. Amaratunge	Member/Non-Executive Independent Director
Mr. R. Selvaskandan	Member/Non-Executive Independent Director
Mr. K.R. Goonesinghe	Member/Non-Executive Independent Director

The Board is confident that the Committee members, detailed in their biographical information on pages 10 and 12 collectively possess a diverse array of pertinent skills, experience, and expertise derived from various industries and backgrounds. As a whole, they exhibit competence relevant to the sectors in which the Group operates.

Mr. Amal Senarath, who assumed duties as the Head of Group Audit on 17th August 2024, serves as the Secretary to the Committee. Prior to his appointment, Mr. Prasenna Balachandran, Chief Internal Auditor, served in this role until 16th August 2024.

on the Company and its financial statements.

- Ensuring that high standards of Corporate Governance are in place by adopting and adhering to policies and procedures of the Company which are in compliance with the Code of Best Practices on Corporate Governance jointly advocated by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).
- Evaluating and reviewing the independence of the External Auditors. Making a recommendation to the Board on the appointment or re-appointment, dismissal, service period and audit fee of the External Auditor.
- Review and evaluate all auditing and non-audit services performed by External Auditors to ensure that their independence is not impaired.

AUDIT COMMITTEE REPORT

MEETING ATTENDANCE

Name of the Audit Committee Member	Attendance
Mr. P.M.B. Fernando	4/4
Prof. S.P.P. Amaratunge	4/4
Mr. R. Selvaskandan	4/4
Mr. K.R. Goonesinghe	4/4

COMMITTEE MEETINGS

The Audit Committee meets as often as may be deemed necessary or appropriate in its judgment, and at least quarterly each year. During the year under review, there were four (04) meetings attended by the Committee members. The Group Chairman, Group Deputy Chairman, Group Managing Director/ Group CEO, Group Finance Director, Chief Executive Officer - Cluster, Chief Executive Officer - LAUGFS Gas, Chief Financial Officer - LAUGFS Gas Cluster and Head of Group Audit, attend meetings at the invitation of the Committee. Representatives of the External Auditors are invited to participate in the meetings of the Committee as well. Other key executives and senior management are invited to attend, present and provide deeper insight on various topics as required by the Committee to discharge its duties.

The activities and views of the Committee have been communicated to the Board of Directors quarterly through verbal briefings, and by tabling the minutes of the Committee meetings.

COMMITTEE ACTIVITIES DURING THE FINANCIAL YEAR

Financial Reporting

The Committee assisted the Board of Directors in the discharge of its duties by reviewing the Company's financial reporting system. The Committee ensured that accounting policies, practices and internal controls are adequate to provide reasonable

assurance that the financial reporting system is effective and efficient in providing reliable and timely information.

The Audit Committee thoroughly reviewed the Interim Management Statements, as well as the Interim and Annual Consolidated Financial Statements, along with all formal announcements related to these statements. Following this review, the Committee submitted them to the Board of Directors, accompanied by a recommendation for approval. During the consideration of annual financial statements, the External Auditors were also invited to attend discussions and provide clarifications as needed.

Furthermore, in its assessment of the financial reporting system, the Committee acknowledged the sufficiency of the content and quality of periodic management information reports forwarded to its members.

INTERNAL AUDIT & CONTROLS

The Audit Committee is responsible for monitoring and reviewing the operation and effectiveness of the Group's Internal Audit (GIA) function including its focus, plans, activities and resources. To fulfil these duties the Committee:

- Reviewed significant issues raised by GIA and the External Auditor, management's response to their recommendations, and follow-up remedial actions and improvement plans
- Reviewed and approved the Group Internal Audit's charter, strategy and annual plan;
- Considered and were satisfied that the competencies, experience and level of resources within the Internal Audit team were adequate to achieve the proposed plan;

- Considered the role and the effectiveness of Internal Audit in the overall context of the Group's risk management framework and was satisfied that the function has appropriate standing within the Group;
- Received quarterly updates from the Group Internal Audit function on the delivery of the 2024/25 plan and on the principal findings from the work of Internal Audit and management's actions to remediate issues identified;
- The Group Internal Audit team regularly reported to the Committee on the adequacy and effectiveness of internal controls in the Group and compliance with laws and regulations and established policies and procedures of the Group.
- The Committee evaluated the Internal Audit Function covering key areas such as scope, quality of internal audits, independence and resources.
- Follow-up reviews were scheduled to ascertain that audit recommendations are being acted upon

RISK MANAGEMENT

The Committee obtained and reviewed risk statements submitted by each SBU, outlining the key risks relevant to their respective areas, along with the mitigating measures that had been implemented or were planned. In addition, the Committee reviewed the effectiveness of the Group's risk management framework, internal controls, business continuity planning, and information security systems, and recommended appropriate corrective actions to the Board where necessary.

EXTERNAL AUDIT

The External Auditors' Letter of Engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors and management prior to the commencement of the audit.

The Committee also met the External Auditors prior to the finalisation of the financial statements. The External Auditors' reports on the audit of the Company and Group financial statements for the year, were discussed with both Management and Auditors. Furthermore, key audit matters related to LAUGFS Gas PLC were discussed at the meeting. The members of the Committee had a separate meeting with the auditors to discuss issues of a sensitive nature that may have arisen during the audit if any.

The Committee reviewed the management letter issued by them based on their audit and considered actions to be taken to rectify any weaknesses in internal controls based on their recommendations.

The Committee also reviewed the arrangements made by the Auditors to maintain their independence and confirmation has been received from the Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka. The Committee is satisfied that the independence of the External Auditors has not been impaired by any non-audit services performed by them.

The performance of the External Auditors and the quality of their work has been evaluated and discussed with the senior management of the Company and the Committee has recommended to the Board that Messers Ernst & Young be re-appointed as the auditors of the Group for the financial year ending 31st March 2026, subject to approval by the shareholders at the Annual General Meeting, at a remuneration to be decided by the Management.

COMPLIANCE

The Committee received confirmations from the Cluster - CEO, CEO, Cluster - CFO, and Finance Managers of Group Companies regarding the adequacy of provisions made for potential liabilities. It also reviewed financial & statutory compliance reports submitted by Group Companies to ensure adherence to applicable statutory requirements.

In addition, the Committee obtained regular updates from the Head of Group Legal on matters related to regulatory compliance.

ETHICS AND GOOD GOVERNANCE

The Committee consistently emphasised the importance of upholding ethical standards across the organisation. In this regard, the newly revised Code of Ethics was introduced, along with the implementation of Whistleblowing and Anti-Corruption Policies. These initiatives were supported by ongoing awareness and educational efforts aimed at encouraging all staff members to adhere to the highest standards of integrity and ethical conduct.

WHISTLEBLOWING POLICY

The Committee is content with the current status of the Whistleblowing Policy of the Group, ensuring it remains an active and up-to-date framework that all employees and incidents can rely on. Employees are encouraged to utilise whistleblowing channels if they suspect any wrongdoing. Senior Management periodically conducts awareness programs to promote a culture where staff feel empowered to raise genuine concerns.



P. M. B. Fernando
Chairman
Audit Committee
LAUGFS Gas PLC

21st July 2025

REPORT OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

The Related Party Transactions Review Committee of LAUGFS Gas PLC was established by the Board of Directors in 2016. In accordance with the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9.14 of the Listing Rules of the Colombo Stock Exchange.

PURPOSE OF THE COMMITTEE, COMPOSITION AND ATTENDANCE

The Related Party Transaction Review Committee is a subcommittee of the Company's Board of Directors, reporting directly to the Board. The Committee is entrusted with the independent review and oversight of transactions conducted between the Company and its related parties.

The Committee comprises of four Non-Executive Directors; whom are independent. The Chairman of the Committee is an Independent Non-Executive Director.

Name of the RPTR Committee Member	Membership Status
Mr. P.M.B Fernando	Chairman/NED
Mr. R. Selvaskandan	Member /INED
Mr. K.R. Goonesinghe	Member/INED
Prof. S.P.P. Amarathunge	Member/INED

Brief profiles of the members of this Committee are stated on pages 11 to 12 of this report

Regular attendees by invitation

Group Chairman	Group Deputy Chairman
Group Managing Director/GCEO	Cluster CEO/ LAUGFS Gas PLC
Group Director – Finance	Chief Executive Officer –LAUGFS Gas PLC
Chief Financial Officer–LAUGFS Gas PLC	Group Legal Officer

Mr.Amal Senarath, who assumed duties as the Head of Group Audit

on 17th August 2024, serves as the Secretary to the Committee. Prior to his appointment, Mr. Prasenna Balachandran, Chief Internal Auditor, served in this role until 16th August 2024.

The Committee met four (04) times during the financial year ended March 31, 2025, and the proceedings of the Committee meetings have been regularly reported through verbal briefings and by tabling the minutes of the Committee's meetings.

The meeting attendance of the members is set out in the table below,

Name of the RPTR Committee Member	Attended/ Eligibility
Mr. P.M.B Fernando	4/4
Mr. R. Selvaskandan	4/4
Mr. K.R. Goonesinghe	4/4
Prof. S.P.P. Amarathunge	4/4

DUTIES AND RESPONSIBILITIES

The Related Party Transactions Review Committee carries out the following duties and responsibilities:

- Reviewing Related Party Transactions of the Company except those explicitly exempted under the Listing Rules;
- Adopting policies and procedures to review Related Party Transactions of the Company and set out guidelines and methods for the capturing and reviewing of Related Party Transactions,
- Assessing whether the Related Party Transactions are in the best interests of the Company and its shareholders as a whole;
- Defining and establishing threshold values for listed companies as per the Code, which requires discussion in detail; RPTs which have to be pre-approved by the Board, those that require immediate market disclosure, those that require Shareholder approval and RPTs which require disclosure in the Annual Report.

- To review all proposed Related Party Transactions of the Group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Advise the entire Board, when deemed appropriate, that shareholder approval for the Company should be sought through a Special Resolution before proceeding with the specified transaction in accordance with Sections 9.1 and 9.4 of the Listing Rules, when applicable.
- Where necessary, escalate matters to the Board for review prior to the execution of any Related Party Transaction.
- To review and recommend the acquisition or disposal of substantial assets between related parties, including but not limited to, obtaining 'competent advice' from independent professional experts on valuations and related aspects as deemed required.
- Ensuring that immediate market disclosures and disclosures in the Annual Report, as required by the applicable rules/regulations, are made in a timely and detailed manner.

METHODOLOGY ADOPTED BY THE COMMITTEE

The members of the Company's Board of Directors have been identified as Key Management Personnel. The declarations are requested from each Key Management Personnel of the Company in compliance with the Related Party Transaction Policy in order to identify parties related to them. The Company retrieves data on related party transactions from its database based on the information provided in these declarations.

KEY FUNCTIONS PERFORMED DURING THE YEAR UNDER REVIEW

During the year the Committee reviewed the process and recognised the adequacy of the content and quality of the information forwarded to its members by the Management. The committee, on quarterly basis, monitored the recurrent transactions and their compliance with the approved values and where required, directed them to the relevant Boards for further directions.

Non-Recurrent Transactions

The Committee ensured that Management implemented appropriate procedures to guarantee that all non-

recurrent Related Party Transactions are submitted for the Committee's prior approval. Accordingly, the Committee reviewed and granted advance approval for all proposed non-recurring RPTs. There are no non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Listed Entity in the reporting period.

Recurrent Transactions

The Committee has granted blanket approval for a defined set of recurrent Related Party Transactions, facilitating Senior Management in providing the necessary disclosures. The Committee reviews these recurrent

RPTs on a quarterly basis, along with the corresponding disclosures and assurances. In instances where transactions approach or exceed the pre-approved thresholds, the Committee evaluates them with appropriate justifications and readjusts the approved limits as necessary.

Recurrent transactions that exceeded the threshold values were brought to the notice of the committee during the period under review, treated under section 9.14.8.(2) disclosures in the Annual Report.

RECURRENT RELATED PARTY TRANSACTIONS

Name of the Related Party	Relationship	Nature of the transaction	Aggregated Value of Related Party Transactions entered into during the Financial Year	Aggregated Value of Related Party Transactions as a % of Net Revenue /Income	Terms and conditions of the Related Party Transactions
SLOGAL Energy DMCC	A subsidiary of LAUGFS Gas PLC	Purchase of LPG and Freight charges	18,187,863,465	58%	Procuring of LPG from SLOGAL Energy DMCC at a negotiated rate (through a contract) based on the prevailing market rates at that time.

The Committee has put the necessary processes in place to identify, review, disclose and monitor Related Party Transactions in accordance with the provisions in Section 09 of the Listing Rules and in so far as to the knowledge of the Committee, such transactions submitted for review have been verified for compliance.



P.M.B. Fernando
Chairman
Related Party Transaction Review Committee
LAUGFS Gas PLC

21st July 2025

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

OBJECTIVE OF THE COMMITTEE

The Objective of the Nomination and Governance Committee (the Committee) is to review the structure and the composition of the Board annually and ensure that the combined knowledge and experience complement the corporate strategy, and also to review, evaluate and recommend changes to the Company's Corporate Governance Framework in line with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance ("Code").

ACTIVITIES IN 2024/25

Improve Board effectiveness during the year, the Committee reviewed the Governance Roadmap of the Group and ways to improve Board effectiveness within the Group. Further, the Committee reviewed the composition of the Board and the Board sub-committees with respect to the recent amendments to the Listing Rules of the Colombo Stock Exchange, effective 1st October 2023. Necessary changes have already been implemented by the Committee.

KEY RESPONSIBILITIES

The Nominations and Governance Committee is responsible for reviewing the composition of the Board and Board Sub - Committees to ensure that they are appropriately constituted in line with the required skills, experience and diversity.

In addition, the Committee is entrusted with the responsibility of:

Recommending to the Board the appointment of new Directors and Key Management Personnel (KMP) and ensuring the implementation of the approved procedure in selecting such Directors and Key Management Personnel;

Recommending the re-election of current Directors to the Board of Directors, taking into account the performance and contribution made by such Directors towards the overall discharge of responsibilities by the Board;

Reviewing criteria such as qualifications, experience and key attributes required to be considered for the appointment or promotion to the post of Managing Director/CEO and/or the Key Management positions;

Ensuring that the Directors, Managing Director/CEO and the Key Management Personnel are fit and proper persons to hold office as required by the Corporate Governance Rules of the CSE and other applicable statutes;

Assessing from time to time the requirements of additional/new expertise and the succession arrangements for retiring Directors and Key Management Personnel with a view to providing advice and recommendations to the Board on any such appointment;

Overseeing the process by which the Board, its Committees and individual Directors assess their effectiveness, and report to the Board on findings and recommendations

REVIEW THE STRUCTURE AND THE COMPOSITION OF THE BOARD

The Committee reviewed the structure and composition of the Company with respect to the recent amendments to the Listing Rules of the Colombo Stock Exchange.

BOARD EVALUATION

The Board of Directors performs an annual self-evaluation of its own performance and effectiveness. The Committee reviewed the results of the Board Evaluation and discussed the governing structure of the Company. Further, the Board identified and reviewed the Board diversity in the range of experience, skills, age, and gender as an essential factor for effective Board performance. The Board discussed major issues in terms of the Listing Rules of the Colombo Stock Exchange and Board Governance.

BOARD SUCCESSION

During the year under review, the progress and performance of the Cluster Chief Executive Officer and the Chief Executive Officer and the heads of businesses was regularly reviewed by the Committee.

RE-ELECTION OF DIRECTORS

In terms of the Articles of Association of the Company all Directors are required to offer themselves for re-election at regular intervals. Every year, not exceeding 1/3 of the Board shall retire by rotation. The Committee decided to recommend Mr. R. Selvaskandan and Prof. S.P.P. Amaratunge, who retire in terms of Article 81 of the Company's Articles of Association, Mr. U.K. Thilak De Silva vacate office in terms of Section 210 of the Companies Act and re-appoint under the Section 211 of the Companies Act, at the ensuing Annual General Meeting. In terms of Article 88 of the Articles of Association Dr. R.P. Edirisinghe will be re-appointed to the Board at the ensuing Annual General Meeting to be held on 10th September 2025.

ATTENDANCE

The Committee comprises of four Independent Non- Executive Directors. The Board Chairman attends the meetings by invitation. The Committee met two times during the year and the committee members' attendance at these meetings is as follows.

Members	Attendance
Prof. S.P.P. Amaratunge	02/02
Mr. R. Selvaskandan	02/02
Mr. K.R. Goonesinghe	02/02

The profiles of the Directors are found on pages 11 to 12 of this Annual Report.

The Committee members' date of first appointment to the Committee is as follows.

Member	Date of first appointment to the Committee
Prof. S.P.P. Amaratunge	9th June 2022
Mr. R. Selvaskandan	9th June 2022
Mr. K.R. Goonesinghe	29th May 2023

SECRETARY

The Group Chief People Officer acts as the Secretary to the Committee.

Board Member	Directorship Status	Date of Appointment to the Board	Date of last reappointment to the Board	Directorships in other listed entities
Prof. S.P.P. Amaratunge	INED/NED	25th May 2018	21st September 2023	<ul style="list-style-type: none"> • Raigam Wayamba Saltern PLC • Citizens Development Business Finance PLC • Prime Lands Residencies PLC • LAUGFS Power PLC
Mr. P.M.B. Fernando	INED/NED	9th June 2022	17th July 2024	<ul style="list-style-type: none"> • LAUGFS Power PLC • Hatton Plantations PLC • Renuka Hotels PLC • PGP Glass Ceylon PLC • Lotus Hydropower PLC
Mr. K.R. Goonesinghe	INED/NED	9th June 2022	17th July 2024	<ul style="list-style-type: none"> • LAUGFS Power PLC
Mr. R. Selvaskandan	INED/NED	9th June 2022	21st September 2023	<ul style="list-style-type: none"> • CT Land Development PLC • Abans PLC • Abans Electricals PLC

INDUCTION PROGRAMME

Induction programmes are conducted for newly appointed Directors on Corporate Governance, Listing Rules of the Colombo Stock Exchange, securities market regulations and other applicable laws and regulations along with the familiarisation on the key focus areas of LAUGFS GAS PLC.

The Board of Directors are periodically apprised on Corporate Governance, Listing Rules of the Colombo Stock Exchange, securities market regulations and other applicable laws and regulations as appropriate.

EVALUATION OF THE COMMITTEE

The Committee carried out a self-evaluation of the performance and effectiveness of the Committee and was satisfied that it had carried out its responsibilities in an effective manner during the year under review.

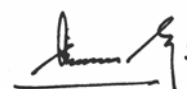
DECLARATION BY THE COMMITTEE

The Committee maintains a suitable process for the periodic evaluation of the performance of the Board of Directors and the Group Managing Director/Group Chief Executive Officer to ensure that their responsibilities are satisfactorily discharged. The Independent Non-Executive Directors of the Company meet the criteria for determining independence in terms of the Listing Rules of the Colombo Stock Exchange.

The Company is in compliance with the Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange (CSE) Further, with the oversight of NGC, the Company is in the process of adopting the latest amendments to the Listing Rules of CSE to ensure the overall compliance with the aforementioned regulations by the time lines stipulated by Listing Rules.

CONCLUSION

The Committee will continue to assist the Board in selecting the right candidates with the necessary skills, knowledge and experience, ensuring the desired diversity of the Board to meet the strategic demands of the Company and compliance with the Listing Rules of the Colombo Stock Exchange. In addition, the Committee ensures standardised Governance mechanisms exist to enhance transparency and accountability.



Prof. S.P.P. Amaratunge
Chairman
Nominations and
Governance Committee Report

21st July 2025

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of LAUGFS Gas PLC has pleasure in presenting the Annual Report and the Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31st March 2025. LAUGFS Gas PLC is a public limited company incorporated in Sri Lanka under the Companies Act No. 17 of 1982 and re-registered as required under the provisions of Companies Act No. 7 of 2007 and is listed on the Colombo Stock Exchange since December 2010.

PRINCIPAL ACTIVITIES

The principal activities of LAUGFS Gas PLC are the downstream business of Liquefied Petroleum Gas (LPG) and other related products and services. The Company caters to domestic, commercial and industrial LPG markets. Its subsidiaries LAUGFS Maritime Services (Pvt) Ltd. provides maritime LPG logistic services, SLOGAL Energy DMCC, which is incorporated in the UAE, is engaged in energy trading business activities, LAUGFS Terminals Ltd. is operating a LPG transshipment and storage facility at the Port of Hambantota, and LAUGFS Property Developers (Pvt) Ltd. is the owning company of the Head Office building. The Company underwent a major restructuring process on 31st March 2018 where its former subsidiaries, namely; LAUGFS Leisure Ltd. engaged in the leisure sector, LAUGFS Power Ltd. engaged in the renewable energy sector, and LAUGFS Eco Sri Ltd. engaged in vehicle emission testing, were vested with the shareholders of LAUGFS Gas PLC by way of a scheme of arrangement as per Section 256 of the Companies Act No. 7 of 2007, whereby the LAUGFS Gas Group transformed itself into a pure play energy company in order to enhance its business operations. Whilst initial approval to proceed with this process was granted by the Commercial High Court under case bearing number HC (Civil) 01/2018/CO on 10th January 2018, the Company managed to obtain requisite shareholder approval for the

same at the Extraordinary General Meeting held on 20th March 2018, whereby the final order approving the process by the Commercial High Court was granted on 23rd March 2018. As a result of this restructuring process the stated capital of the Company was also reduced to Rs. 1Bn after following all requisite formalities. The said three companies, which were a part of the said scheme of arrangement, namely; LAUGFS Leisure Ltd., LAUGFS Power Ltd. and LAUGFS Eco Sri Ltd. have made their respective listing applications to the Colombo Stock Exchange, where LAUGFS Power Ltd. now known as LAUGFS Power PLC was listed in the Diri Savi Board of the Colombo Stock Exchange on 30th October 2019, whereas the listing applications of LAUGFS Eco Sri Ltd. and LAUGFS Leisure Ltd. are currently pending the approval of the Colombo Stock Exchange.

The Company has not engaged in any activity which contravenes any local, foreign or international law or regulations.

BUSINESS REVIEW

A review of the financial and operational performance and future business developments of the Group, sectors, and its business units are described in the Group Chairman's Message, Group Deputy Chairman's Message and Management discussion and analysis section of the Annual Report. These Reports together with the Audited Financial Statements reflect the state of the affairs of the Company and its subsidiaries. Segment wise contribution to Group revenue, results, assets and liabilities are provided in Note 04 to the Financial Statements.

RESULTS AND APPROPRIATIONS

Revenue generated by the Company for the year under review amounted to Rs. 23.7 Bn whilst Group revenue amounted to Rs. 44.2 Bn contribution to Group revenue, from the different

business segments carried out by the subsidiaries are provided in Note 04 to the Financial Statements.

FINANCIAL STATEMENTS AND THE REPORT OF THE AUDITORS

The Financial Statements of the Company and the Group for the year ended 31st March 2025 as approved by the Board of Directors on 21st July 2025 are given on pages 144 to 228. The Auditor's Report on the Financial Statements of the Company and the Group is given on page 140.

ACCOUNTING POLICIES

A note on the Accounting Policies adopted in the preparation and presentation of the Financial Statements are given on pages 152 to 167. There were no material changes in the Accounting Policies adopted by the Company and its subsidiaries during the year under review.

DONATIONS

Total donations made by the Company and its subsidiaries during the year under review amounted to Rs. 13 Mn of these, the donations to approved charities were Rs. Nil.

INVESTMENTS

Total investments of the Company in subsidiaries, associate and other equity investments amounted to Rs. 24.7 Bn. The details of the investments are given in Note 13 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment as at the balance sheet date amounted to Rs. 14 Bn and Rs. 32.8 Bn for the Company and Group respectively. Total capital expenditure during the year for acquisition of property, plant and equipment by the Company and the Group amounted to Rs. 982 Mn and Rs. 982 Mn respectively. Details of property, plant and equipment

are given in Note 8 to the Financial Statements.

STATED CAPITAL AND RESERVES

The stated capital of the Company remains at Rs. 1Bn with effect from 31st March 2018 as per the scheme of arrangement. The stated capital of the Company consists of 335,000,086 ordinary voting and 52,000,000 ordinary non-voting shares. The total Group Equity was Rs. 2.8 Bn.

INTERNAL CONTROL AND RISK MANAGEMENT

The Directors acknowledge their responsibility for the Group's system of internal control. The systems are designed to provide reasonable assurance that the assets of the Group are safeguarded and to ensure that proper accounting records are maintained.

The Board of Directors, having reviewed the system of internal control, is satisfied with the systems and measures in effect at the date of signing this 21st July 2025.

HUMAN RESOURCES

The Company has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, opinion, gender, marital status or physical disability. Further the Company continued to appropriate human resources management policies to develop the team and focus their contribution towards the achievement of corporate goals.

BOARD OF DIRECTORS

The Board of Directors of the Company and their brief profiles are given on the pages 09 to 12. Accordingly, the following persons were the Directors of the Company as at 31st March 2025.

- (a) **Mr. W. K. H. Wegapitiya**
Group Chairman
- (b) **Mr. U. K. Thilak De Silva**
Group Deputy Chairman
- (c) **Mr. P. Kudabalage**
Group Managing Director/GCEO
(resigned w.e.f. 28th May 2025)
- (d) **Prof. S.P.P. Amaratunge**
Independent Non-Executive Director
- (e) **Mr. R. Selvaskandan**
Independent Non-Executive Director
- (f) **Mr. K. R. Goonesinghe**
Independent Non-Executive Director
- (g) **Mr. P. M. B. Fernando**
Independent Non-Executive Director
- (h) **Dr. R.P. Edirisinghe**
Group Managing Director/GCEO
(appointed w.e.f. 02nd May 2025)

In terms of Article 81 of the Articles of Association of the Company Mr. R. Selvaskandan and Prof. S.P.P. Amaratunge retire by rotation and being eligible are recommended by the Board for re-election at the ensuing Annual General Meeting. Mr. U.K. Thilak De Silva vacate office in terms of Section 210 of the Companies Act and re-appoint under the Section 211 of the Companies Act, at the ensuing Annual General Meeting. In terms of Article 88 of the Articles of Association Dr. R.P. Edirisinghe will be re-appointed to the Board at the ensuing Annual General Meeting to be held on 10th September 2025.

BOARD COMMITTEES

The following members serve on the Board, Audit, Related Party Transactions Review, Nominations and Governance, Remuneration, Investment and Management Committees;

AUDIT COMMITTEE

Audit Committee as at 31st March 2025 comprised four members namely,

Mr. P. M. B. Fernando (Chairman), Mr. R. Selvaskandan, Mr. K. R. Goonesinghe and Prof. S.P.P. Amaratunge. The Broad purposes of this Committee is to oversee the preparation, presentation and adequacy of the disclosure of information in Financial Statements in accordance with Sri Lanka Accounting Standards and all other statutory requirements.

The Audit Committee also ensures that the Company's internal control system and Risk Management procedure are up to industrial standards. The Committee also assesses the independence and performance of the Company's Auditors. The report of the Audit Committee is given under the Board committee reports section of the Annual Report.

RELATED PARTY TRANSACTIONS COMMITTEE REVIEW

The Related Party Transactions Committee Review as at 31st March 2025 comprised of Mr. P. M. B. Fernando (Chairman), Mr. R. Selvaskandan, Mr. K. R. Goonesinghe and Prof. S.P.P. Amaratunge.

This Committee has been established as a requirement under Section 9 of the Colombo Stock Exchange Listing Rules, in order to monitor and regulate Related Party Transactions in the best interests of the shareholders in order to ensure that the operations of the Group of Companies is compliant with Section 9 of the Colombo Stock Exchange Listing Rules.

NOMINATIONS AND GOVERNANCE COMMITTEE

The Remuneration and Nomination Committee as at 31st March 2025.

Prof. S.P.P. Amaratunge (Chairman)
Mr. R. Selvaskandan
Mr. K.R. Goonesinghe

ANNUAL REPORT OF THE BOARD OF DIRECTORS

INVESTMENT COMMITTEE

The Investment Committee as at 31st March 2025 comprised Mr. U. K. Thilak De Silva (Chairman), Mr. W. K. H. Wegapitiya, Mr. P. Kudabalage (resigned w.e.f. 28th May 2025), Mr. P. M. B. Fernando, Mr. R. Selvaskandan and Mr. K. R. Goonesinghe. Its principal focus is on evaluating investment opportunities, monitoring return on investments, the overall direction of the Group and review of business operational results. The report of the Investment Committee is given under the Board committee reports section of the Annual Report.

REMUNERATION COMMITTEE

The Remuneration Committee as at 31st March 2025 comprised Mr. R. Selvaskandan (Chairman), Prof. S.P.P. Amaratunge and Mr. K. R. Goonesinghe. This committee

recommends the remuneration payable to the Executive Directors and sets guidelines for the remuneration of the senior management of the Company.

The Board makes the final determination having considered the recommendations of the Remuneration Committee and also the performance of the senior management. The report of the remuneration committee is given under the Board committee reports section of the Annual Report and the remuneration policy is given in the Corporate Governance Report.

MANAGEMENT COMMITTEE

The Management Committee comprises Mr. W. K. H. Wegapitiya (Chairman), Mr. U. K. Thilak De Silva, Mr. P. Kudabalage (resigned w.e.f. 28th May 2025) and Mr. R. Selvaskandan. Its principle focus is on the overall strategic direction and review

of business operational results. The report of the Management Committee is given under the Board committee reports section of the Annual Report.

INTEREST REGISTER

The Company maintains an Interest Register in compliance with the Companies Act No. 07 of 2007. In Compliance with the requirements of the Companies Act, this Annual Report also contains particulars of entries made in the Interest Register.

DIRECTORS' INTEREST IN CONTRACTS

Directors' interest in contracts are disclosed in the Related Party Transactions under Note 27 to the Financial Statements.

DIRECTORS' SHAREHOLDING

The shareholdings of the Directors of the Company as at 31st March 2025 and as at 31st March 2024, as defined under the Listing Rules of Colombo Stock Exchange are as follows.

Name of Director	As at 31st March 2025				As at 1st April 2024			
	Voting Shares		Non-voting Shares		Voting Shares		Non-voting Shares	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. W.K.H. Wegapitiya	1,549,416	0.463	NIL	-	1,549,416	0.463	NIL	-
Mr. U.K. Thilak De Silva	1,077,897	0.322	NIL	-	1,077,897	0.322	NIL	-
Mr. P. Kudabalage (resigned w.e.f. 28th May 2025)	NIL	-	NIL	-	NIL	-	NIL	-
Prof. S.P.P. Amaratunge	NIL	-	NIL	-	NIL	-	NIL	-
Mr. R. Selvaskandan	NIL	-	NIL	-	NIL	-	NIL	-
Mr. K.R. Goonesinghe	NIL	-	NIL	-	NIL	-	NIL	-
Mr P.M.B. Fernando	100	0.00	NIL	-	100	0.00	NIL	-
Dr. R.P. Edirisinghe (appointed w.e.f. 02nd May 2025)	NIL	NIL	NIL	-	NIL	NIL	NIL	-

Mr. W. K. H. Wegapitiya and Mr. U. K. Thilak De Silva are shareholders of LAUGFS Holdings Ltd., the holding company which holds a significant stake of the Company directly.

DIRECTORS' REMUNERATION

Directors' remuneration is established within a framework approved by the Remuneration Committee. Directors' remuneration in respect of the Company for the year is given in Note 27 to the Financial Statements.

SHARE INFORMATION

Information relating to earnings, dividends and net assets per share are given on page 13. The market value per share is given on pages 234 and 237. The distribution and the composition of shareholding are given on pages 233 and

236 of this Annual Report. The Details of the 20 major shareholders of the Company including the number of shares held by them are given on page 232 and 235 of the Annual Report.

CORPORATE GOVERNANCE

The Board of Directors has ensured that the Company has complied with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance issued by the Securities and Exchange Commission and the Institute of Chartered Accountants of Sri Lanka. Directors are committed towards the furtherance of Corporate Governance principles of the Company. The measures taken in this regard are set out in the Corporate Governance Report. Further, the Directors declare that the Company has not engaged in any activity which contravenes laws and regulations. All material interest in contracts involving the Company have been declared by the Directors and they have refrained from voting on matters in which they were materially interested, the Company has made all endeavours to ensure the equitable treatment of shareholders, the business is a going concern and a review of internal controls covering financials, operational and compliance controls and risk management has been conducted and the Directors have obtained a reasonable assurance of their effectiveness and successful adherence.

ENVIRONMENT

The Company has not engaged in any activity that was detrimental to the environment and has been in due compliance with all applicable laws and regulations of the country to the best of its ability. The Company's effort in this regard is briefly described in the Sustainability Report.

STATUTORY PAYMENTS

The Board of Directors confirm that to the best of its knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of, and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the balance sheet date have been paid or, where relevant,

provided for, except as specified in Note 25 to the Financial Statements covering contingent liabilities.

GOING CONCERN

The Board of Directors is satisfied that the Company, its subsidiaries and associates, have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these Financial Statements.

DIVIDENDS

The Company has not declared or proposed any dividend for the year under review.

DISCLOSURES ON TRANSFER PRICING

The Company has adopted a Transfer Pricing Policy in terms of the Regulations issued under Section 76 of the Inland Revenue Act No. 24 of 2017 in order to secure the transparency and accuracy of all the transactions including Related Party Transactions. The management is committed to monitor and review the Transfer Pricing Policy from time to time. All the Related Party Transactions are disclosed under Note 27 to the Financial Statements.

It is certified that the Company has complied with the Transfer Pricing Regulations issued under Inland Revenue Act No. 24 of 2017. The information pursuant to these Regulations is given under certificate produced under the said Act. We believe that the record of transactions entered into with related parties during the period from 31st March 2024 to 31st March 2025 are at arm's length and not prejudicial to the interests of the Company. The transactions are entered into on the basis of a transfer pricing policy adopted by the Company. All transactions have been submitted to the Independent Auditors for audit. No adverse remarks have been made in their report on the audit of such transactions.

AUDITORS

Messrs. Ernst & Young, Chartered Accountants, are deemed re-appointed in terms of Section 158 of the Companies Act No. 07 of 2007 as the

auditors of the Company. A resolution to authorise the Directors to determine the remuneration of the auditors will be proposed at the forthcoming Annual General Meeting. Total audit fees paid to Messrs. Ernst & Young by the Company and the Group are disclosed in Note 5.5 to the Financial Statements. The Auditors of the Company and its subsidiaries have confirmed that they do not have any relationship with the Company or its subsidiaries (other than the Auditor) that would have an impact on their independence.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 10th September 2025 at 10.00 a.m. at the Head office of LAUGFS Holdings Ltd. as a virtual meeting. The notice of meeting appears in the supplementary information section of the comprehensive Annual Report. This Annual Report is signed for and on behalf of the Board of Directors.

By Order of the Board,



W. K. H. Wegapitiya
Director



U. K. Thilak De Silva
Director



**Corporate Advisory Services
(Private) Limited**
Secretaries

21st July 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible under the Companies Act No. 07 of 2007, to ensure compliance of the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of the affairs of the Company and its subsidiaries as at the balance sheet date and the profit of the Company and its subsidiaries for the financial year. Further, the Board of Directors ensures the compliance of all the regulatory requirements imposed by the Listing Rules of the Colombo Stock Exchange and other applicable statutory and regulatory provisions. The Financial Statements comprise:

- The statements of financial position, which present a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year,
- The Statement of Comprehensive Income, which presents a true and fair view of the profit or loss and/or other comprehensive income of the Company and its subsidiaries for the financial year.
- The Board of Directors accepts the responsibility for the integrity and objectivity of the Financial Statements prepared and presented. The Directors confirm that the Financial Statements have been prepared; using appropriate and applicable accounting policies which have been selected and applied in a consistent manner, and material departures, if any, have been disclosed and explained; and
- Presented in accordance with the Sri Lanka Financial Reporting Standards (SLFRS); and that

- Reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected; and
- Provides the information required by and otherwise comply with the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors confirm that the Financial Statements have been prepared on a going concern basis and are of the view that sufficient funds and other resources are available within the Company and its subsidiaries to continue its operations and to facilitate planned future expansions and capital commitments. Further, the Directors ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and its subsidiaries.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the Group and in this regard, to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities. The Directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections that may be considered being appropriate to enable them to give their audit opinion. The Directors are of the view that they have duly discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge and belief that all statutory payments in relation to regulatory and statutory authorities that were due in respect of the Company and its subsidiaries as at the balance sheet date have been duly paid or where relevant provided for.



**Corporate Advisory Services
(Private) Limited**
Secretaries

21st July 2025

Where Dedication Fuels Progress



The energy sector forms the backbone of economic growth - powering essential infrastructure, enabling productivity, and keeping vital services operational. As a key player in Sri Lanka's energy landscape, LAUGFS Gas is deeply committed to fuelling the nation's forward momentum.

Our financial performance reflects this dedication. It demonstrates our ability to meet the everyday needs of customers while generating long-term value for all stakeholders. Guided by sustainable practices and sound financial discipline, we remain focused on driving progress and contributing meaningfully to national prosperity.



FINANCIAL STATEMENTS

FINANCIAL CALENDAR FOR 2024/2025

- | | |
|--|---------------------------------------|
| • First Quarter ended 30th June 2024 | - Published on 13th August 2024 |
| • Second Quarter ended 30th September 2024 | - Published on 12th November 2024 |
| • Third Quarter ended 31st December 2024 | - Published on 14th February 2025 |
| • Fourth Quarter ended 31st March 2025 | - Published on 30th May 2025 |
| • Annual Report for 2024/2025 | - Published on 14th August 2025 |
| • Annual General Meeting | - Will be held on 10th September 2025 |

INDEPENDENT AUDITOR'S REPORT



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

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LAUGFS GAS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LAUGFS Gas PLC (the "Company"), and the consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and Group give a true and fair view of the financial position of the Company and Group as at 31 March 2025, and of their financial performance and cash flows for the year

then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuS). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of

our audit of the financial statements as a whole, and in forming the auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Group's revenue for the year ended 31 March 2025 amounted to Rs. 44,187 Mn as disclosed in notes 5.1 to the financial statements. Revenue was a key audit matter due to: <ul style="list-style-type: none">the materiality of the revenue reported during the year coupled with the significant increase of 42% from the previous year; andthe diversity of the operating segments that generated the Group's revenue for the year	Our audit procedures included the following key procedures: <ul style="list-style-type: none">assessed whether the Group's accounting policy for revenue recognition has been appropriately applied.performed analytical procedures to understand and assess the reasonableness of the reported revenue.tested revenue transactions to relevant supporting documents. Our procedures included testing revenue transactions at the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts and testing journal entries recognised to revenue.assessed the reasonableness of the revenue reported by the operating segments of the Group We also assessed the adequacy of the disclosures in respect of revenue in notes 5.1 and 2.11 to the financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of fair value of significant non-current assets</p> <p>As of the reporting date, the Group carried the following significant non-current assets at fair value.</p> <ul style="list-style-type: none"> lands, vessels and cylinders in hand and in circulation classified as property, plant and equipment, and land and buildings classified as investment property. <p>The fair value of land and buildings were determined by external valuers engaged by the Group.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> materiality of the reported balances which amounted to Rs. 20,824 Mn and represents 42% of the total assets of the Group. the degree of assumptions, judgements and estimation uncertainties associated with the fair value of such significant non-current assets using the market approach, income approach and depreciated replacement cost approach. <p>Key areas of significant judgments, estimates and assumptions used in the assessing the fair value of such significant non-current assets, as disclosed in Notes 8 and 10, to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as:</p> <ul style="list-style-type: none"> estimate of per perch value of the land and per square foot value of the buildings estimate of market price of the cylinders and the vessels 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> assessed the competence, capability and objectivity of the external valuers engaged by the Group. read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each asset. assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as valuation techniques, per perch price, value per square foot and market price used by the valuer as relevant in assessing the fair value of each property <p>We also assessed the adequacy of the disclosures made in Notes 8, 10, 2.15, 2.17 to the financial statements.</p>
<p>Interest bearing loans and borrowings</p> <p>As of the reporting date, the Group reported total interest bearing loans and borrowings of Rs. 31,874 Mn, of which Rs. 20,634 Mn is reported as current liabilities and the balance Rs. 11,240 Mn as non-current liabilities.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> the materiality of the reported interest-bearing loans and borrowings balance which represents 68% of the Group's total liabilities as of the reporting date; and the existence of several financial and non-financial covenants, the breach of which could impact the classification of the interest-bearing loans and borrowings in the financial statements. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> obtained an understanding of the terms and conditions attached to loans and borrowings, by perusing the loan agreements. reviewed the management's assessment of compliance with loan covenants and timely reporting and monitoring of covenant compliances in relation to interest bearing loans and borrowings and payment of the loan installments. obtained confirmations from financial institutions on outstanding loans and borrowings as at 31 March 2025 <p>We assessed the adequacy and appropriateness of the disclosures made in Note 15.2 relating to interest bearing loans and borrowings.</p>

INDEPENDENT AUDITOR'S REPORT



Other information included in the 2024/25 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The management is responsible for the other information.`

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance

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

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

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

Auditors' 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 auditors' 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 Sri Lanka Auditing Standards, we exercise professional judgment 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 internal controls of the Company and the Group.

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

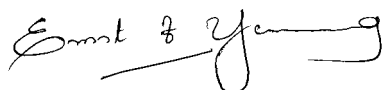
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditors' report is 2965.



21 July 2025

Colombo

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

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

A member firm of Ernst & Young Global Limited

STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	5.1	44,187,406,312	31,199,516,961	23,720,381,424	22,475,780,265
Cost of Sales		(41,464,353,482)	(26,693,702,466)	(21,422,064,505)	(18,396,930,380)
Gross Profit / (Loss)		2,723,052,830	4,505,814,495	2,298,316,919	4,078,849,885
Other Operating Income	5.2	135,735,471	110,092,336	129,713,133	106,774,524
Selling and Distribution Expenses		(869,021,360)	(669,771,376)	(869,021,360)	(669,575,716)
Administrative Expenses		(1,542,320,068)	(1,056,007,956)	(981,866,909)	(751,469,143)
Foreign Currency Exchange Gain/(Losses)		110,294,346	146,158,183	235,166,370	261,799,956
Fair Value Gain on Investment Properties	10	143,300,000	180,100,000	111,000,000	126,800,000
Operating Profit / (Loss)		701,041,219	3,216,385,682	923,308,153	3,153,179,507
Finance Costs	5.3	(2,412,356,795)	(4,005,583,122)	(1,345,023,892)	(2,533,107,361)
Finance Income	5.4	71,758,612	12,068,218	54,842,270	2,290,410
Profit/ (Loss) Before Tax		(1,639,556,964)	(777,129,222)	(366,873,469)	622,362,555
Income Tax Expense	6.1	(883,979,263)	(181,629,483)	(646,832,033)	(158,728,482)
Profit/(Loss) for the Year		(2,523,536,227)	(958,758,705)	(1,013,705,502)	463,634,074
Attributable to:					
Equity Holders of the Parent		(2,539,421,335)	(975,640,199)	(1,013,705,502)	463,634,074
Non-Controlling Interests		15,885,108	16,881,495	-	-
		(2,523,536,227)	(958,758,705)	(1,013,705,502)	463,634,074
Earnings/(Loss) Per Share					
Basic/Diluted Earnings/(Loss) Per Share	7	(6.56)	(2.52)	(2.62)	1.20

The accounting policies and notes on pages 152 to 228 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Profit/ (Loss) for the Year		(2,523,536,227)	(958,758,705)	(1,013,705,502)	463,634,074
Other Comprehensive Income					
Other Comprehensive Income that may be Reclassified to Profit or Loss in Subsequent Period :					
Foreign Exchange Translation Differences	21.2	(133,899,783)	64,409,427	-	-
Net Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods		(133,899,783)	64,409,427	-	-
Other Comprehensive Income that will not be Reclassified to the Profit or Loss :					
Gains/(Losses) on Financial Assets at FVTOCI	20.1	5,948,904	(343,206)	(94,827,665)	(1,563,372,096)
Actuarial Gains/(Losses) on Defined Benefit Plans	22.2	7,792,166	(21,397,556)	7,572,392	(15,785,926)
Gain on Revaluation of Property, Plant and Equipment	21.1	2,673,652,513	-	2,040,107,815	-
Income Tax Effect	6.2	(801,476,327)	4,401,316	(150,785,878)	544,311,883
Net Other Comprehensive Income that will not be Reclassified to the Profit or Loss in Subsequent Periods		1,885,917,256	(17,339,446)	1,802,066,664	(1,034,846,138)
Other Comprehensive Income/(Loss) for the Year, Net of Tax		1,752,017,473	47,069,980	1,802,066,664	(1,034,846,138)
Total Comprehensive Income/(Loss) for the Year, Net of Tax		(771,518,754)	(911,688,724)	788,361,161	(571,212,064)
Attributable to:					
Equity Holders of the Parent		(787,807,772)	(928,530,431)	788,361,161	(571,212,064)
Non-Controlling Interests		16,289,018	16,841,707	-	-
		(771,518,754)	(911,688,724)	788,361,161	(571,212,064)

The accounting policies and notes on pages 152 to 228 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	8	32,812,501,580	31,427,640,624	14,134,618,138	12,087,960,798
Right of Use Assets	9.1	1,053,574,946	1,155,722,998	20,398,131	24,210,534
Investment Properties	10	4,048,906,662	3,905,606,662	1,405,000,000	1,294,000,000
Intangible Assets	11	9,316,506	10,059,009	32,881	53,648
Investments in Subsidiaries	13	-	-	24,703,752,562	24,804,529,130
Other Non-Current Financial Assets	15.1	24,787,100	18,838,196	24,787,100	18,838,196
		37,949,086,794	36,517,867,489	40,288,588,812	38,229,592,306
Current Assets					
Inventories	16	5,008,498,944	2,502,610,403	1,156,556,001	605,827,782
Trade and Other Receivables	17	4,196,272,766	5,115,435,524	2,729,914,750	1,655,793,734
Prepayments		123,225,146	149,271,303	13,492,207	25,987,636
Income Tax Recoverable		66,418,491	184,310,565	26,588,723	157,051,543
Other Current Financial Assets	15.1	13,888,942	10,747,997	13,888,942	10,747,997
Cash and Cash Equivalents	18.1	2,389,232,495	427,214,978	345,654,930	116,806,676
		11,797,536,784	8,389,590,770	4,286,095,553	2,572,215,368
Total Assets		49,746,623,578	44,907,458,259	44,574,684,365	40,801,807,674
EQUITY AND LIABILITIES					
Equity					
Stated Capital	19	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Fair Value Reserve of Financial Assets at FVTOCI	20	(15,526,116)	(21,475,020)	15,978,907,353	15,814,984,855
Revaluation Reserve	21.1	6,175,065,552	4,955,079,294	5,455,733,914	4,210,225,310
Foreign Currency Translation Reserve	21.2	392,680,842	526,580,625	-	-
Accumulated Losses		(5,403,983,892)	(3,524,140,741)	(1,668,169,118)	(1,047,099,178)
Equity attributable to Equity Holders of the Parent		2,148,236,386	2,936,044,158	20,766,472,148	19,978,110,987
Non-Controlling Interests		623,581,531	607,292,513	-	-
Total Equity		2,771,817,917	3,543,336,671	20,766,472,148	19,978,110,987

As at 31 March 2025	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	15.2	12,553,938,294	15,075,734,609	4,603,265,455	4,559,411,114
Employee Benefit Liability	22	105,112,082	100,752,894	81,487,035	78,895,952
Refundable Deposits Liability	23	2,410,154,040	2,115,015,386	2,410,154,040	2,115,015,386
Deferred Tax Liabilities	6.5	2,652,744,459	1,232,354,426	3,179,045,791	2,634,730,623
		17,721,948,875	18,523,857,315	10,273,952,321	9,388,053,075
Current Liabilities					
Trade and Other Payables	24	8,334,705,579	6,519,733,534	2,982,639,982	1,642,658,057
Interest Bearing Loans and Borrowings	15.2	20,650,356,314	16,085,529,030	10,283,825,021	9,557,983,846
Refundable Deposits Liability	23	267,794,893	235,001,709	267,794,893	235,001,709
		29,252,856,786	22,840,264,273	13,534,259,896	11,435,643,612
Total Equity and Liabilities		49,746,623,578	44,907,458,259	44,574,684,365	40,801,807,674

I certify that these financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Dimuthu Nilantha
Chief Financial Officer

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



W. K. H. Wegapitiya
Director



U.K. Thilak De Silva
Director

The accounting policies and notes on pages 152 to 228 form an integral part of these financial statements.

21st July 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025	Attributable to Equity Holders of the Parent			
	Note	Stated Capital	Fair Value Reserve of Financial Assets at FVTOCI	Revaluation Reserve
Group		Rs.	Rs.	Rs.
As at 01 April 2023		1,000,000,000	(21,131,814)	5,608,274,942
Profit/(Loss) For the Year		-	-	-
Other Comprehensive Income/(Loss)		-	(343,206)	-
Total Comprehensive Income/(Loss)		-	(343,206)	-
Transfer of Depreciation on Revaluation of Property, Plant and Equipment	21.1	-	-	(653,195,648)
As at 31 March 2024		1,000,000,000	(21,475,020)	4,955,079,294
Profit/(Loss) for the Year		-	-	-
Other Comprehensive Income/(Loss)		-	5,948,904	1,873,840,614
Total Comprehensive Income/(Loss)		-	5,948,904	1,873,840,614
Transfer of Depreciation on Revaluation of Property, Plant and Equipment	21.1	-	-	(653,854,356)
As at 31 March 2025		1,000,000,000	(15,526,116)	6,175,065,552
Year ended 31 March 2025	Note	Stated Capital		
		Rs.		
Company				
As at 01 April 2023		1,000,000,000		
Profit For the Year		-		
Other Comprehensive Income/(Loss)		-		
Total Comprehensive Income /(Loss)		-		
Transfer of Depreciation on Revaluation of Property, Plant and Equipment	21.1	-		
As at 31 March 2024		1,000,000,000		
Loss for the Year		-		
Other Comprehensive Income/(Loss)		-		
Total Comprehensive Income/(Loss)		-		
Transfer of Depreciation on Revaluation of Property, Plant and Equipment	21.1	-		
As at 31 March 2025		1,000,000,000		

The accounting policies and notes on pages 152 to 228 form an integral part of these financial statements.

	Foreign Currency Translation Reserve	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.
	462,171,198	(3,184,739,737)	3,864,574,589	590,450,806	4,455,025,395
	-	(975,640,199)	(975,640,199)	16,881,495	(958,758,705)
	64,409,427	(16,956,452)	47,109,769	(39,788)	47,069,982
	64,409,427	(992,596,651)	(928,530,430)	16,841,707	(911,688,724)
	-	653,195,648	-	-	-
	526,580,625	(3,524,140,741)	2,936,044,158	607,292,513	3,543,336,671
	-	(2,539,421,335)	(2,539,421,335)	15,885,108	(2,523,536,227)
	(133,899,783)	5,723,827	1,751,613,563	403,910	1,752,017,472
	(133,899,783)	(2,533,697,508)	(787,807,772)	16,289,018	(771,518,755)
	-	653,854,356	-	-	-
	392,680,842	(5,403,983,892)	2,148,236,386	623,581,531	2,771,817,917

	Fair Value Reserve of Financial Assets at FVTOCI	Revaluation Reserve	Accumulated Losses	Total Equity
	Rs.	Rs.	Rs.	Rs.
	16,837,202,252	4,596,802,958	(1,884,682,159)	20,549,323,051
	-	-	463,634,074	463,634,074
	(1,022,217,397)	-	(12,628,741)	(1,034,846,138)
	(1,022,217,397)	-	451,005,334	(571,212,064)
	-	(386,577,648)	386,577,648	-
	15,814,984,855	4,210,225,310	(1,047,099,178)	19,978,110,987
	-	-	(1,013,705,502)	(1,013,705,502)
	163,922,498	1,632,086,252	6,057,914	1,802,066,663
	163,922,498	1,632,086,252	(1,007,647,588)	788,361,161
	-	(386,577,648)	386,577,648	-
	15,978,907,353	5,455,733,914	(1,668,169,118)	20,766,472,148

STATEMENT OF CASH FLOWS

Year ended 31 March 2025	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash Flows from Operating Activities					
Profit/(Loss) Before Tax		(1,639,556,964)	(777,129,222)	(366,873,469)	622,362,555
Non-Cash Adjustment to Reconcile Profit/(Loss) Before Tax to Net Cash Flows:					
Amortisation of Intangible Assets	11	742,503	4,328,638	20,767	20,767
Decrease/(Increase) in Fair Value of Quoted Equity Securities		(3,140,945)	1,085,966	(3,140,945)	1,085,966
Depreciation of Property, Plant and Equipment	8	1,772,937,468	1,784,757,219	955,309,461	952,452,605
Amortisation of Right of Use Assets	9.1	71,124,634	78,617,902	12,926,719	11,024,195
Fair Value Gain on Investment Properties	10	(143,300,000)	(180,100,000)	(111,000,000)	(126,800,000)
Finance Costs	5.3	2,412,356,795	4,005,583,122	1,345,023,892	2,533,107,361
Finance Income	5.4	(71,758,612)	(12,068,218)	(54,842,270)	(2,290,410)
Assets Transfer to Inventories		20,104,857	-	20,104,857	-
Dividend Income	5.2	(289,049)	(166,167)	(289,049)	(166,167)
Provision for Employee Benefit Liability	22.1	19,972,970	23,417,654	15,375,511	18,211,199
Transfer of Employee Benefit Liability	22.5	-	(5,053,247)	-	(1,763,648)
(Profit)/Loss on Disposal of Property, Plant and Equipment		(270,000)	(5,609,184)	(270,000)	(5,609,184)
Exchange Differences		(59,160,190)	572,243,759	-	-
Operating Profit before Working Capital Changes		2,379,763,467	5,489,908,222	1,812,345,474	4,001,635,241
Working Capital Adjustments:					
(Increase)/Decrease in Inventories		(2,505,888,541)	(190,291,050)	(550,728,219)	1,434,389,139
(Increase)/Decrease in Trade and Other Receivables and Prepayments		945,208,912	(2,753,816,643)	(1,061,625,589)	(124,272,684)
Increase/(Decrease) in Trade and Other Payables		1,814,972,045	1,923,471,319	1,339,981,925	19,615,989
Cash Flows Generated from Operating Activities		2,634,055,883	4,469,271,847	1,539,973,591	5,331,367,684
Employee Benefit Liability Costs Paid		(7,601,559)	(8,969,165)	(5,212,036)	(8,248,022)
Finance Costs Paid		(2,412,356,795)	(4,005,583,122)	(1,345,023,892)	(2,533,107,361)
Income Tax Paid		(147,173,485)	(23,802,077)	(122,839,929)	(13,539,779)
Refund/Transfers of Refundable Deposits	23	(107,620,674)	(76,876,968)	(107,620,674)	(76,876,968)
Refundable Deposits Received	23	435,552,512	183,050,077	435,552,512	183,050,077
Net Cash Flows Generated from/(Used in) Operating Activities		394,855,883	537,090,593	394,829,573	2,882,645,631

Year ended 31 March 2025	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash Flows from/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	8.3	(982,206,364)	(300,719,144)	(981,963,843)	(42,685,357)
Dividend Income		289,049	166,167	289,049	166,167
Finance Income	5.4	71,758,612	12,068,218	54,842,270	2,290,410
Proceeds from Disposal of Property, Plant and Equipment		270,000	8,220,032	270,000	8,220,032
Net Cash Flows from/ (Used in) Investing Activities		(909,888,703)	(280,264,727)	(926,562,524)	(32,008,747)
Cash Flows from/(Used in) Financing Activities					
Proceeds from Interest Bearing Loans and Borrowings	15.2	7,356,972,870	14,050,005,097	5,005,035,795	1,500,475,720
Repayment of Lease Liabilities	9.2	(23,020,718)	(157,140,486)	(16,328,442)	(13,664,216)
Repayment of Interest Bearing Loans and Borrowings	15.2	(4,644,423,570)	(14,993,751,646)	(4,304,062,787)	(4,544,596,742)
Net Cash Flows from/(Used in) Financing Activities		2,689,528,582	(1,100,887,035)	684,644,566	(3,057,785,237)
Net Increase/(Decrease) in Cash and Cash Equivalent		2,174,495,762	(844,061,169)	152,911,615	(207,148,354)
Cash and Cash Equivalent at the Beginning of the Year	18	(1,463,916,118)	(619,854,949)	116,806,676	323,955,030
Cash and Cash Equivalent at the End of the Year	18	710,579,644	(1,463,916,118)	269,718,291	116,806,676

The accounting policies and notes on pages 152 to 228 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting Entity

LAUGFS Gas PLC (the Company) is a public limited liability company incorporated and domiciled in Sri Lanka and is listed in the Colombo Stock Exchange. The registered office of the Company is located at No. 101, Maya Avenue, Colombo 06 and the principal place of business is situated at No. 311/1, Biyagama Road, Mabima, Heiyanthuduwa.

1.2 Consolidated Financial Statements

The consolidated financial statements of LAUGFS Gas PLC, as at and for the year ended 31 March 2025 encompasses the Company and its subsidiaries (together referred to as the "Group").

1.3 Principal Activities and Nature of Operations

During the year, the principal activities of the companies within the Group dealt within these financial statements were as follows:

Company	Activities
LAUGFS Gas PLC ("Company")	Sale of liquefied petroleum gas and other related products
LAUGFS Property Developers (Pvt) Ltd	Operation of a commercial property at Kirulapone
LAUGFS Maritime Services (Pvt) Ltd	Operation of vessels and providing marine cargo services
SLOGAL Energy DMCC	Trading and export of liquefied petroleum gas and other related products
LAUGFS Terminals Ltd	Operation of LPG storage terminal

1.4 Parent Entity and Ultimate Parent Entity

The Company's parent entity is LAUGFS Holdings Limited. In the opinion of the directors, the Company's ultimate parent undertaking and controlling party is LAUGFS Holdings Limited, which is incorporated in Sri Lanka.

1.5 Directors' Responsibility Statement

The Board of Directors is responsible for these financial statements.

1.6 Date of Authorisation for Issue

The financial statements of LAUGFS Gas PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 21 July 2025.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The financial statement of LAUGFS Gas PLC and its Subsidiaries (the Group) have been prepared in accordance with Sri Lanka Accounting Standards comprising of SLFRS and LKAS (hereafter referred as "SLFRS"), as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The preparation and presentation of these financial statements are in compliance with the Companies Act No. 07 of 2007.

2.2 Basis of Preparation and Measurement

The financial statements have been prepared on a historical cost basis, except

for investment properties, freehold lands, Cylinders in hand and in circulation, vessels, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss that have been measured at fair value and defined benefit obligation which is measured at present value of the obligation.

The financial statements are presented in Sri Lankan Rupees.

2.3 Functional and Presentation Currency

The consolidated financial statements are presented in Sri Lankan Rupees (LKR), which is the primary economic environment in which the holding Company operates. Each entity within the Group except shown below uses the currency of the primary economic environment in which they operate as their functional currency.

The following Subsidiaries are using different functional currencies other than Sri Lankan Rupees (LKR);

Company	Country of incorporation	Functional currency
SLOGAL Energy DMCC	United Arab Emirates	United States Dollar (USD)
LAUGFS Terminals Ltd	Sri Lanka	United States Dollar (USD)

2.4 Materiality and Aggregation

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

2.5 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 31 March 2025. `

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of Subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.6 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred and included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 – Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.7 Non-Controlling Interests

Profit or loss and each component of OCI are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.8 Foreign Currency

2.8.1 Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

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

2.8.2 Foreign Operations

The results and financial position of all Group entities that have a functional currency other than the Sri Lankan Rupee are translated into Sri Lankan Rupees as follows:

- Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition are translated to Sri Lankan Rupees at the exchange rate prevailing at the reporting date.
- Income and expenses are translated at the average exchange rates for the period/year.

The exchange differences arising on translation for consolidation are recognised in OCI. When a foreign operation is disposed of, the relevant amount in the translation reserve is transferred to the statement of profit or loss as part of the profit or loss on disposal. On the partial disposal of a Subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation.

2.9 Current Versus Non-Current Classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- expected to be realised or intended to sold or consumed in normal operating cycle.
- held primarily for the purpose of trading.
- expected to be realised within twelve months after the reporting period.

Or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- it is expected to be settled in normal operating cycle.
- it is held primarily for the purpose of trading.
- it is due to be settled within twelve months after the reporting period.

Or

- the entity does not have a right at the reporting date to defer settlement of the liability by the transfer of cash or other assets for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.10 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability

Or

- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is

significant to the fair value measurement as a whole) at the end of each reporting period.

The management of the Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and fair value of subsidiaries.

External valuer is involved in valuation of significant assets, such as Investment properties and investment in subsidiaries. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuer, also compares the change in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

NOTES TO THE FINANCIAL STATEMENTS

- Disclosures for valuation methods, significant estimates and assumptions (Notes 3, 8, 10, 13, 15, and 22)
- Quantitative disclosures of fair value measurement hierarchy (Note 15)
- Investment properties (Note 10)
- Financial instruments (including those carried at amortised cost) (Note 13 and Note 15)

2.11 Revenue

2.11.1 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer

• Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

• Rendering of Services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

• Freight Income

Income from freight is recognised in the period in which the services are rendered or performed.

Contract Balances

Contract Assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditional on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables.

Contract Liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed.

2.11.2 Income from Refundable Deposits

The income from refundable deposits is recognised in other operating income in the statement of profit or loss once the liability is extinguished.

2.11.3 Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and is included in other operating income in the statement of profit or loss.

2.11.4 Dividend

Income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.11.5 Gains and Losses

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and has been accounted for in the Statement of Profit or Loss.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

2.11.6 Finance Income and Finance Costs

Finance Income

Finance income comprises of interest income on funds invested dividend income, gains on the disposal of fair value through

OCI financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquiree that are recognised in the statement of profit or loss.

Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Finance Costs

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

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

2.11.7 Others

Other Income is recognised on an accrual basis.

2.12 Refundable Deposits

The Liquefied Petroleum Gas cylinders remain as a property of LAUGFS Gas PLC. Cylinders are issued to the customers on a temporary basis against a refundable security deposit. The LAUGFS Gas is liable to refund the deposit for 12.5Kg, 37.5Kg, 5Kg & 2Kg cylinders on following basis.

LAUGFS Gas PLC liable to refund the deposit subject to a minimum refund of Rs.1,000/- for 12.5kg, Rs.1,700/- for 37.5kg, Rs. 485/- 5kg & Rs. 450/- for 2kg respectively up to 10 years.

0 to 3 Months –	Full refund of the selling price
3 to 12 Months –	Minimum refund + Two third of the selling price of a cylinder after deducting minimum refund
1 to 3 Years –	Minimum refund + One third of the selling price of a cylinder after deducting minimum refund
3 to 10 Years –	Minimum refund only.

The refundable deposits (or a part of a refundable deposits) is removed from the statement of financial position when the liability is extinguished and recognised in profit or loss.

2.13 Expenses

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

2.14 Taxes

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

2.14.1 Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or in other

comprehensive income is recognised in equity or in other comprehensive income and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Tax withheld on dividend income from subsidiaries is recognised as an expense in the statement of profit or loss at the same time as the liability to pay the related dividend is recognised.

2.14.2 Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in Subsidiaries, equity accounted investee and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax assets and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an

asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.14.3 Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities, in which case, the sales tax is recognised as a part of the cost of the asset or part of the expense items, as applicable or/and
- When receivables and payables that are stated with the amount of sales tax included the net amount of sales tax recoverable from or payable to, the taxation authorities are included as a part of receivables or payables in the statement of financial position

2.14.4 IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affect the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments and it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Company.

2.15 Property, Plant and Equipment

The Group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

Property, plant and equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Items of property, plant & equipment including construction in progress are measured at cost net of cost of day to day servicing, accumulated depreciation and accumulated impairment, if any, except for Freehold lands, vessels and cylinders in hand and in circulation which is measured at fair value.

The cost of property, plant & equipment includes expenditure that is directly attributable to the acquisition of the asset and the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and includes the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

Freehold Land, vessels, and cylinders in hand and in circulation are measured at fair value less accumulated depreciation, and impairment charged subsequent to the date of the revaluation.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised

in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land, vessels and cylinders in hand and in circulation are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation.

The Group has adopted a guideline of revaluing assets by a professional valuer at least once every three years and reviewing them annually for any significant changes.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised. Gains are not classified as revenue.

Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant & equipment,

in reflecting the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are disclosed in Note 8.4.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

i) Right-of-Use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	8 to 21 years
Building	5 years
Motor vehicle	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.16.1 Company as a Lessee

Right-of-Use Assets

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

Land	8 to 15 years
Building	5 years
Motor vehicle	5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts

NOTES TO THE FINANCIAL STATEMENTS

expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. 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 remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Right-of-use-Assets and Lease Liabilities (see Note 9.2).

2.16.2 Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue and other operating income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Investment Properties

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the period in which they arise. Fair values are evaluated annually by an accredited external, independent valuer.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.18 Intangible Assets

An Intangible asset is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation

and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite or infinite. For intangible assets with a finite useful life, the Group's policy is to amortise such intangible assets over a useful life of 4-10 years. Such intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.19 Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete and its ability to use or sell the asset.
- how the asset will generate future economic benefits.
- the availability of resources to complete the asset.
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in the statement of profit or loss in the expense category consistent with the function of the intangible asset. During the period of development, the asset is tested for impairment annually.

2.20 Investment in Subsidiaries - Company

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, Investments in subsidiaries are accounted in accordance with SLFRS 9 - Financial Instruments.

The Company measures the Investment in Subsidiaries at fair value at each balance sheet date using Discounted Cash Flow methodology (DCF) and Net Assets methodology.

2.21 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

2.21.1 Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI (FVTOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial Assets at Amortised Cost (Debt Instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows,

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

The Group's financial assets at amortised cost includes trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

Financial Assets Designated at Fair Value Through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

This category includes investment in subsidiaries and listed equity investments which the Company/Group has irrevocably elected to classify at fair value through OCI.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing

so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group has not irrevocably elected to classify at fair value through profit or loss.

Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired

Or

- the Group 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 (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues

to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group 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 Group could be required to repay.

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or

external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.21.1.1 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, refundable deposits and interest-bearing loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial Liabilities at Amortised Cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category applies to trade and other payables, refundable deposits and interest-bearing loans and borrowings including bank overdrafts.

Derecognition

A financial liability is derecognised 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.21.2 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.21.3 Fair Value of Financial Instruments

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

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 17.3 and Note 17.4.

2.22 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing inventories to its present location and condition is accounted for as follows:

Raw Materials	- At purchase cost on weighted average cost basis
Finished Goods	- At the cost of direct materials, direct labour and an appropriate proportion of overheads based on normal operating capacity, but excluding borrowing costs
Goods in Transit	- At purchase cost
Other Inventories	- At actual cost on weighted average cost basis

Net realisable value is the estimated selling price in the ordinary course of business less, the estimated cost of completion and the estimated costs necessary to make the sale.

2.23 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU

NOTES TO THE FINANCIAL STATEMENTS

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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI 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 recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the

asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.24 Cash and Short-Term Deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.25 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the

cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.26 Provisions

Provisions are recognised when the Group has a present obligation (legal or 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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

2.27 Employee Benefits

2.27.1 Defined Benefit Plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Group measure the cost of defined benefit plan-gratuity; every financial year using the Projected Unit Credit Method, as recommended by LKAS 19 – Employee Benefits, with the advice of an actuary.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 22.3. Any

changes in these assumptions will impact the carrying amount of defined benefit obligations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 - Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

Actuarial gains and losses are recognised in the statement of comprehensive income (OCI) in the period in which it arises.

The item is stated under Employee Benefit Liability in the statement of financial position.

This is not an externally funded defined benefit plan.

2.27.2 Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

All employees who are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions are covered by relevant contribution funds in line with respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.27.3 Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

2.28 Discontinuing Operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss". Disclosures are re-presented for prior periods presented in the financial statements so that the disclosures relate to operations that have been discontinued by the reporting date for the latest period presented. Accordingly, adjustments to the comparative information as originally reported will be necessary for those disposal groups categorised as discontinued operations.

2.29 Dividend Distribution

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

2.30 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "indirect method". Interest paid is classified as an operating cash flow. Dividend income and Interest income are classified as cash flows from investing activities. Dividends paid are classified as financing cash flows.

2.31 Changes In Accounting Policies And Disclosures

2.31.1 New and amended standards and interpretations

There are no significant changes to the accounting standards for the financial year under review.

2.31.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued up to the date of issuance of the LAUGFS Gas PLC

's financial statements but are not effective for the current annual reporting period, are disclosed below. The LAUGFS Gas PLC intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

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

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

The amendments are not expected to have a material impact on the Group's financial statement.

Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

NOTES TO THE FINANCIAL STATEMENTS

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

Company is currently assessing the impact the amendments will have on current practice

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with SLFRS/LKAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Use of Judgements, Estimates and Assumptions

In the process of applying the accounting policies, management has made following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in these financial statements.

3.1 Going Concern

The Group and the Company incurred a loss after tax for the year ended 31 March 2025 of Rs. 2,523,536,227/- and Rs 1,013,705,502/- respectively (2024: Rs. 958,758,705/- and a profit after tax of Rs.463,634,074/-). The reported accumulated losses of the Group and the Company amounted to Rs.5,403,983,892/- and Rs.1,668,169,118/- respectively. (2024: Rs. 3,524,140,741/- and Rs 1,047,099,178/-).

The Group's and Company's current liabilities exceeded its current assets by Rs 17,455,320,002/- and Rs. 9,248,164,343/- respectively. (2024: Rs. 14,450,673,503/- and Rs. 8.863,428,245/-).

However, the Group and the Company, reported a net asset position of Rs.2,771,817,917/- and Rs 20,766,472,148/- (2024: Rs. 3,543,336,671/- and Rs.19,978,110,987/-) respectively.

GROUP AND COMPANY PERFORMANCE

The losses incurred during the year ended 31 March 2025 were mainly due to the following reasons,

- Supply side disruptions leading to higher purchase costs to secure continuous raw material. This resulted in a significant reduction in the Gross Profit margin
- The logistics and transportation sectors did not perform at peak capacity due to these disruptions.
- Finance costs weighed heavily on the operating profit of the Group and Company.

Although these conditions exists, the Group and the Company have the following plans in progress/place that is expected to mitigate this situation.

MANAGEMENT STRATEGIES - GROUP & COMPANY

The Management has identified the following strategies, some of which are already implemented to mitigate the net current liability position of the Company.

Mitigating Strategy	Actions executed / planned
Renegotiation/restructure of debt repayments with lending institutions	During the year; <ul style="list-style-type: none"> • The Entity had re-negotiated/ re-structured the debt repayment plans with the lending institutions totaling to Rs.2,389,556,828/- (2024- Rs.1,500,475,720/-). • Interest rebates were received amounting to Rs. 129,289,275 by the Group. Further negotiations are in progress
Diversification of revenue and regional market expansion	The Group and Company at present are implementing strategies to expand business beyond the local markets. This is the main focus area of the Group. Robust efforts are being made to penetrate regional markets through competitive pricing.
Procurement and supply chain management	The Group and Company is focusing on supply chain management with an emphasis on improving cost efficiency and reducing dependency on intermediary entities. It is further reinforced by the adoption of a consistent and transparent pricing mechanism aligned to global gas prices.
Implementing cost control and optimization plans	On the operational front, cost optimization initiatives are being pursued through structured efficiency programs aimed at long-term sustainability. These include lean transformation efforts across the Group, targeting waste reduction, process improvements and improved asset utilization.

Considering these strategic initiatives, management's future plans and the availability of financial and operational resources, the Board of Directors are satisfied that the Going Concern assumptions remain relevant in the preparation of these financial statements.

3.2 Classification of Property

The Group determines whether a property is classified as investment property or an owner-occupied property.

Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.

The Group determines whether a property qualifies as investment property by considering whether the property generates cash flows largely independently of the other assets held by the entity. Owner occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Group considers each property separately in making its judgment.

3.3 Operating Lease Commitments - Group as Lessor

Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards

of ownership of these properties and accounts for the contracts as operating leases.

3.4 Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.5 Fair-Valuation of Investment Properties and Property Plant & Equipment

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Group engaged an independent valuation specialist to assess fair values as at 31 March 2025.

The Group carries its freehold lands, vessels and cylinders in hand and in circulation at revaluation model, with changes in fair value being recognised in the statement of other comprehensive income. The Group engaged an independent valuation specialist to assess fair values once in every three years and reviewing those annually for any significant changes.

For further details refer to Note 8 & 10.

3.6 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.7 Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3.8 Useful Lives of Property, Plant and Equipment

The Group reviews the assets' residual values, useful lives and methods of depreciation at each reporting date; judgment by management is exercised in the estimation of these values, rates and methods.

NOTES TO THE FINANCIAL STATEMENTS

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable segments as follows:

Energy

Selling of Liquefied Petroleum Gas and other related products.

Property

Operation of a commercial property given on rent at Kirulapone.

Operating Segments

Year ended 31 March	Energy		Property	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue				
External Customers	23,720,381,424	22,475,780,265	103,296,400	96,614,660
Inter-Segment	-	-	14,752,060	14,760,620
Total Revenue	23,720,381,424	22,475,780,265	118,048,460	111,375,280
Results				
Operating Profit/(Loss)	923,308,153	3,153,179,508	111,818,824	130,469,930
Finance Costs	(1,345,023,892)	(2,533,107,361)	(12,402,533)	(24,574,907)
Finance Income	54,842,270	2,290,410	16,315,562	7,413,530
Profit/(Loss) Before Tax	(366,873,469)	622,362,556	115,731,853	113,308,552
Income Tax Expense	(646,832,033)	(158,728,481)	(52,191,422)	(45,782,573)
Profit/(Loss) for the Year	(1,013,705,502)	463,634,074	63,540,431	67,525,980
Gains/(Losses) on Financial Assets at FVTOCI	5,948,904	(343,206)	-	-
Actuarial Gains/(Losses) on Defined Benefit Plans	7,572,392	(15,785,926)	208,057	(227,362)
Foreign Exchange Translation Differences	-	-	-	-
Gain on Revaluation of Property, Plant and Equipment	2,040,107,815	-	2,100,000	-
Income Tax Effect	(409,536,041)	3,157,185	(692,417)	68,209
Total Comprehensive Income/(Loss) for the Year, Net of Tax	630,387,567	450,662,128	65,156,071	67,366,826
Assets & Liabilities				
Total Non-Current Assets	15,584,836,249	13,425,063,176	2,867,996,866	2,838,483,268
Total Current Assets	4,286,095,554	2,572,215,367	436,932,398	414,512,228
Total Assets	19,870,931,803	15,997,278,543	3,304,929,264	3,252,995,496
Total Non-Current Liabilities	10,273,952,321	9,388,053,075	704,696,347	695,852,972
Total Current Liabilities	13,534,259,897	11,435,643,612	105,906,804	127,972,478
Total Liabilities	23,808,212,218	20,823,696,687	810,603,151	823,825,450
Other Disclosures				
Depreciation for the Year	955,309,461	952,452,605	6,286,402	6,185,782
Purchase of Property, Plant and Equipment, and Investment Properties	981,963,843	42,685,357	-	-
Provision for Employee Benefit Liability	15,375,511	18,211,199	388,583	422,743
Deferred Tax Liabilities	3,179,045,791	2,634,730,623	701,533,598	648,649,759

Adjustments/eliminations column reflected consolidation elimination and adjustments.

Transportation & Logistics

Operation of vessels and providing marine cargo services.

Operation of LPG storage terminal.

Trading

Trading and export of Liquefied Petroleum Gas and other related products.

No operating segments have been aggregated to form the above reportable operating segments. The Executive Management

Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments

Transportation & Logistics		Trading		Eliminations/Adjustments		Group	
2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
374,479,120	2,393,453,833	19,989,249,368	6,233,668,203	-	-	44,187,406,312	31,199,516,961
2,235,963,191	772,217,937	18,187,863,465	13,368,381,355	(20,438,578,716)	(14,155,359,912)	-	-
2,610,442,311	3,165,671,770	38,177,112,833	19,602,049,558	(20,438,578,716)	(14,155,359,912)	44,187,406,312	31,199,516,961
(888,165,494)	(27,362,980)	554,840,768	1,043,239	(761,032)	(40,944,014)	701,041,219	3,216,385,682
(638,849,372)	(1,362,448,071)	(478,255,981)	(86,908,572)	62,174,984	1,455,789	(2,412,356,795)	(4,005,583,122)
61,172,957	2,364,279	-	-	(60,572,177)	-	71,758,612	12,068,218
(1,465,841,909)	(1,387,446,772)	76,584,788	(85,865,333)	841,774	(39,488,225)	(1,639,556,964)	(777,129,222)
(185,991,317)	19,295,486	-	-	1,035,508	3,586,084	(883,979,263)	(181,629,483)
(1,651,833,226)	(1,368,151,286)	76,584,788	(85,865,333)	1,877,283	(35,902,141)	(2,523,536,227)	(958,758,705)
-	-	-	-	-	-	5,948,904	(343,206)
11,717	(5,384,268)	-	-	-	-	7,792,166	(21,397,556)
(33,142,828)	(92,667,940)	(100,756,955)	157,077,367	-	-	(133,899,783)	64,409,427
622,644,698	-	-	-	8,800,000	-	2,673,652,513	-
(388,607,869)	1,175,922	-	-	(2,640,000)	-	(801,476,327)	4,401,316
(1,450,927,509)	(1,465,027,572)	(24,172,167)	71,212,034	8,037,283	(35,902,141)	(771,518,754)	(911,688,724)
19,588,510,612	20,351,869,207	1,035,683	2,191,381	(93,292,619)	(99,739,546)	37,949,086,795	36,517,867,489
1,642,444,160	2,491,465,159	8,363,154,146	4,710,820,537	(2,931,089,471)	(1,799,422,520)	11,797,536,783	8,389,590,770
21,230,954,773	22,843,334,365	8,364,189,829	4,713,011,918	(3,024,382,090)	(1,899,162,066)	49,746,623,578	44,907,458,259
8,823,161,018	10,780,993,128	8,118,565	7,292,167	(2,087,979,373)	(2,348,334,028)	17,721,948,875	18,523,857,315
9,488,180,454	7,691,800,428	9,028,833,141	5,354,309,461	(2,904,323,509)	(1,769,461,703)	29,252,856,786	22,840,264,273
18,311,341,472	18,472,793,556	9,036,951,706	5,361,601,628	(4,992,302,882)	(4,117,795,731)	46,974,805,661	41,364,121,588
809,291,639	823,919,353	1,096,893	1,246,405	953,074	953,074	1,772,937,468	1,784,757,219
242,521	258,033,787	-	-	-	-	982,206,364	300,719,144
3,162,422	3,135,465	1,046,454	1,648,247	-	-	19,972,970	23,417,654
860,144,443	297,308,071	-	-	(2,087,979,373)	(2,348,334,028)	2,652,744,459	1,232,354,426

NOTES TO THE FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONTD.)

Geographic Information

	Sri Lanka		United Arab Emirates	
Year ended 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue				
Inter-Segment	2,250,715,250	786,978,556	18,187,863,465	13,368,381,355
External Customers	24,198,156,944	24,965,848,758	19,989,249,368	6,233,668,203
Total Revenue	26,448,872,194	25,752,827,314	38,177,112,833	19,602,049,558
Results				
Operating Profit/(Loss)	146,961,483	3,256,286,457	554,840,768	1,043,239
Finance Costs	(1,996,275,798)	(3,920,130,339)	(478,255,981)	(86,908,572)
Finance Income	132,330,789	12,068,218	-	-
Profit/(Loss) Before Tax	(1,716,983,525)	(651,775,664)	76,584,788	(85,865,333)
Income Tax Expense	(885,014,771)	(185,215,568)	-	-
Profit/(Loss) for the Year	(2,601,998,297)	(836,991,231)	76,584,788	(85,865,333)
Gains/(Losses) on Financial Assets at FVTOCI	5,948,904	(343,206)	-	-
Actuarial Gains/(Losses) on Defined Benefit Plans	7,792,166	(21,397,556)	-	-
Foreign Exchange Translation Differences	(33,142,828)	(92,667,940)	(100,756,955)	157,077,367
Gain on Revaluation of Property, Plant and Equipment	2,673,652,513	-	-	-
Income Tax Effect	(801,476,327)	4,401,316	-	-
Total Comprehensive Income for the Year, Net of Tax	(749,223,869)	(946,998,618)	(24,172,167)	71,212,034
Assets & Liabilities				
Total Non-Current Assets	38,041,343,728	36,615,415,651	1,035,683	2,191,381
Total Current Assets	6,365,472,112	5,478,192,753	8,363,154,146	4,710,820,537
Total Assets	44,406,815,840	42,093,608,404	8,364,189,829	4,713,011,918
Total Non-Current Liabilities	19,801,809,685	20,864,899,174	8,118,565	7,292,167
Total Current Liabilities	23,128,347,156	19,255,416,518	9,028,833,141	5,354,309,461
Total Liabilities	42,930,156,841	40,120,315,692	9,036,951,706	5,361,601,628
Other Disclosures				
Depreciation for the Year	1,770,887,501	1,782,557,740	1,096,893	1,246,405
Purchase of Property, Plant and Equipment, and Investment Properties	982,206,364	300,719,144	-	-
Provision for Employee Benefit Liability	18,926,516	21,769,407	1,046,454	1,648,247
Deferred Tax Liabilities	4,740,723,832	3,580,688,453	-	-

Adjustments/eliminations column reflects consolidation eliminations and adjustments.

	Eliminations/Adjustments		Group	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
	(20,438,578,716)	(14,155,359,912)	-	-
	-	-	44,187,406,312	31,199,516,961
	(20,438,578,716)	(14,155,359,912)	44,187,406,312	31,199,516,961
	(761,032)	(40,944,014)	701,041,219	3,216,385,682
	62,174,984	1,455,789	(2,412,356,795)	(4,005,583,122)
	(60,572,177)	-	71,758,612	12,068,218
	841,774	(39,488,225)	(1,639,556,964)	(777,129,222)
	1,035,508	3,586,084	(883,979,263)	(181,629,483)
	1,877,283	(35,902,141)	(2,523,536,227)	(958,758,705)
	-	-	5,948,904	(343,206)
	-	-	7,792,166	(21,397,556)
	-	-	(133,899,783)	64,409,427
	-	-	2,673,652,513	-
	-	-	(801,476,327)	4,401,316
	1,877,283	(35,902,141)	(771,518,754)	(911,688,724)
	(93,292,619)	(99,739,546)	37,949,086,795	36,517,867,489
	(2,931,089,471)	(1,799,422,520)	11,797,536,783	8,389,590,770
	(3,024,382,090)	(1,899,162,066)	49,746,623,578	44,907,458,259
	(2,087,979,373)	(2,348,334,028)	17,721,948,875	18,523,857,315
	(2,904,323,509)	(1,769,461,703)	29,252,856,786	22,840,264,273
	(4,992,302,882)	(4,117,795,731)	46,974,805,661	41,364,121,588
	953,074	953,074	1,772,937,468	1,784,757,219
	-	-	982,206,364	300,719,144
	-	-	19,972,970	23,417,654
	(2,087,979,373)	(2,348,334,028)	2,652,744,459	1,232,354,426

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE/OTHER INCOME AND EXPENSES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
5.1 Revenue				
Sale of Goods	43,709,630,792	28,709,448,468	23,720,381,424	22,475,780,265
Freight Income	374,479,120	1,316,814,487	-	-
Rendering of Services	-	1,076,639,345	-	-
Revenue from Contracts with Customers	44,084,109,912	31,102,902,301	23,720,381,424	22,475,780,265
Rent Income	103,296,400	96,614,660	-	-
Total Revenue	44,187,406,312	31,199,516,961	23,720,381,424	22,475,780,265
5.2 Other Operating Income				
Rent Income	29,610,062	19,883,731	29,610,062	19,883,731
Expiration of Refundable Deposits Liability	91,203,961	66,281,566	91,203,961	66,281,566
Sundry Income	14,632,399	23,760,872	8,610,061	20,443,061
Dividend Income	289,049	166,167	289,049	166,167
	135,735,471	110,092,336	129,713,133	106,774,524
5.3 Finance Costs				
Interest Expense on Overdrafts	87,290,342	102,463,765	10,009,034	1,144,012
Interest Expense on Loans and Borrowings	1,327,603,158	2,989,656,524	867,134,476	1,827,386,084
Finance Charges on Lease Liabilities	107,773,521	124,322,110	1,719,031	2,345,114
Interest on Import Loans	887,519,188	789,140,722	409,296,911	702,232,150
Interest Expense on Intercompany payables	2,170,586	-	56,864,440	-
	2,412,356,795	4,005,583,122	1,345,023,892	2,533,107,361
5.4 Finance Income				
Interest Income	4,672,182	12,068,218	3,766,676	2,290,410
Interest Income on Intercompany receivables	67,086,430	-	51,075,594	-
	71,758,612	12,068,218	54,842,270	2,290,410

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
5.5 Profit/(Loss) Before Tax				
Stated after Charging/(Crediting)				
Included in Cost of Sales				
Depreciation of Property, Plant and Equipment	1,737,992,622	1,737,185,147	927,545,739	915,618,379
Amortisation of Intangible Assets	721,736	721,736	-	-
Employees Benefits including the following;	1,012,840,584	1,034,792,352	143,280,605	115,344,922
Defined Contribution Plan Costs - EPF and ETF (Included in Employees Benefits)	5,583,952	7,962,941	1,998,898	4,236,608
Included in Administrative Expenses				
Employees Benefits including the following;	275,601,466	240,478,176	221,202,282	183,403,870
Employee Benefit Plan Costs - Gratuity (Included in Employee Benefits)	19,972,970	23,417,652	15,375,511	18,211,199
Defined Contribution Plan Costs - EPF and ETF (Included in Employees Benefits)	23,426,478	19,649,085	19,729,877	16,281,324
Depreciation of Property, Plant and Equipment	11,101,780	15,567,432	3,920,656	4,829,587
Amortisation of Intangible Assets	20,767	3,606,902	20,767	20,767
Auditor's Remuneration				
- Audit	2,535,317	2,706,403	1,838,692	1,680,477
- Non-audit	6,574,688	4,720,181	3,075,017	2,069,820
Donations	13,067,744	9,702,241	13,067,744	9,702,241
Included in Selling and Distribution Expenses				
Employees Benefits including the following;	62,687,412	55,562,145	62,687,412	55,562,145
Defined Contribution Plan Costs - EPF and ETF (Included in Employee Benefits)	7,125,482	6,416,580	7,125,482	6,416,580
Depreciation of Property, Plant and Equipment	23,843,066	32,004,640	23,843,066	32,004,640
Advertising and Promotion	81,624,926	90,193,207	81,624,926	89,997,546

NOTES TO THE FINANCIAL STATEMENTS

6. INCOME TAX

The major components of income tax expense for the years ended 31 March 2025 and 31 March 2024 are as follows:

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
6.1 Statement of Profit or Loss				
Current Income Tax:				
Current Income Tax Expense (Note 6.3)	254,583,191	16,004,595	254,583,191	16,004,595
Under/(Over) Provision of Current Taxes in respect of Prior Year	10,482,366	(53,547)	(1,280,448)	(53,547)
	265,065,557	15,951,048	253,302,743	15,951,048
Deferred Tax:				
Deferred Taxation Charge/(Reversal) (Note 6.4)	618,913,706	165,678,435	393,529,290	142,777,433
	618,913,706	165,678,435	393,529,290	142,777,433
Income Tax Expense Reported in the Statement of Profit or Loss	883,979,263	181,629,483	646,832,033	158,728,481
6.2 Statement of Other Comprehensive Income				
Deferred Tax related to Items Charged or Credited Directly to Equity during the Year :				
Gain/(Loss) on Fair Value Through OCI Financial Assets	-	-	258,750,163	541,154,698
Gain on Revaluation of Property, Plant and Equipment	(799,811,899)	-	(408,021,563)	-
Actuarial Gains/(Losses) on Defined Benefit Plans	(1,664,428)	4,401,316	(1,514,478)	3,157,185
Income Tax Charged Directly to Other Comprehensive Income	(801,476,327)	4,401,316	(150,785,878)	544,311,883

6.3 A Reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate for the years ended 31 March 2025 and 31 March 2024 are as follows:

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Accounting Profit/(Loss) Before Tax	(1,639,556,964)	(777,129,222)	(366,873,469)	622,362,555
Adjustments in respect to Current Income Tax				
Aggregate Disallowed Items	3,356,999,527	4,130,999,212	2,117,298,367	2,823,842,956
Aggregate Allowable Expenses	(1,063,843,102)	(988,973,985)	(604,187,440)	(361,830,261)
Tax Exempt Income	492,637,996	719,479,245	-	-
Business Losses Claimed During the Year	-	(3,037,613,490)	-	(3,037,613,490)
Taxable Business Income	1,146,237,457	46,761,760	1,146,237,458	46,761,760
Other Sources of Income	161,940,851	31,951,950	84,452,331	22,174,141
Total Statutory Income	1,308,178,308	78,713,710	1,230,689,789	68,935,901
Business Losses Claimed During the Year	(77,488,519)	(9,777,809)	-	-
Total Taxable Income	1,230,689,789	68,935,901	1,230,689,789	68,935,901
At the Statutory Income Tax Rate				
Business Profit	20% - 30%	20% - 30%	20%	20%
Other Income	30%	30%	30%	30%
Current Income Tax Expenses				
Business Profit	229,247,491	9,352,353	229,247,491	9,352,353
Other Income	25,335,700	6,652,242	25,335,700	6,652,242
Income Tax Expense reported in the Statement of Profit or Loss	254,583,191	16,004,595	254,583,191	16,004,595

NOTES TO THE FINANCIAL STATEMENTS

6. INCOME TAX (CONTD.)

6.4 Deferred Tax Assets, Liabilities and Income Tax relate to the following:

Group	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred Tax Liabilities						
Property, Plant and Equipment and Investment Properties	4,277,225,896	3,405,965,355	69,298,997	(40,397,349)	799,811,899	-
Right of Use Assets	3,397,639	4,869,120	678,165	(842,921)	-	-
	4,280,623,535	3,410,834,475	69,977,162	(41,240,270)	799,811,899	-
Deferred Tax Assets						
Employee Benefit Liability	(19,490,069)	(18,723,538)	(2,430,961)	(1,146,507)	1,664,429	(4,401,316)
Allowance for Impairments	(3,920,886)	(4,770,880)	849,994	34,968	-	-
Provision for Inventories	(1,638,032)	-	(1,638,032)	8,134,430	-	-
Losses Available for Offsetting Against Future Taxable Income & Unclaimed Finance Cost *	(1,568,513,520)	(2,113,031,794)	544,518,274	220,835,659	-	-
Unrealised Exchange Gains/ (Losses)	(34,316,569)	(41,953,837)	7,637,268	(20,939,845)	-	-
	(1,627,879,076)	(2,178,480,049)	548,936,544	206,918,705	1,664,429	(4,401,316)
Deferred Tax Expense			618,913,706	165,678,435	801,476,327	(4,401,316)
Net Deferred Tax Liability	2,652,744,459	1,232,354,426				

* In respect of deductible temporary differences associated with Losses Available for Offsetting Against Future Taxable Income & Unclaimed Finance Cost, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Company	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred Tax Liabilities						
Property, Plant and Equipment and Investment Properties	2,619,806,399	2,354,948,295	(143,163,459)	(91,527,607)	408,021,563	-
Investment in Subsidiaries	2,063,215,446	2,321,965,609	-	-	(258,750,163)	(541,154,698)
Right of Use Assets	3,397,639	2,719,473	678,165	528,004	-	-
Unrealised Exchange Gains/ (Losses)	3,287,525	2,444,138	843,387	(516,964)	-	-
	4,689,707,009	4,682,077,515	(141,641,906)	(91,516,566)	149,271,400	(541,154,698)
Deferred Tax Assets						
Employee Benefit Liability	(16,297,407)	(15,779,190)	(2,032,695)	(1,639,906)	1,514,478	(3,157,185)
Allowance for Impairments	(3,369,434)	(4,219,428)	849,994	34,968	-	-
Provision for Inventories	(1,638,032)	-	(1,638,032)	8,134,430	-	-
Losses Available for Offsetting Against Future Taxable Income & Unclaimed Finance Cost	(1,489,356,344)	(2,027,348,273)	537,991,929	227,764,508	-	-
	(1,510,661,217)	(2,047,346,892)	535,171,196	234,294,000	1,514,478	(3,157,185)
Deferred Tax Expense			393,529,290	142,777,433	150,785,878	(544,311,883)
Net Deferred Tax Liability	3,179,045,791	2,634,730,623				

6.5 Reconciliation of Net Deferred Tax Liability

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
As at 1 April	1,232,354,426	1,071,077,307	2,634,730,623	3,036,265,073
Tax (Reversal)/Expense during the Year recognised in the Statement of Profit or Loss	618,913,706	165,678,435	393,529,290	142,777,433
Tax (Reversal)/Expense during the Year recognised in the Statement of Other Comprehensive Income	801,476,327	(4,401,316)	150,785,878	(544,311,883)
As at 31 March	2,652,744,459	1,232,354,426	3,179,045,791	2,634,730,623

NOTES TO THE FINANCIAL STATEMENTS

6. INCOME TAX (CONTD.)

6.6 Current Taxes

- 6.6.1** Corporate incomes taxes of Companies resident in Sri Lanka have been computed in accordance with the Inland Revenue Act No. 24 of 2017 during the year, whilst Corporate Taxes of non-resident companies in the Group have been computed in keeping with the domestic statutes in their respective countries.

Resident companies in the Group, excluding those which enjoy a tax holiday or concessionary rate of taxation, were liable to income tax at 30% during year of assessment 2024/2025 (Y/A 2023/24 - 30 %).

6.6.2 Exemptions / Concessions Granted Under the Board of Investment Law

Company	Nature of the Exemption / Concession	Current Tax	Applicable Period
LAUGFS Gas PLC	Profit of the Company is exempt from Income Tax for a period of 3 years commencing from 2005/2006, at 10% for next 2 years and 20% thereafter.	20%	Open-ended
LAUGFS Terminals Ltd	Profit of the Company is exempt from Income Tax as per Sec. 17A of Inland Revenue Act.	Exempt	Open-ended
LAUGFS Maritime Services (Pvt) Ltd	Profit of the Company is exempt from Income Tax for a period of 8 years, as per Sec. 17A of Inland Revenue Act.	Exempt	8 Years ending 2023/2024

- 6.6.3** Slogal Energy DMCC is a Company operating within the Dubai Multi Commodities Centre (DMCC) which is a tax free zone in the United Arab Emirates. Hence, no tax is applicable for the profits earned.

7. EARNINGS/(LOSS) PER SHARE

Basic/Diluted Earnings/(Loss) Per Share is calculated by dividing the net profit/(loss) for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue or a share split.

The following reflects the income and share data used in the Basic/Diluted Earnings/(Loss) Per Share computations.

	Group	
	2025 Rs.	2024 Rs.
Amount Used as the Numerator:		
Net Profit/(Loss) attributable to ordinary equity holders of the parent for Basic/Diluted Earnings/(Loss) Per Share	(2,539,421,335)	(975,640,199)

	Group	
	2025 Number	2024 Number
Number of Ordinary Shares Used as the Denominator:		
Weighted Average Number of Ordinary Shares for Basic/Diluted Earnings/(Loss) Per Share	387,000,086	387,000,086

	Group	
	2025 Rs.	2024 Rs.
Basic/Diluted Earnings/(Loss) Per Share	(6.56)	(2.52)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

8. PROPERTY, PLANT AND EQUIPMENT

8.1 Group

	Balance As at 01.04.2024 Rs.	Additions during the Year Rs.	Transfers In/(Out) Rs.	Revaluation Rs.	Disposals during the Year Rs.	Exchange Differences Rs.	Balance As at 31.03.2025 Rs.
8.1.1 Gross Carrying Amounts							
At Cost							
Freehold Land	17,049,000	-	(17,049,000)	-	-	-	-
Buildings on Freehold Land	238,657,800	-	-	-	-	-	238,657,800
Buildings on Leasehold Land	1,817,314,846	-	-	-	-	(53,307,700)	1,764,007,145
Plant, Machinery and Equipment	18,367,190,655	8,433,469	-	-	-	(499,979,035)	17,875,645,089
Office Equipment	89,890,764	2,840,156	-	-	(201,678)	(152,679)	92,376,563
Furniture and Fittings	194,660,951	-	-	-	-	(1,087,981)	193,572,970
Gas Point Dealer Huts	195,983,880	947,288	-	-	-	-	196,931,168
Motor Vehicles	305,693,522	-	-	-	-	(850,816)	304,842,706
Dry Docking Cost of Vessels	258,033,787	-	(258,033,787)	-	-	-	-
Gas Stock in Tank	1,903,653	-	-	-	-	-	1,903,653
	21,486,378,859	12,220,914	(275,082,787)	-	(201,678)	(555,378,211)	20,667,937,096
At Valuation							
Freehold Land	919,400,000	-	17,049,000	272,851,000	-	-	1,209,300,000
Vessels	3,124,506,110	-	(530,938,388)	622,644,698	-	-	3,216,212,420
Cylinders in Hand and in Circulation	12,066,000,000	964,740,806	(2,458,897,621)	1,778,156,815	-	-	12,350,000,000
	16,109,906,110	964,740,806	(2,972,787,009)	2,673,652,513	-	-	16,775,512,420
Total Value of Depreciable Assets	37,596,284,969	976,961,720	(3,247,869,796)	2,673,652,513	(201,678)	(555,378,211)	37,443,449,516
8.1.2 In the Course of Construction							
Tank and Cylinder Bank Installation Project	7,104,824	5,244,644	(7,101,869)	-	-	-	5,247,599
	7,104,824	5,244,644	(7,101,869)	-	-	-	5,247,599
Total Gross Carrying Amount	37,603,389,794	982,206,364	(3,254,971,665)	2,673,652,513	(201,678)	(555,378,211)	37,448,697,115

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

8.1 Group (Contd.)

8.1.3 Depreciation

	Balance As at 01.04.2024 Rs.	Charged for the Year Rs.	Transfers In/(Out) Rs.	Disposals during the Year Rs.	Exchange Differences Rs.	Balance As at 31.03.2025 Rs.
At Cost						
Buildings on Freehold Land	55,349,328	6,398,753	-	-	-	61,748,081
Buildings on Leasehold Land	221,660,827	44,565,407	-	-	(6,610,413)	259,615,822
Plant, Machinery and Equipment	3,130,444,807	554,386,093	-	-	(68,987,874)	3,615,843,026
Office Equipment	83,377,288	2,451,229	-	(201,678)	(128,340)	85,498,499
Furniture and Fittings	173,276,429	6,436,579	-	-	(868,272)	178,844,736
Gas Point Dealer Huts	158,921,267	23,463,385	-	-	-	182,384,652
Motor Vehicles	242,165,651	9,019,134	-	-	(827,718)	250,357,067
Dry Docking cost of Vessels	27,236,900	65,368,559	(92,605,459)	-	-	-
Gas Stock in Tank	1,903,653	-	-	-	-	1,903,653
	4,094,336,150	712,089,139	(92,605,459)	(201,678)	(77,422,617)	4,636,195,536
At Valuation						
Vessels	464,244,477	232,122,239	(696,366,716)	-	-	-
Cylinders in Hand and in Circulation	1,617,168,542	828,726,090	(2,445,894,632)	-	-	-
	2,081,413,019	1,060,848,329	(3,142,261,348)	-	-	-
Total Depreciation	6,175,749,170	1,772,937,468	(3,234,866,807)	(201,678)	(77,422,617)	4,636,195,536

8.1.4 Net Book Values

	2025 Rs.	2024 Rs.
At Cost		
Freehold Land	-	17,049,000
Buildings on Freehold Land	176,909,720	183,308,472
Buildings on Leasehold Land	1,504,391,323	1,595,654,018
Plant, Machinery and Equipment	14,259,802,064	15,236,745,848
Office Equipment	6,878,065	6,513,476
Furniture and Fittings	14,728,234	21,384,522
Gas Point Dealer Huts	14,546,516	37,062,613
Motor Vehicles	54,485,639	63,527,871
Dry Docking Cost of Vessels	-	230,796,887
	16,031,741,561	17,392,042,708
At Valuation		
Freehold Land	1,209,300,000	919,400,000
Vessels	3,216,212,420	2,660,261,633
Cylinders in Hand and in Circulation	12,350,000,000	10,448,831,458
	16,775,512,420	14,028,493,091
In the Course of Construction		
Tank Installation Project	5,247,599	7,104,824
	5,247,599	7,104,824
Total Carrying Amount of Property, Plant and Equipment	32,812,501,580	31,427,640,624

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

8.2 Company

8.2.1 Gross Carrying Amounts

	Balance As at 01.04.2024 Rs.	Additions during the Year Rs.	Transfers In/(Out) Rs.	Revaluation Rs.	Disposals during the Year Rs.	Balance As at 31.03.2025 Rs.
At Cost						
Freehold Land	17,049,000	-	(17,049,000)	-	-	-
Buildings on Freehold Land	135,583,714	-	-	-	-	135,583,714
Building on Leasehold Land	6,121,851	-	-	-	-	6,121,851
Plant, Machinery and Equipment	1,385,146,169	8,433,469	-	-	-	1,393,579,639
Office Equipment	68,505,995	2,597,636	-	-	(201,678)	70,901,953
Furniture and Fittings	130,017,293	-	-	-	-	130,017,293
Gas Point Dealer Huts	195,983,880	947,288	-	-	-	196,931,168
Motor Vehicles	276,786,013	-	-	-	-	276,786,013
Total Value of Depreciable Assets	2,215,193,916	11,978,393	(17,049,000)	-	(201,678)	2,209,921,631
At Valuation						
Freehold Land	871,000,000	-	17,049,000	261,951,000	-	1,150,000,000
Cylinders in Hand and in Circulation	12,066,000,000	964,740,806	(2,458,897,621)	1,778,156,815	-	12,350,000,000
	12,937,000,000	964,740,806	(2,441,848,621)	2,040,107,815	-	13,500,000,000
Total Value of Depreciable Assets	15,152,193,916	976,719,200	(2,458,897,621)	2,040,107,815	(201,678)	15,709,921,631
In the Course of Construction						
Tank Installation Project	7,104,824	5,244,644	(7,101,869)	-	-	5,247,599
	7,104,824	5,244,644	(7,101,869)	-	-	5,247,599
Total Gross Carrying Amount	15,159,298,740	981,963,843	(2,465,999,490)	2,040,107,814	(201,678)	15,715,169,231

8.2.2 Depreciation

	Balance As at 01.04.2024 Rs.	Charged for the Year Rs.	Transfers In/(Out) Rs.	Revaluation Rs.	Disposals during the Year Rs.	Balance As at 31.03.2025 Rs.
At Cost						
Buildings on Freehold Land	36,276,455	3,473,900	-	-	-	39,750,355
Buildings on Leasehold Land	4,844,706	437,100	-	-	-	5,281,806
Plant, Machinery and Equipment	847,193,787	89,704,369	-	-	-	936,898,156
Office Equipment	67,476,812	189,104	-	-	(201,678)	67,464,239
Furniture and Fittings	125,250,391	1,221,119	-	-	-	126,471,510
Gas Point Dealer Huts	158,921,267	23,463,385	-	-	-	182,384,652
Motor Vehicles	214,205,982	8,094,394	-	-	-	222,300,375
	1,454,169,399	126,583,371	-	-	(201,678)	1,580,551,093
At Valuation						
Cylinders in Hand and in Circulation	1,617,168,542	828,726,090	(2,445,894,632)	-	-	-
	1,617,168,542	828,726,090	(2,445,894,632)	-	-	-
Total Depreciation	3,071,337,942	955,309,461	(2,445,894,632)	-	(201,678)	1,580,551,093

8.2.3 Net Book Values

	2025 Rs.	2024 Rs.
At Cost		
Freehold Land	-	17,049,000
Buildings on Freehold Land	95,833,358	99,307,259
Building on Leasehold Land	840,045	1,277,145
Plant, Machinery and Equipment	456,681,483	537,952,382
Office Equipment	3,437,714	1,029,182
Furniture and Fittings	3,545,784	4,766,903
Gas Point Dealer Huts	14,546,516	37,062,613
Motor Vehicles	54,485,638	62,580,032
	629,370,538	761,024,516
At Valuation		
Freehold Land	1,150,000,000	871,000,000
Cylinders in Hand and in Circulation	12,350,000,000	10,448,831,458
	13,500,000,000	11,319,831,458
In the Course of Construction		
Tank Installation Project	5,247,599	7,104,824
	5,247,599	7,104,824
Total Carrying Amount of Property, Plant and Equipment	14,134,618,138	12,087,960,798

8.3 During the financial year, the Group and Company acquired property, plant and equipment to the aggregate value of Rs.982,206,364/- and Rs.981,963,843/- respectively (2024 - Rs.300,719,144/- and Rs.42,685,357/-). Cash payment amounting Rs.982,206,364/- and Rs.981,963,843/- respectively. (2024 - Rs.300,719,144/- and Rs.42,685,357/-).

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

8.4 The useful lives of the assets are estimated as follows:

	2025	2024
Group		
Buildings on Freehold Land	40 Years	40 Years
Buildings on Leasehold Land*	14 - 20 Years	14 - 20 Years
Plant, Machinery and Equipment	3 - 40 Years	3 - 40 Years
Office Equipment	4 - 5 Years	4 - 5 Years
Furniture and Fittings	10 Years	10 Years
Gas Point Dealer Huts	5 - 10 Years	5 - 10 Years
Motor Vehicles	3 - 30 Years	3 - 30 Years
Cylinders in Hand and in Circulation	20 Years	20 Years
Vessels	5-8 Years	5-8 Years
Dry Docking Cost of Gas Vessels	3-5 Years	3-5 Years
Gas Stock in Tank	3 Years	3 Years

*or period of the lease, whichever is shorter.

Company

Buildings on Freehold Land	40 Years	40 Years
Buildings on Leasehold Land*	14 Years	14 Years
Plant, Machinery and Equipment	3 - 30 Years	3 - 30 Years
Office Equipment	4 Years	4 Years
Furniture and Fittings	10 Years	10 Years
Gas Point Dealer Huts	5 - 10 Years	5 - 10 Years
Motor Vehicles	3 - 30 Years	3 - 30 Years
Cylinders in Hand and in Circulation	20 Years	20 Years

*or period of the lease, whichever is shorter.

8.5 Property, plant and equipment of the Group and the Company includes fully depreciated assets having a gross carrying amount of Rs.981,133,012/- and Rs.737,440,780/- respectively (2024 -Rs.551,199,731/- and Rs.437,598,109/-).

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

			Net Carrying Amount	
Class of the asset	Cost Rs.	Cumulative Depreciation if Assets were carried at Cost Rs.	2025 Rs.	2024 Rs.
Group				
Vessels	2,126,070,744	(1,510,608,289)	615,462,455	779,727,110
Cylinders in Hand and in Circulation	10,183,938,031	(4,616,521,372)	5,567,416,659	5,095,904,390

			Net Carrying Amount	
Class of the asset		Cumulative Depreciation if Assets were carried at Cost Rs.	2025 Rs.	2024 Rs.

8.7 Fair value related disclosures of the Vessels

Fair Value hierarchy

The fair value of the Group's Vessels are categorised into Level 3 of the fair value hierarchy.

Vessels are stated at fair value, which have been determined based on valuations performed by Messrs T. W. M. L. Wijayatunga, an accredited independent valuer, as at 31 March 2025. Description of valuation techniques used and key inputs to valuation as follows:

	Valuation Technique	Significant Unobservable Inputs	Range of Estimates for Unobservable Inputs
LAUGFS Maritime Services (Pvt) Ltd			
Gas Challenger	Net Current Replacement Cost Method	Price per vessel	Rs.1,157,235,310
		Depreciation rate	90%
		Sensitivity	+ 10% - Rs.1,272,958,841
			- 10% - Rs.1,041,511,779
Gas Success	Net Current Replacement Cost Method	Price per vessel	Rs.1,262,438,520
		Depreciation rate	89%
		Sensitivity	+ 10% - Rs.1,388,682,372
			- 10% - Rs.1,136,194,668
Gas Courage	Net Current Replacement Cost Method	Price per vessel	Rs.796,538,590
		Depreciation rate	86%
		Sensitivity	+ 10% - Rs.876,192,449
			- 10% - Rs.716,884,731

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

8.8 Fair value related disclosures of the Lands

Fair Value Hierarchy

The fair value of the Group's Lands are categorised into Level 2 of the fair value hierarchy.

Lands are stated at fair value, which have been determined based on valuations performed by Messrs. T. W. M. L. Wijayatunga, an accredited independent valuer, as at 31 March 2025. Description of valuation techniques used and key inputs to valuation as follows;

	Valuation Technique	Significant Unobservable Inputs	Range of Estimates for Unobservable Inputs
LAUGFS Gas PLC			
Land - Mabima	Direct Capital Comparison Method	Price per perch for land	Rs.50,000 - Rs.1,350,000
		Sensitivity	+ 5% - Rs.1,207,500,000
			- 5% - Rs.1,092,500,000

8.9 Fair value related disclosures of Cylinders in Hand and in Circulation

Fair Value Hierarchy

The fair value of the Company's Cylinders in Hand and in Circulation are categorised into Level 3 of the fair value hierarchy

Cylinders in Hand and in Circulation are stated at fair value, which have been determined based on valuations performed by Messrs. T. W. M. L. Wijayatunga an accredited independent valuer, as at 31 March 2025. Description of valuation techniques used and key inputs to valuation as follows;

	Valuation Technique	Significant Unobservable Inputs	Range of Estimates for Unobservable Inputs
LAUGFS Gas PLC			
Cylinders in Hand and in Circulation	Net Current Replacement Cost Method	Price per Cylinder	Rs. 4,250 - Rs. 17,500
		Depreciation rate	5%-90%
		Sensitivity	+ 10% - Rs.13,585,000,000
			- 10% - Rs.11,115,000,000

9. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES

9.1 Right-of-Use-Assets

9.1.1 Group

	2025 Motor Vehicles Rs.	2025 Land & Buildings Rs.	2025 Total Rs.	2024 Motor Vehicles Rs.	2024 Land & Buildings Rs.	2024 Total Rs.
Cost						
As at 1 April	36,122,000	1,422,962,018	1,459,084,018	36,122,000	1,565,943,738	1,602,065,738
Lease Modification	-	-	-	-	(1,971,499)	(1,971,499)
Addition and Improvement	-	1,940,431	1,940,431	-	1,798,995	1,798,995
Exchange Differences	-	(41,804,790)	(41,804,790)	-	(142,809,216)	(142,809,216)
As at 31 March	36,122,000	1,383,097,659	1,419,219,659	36,122,000	1,422,962,018	1,459,084,018
Accumulated Amortisation						
As at 1 April	13,846,767	289,514,252	303,361,019	10,234,567	226,748,824	236,983,391
Charge for the year	3,612,200	67,512,434	71,124,634	3,612,200	75,005,702	78,617,902
Lease Modification	-	-	-	-	14,152,518	14,152,518
Exchange Differences	-	(8,840,940)	(8,840,940)	-	(26,392,791)	(26,392,791)
As at 31 March	17,458,967	348,185,746	365,644,713	13,846,767	289,514,252	303,361,019
Net Book Value as at 31 March	18,663,033	1,034,911,913	1,053,574,946	22,275,233	1,133,447,765	1,155,722,998

9.1.2 Company

	2025 Motor Vehicles Rs.	2025 Land & Buildings Rs.	2025 Total Rs.	2024 Motor Vehicles Rs.	2024 Land & Buildings Rs.	2024 Total Rs.
Cost						
As at 1 April	36,122,000	2,936,318	39,058,318	36,122,000	68,609,159	104,731,159
Addition and Improvement	-	9,114,316	9,114,316	-	-	-
Derecognition	-	(9,114,316)	(9,114,316)	-	(65,672,841)	(65,672,841)
As at 31 March	36,122,000	2,936,318	39,058,318	36,122,000	2,936,318	39,058,318
Accumulated Amortisation						
As at 1 April	13,846,767	1,001,017	14,847,784	10,234,567	53,728,678	63,963,245
Charge for the Year	3,612,200	9,314,519	12,926,719	3,612,200	7,411,995	11,024,195
Derecognition	-	(9,114,316)	(9,114,316)	-	(60,139,656)	(60,139,656)
As at 31 March	17,458,967	1,201,220	18,660,187	13,846,767	1,001,017	14,847,784
Net Book Value as at 31 March	18,663,033	1,735,098	20,398,131	22,275,233	1,935,301	24,210,534

NOTES TO THE FINANCIAL STATEMENTS

9. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES (CONTD.)

9.2 Lease Liabilities

9.2.1 Group

	2025 Motor Vehicles Rs.	2025 Land & Buildings Rs.	2025 Total Rs.	2024 Motor Vehicles Rs.	2024 Land & Buildings Rs.	2024 Total Rs.
As at 1 April	5,974,137	1,385,404,841	1,391,378,978	10,626,991	1,528,753,545	1,539,380,536
Additions	-	1,951,327	1,951,327	-	23,816,823	23,816,823
Accretion of Interest	374,874	107,398,647	107,773,521	875,057	123,447,053	124,322,110
Payments	(5,527,911)	(125,266,328)	(130,794,239)	(5,527,911)	(151,612,575)	(157,140,486)
Administration expenses	-	827,909	827,909	-	-	-
Exchange Differences	-	(40,571,622)	(40,571,622)	-	(139,000,005)	(139,000,005)
As at 31 March	821,100	1,329,744,775	1,330,565,875	5,974,137	1,385,404,841	1,391,378,978

9.2.2 Company

	2025 Motor Vehicles Rs.	2025 Land & Buildings Rs.	2025 Total Rs.	2024 Motor Vehicles Rs.	2024 Land & Buildings Rs.	2024 Total Rs.
As at 1 April	5,974,137	4,639,029	10,613,167	10,626,991	19,183,577	29,810,568
Additions/Modifications	-	9,125,211	9,125,211	-	(5,533,186)	(5,533,186)
Accretion of Interest	374,874	1,344,158	1,719,032	875,057	1,470,057	2,345,114
Payments	(5,527,911)	(12,519,563)	(18,047,474)	(5,527,911)	(10,481,419)	(16,009,330)
As at 31 March	821,100	2,588,836	3,409,936	5,974,137	4,639,029	10,613,167

9.3 Short-Term Leases

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Expense relating to short-term leases	13,066,789	13,848,686	-	-

9.4 Maturity Analysis of Lease Liability

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Not later than one month	621,658	526,659	526,659	526,659
Later than one month and not later than three months	787,597	14,707,240	502,600	1,053,319
Later than three months and not later than one year	126,146,344	159,016,604	594,000	4,739,933
Later than one year and not later than five years	760,485,542	895,633,754	2,524,950	4,426,998
Later than five years	1,572,748,190	838,306,130	-	-
	2,460,789,331	1,908,190,387	4,148,209	10,746,909
Finance charges allocated to future periods	(1,130,223,456)	(516,811,409)	(738,273)	(133,743)
	1,330,565,875	1,391,378,978	3,409,936	10,613,167

10. INVESTMENT PROPERTIES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
As at 1 April	3,905,606,662	3,725,506,662	1,294,000,000	1,167,200,000
Fair Value Gain	143,300,000	180,100,000	111,000,000	126,800,000
As at 31 March	4,048,906,662	3,905,606,662	1,405,000,000	1,294,000,000
Rental Income derived from Investment Properties	132,379,795	115,155,878	29,083,395	18,541,218
Direct Operating Expenses (including Repair and Maintenance) that generated Rental Income	13,425,285	13,706,039	-	-
Direct Operating Expenses (including Repair and Maintenance) that did not generate Rental Income	-	72,000	-	72,000

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT PROPERTIES (CONTD.)

10.1 Fair value related disclosures of the Investment Properties

Fair Value Hierarchy

The fair value of the Group's investment property are categorised into Level 2 of the fair value hierarchy.

Investment properties are stated at fair value, which have been determined based on valuations performed by Messrs. T. W. M. L. Wijayatunga, an accredited independent valuer, as at 31 March 2025. Description of valuation techniques used and key inputs to valuation as follows;

	Valuation Technique	Significant Unobservable Inputs	Range of Estimates for Unobservable Inputs
LAUGFS Gas PLC			
Land & Building - Galle	Direct Capital Comparison Method	Price per perch for land	Rs.3,200,000
		Sensitivity	+ 5% - Rs.97,000,000 - 5% - Rs.87,000,000
		Price per square foot for building	Rs.3,500 - Rs. 5,500
		Depreciation rate	20%-35%
		Sensitivity	+ 10% - Rs.2,356,200 - 10% - Rs.1,927,800
Land - Colombo	Direct Capital Comparison Method	Price per perch for land	Rs.16,000,000
		Sensitivity	+ 5% - Rs. 655,000,000 - 5% - Rs. 593,000,000
Land & Building - Colombo	Direct Capital Comparison Method	Price per perch for land	Rs.16,000,000
		Sensitivity	+ 5% - Rs. 591,000,000 - 5% - Rs. 535,000,000
		Price per square foot for building	Rs.4,250 - Rs. 7,500
		Depreciation rate	30%
		Sensitivity	+ 10% - Rs.37,000,000 - 10% - Rs.30,000,000
Land - Biyagama	Direct Capital Comparison Method	Price per perch for land	Rs.550,000
		Sensitivity	+ 5% - Rs.94,000,000 - 5% - Rs.85,800,000
LAUGFS Property Developers (Pvt) Ltd			
Land & Building - Colombo	Direct Capital Comparison Method	Price per perch for land	Rs.15,000,000
		Sensitivity	+ 5% - Rs.764,000,000 - 5% - Rs.691,000,000
		Price per square foot for building	Rs.28,500
		Depreciation rate	20%
		Sensitivity	+ 10% - Rs.2,190,000,000 - 10% - Rs.1,791,000,000
Land - Colombo	Direct Capital Comparison Method	Price per perch for land	Rs.7,500,000
		Sensitivity	+ 5% - Rs.169,000,000 - 5% - Rs.153,000,000

11. INTANGIBLE ASSETS

	Group			Company	
	Software Rs.	Goodwill Rs.	Total Rs.	Software Rs.	Total Rs.
Cost					
As at 1 April 2024	167,032,077	8,742,326	175,774,404	55,118,692	55,118,692
Additions	-	-	-	-	-
As at 31 March 2025	167,032,077	8,742,326	175,774,404	55,118,692	55,118,692
Amortisation and Impairment					
As at 1 April 2024	165,715,394	-	165,715,394	55,065,044	55,065,044
Amortisation	742,503	-	742,503	20,767	20,767
As at 31 March 2025	166,457,897	-	166,457,897	55,085,811	55,085,811
Net Book Values					
As at 1 April 2024	1,316,682	8,742,326	10,059,009	53,648	53,648
As at 31 March 2025	574,180	8,742,326	9,316,506	32,881	32,881

12. IMPAIRMENT TESTING OF GOODWILL

For impairment testing Goodwill acquired through business combinations with indefinite useful lives is allocated to the Property cash generating unit, which is also a operating and reportable segment.

Carrying amount of Goodwill allocated to each of the Cash Generating Unit:

	2025 Rs.	2024 Rs.
Property	8,742,326	8,742,326
	8,742,326	8,742,326

The Group performed its annual impairment test as at 31 March of each financial year. Among other factors, when reviewing for indicators of impairment. As at 31 March 2025, no impairment is recognised against the carrying value of the goodwill allocated to Property cash generating unit.

Recoverable value for the impairment test was estimated based on fair value less cost to sell methodology. Description of valuation techniques used and key inputs to valuation as follows.

	Valuation Technique	Significant Unobservable Inputs	Range of Estimates for Unobservable Inputs
Land & Building - Colombo	Direct Capital Comparison Method	Price per perch for land	Rs.15,000,000
		Sensitivity	+ 5% - Rs.764,000,000 - 5% - Rs.691,000,000
		Price per square foot for building	Rs.28,500
		Depreciation rate	20%
		Sensitivity	+ 10% - Rs.2,190,000,000 - 10% - Rs.1,791,000,000
Land - Colombo	Direct Capital Comparison Method	Price per perch for land	Rs.7,500,000
		Sensitivity	+ 5% - Rs.169,000,000 - 5% - Rs.153,000,000

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENTS IN SUBSIDIARIES

13.1 Company

Non-Quoted	Country of Incorporation	% of Holding		Fair Value	
		2025	2024	2025 Rs.	2024 Rs.
Financial Assets at FVTOCI					
LAUGFS Property Developers (Pvt) Ltd	Sri Lanka	75%	75%	1,886,031,048	1,829,375,364
LAUGFS Maritime Services (Pvt) Ltd	Sri Lanka	100%	100%	3,095,174,221	3,159,959,203
SLOGAL Energy DMCC	United Arab Emirates	100%	100%	3,207,312,448	2,445,588,473
LAUGFS Terminals Ltd	Sri Lanka	100%	100%	16,515,234,845	17,369,606,090
Total Non-Quoted Investments in Subsidiaries				24,703,752,562	24,804,529,130

13.2 Fair value related disclosures of the Investments in Subsidiaries

Investments in subsidiaries stated at fair value, which have been determined based on valuations performed by Messrs. KPMG, an accredited independent valuer, as at 31 March 2025. Description of valuation techniques used and key inputs to valuation as follows;

Fair Value hierarchy

The fair value of the Company's investment in subsidiaries are categorised into Level 3 of the fair value hierarchy.

	Valuation Technique	Significant Inputs	2025	2024
LAUGFS Maritime Services (Pvt) Ltd	Discounted Cash Flow Methodology	Weighted average cost of capital	13.6%	13.8% - 16.6%
		Terminal growth rate	2%	1%
SLOGAL Energy DMCC	Discounted Cash Flow Methodology	Weighted average cost of capital	12.41%	10.30% - 12.88%
		Terminal growth rate	1%	1%
LAUGFS Terminals Ltd	Discounted Cash Flow Methodology	Weighted average cost of capital	12.97%	10.26% - 14.56%
		Terminal growth rate	2%	2%

Fair value of LAUGFS Property Developers (Pvt) Ltd, which is primarily operates an investment property is measured based on Net Asset Value technique. Additional information relating to fair value of investment properties are disclosed in Note 10.1.

13. INVESTMENTS IN SUBSIDIARIES (CONTD.)

Sensitivity of Significant Inputs

	Increase/ (Decrease)		2025			2024		
	Weighted average cost of capital	Terminal growth rate	Effect on Other Comprehensive Income Rs.	Effect on Statement of Financial Position Rs.	Fair Value of Financial Assets at FVTOCI Rs.	Effect on Other Comprehensive Income Rs.	Effect on Statement of Financial Position Rs.	Fair Value of Financial Assets at FVTOCI Rs.
LAUGFS Maritime Services (Pvt) Ltd	+0.5		76,146,221	(76,146,221)	3,019,028,000	29,600,203	(29,600,203)	3,130,359,000
	-0.5		(83,012,779)	83,012,779	3,178,187,000	(30,182,797)	30,182,797	3,190,142,000
		+0.5	(92,444,779)	92,444,779	3,187,619,000	(34,012,797)	34,012,797	3,193,972,000
SLOGAL Energy DMCC		-0.5	84,797,221	(84,797,221)	3,010,377,000	33,356,203	(33,356,203)	3,126,603,000
	+0.5		201,166,451	(201,166,451)	3,006,145,997	138,180,191	(138,180,191)	2,307,408,282
	-0.5		(220,239,268)	220,239,268	3,427,551,715	(171,428,384)	171,428,384	2,617,016,857
LAUGFS Terminals Ltd		+0.5	(148,226,898)	148,226,898	3,355,539,346	(187,305,747)	187,305,747	2,632,894,220
	-0.5		135,673,720	(135,673,720)	3,071,638,728	151,004,214	(151,004,214)	2,294,584,259
	+0.25		768,826,373	(768,826,373)	15,746,408,472	910,582,211	(910,582,211)	16,459,023,880
	-0.25		(805,073,606)	805,073,606	17,320,308,451	(970,885,281)	970,885,281	18,340,491,371
		+0.25	(540,731,904)	540,731,904	17,055,966,749	(762,036,893)	762,036,893	18,131,642,984
	-0.25		516,634,906	(516,634,906)	15,998,599,939	717,305,852	(717,305,852)	16,652,300,238

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENTS IN SUBSIDIARIES (CONTD.)

13.2 Fair value related disclosures of the Investments in Subsidiaries (Contd.)

Other Key Assumptions used for Valuation of Investment in Subsidiaries

	2026	2027	2028	2029	2030
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LAUGFS Terminals Ltd

Revenue Growth

- Price Growth	5%	5%	5%	5%	5%
- Volume Growth	80.09%	47.98%	8.20%	15.16%	13.20%

Cost of Sales Growth

- Direct Labour Cost Growth	7%	5%	5%	5%	5%
- Overhead Growth	27%	5%	5%	5%	5%

Administrative Expenses Growth	-14%	5%	5%	5%	5%
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Future Capital Expenditure	Rs.0.5Mn	-	-	-	-
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Working Capital

- Trade receivable days - Related parties	14 Days	14 Days	14 Days	14 Days	14 Days
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	2026	2027	2028	2029	2030
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SLOGAL Energy DMCC

Revenue Growth	71.9%	25.3%	26.4%	11%	10%
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Cost of Sales Growth

- Material Cost Growth	73.8%	25%	26.8%	10.5%	10.2%
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Administrative Expenses Growth	3.2%	8.9%	8.6%	7.1%	5.4%
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Working Capital

- Inventory days	18 Days	18 Days	18 Days	18 Days	18 Days
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- Trade and other receivable days	13 Days	13 Days	13 Days	13 Days	13 Days
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- Amount Due from Related Parties	18 Days	18 Days	18 Days	18 Days	18 Days
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- Trade and other payable days	26 Days	26 Days	26 Days	26 Days	26 Days
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- Amount Due to Related Parties	14 Days	14 Days	14 Days	14 Days	14 Days
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	2026	2027	2028	2029	2030
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LAUGFS Maritime Services (Pvt) Ltd

Revenue Growth	13%	-1%	7%	5%	8%
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Cost of Sales Growth

- Direct Material Cost Growth	2% - 10%	2% - 10%	2% - 10%	2% - 10%	2% - 10%
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- Direct Overhead Growth	2% - 5%	2% - 5%	2% - 5%	2% - 5%	2% - 5%
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Administrative Expenses Growth	5%	5%	5%	5%	5%
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Future Capital Expenditure	Rs.248 Mn	-	-	Rs.283 Mn	-
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Working Capital

- Inventory days	16 Days	16 Days	16 Days	16 Days	16 Days
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- Trade receivable days	26 Days	26 Days	26 Days	26 Days	26 Days
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- Trade payable days	30 Days	30 Days	30 Days	30 Days	30 Days
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14. MATERIAL PARTLY-OWNED SUBSIDIARIES

14.1 LAUGFS Eco Sri Limited owned 25% of interests of LAUGFS Property Developers (Pvt) Ltd.

14.2 Financial information of subsidiaries that have material non-controlling interests for the year ended 31 March 2025 is provided below:

Proportion of Equity Interest Held by Non-Controlling Interests:

Name	Country of Incorporation and Operation	2025	2024
LAUGFS Property Developers (Pvt) Ltd	Sri Lanka	25%	25%

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised Statement of Profit or Loss	2025 Rs.	2024 Rs.
Revenue	118,048,460	111,375,280
Direct Operating Expenses	(8,901,918)	(8,611,677)
Other Income	2,425,955	3,317,810
Administrative Expenses	(33,453,673)	(31,811,484)
Fair Value Gain on Investments Properties	33,700,000	56,200,000
Finance Costs	(12,402,533)	(24,574,907)
Finance Income	16,315,562	7,413,530
Profit Before Tax	115,731,853	113,308,552
Income Tax	(52,191,422)	(45,782,573)
Profit for the Year	63,540,431	67,525,980
Other Comprehensive Income	1,615,640	(159,153)
Total Comprehensive Income	65,156,071	67,366,826
Attributable to Non-Controlling Interests	16,289,018	16,841,707
Dividends Paid to Non-Controlling Interests	-	-

Summarised Statement of Financial Position	2025 Rs.	2024 Rs.
Trade and Other Receivables, Prepayments and Cash and Short-Term Deposits Balances (Current)	436,932,398	414,512,228
Property, Plant and Equipment, Investment Properties and Other Non-Current Assets (Non-Current)	2,867,996,866	2,838,483,268
Trade and Other Payables and Interest Bearing Loans and Borrowings (Current)	(105,906,804)	(127,972,478)
Employee Benefit Liabilities, Deferred Tax Liabilities and Other Non-Current Liabilities (Non-Current)	(704,696,347)	(695,852,972)
Total Equity	2,494,326,114	2,429,170,046
Attributable to Equity Holders of Parent	1,870,744,583	1,821,877,534
Attributable to Non-Controlling Interest	623,581,531	607,292,513

Summarised Cash Flow Information	2025 Rs.	2024 Rs.
Operating	54,979,127	17,455,821
Investing	16,315,562	7,413,530
Financing	(58,322,257)	(47,664,244)
Net Increase/(Decrease) in Cash and Cash Equivalents	12,972,432	(22,794,893)

NOTES TO THE FINANCIAL STATEMENTS

15. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

15.1 Other Financial Assets

15.1.1 Financial Assets at Fair Value through OCI (Equity Instruments)

	2025 Rs.	2024 Rs.
Group / Company		
Quoted Equity Shares		
Colombo City Holdings PLC	24,787,100	18,838,196
Total Financial Assets at Fair Value through OCI (Equity Instruments)	24,787,100	18,838,196

15.1.2 Financial Assets at Fair Value through Profit or Loss

	2025 Rs.	2024 Rs.
Group / Company		
Quoted Equity Shares		
Colombo Land & Development Company PLC	9,682,490	7,650,896
On'ally Holdings PLC	2,379,888	2,124,900
Singer Industries (Ceylon) PLC	1,826,564	972,201
Total Financial Assets at Fair Value through Profit or Loss	13,888,942	10,747,997
Total Other Financial Assets	38,676,042	29,586,193
Total Current	13,888,942	10,747,997
Total Non-Current	24,787,100	18,838,196
	38,676,042	29,586,193

15.2 Other Financial Liabilities

15.2.1 Group

Interest Bearing Loans and Borrowings

	2025			2024		
	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.
Lease Liabilities (Note 9.2)	15,992,422	1,314,573,454	1,330,565,876	130,157,818	1,261,221,160	1,391,378,978
Term Loans (Note 15.2.1.1)	7,038,917,456	11,239,364,840	18,278,282,296	6,973,139,765	13,814,513,449	20,787,653,214
Short Term Loans (Note 15.2.1.2)	11,916,793,585	-	11,916,793,585	7,091,100,351	-	7,091,100,351
Bank Overdrafts (Note 18.2)	1,678,652,851	-	1,678,652,851	1,891,131,096	-	1,891,131,096
	20,650,356,314	12,553,938,294	33,204,294,608	16,085,529,030	15,075,734,609	31,161,263,639

15.2.1.1 Term Loans

	As at 01.04.2024 Rs.	Loans Obtained Rs.	Exchange Differences Rs.	Accrued Interest Rs.	Repayments Rs.	Transfer in/(out) Rs.	As at 31.03.2025 Rs.
Sampath Bank PLC - Loan 1	440,262,088	-	-	(399,816)	(186,072,000)	-	253,790,272
Sampath Bank PLC - Loan 2	372,048,603	-	-	134,982	(139,440,000)	-	232,743,585
Sampath Bank PLC - Loan 3	94,048,883	-	-	(152,655)	(80,484,000)	-	13,412,228
Commercial Bank of Ceylon PLC - Loan 1	63,888,955	-	-	-	(36,111,101)	-	27,777,854
Commercial Bank of Ceylon PLC - Loan 2	7,924,222	-	-	-	(3,962,162)	-	3,962,060
Commercial Bank of Ceylon PLC - Loan 3	7,406,994	-	-	-	(7,406,994)	-	-
Commercial Bank of Ceylon PLC - Loan 4	791,008,827	-	-	(1,972,858)	(160,008,000)	-	629,027,969
Commercial Bank of Ceylon PLC - Loan 5	198,013,147	-	-	(754,679)	(40,008,000)	-	157,250,468
Hatton National Bank PLC - Loan 1	190,617,170	-	-	(142,504)	(190,474,666)	-	-
Hatton National Bank PLC - Loan 2	21,731,609	-	-	-	(10,842,000)	-	10,889,609
DFCC Bank PLC	172,342,518	-	-	(913,978)	(171,428,540)	-	-
NDB Bank PLC - Loan 1	2,784,578,336	-	-	(395,021,508)	-	(2,389,556,828)	-
NDB Bank PLC - Loan 2	133,199,979	-	-	(246,402)	(30,455,986)	-	102,497,591
NDB Bank PLC - Loan 3	368,037,530	-	-	(309,389)	(84,236,360)	-	283,491,781
NDB Bank PLC - Loan 4	-	-	-	648,329	-	1,200,000,000	1,200,648,329
NDB Bank PLC - Loan 5	-	-	-	642,687	-	1,189,556,828	1,190,199,514
Peoples' Bank - Loan 1	6,503,612,070	-	(190,703,434)	-	(137,447,874)	-	6,175,460,762
Peoples' Bank - Loan 2	237,223,574	-	-	(1,846,937)	(137,222,222)	-	98,154,414
People's Bank - Loan 3	309,110,000	-	-	(6,914,823)	(138,649,089)	-	163,546,088
People's Bank - Loan 4	837,225,553	-	(24,489,415)	-	(29,312,681)	-	783,423,457
Standard Chartered Bank - Loan 1	4,020,854,808	53,620,757	(118,598,359)	-	(4,468,396)	-	3,951,408,810
Standard Chartered Bank - Loan 2	483,256,238	-	(13,736,419)	-	(93,836,325)	-	375,683,494
Bank of Ceylon - Loan 1	1,395,155,319	-	-	(278,313,973)	(803,039,216)	-	313,802,131
Bank of Ceylon - Loan 2	555,062,306	-	-	(181,901,769)	(373,160,537)	-	-
Bank of Ceylon - Loan 3	413,568,096	-	-	(13,432,197)	(276,111,111)	-	124,024,788
Bank of Ceylon - Loan 4	-	1,225,000,000	10,434,292	(30,000,000)	-	-	1,205,434,292
Bank of Ceylon - Loan 5	-	775,000,000	6,538,958	(26,250,000)	-	-	755,288,958
MCB Bank Ltd - Loan 1	189,477,297	-	-	(1,047,452)	(75,000,000)	-	113,429,846
MCB Bank Ltd - Loan 2	197,999,093	-	-	(1,065,096)	(84,000,000)	-	112,933,997
	20,787,653,214	2,053,620,757	(330,554,377)	(939,260,039)	(3,293,177,260)	-	18,278,282,296

NOTES TO THE FINANCIAL STATEMENTS

15. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTD.)

15.2 Other Financial Liabilities (Contd.)

15.2.1 Group (Contd.)

15.2.1.2 Short Term Loans

	As at 01.04.2024	Loans Obtained	Exchange Differences	Accrued Interest	Repayments	As at 31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Hatton National Bank PLC	2,890,193,273	603,543,805	-	1,637,855	-	3,495,374,933
Union Bank of Colombo PLC	-	1,426,249,802	-	2,131,365	-	1,428,381,167
People's Bank	633,891,721	237,795,392	-	(58,401,166)	-	813,285,948
Bank of Ceylon	2,532,791,465	2,298,327,214	(65,672,607)	(12,532,872)	(262,470,561)	4,490,442,639
Commercial Bank of Ceylon PLC	899,506,713	737,435,900	-	(4,859,123)	-	1,632,083,490
DFCC Bank PLC	134,717,179	-	-	(1,322,694)	(76,169,076)	57,225,409
	7,091,100,351	5,303,352,113	(65,672,607)	(73,346,634)	(338,639,637)	11,916,793,585

15.2.2 Company

Interest Bearing Loans and Borrowings

	2025			2024		
	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.
Lease Liabilities (Note 9.2)	1,360,756	2,049,180	3,409,936	6,186,169	4,426,998	10,613,167
Term Loans (Note 15.2.2.1)	2,348,459,974	4,601,216,275	6,949,676,249	4,286,768,652	4,554,984,116	8,841,752,768
Short Term Loans (Note 15.2.2.2)	7,858,067,652	-	7,858,067,652	5,265,029,024	-	5,265,029,024
Bank Overdrafts (Note 18.2)	75,936,639	-	75,936,639	-	-	-
	10,283,825,021	4,603,265,455	14,887,090,476	9,557,983,845	4,559,411,114	14,117,394,960

15.2.2.1 Term Loans

	As at 01.04.2024 Rs.	Loans Obtained Rs.	Accrued Interest Rs.	Repayments Rs.	Transfer in/ (out) Rs.	As at 31.03.2025 Rs.
Hatton National Bank PLC - Loan 1	190,617,170	-	(142,504)	(190,474,666)	-	-
DFCC Bank PLC	172,342,518	-	(913,978)	(171,428,540)	-	-
Commercial Bank of Ceylon PLC - Loan 4	791,008,827	-	(1,972,858)	(160,008,000)	-	629,027,969
Commercial Bank of Ceylon PLC - Loan 5	198,013,147	-	(754,679)	(40,008,000)	-	157,250,468
Sampath Bank PLC - Loan 1	440,262,088	-	(399,816)	(186,072,000)	-	253,790,272
Sampath Bank PLC - Loan 2	372,048,603	-	134,982	(139,440,000)	-	232,743,585
Sampath Bank PLC - Loan 3	94,048,883	-	(152,655)	(80,484,000)	-	13,412,228
NDB Bank PLC - Loan 1	2,784,578,336	-	(395,021,508)	-	(2,389,556,828)	-
NDB Bank PLC - Loan 2	133,199,979	-	(246,402)	(30,455,986)	-	102,497,591
NDB Bank PLC - Loan 3	368,037,530	-	(309,389)	(84,236,360)	-	283,491,781
NDB Bank PLC - Loan 4	-	-	648,329	-	1,200,000,000	1,200,648,329
NDB Bank PLC - Loan 5	-	-	642,687	-	1,189,556,828	1,190,199,514
People's Bank - Loan 2	237,223,574	-	(1,846,937)	(137,222,222)	-	98,154,414
People's Bank - Loan 3	309,110,000	-	(6,914,823)	(138,649,089)	-	163,546,088
Bank of Ceylon - Loan 1	1,395,155,319	-	(278,313,973)	(803,039,216)	-	313,802,131
Bank of Ceylon - Loan 2	555,062,306	-	(181,901,769)	(373,160,537)	-	-
Bank of Ceylon - Loan 3	413,568,096	-	(13,432,197)	(276,111,111)	-	124,024,788
Bank of Ceylon - Loan 4	-	1,225,000,000	10,434,292	(30,000,000)	-	1,205,434,292
Bank of Ceylon - Loan 5	-	775,000,000	6,538,958	(26,250,000)	-	755,288,958
MCB Bank Ltd - Loan 1	189,477,297	-	(1,047,452)	(75,000,000)	-	113,429,846
MCB Bank Ltd - Loan 2	197,999,093	-	(1,065,096)	(84,000,000)	-	112,933,997
	8,841,752,768	2,000,000,000	(866,036,789)	(3,026,039,727)	-	6,949,676,249

15.2.2.2 Short Term Loans

	As at 01.04.2024 Rs.	Loans Obtained Rs.	Accrued Interest Rs.	Repayments Rs.	As at 31.03.2025 Rs.
Hatton National Bank PLC	2,890,193,273	603,543,805	1,637,855	-	3,495,374,933
Bank of Ceylon	706,720,138	-	(12,532,872)	(262,470,561)	431,716,705
Union Bank of Colombo PLC	-	1,426,249,802	2,131,365	-	1,428,381,167
People's Bank	633,891,721	237,795,392	(58,401,166)	-	813,285,948
Commercial Bank of Ceylon PLC	899,506,713	737,435,900	(4,859,123)	-	1,632,083,490
DFCC Bank PLC	134,717,179	-	(1,322,694)	(76,169,076)	57,225,409
	5,265,029,024	3,005,024,899	(73,346,634)	(338,639,637)	7,858,067,652

NOTES TO THE FINANCIAL STATEMENTS

15. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTD.)

15.2 Other Financial Liabilities (Contd.)

	Interest Rate	Repayment Terms
Sampath Bank PLC		
Loan 1	AWPLR + 2% per annum	Repayable by 16 monthly instalments of Rs.15,506,000/- and Final instalment Rs.5,276,000/-
Loan 2	AWPLR + 2% per annum	Repayable by 19 monthly instalments of Rs.11,620,000/- and Final instalment Rs.11,580,000/-
Loan 3	AWPLR + 2% per annum	Repayable by 2 monthly instalments
Commercial Bank of Ceylon PLC		
Loan 1	AWPLR+1% per annum	Repayable by 10 monthly instalments of Rs. 2,777,777/-.
Loan 2	12% per annum	Repayable by 13 monthly instalments of Rs. 304,778/-
Loan 4	AWPLR + 1.5% per annum	Repayable by 46 monthly instalments of Rs.13,334,000/- and Final instalment Rs.13,294,000/-
Loan 5	AWPLR + 1.5% per annum	Repayable by 46 monthly instalments of Rs.3,334,000/- and Final instalment Rs.3,294,000/-
Hatton National Bank PLC		
Loan 2	AWPLR+ 1.75% per annum	Repayable by 13 monthly instalments of Rs. 834,000/-
NDB Bank PLC		
Loan 2	AWPLR + 1% per annum	Repayable by 36 equal monthly instalments of Rs.2,768,726/- and Final instalment Rs.2,768,753/-
Loan 3	AWPLR + 1% per annum	Repayable by 37 equal monthly instalments of Rs.7,657,851/-
Loan 4	AWPLR + 1.5% per annum	Repayable by 9 equal monthly instalments of Rs.12,526,096/- , 36 equal monthly instalments of Rs.25,052,192/-, 5 equal monthly installments of Rs.30,062,630/- and Final instalment Rs.35,073,074/-
Loan 5	AWPLR + 1.5% per annum	Repayable by 9 equal monthly instalments of Rs.12,473,904/- , 36 equal monthly instalments of Rs.24,947,809/-, 5 equal monthly installments of Rs.29,937,370/- and Final instalment Rs.29,483,718/-
Peoples' Bank		
Loan 1	90 days SOFR + 4.75% per annum subject to annual review	Repayable by 96 monthly instalments
Loan 2	AWPLR + 2% per annum	Repayable by 9 equal monthly instalments of Rs.10,555,556/- and Final instalment Rs.2,222,222/-
Loan 3	AWPLR + 1.5% per annum	Repayable by one month instalment of Rs.7,230,911/-, 14 equal monthly instalments of Rs.10,420,000/- and Final instalment Rs.10,260,000/-
Loan 4	4% per annum	Repayable by 48 monthly instalments
Standard Chartered Bank		
Loan 1 and 2	3 Months LIBOR + 2.3% per annum	Repayable by 95 monthly instalments
Bank of Ceylon		
Loan 1	AWPLR + 1.5% per annum	Repayable by 11 equal monthly instalments of Rs.28,333,333/-
Loan 3	AWPLR + 1.5% per annum	Repayable by 6 equal monthly instalments of Rs.18,407,407/- and Final instalment Rs.13,267,059/-
Loan 4	AWPLR + 1.5% per annum	Repayable by 40 equal monthly instalments of Rs.20,875,000/- and 12 equal monthly instalments of Rs.30,000,000/-.
Loan 5	AWPLR + 1.5% per annum	Repayable by one month instalment of Rs.3,750,000/- , 40 equal monthly instalments of Rs.14,125,000/- and 12 equal monthly instalments of Rs.15,000,000/-.
MCB Bank Ltd		
Loan 1	AWPLR + 1% per annum	Repayable by 18 monthly instalments of Rs.6,250,000/-.
Loan 2	AWPLR + 1% per annum	Repayable by 16 monthly instalments of Rs.7,000,000/-.

15.3 Fair Values

Set out below is a comparison of the carrying amounts and fair values of the Group and Company's financial instruments by classes, that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Group	Notes	Carrying Amount		Fair Value	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Financial Assets					
Trade and Other Receivables	A	3,668,891,052	4,829,719,060	3,668,891,052	4,829,719,060
Cash and Short Term Deposits	A	2,389,232,495	427,214,977	2,389,232,495	427,214,977
Total		6,058,123,547	5,256,934,037	6,058,123,547	5,256,934,037
Financial Liabilities					
Interest Bearing Loans and Borrowings (Non-Current)	B	12,553,938,295	15,075,734,609	12,553,938,295	15,075,734,609
Interest Bearing Loans and Borrowings (Current)	A	18,971,703,462	14,194,397,935	18,971,703,462	14,194,397,935
Trade and Other Payables	A	6,717,450,868	4,724,309,464	6,717,450,868	4,724,309,464
Bank Overdrafts	A	1,678,652,851	1,891,131,096	1,678,652,851	1,891,131,096
Total		39,921,745,476	35,885,573,103	39,921,745,476	35,885,573,103
Company					
Financial Assets					
Trade and Other Receivables	A	2,342,038,806	1,426,065,857	2,342,038,806	1,426,065,857
Cash and Short Term Deposits	A	345,654,930	116,806,676	345,654,930	116,806,676
Total		2,687,693,736	1,542,872,533	2,687,693,736	1,542,872,533
Financial Liabilities					
Interest Bearing Loans and Borrowings (Non-Current)	B	4,603,265,455	4,559,411,114	4,603,265,455	4,559,411,114
Interest Bearing Loans and Borrowings (Current)	A	10,207,888,382	9,557,983,845	10,207,888,382	9,557,983,845
Trade and Other Payables	A	2,530,263,805	1,174,317,974	2,530,263,805	1,174,317,974
Bank Overdrafts	A	75,936,639	-	75,936,639	-
Total		17,417,354,281	15,291,712,933	17,417,354,281	15,291,712,933

There is no difference between carrying amounts and fair values of the Group and Company's financial instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- A Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- B Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, risk characteristics of the financed project etc. As at 31 March 2025, the carrying amounts of such borrowings are not materially different from their calculated fair values.

NOTES TO THE FINANCIAL STATEMENTS

15. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTD.)

15.4 Fair Value Hierarchy

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an active market, direct observation of a trade price may not be possible. In these circumstances, the Company uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

Fair value are determined according to the following hierarchy.

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

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

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

As at 31 March 2025, the Group held the following financial instruments carried at fair value on the statement of financial position.

Group

Assets Measured at Fair Value

	2025 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets at Fair Value through OCI (Equity Instruments)	24,787,100	24,787,100	-	-
Financial Assets at Fair Value through Profit or Loss	13,888,942	13,888,942	-	-
	38,676,042	38,676,042	-	-

Company

Assets Measured at Fair Value

	2025 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial Assets at Fair Value through OCI (Equity Instruments)	24,728,539,662	24,787,100	-	24,703,752,562
Financial Assets at Fair Value through Profit or Loss	13,888,942	13,888,942	-	-
	24,742,428,604	38,676,042	-	24,703,752,561

During the reporting period ending 31 March 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

16. INVENTORIES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Gas in Cylinders and Accessories	74,750,798	52,604,604	74,750,798	52,604,604
Gas in Bulk	3,694,788,789	1,989,091,137	15,471,990	294,552,319
Non-Trade Inventories	389,124,095	340,023,190	216,497,951	137,779,387
Goods in Transit	845,022,432	120,891,473	845,022,432	120,891,473
Assets to be disposed	13,002,988	-	13,002,988	-
	5,016,689,102	2,502,610,403	1,164,746,159	605,827,782
Provision for Inventories	(8,190,158)	-	(8,190,158)	-
Total Inventories at the Lower of Cost and Net Realisable Value	5,008,498,944	2,502,610,403	1,156,556,001	605,827,782

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade Receivables - Related Parties (Note 17.1)	170,924,710	177,952,766	8,741,148	3,793,788
- Others	2,472,431,751	3,728,872,032	1,637,037,340	800,213,035
Less: Allowance for Impairments	(18,685,344)	(22,935,313)	(16,847,172)	(21,097,141)
	2,624,671,117	3,883,889,485	1,628,931,316	782,909,682
Other Receivables - Related Parties (Note 17.2)	893,014,260	824,905,499	591,192,145	552,127,639
- Others	266,169,857	120,924,076	236,879,527	91,028,536
Less: Allowance for Impairments	(114,964,182)	-	(114,964,182)	-
	3,668,891,052	4,829,719,060	2,342,038,806	1,426,065,857
Advances - Related Parties (Note 17.3)	130,421,172	59,922,468	130,344,961	59,922,468
- Others	396,824,986	225,371,774	257,475,427	169,383,186
Loans to Company Officers	135,556	422,222	55,556	422,222
	4,196,272,766	5,115,435,524	2,729,914,750	1,655,793,734

17.1 Trade Dues from Related Parties

	Relationship	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
LAUGFS Holdings Ltd	Parent	52,903,006	58,149,863	-	-
LAUGFS Engineering (Pvt) Ltd	Fellow Subsidiary	5,926,553	-	5,299,714	-
LAUGFS Supermarkets (Pvt) Ltd	Fellow Subsidiary	1,103,055	1,083,311	847,136	827,392
LAUGFS Petroleum (Pvt) Ltd	Fellow Subsidiary	2,594,298	1,960,856	2,594,298	1,960,856
Southern Petroleum (Pvt) Ltd	Fellow Subsidiary	255,591	1,254,897	-	1,005,540
LAUGFS Lubricants Ltd	Fellow Subsidiary	808,795	1,584,155	-	-
LAUGFS Solutions Ltd	Fellow Subsidiary	1,412,204	1,412,204	-	-
LAUGFS Eco Sri Ltd	Fellow Subsidiary	1,003,899	1,958,828	-	-
LAUGFS Corporation (Rubber) Ltd	Fellow Subsidiary	1,678,765	818,910	-	-
LAUGFS Business Solutions (Pvt) Ltd	Fellow Subsidiary	72,940,333	84,852,007	-	-
LAUGFS Power PLC	Fellow Subsidiary	192,209	187,521	-	-
LAUGFS Leisure Ltd	Fellow Subsidiary	24,849,764	21,562,791	-	-
LAUGFS Life Sciences (Pvt) Ltd	Fellow Subsidiary	5,256,238	3,127,423	-	-
		170,924,710	177,952,766	8,741,148	3,793,788

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE AND OTHER RECEIVABLES (CONTD.)

17.2 Other Dues from Related Parties

	Relationship	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
LAUGFS Supermarkets (Pvt) Ltd	Fellow Subsidiary	667,783	1,061,826	-	-
LAUGFS Petroleum (Pvt) Ltd	Fellow Subsidiary	100,298	156,273	-	-
LAUGFS Eco Sri Ltd	Fellow Subsidiary	362,750	929,757	-	-
LAUGFS Corporation (Rubber) Ltd	Fellow Subsidiary	565,367	385,984	-	-
LAUGFS Engineering (Pvt) Ltd	Fellow Subsidiary	258,740	-	25,737	-
LAUGFS Holdings Ltd	Parent	261,281,386	228,542,988	7,854,880	-
LAUGFS Power PLC	Fellow Subsidiary	68,456	87,414	-	-
LAUGFS Leisure Ltd	Fellow Subsidiary	482,770,805	445,714,605	478,964,182	443,485,353
LAUGFS Property Developers (Pvt) Ltd	Subsidiary	-	-	49,096,124	54,304,100
Anantaya Passekudah (Pvt) Ltd	Fellow Subsidiary	78,113	72,326	78,113	72,326
LAUGFS Solutions Ltd	Fellow Subsidiary	371,542	371,542	-	-
LAUGFS Wellness (Pvt) Ltd	Fellow Subsidiary	54,426	54,426	-	-
LAUGFS International (Pvt) Ltd	Fellow Subsidiary	128,477	128,196	124,945	124,945
LAUGFS Business Solutions (Pvt) Ltd	Fellow Subsidiary	14,524,479	15,104,238	-	-
LAUGFS Life Sciences (Pvt) Ltd	Fellow Subsidiary	2,148,731	1,188,885	87,872	85,863
LAUGFS Lubricants (Bangladesh) Ltd	Fellow Subsidiary	82,671,065	127,007,844	8,536,850	50,625,515
LAUGFS Lubricants Ltd	Fellow Subsidiary	46,961,842	4,099,194	46,423,442	3,429,535
		893,014,260	824,905,499	591,192,145	552,127,639

17.3 Advances given to Related Parties

	Relationship	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
LAUGFS Engineering (Pvt) Ltd	Fellow Subsidiary	2,781,276	389,450	2,781,276	389,450
LAUGFS Supermarkets (Pvt) Ltd	Fellow Subsidiary	2,133,896	-	2,057,685	-
LAUGFS Holdings Ltd	Parent	125,506,000	59,533,018	125,506,000	59,533,018
		130,421,172	59,922,468	130,344,961	59,922,468

Trade receivables are non-interest bearing and are generally on terms of 1-45 days.

As at 31 March, the ageing analysis of trade receivables, is as follows:

Group	Total Rs.	Neither Past Due nor Impaired Rs.	Past Due But not Impaired			
			< 30 Days Rs.	31-60 Days Rs.	61-90 Days Rs.	> 90 Days Rs.
2025	2,643,356,461	2,168,760,386	243,302,692	28,430,130	13,716,590	189,146,663
2024	3,906,824,798	2,409,800,684	873,310,920	497,289	964,193	622,251,712

Company	Total Rs.	Neither Past Due nor Impaired Rs.	Past Due But not Impaired			
			< 30 Days Rs.	31-60 Days Rs.	61-90 Days Rs.	> 90 Days Rs.
2025	1,645,778,487	1,329,824,137	240,907,617	27,926,578	13,213,038	33,907,118
2024	804,006,823	668,793,036	76,604,733	-	485,413	58,123,642

Above to be read in conjunction with Note 29 on credit risk of trade receivables, which discusses how the Group/Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

Movements in the allowance for impairment of Trade Receivables;

	Group			Company		
	Individually Impaired Rs.	Collectively Impaired Rs.	Total Rs.	Individually Impaired Rs.	Collectively Impaired Rs.	Total Rs.
As at 1 April 2023	6,070,693	17,039,458	23,110,151	4,232,521	17,039,458	21,271,979
Charge/(Reversal) for the Year	-	(174,838)	(174,838)	-	(174,838)	(174,838)
As at 31 March 2024	6,070,693	16,864,620	22,935,313	4,232,521	16,864,620	21,097,141
Charge/(Reversal) for the Year	6,572,226	981,743	7,553,969	6,572,226	981,743	7,553,969
Write off	-	(11,803,938)	(11,803,938)	-	(11,803,938)	(11,803,938)
As at 31 March 2025	12,642,919	6,042,425	18,685,344	10,804,747	6,042,425	16,847,172

NOTES TO THE FINANCIAL STATEMENTS

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
18.1 Favourable Cash and Cash Equivalents Balances				
Savings Accounts	53,665,525	1,409,726	46,344,997	1,409,726
Cash in Hand and at Bank	2,335,566,970	425,805,252	299,309,933	115,396,950
	2,389,232,495	427,214,978	345,654,930	116,806,676
18.2 Unfavourable Cash and Cash Equivalents Balances				
Bank Overdrafts (Note 15.2)	(1,678,652,851)	(1,891,131,096)	(75,936,639)	-
Cash and Cash Equivalents for the Purpose of Statement of Cash Flows	710,579,644	(1,463,916,118)	269,718,291	116,806,676

18.3 Savings Accounts earn interest at floating rates based on daily bank deposit rates, and above balances including current accounts are maintained to meet the Group's working capital requirements.

19. STATED CAPITAL

Group/Company	2025		2024	
	Number	Rs.	Number	Rs.
Ordinary Voting Shares (Note 19.1)	335,000,086	762,557,096	335,000,086	762,557,096
Ordinary Non-Voting Shares (Note 19.2)	52,000,000	237,442,904	52,000,000	237,442,904
	387,000,086	1,000,000,000	387,000,086	1,000,000,000
19.1 Ordinary Voting Shares				
As at 1 April	335,000,086	762,557,096	335,000,086	762,557,096
As at 31 March	335,000,086	762,557,096	335,000,086	762,557,096
19.2 Ordinary Non-Voting Shares				
As at 1 April	52,000,000	237,442,904	52,000,000	237,442,904
As at 31 March	52,000,000	237,442,904	52,000,000	237,442,904

19.3 Rights, Preference and Restrictions of Classes of Capital

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

20. FAIR VALUE THROUGH OCI RESERVE

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Fair Value Through OCI Reserve (Note 20.1)	(15,526,116)	(21,475,020)	15,978,907,353	15,814,984,855
	(15,526,116)	(21,475,020)	15,978,907,353	15,814,984,855
20.1 Fair Value Through OCI Reserve				
As at 1 April	(21,475,020)	(21,131,814)	15,814,984,855	16,837,202,252
Gains/(Losses) arising during the Year	5,948,904	(343,206)	163,922,498	(1,022,217,397)
As at 31 March	(15,526,116)	(21,475,020)	15,978,907,353	15,814,984,855

21. OTHER RESERVES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revaluation Reserve (Note 21.1)	6,175,065,552	4,955,079,294	5,455,733,914	4,210,225,310
Foreign Currency Translation Reserve (Note 21.2)	392,680,842	526,580,625	-	-
	6,567,746,394	5,481,659,919	5,455,733,914	4,210,225,310
21.1 Revaluation Reserve				
As at 1 April	4,955,079,294	5,608,274,942	4,210,225,310	4,596,802,958
Gain on Revaluation of Property, Plant and Equipment	2,673,652,513	-	2,040,107,815	-
Tax Impact of Revaluation Gain	(799,811,899)	-	(408,021,563)	-
Transfer of Depreciation on Revaluation of Property, Plant and Equipment	(653,854,356)	(653,195,648)	(386,577,648)	(386,577,648)
As at 31 March	6,175,065,552	4,955,079,294	5,455,733,914	4,210,225,310
21.2 Foreign Currency Translation Reserve				
As at 1 April	526,580,625	462,171,198	-	-
Foreign Exchange Translation Differences	(133,899,783)	64,409,427	-	-
As at 31 March	392,680,842	526,580,625	-	-

NOTES TO THE FINANCIAL STATEMENTS

22. EMPLOYEE BENEFIT LIABILITY

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
22.1 Net Benefit Expense				
Current Service Cost	8,732,145	9,515,892	5,907,997	6,130,890
Interest Cost on Benefit Obligation	11,240,824	13,901,762	9,467,514	12,080,309
Total Expenses	19,972,969	23,417,654	15,375,511	18,211,199
22.2 Employee Benefit Liability				
As at 1 April	100,752,894	70,631,190	78,895,952	54,910,497
Current Service Cost	8,732,145	9,515,892	5,907,997	6,130,890
Interest Cost on Benefit Obligation	11,240,824	13,901,762	9,467,514	12,080,309
Remeasurement (Gains)/Losses	(7,792,166)	21,397,556	(7,572,392)	15,785,926
Adjustment due to transfer of employees	-	(5,053,247)	-	(1,763,648)
Benefits Paid	(7,601,559)	(8,969,165)	(5,212,036)	(8,248,022)
Exchange Difference	(220,056)	(671,095)	-	-
Employee Benefit Liability	105,112,082	100,752,894	81,487,035	78,895,952

22.3 Assumptions used in Actuarial Valuation

Messrs. Smiles Global (Pvt) Ltd, actuaries, carried out an actuarial valuation of the defined benefit plan - gratuity on 31 March 2025. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31.03.2025 and 31.03.2024 are as follows:

	Group						Company	
	Energy		Property		Transportation & Logistics		2025	2024
	2025	2024	2025	2024	2025	2024		
Method of Actuarial Valuation:	Projected Unit Credit method	Projected Unit Credit method	Projected Unit Credit method	Projected Unit Credit method	Projected Unit Credit method	Projected Unit Credit method	Projected Unit Credit method	Projected Unit Credit method
Discount Rate:	9.9%	12%	11%	12%	9.1% - 10.6%	12.2%	9.9%	12%
Salary Increment Rate:	8%	12%	8%	10%	8%	10%	8%	12%
Retirement Age:	57-60 years	57-60 years	57- 60 years	57- 60 years	57- 60 years	57- 60 years	57-60 years	57-60 years
Staff Turnover Ratio:	25% (for Management Staff) and 26% (for Other Staff)	29% (for Management Staff) and 33% (for Other Staff)	5%	18%	15% - 45%	12% - 16%	25% (for Management Staff) and 26% (for Other Staff)	29% (for Management Staff) and 33% (for Other Staff)
Mortality Table:	A67/70 Ult tables	A67/70 Ult tables	A67/70 Ult Table	A67/70 Ult Table	A67/70 Ult Table	A67/70 Ult Table	A67/70 Ult tables	A67/70 Ult tables

22.4 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2025.

	Increase/ (Decrease)		Group 2025			Company 2025		
	In Discount Rate	In Rate of Salary Increment	Effect on Statement of Profit or Loss (Reduction)/ Increase in Results for the Year Rs.	Effect on Statement of Financial Position (Reduction)/ Increase in the Liability as at the Year End Rs.	Present Value of Employee Benefit Obligation Rs.	Effect on Statement of Profit or Loss (Reduction)/ Increase in Results for the Year Rs.	Effect on Statement of Financial Position (Reduction)/ Increase in the Liability as at the Year End Rs.	Present Value of Employee Benefit Obligation Rs.
+1%	-		2,974,281	(2,974,281)	102,137,803	2,499,679	(2,499,679)	78,987,356
-1%	-		(3,187,818)	3,187,818	108,299,902	(2,672,758)	2,672,758	84,159,793
-	+1%		(3,665,744)	3,665,744	108,777,828	(3,073,027)	3,073,027	84,560,062
-	-1%		3,477,074	(3,477,074)	101,635,010	2,921,379	(2,921,379)	78,565,656

NOTES TO THE FINANCIAL STATEMENTS

22. EMPLOYEE BENEFIT LIABILITY (CONTD.)

22.5 Changes in the Defined Benefit Obligation

22.5.1 Group

The following table demonstrates the changes in the defined benefit obligation.

2025		Amounts Charged to Profit or Loss					
	01 April 2024	Service Cost	Interest Cost	Sub Total Included in Profit or Loss	Benefits Paid	Adjustment due to transfer of employees into/(out of) Company	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Defined Benefit Obligation	100,752,894	8,732,145	11,240,824	19,972,970	(7,601,559)	-	
Benefit Liability	100,752,894	8,732,145	11,240,824	19,972,970	(7,601,559)	-	

2024		Amounts Charged to Profit or Loss					
	01 April 2023	Service Cost	Interest Cost	Sub Total Included in Profit or Loss	Benefits Paid	Adjustment due to transfer of employees into/(out of) Company	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Defined Benefit Obligation	70,631,190	9,515,892	13,901,762	23,417,654	(8,969,165)	(5,053,247)	
Benefit Liability	70,631,190	9,515,892	13,901,762	23,417,654	(8,969,165)	(5,053,247)	

22.5.1.1 Following payments are expected contributions to the defined benefit plan obligation on the future years:

	2025 Rs.	2024 Rs.
Within the next 12 months	345,120	1,946,102
Between 1 and 2 Years	689,475	629,887
Between 2 and 5 Years	99,148,246	87,128,344
Between 5 and 10 Years	4,581,409	11,048,561
Over 10 Years	347,832	-
Total Expected Payments	105,112,082	100,752,894

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.19 - 7.75 years. (2024: 3.25 - 6.86 years)

		Remeasurement (Gains)/Losses in Other Comprehensive Income				
	Exchange Difference	Actuarial Changes arising from Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	31 March 2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(220,056)	(445,711)	(6,056,510)	(1,289,945)	(7,792,166)	105,112,082
	(220,056)	(445,711)	(6,056,510)	(1,289,945)	(7,792,166)	105,112,082

		Remeasurement (Gains)/Losses in Other Comprehensive Income				
	Exchange Difference	Actuarial Changes arising from Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	31 March 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(671,095)	55,564	21,244,429	97,563	21,397,556	100,752,894
	(671,095)	55,564	21,244,429	97,563	21,397,556	100,752,894

NOTES TO THE FINANCIAL STATEMENTS

22. EMPLOYEE BENEFIT LIABILITY (CONTD.)

22.5 Changes in the Defined Benefit Obligation (Contd.)

22.5.2 Company

The following table demonstrates the changes in the defined benefit obligation.

2025		Amounts Charged to Profit or Loss				
	01 April 2024	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	
	Rs.	Rs.	Rs.	Rs.	Rs.	
Defined Benefit Obligation	78,895,952	5,907,997	9,467,514	15,375,511	(5,212,036)	
Benefit Liability	78,895,952	5,907,997	9,467,514	15,375,511	(5,212,036)	

2024		Amounts Charged to Profit or Loss				
	01 April 2023	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	
	Rs.	Rs.	Rs.	Rs.	Rs.	
Defined Benefit Obligation	54,910,497	6,130,890	12,080,309	18,211,199	(8,248,022)	
Benefit Liability	54,910,497	6,130,890	12,080,309	18,211,199	(8,248,022)	

22.5.2.1 Following payments are expected contributions to the defined benefit plan obligation on the future years:

	2025 Rs.	2024 Rs.
Within the next 12 months	-	1,742,953
Between 1 and 2 Years	689,475	629,887
Between 2 and 5 Years	80,797,560	76,523,112
Total Expected Payments	81,487,035	78,895,952

The average duration of the defined benefit plan obligation at the end of the reporting period is 3.72 years. (2024: 3.25 years)

		Remeasurement (Gains)/Losses in Other Comprehensive Income				
	Adjustment due to transfer of employees into/(out of) Company	Actuarial Changes arising from Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	31 March 2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	-	(548,425)	(6,199,464)	(824,503)	(7,572,392)	81,487,035
	-	(548,425)	(6,199,464)	(824,503)	(7,572,392)	81,487,035

		Remeasurement (Gains)/Losses in Other Comprehensive Income				
	Adjustment due to transfer of employees into/(out of) Company	Actuarial Changes arising from Changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustments	Subtotal Included in OCI	31 March 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(1,763,648)	(91,428)	17,333,057	(1,455,703)	15,785,926	78,895,952
	(1,763,648)	(91,428)	17,333,057	(1,455,703)	15,785,926	78,895,952

NOTES TO THE FINANCIAL STATEMENTS

23. REFUNDABLE DEPOSITS

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
As at 1 April	2,350,017,095	2,243,843,986	2,350,017,095	2,243,843,986
Additions	435,552,512	183,050,077	435,552,512	183,050,077
Refunds/Transfers	(107,620,674)	(76,876,968)	(107,620,674)	(76,876,968)
As at 31 March	2,677,948,933	2,350,017,095	2,677,948,933	2,350,017,095
Refundable Deposits within One Year (Current)	267,794,893	235,001,709	267,794,893	235,001,709
Refundable Deposits after One Year (Non-Current)	2,410,154,040	2,115,015,386	2,410,154,040	2,115,015,386
	2,677,948,933	2,350,017,095	2,677,948,933	2,350,017,095

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade Payables - Related Parties (Note 24.1)	1,946,446	35,839,820	1,503,730,680	100,306,881
- Others	4,567,655,225	2,446,647,710	64,906,490	111,664,528
Other Payables - Related Parties (Note 24.2)	143,196,583	83,383,610	961,626,635	962,346,564
- Others	2,004,652,613	2,158,438,323	-	-
	6,717,450,867	4,724,309,463	2,530,263,805	1,174,317,973
Sundry Creditors including Accrued Expenses	1,617,254,712	1,795,424,071	452,376,177	468,340,083
	8,334,705,579	6,519,733,534	2,982,639,982	1,642,658,057

24.1 Trade Payable to Related Parties

	Relationship	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
LAUGFS Holdings Ltd	Parent	-	26,953,253	-	-
LAUGFS Petroleum (Pvt) Ltd	Fellow Subsidiary	-	2,568,271	-	2,568,271
LAUGFS Lubricants Ltd	Fellow Subsidiary	-	517,154	-	517,154
LAUGFS Supermarkets (Pvt) Ltd	Fellow Subsidiary	-	36,773	-	-
LAUGFS Leisure Ltd	Fellow Subsidiary	-	27,110	-	-
SLOGAL Energy DMCC	Subsidiary	-	-	1,500,794,495	89,998,868
LAUGFS Business Solutions (Pvt) Ltd	Fellow Subsidiary	-	5,737,260	-	4,063,992
LAUGFS Terminals Ltd	Subsidiary	-	-	989,739	3,158,597
Southern Petroleum (Pvt) Ltd	Fellow Subsidiary	1,946,446	-	1,946,446	-
		1,946,446	35,839,820	1,503,730,680	100,306,881

24.2 Other Payable to Related Parties

	Relationship	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
LAUGFS Supermarkets (Pvt) Ltd	Fellow Subsidiary	314,384	122,941	76,180	-
LAUGFS Engineering (Pvt) Ltd	Fellow Subsidiary	13,396,687	11,934,090	13,257,582	11,805,290
LAUGFS Holdings Ltd	Parent	95,494,568	53,455,125	3,971,261	38,751,956
LAUGFS Terminals Ltd	Subsidiary	-	-	764,798,598	735,600,173
LAUGFS Lubricants Ltd	Fellow Subsidiary	1,798,734	739,485	491,060	-
LAUGFS Eco Sri Ltd	Fellow Subsidiary	11,582,472	15,724,512	-	-
LAUGFS Petroleum (Pvt) Ltd	Fellow Subsidiary	13,994,904	1,407,457	2,280,411	1,750
LAUGFS Leisure Ltd	Fellow Subsidiary	43,685	-	16,575	-
LAUGFS Business Solutions (Pvt) Ltd	Fellow Subsidiary	6,446,048	-	1,152,105	-
LAUGFS Property Developers (Pvt) Ltd	Subsidiary	-	-	998,335	-
LAUGFS Restaurant (Pvt) Ltd	Fellow Subsidiary	125,100	-	125,100	-
SLOGAL Energy DMCC	Subsidiary	-	-	174,459,428	176,187,395
		143,196,583	83,383,610	961,626,635	962,346,564

Trade payables are non-interest bearing and are normally settled on 30 -90 days terms.

For explanations on the Group's credit risk management processes, refer to Note 29.

As at 31 March, the ageing analysis of trade payables, is as follows::

Group	Total Rs.	< 30 Days Rs.	31-90 Days Rs.	91-120 Days Rs.	> 120 Days Rs.
2025	4,569,601,671	4,469,478,776	16,545,877	12,468,721	71,108,297
2024	2,482,487,530	2,410,910,848	35,391,082	5,405,674	30,779,926

Company	Total Rs.	< 30 Days Rs.	31-90 Days Rs.	91-120 Days Rs.	> 120 Days Rs.
2025	1,568,637,170	1,107,074,753	4,777,389	209,339	456,575,689
2024	211,971,409	198,153,971	5,988,250	5,209,760	2,619,428

NOTES TO THE FINANCIAL STATEMENTS

25. COMMITMENTS AND CONTINGENCIES

25.1 Capital Expenditure Commitments

The Group does not have significant capital expenditure commitments as at the reporting date.

25.2 Other Commitments and Contingencies

The Group does not have significant contingencies as at the reporting date other than following guarantees given/received.

(a) LAUGFS Gas PLC

The Company has provided corporate guarantees to following companies

Provided to	Currency	Value of Guarantee	In favour of
LAUGFS Maritime Services (Pvt) Ltd	USD	750,000	Hatton National Bank PLC
LAUGFS Maritime Services (Pvt) Ltd	USD	1,000,000	People's Bank
LAUGFS Maritime Services (Pvt) Ltd	LKR	100,000,000	Commercial Bank of Ceylon PLC
LAUGFS Power PLC	LKR	180,000,000	Hatton National Bank PLC
Pams Power (Pvt) Ltd	LKR	300,000,000	Hatton National Bank PLC
SLOGAL Energy DMCC	USD	10,000,000	People's Bank
LAUGFS Property Developers (Pvt) Ltd	LKR	80,000,000	Hatton National Bank PLC
LAUGFS Leisure Ltd	LKR	125,000,000	MCB Bank Ltd
LAUGFS Terminals Ltd	USD	22,000,000	Peoples Bank
LAUGFS Terminals Ltd	USD	20,000,000	Standard Chartered Bank
LAUGFS Terminals Ltd	LKR	75,000,000	Hatton National Bank PLC

The Company has obtained corporate guarantees from following companies

Obtained from	Currency	Value of Guarantee	In favour of
LAUGFS Holdings Ltd	LKR	3,219,000,000	Bank of Ceylon
LAUGFS Holdings Ltd	LKR	2,500,000,000	People's Bank
LAUGFS Holdings Ltd	LKR	1,428,694,123	Sampath Bank PLC
LAUGFS Holdings Ltd	LKR	1,000,000,000	MCB Bank Ltd
LAUGFS Holdings Ltd	LKR	5,915,470,667	Hatton National Bank PLC
LAUGFS Holdings Ltd	LKR	1,523,809,500	DFCC Bank PLC
LAUGFS Holdings Ltd	LKR	1,625,000,000	Union Bank of Colombo PLC
LAUGFS Maritime Services (Pvt) Ltd	LKR	886,660,000	National Development Bank PLC
LAUGFS Eco Sri Ltd	LKR	754,770,000	National Development Bank PLC
Slogal Energy DMCC	LKR	1,392,490,000	National Development Bank PLC

The Company has obtained a guarantee from Hatton National Bank PLC in favour of Director General of Customs amounting to LKR 342.7 Mn

The Company has obtained a guarantee from Commercial Bank of Ceylon PLC in favour of Ceylon Petroleum Corporation for the Credits facility obtained amounting to LKR 78.2 Mn

(b) LAUGFS Maritime Services (Pvt) Ltd

The Company has provided corporate guarantee to SLOGAL Energy DMCC for USD 20 Mn in favour of Bank of Ceylon.

26. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of the Liability	Carrying Amount Pledged		Included Under
		2025 Rs.	2024 Rs.	
Group				
Property Located at Mabima	Negative Pledge	1,579,304,637	634,266,392	Property, Plant and Equipment
Assets Located at Mabima	Negative Pledge	-	171,428,540	Property, Plant and Equipment
Investment Property - Land & Building	Primary Mortgage	31,739,914	79,220,171	Investment Properties
Plant and Machinery- Terminals	Primary Mortgage over Project Assets	11,285,976,524	11,844,948,665	Property, Plant and Equipment
Investment Property - Land	Primary Mortgage over Land	1,060,416,667	1,114,705,882	Investment Properties
Free Hold Land at Mabima	Negative Pledge	-	373,160,537	Property, Plant and Equipment
Company				
Property Located at Mabima	Negative Pledge	1,579,304,637	634,266,392	Property, Plant and Equipment
Assets Located at Mabima	Negative Pledge	-	171,428,540	Property, Plant and Equipment
Investment Property - Land	Primary Mortgage over Land	1,060,416,667	1,114,705,882	Investment Properties
Free Hold Land at Mabima	Negative Pledge	-	373,160,537	Property, Plant and Equipment

27. RELATED PARTY DISCLOSURES

27.1 Transactions with the Related Parties

Guarantees

Guarantees given by the Group to banks on behalf of related parties are disclosed in the Note 25 to these financial statements.

Terms and Conditions of Transactions with Related Parties:

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. As at the reporting date, outstanding trade receivable and payable balances are interest free, whereas non-trade receivable and payable balances are interest bearing. All outstanding balances are unsecured and are settled in cash.

The following table provides the information pertaining to significant transactions that have been entered into with related parties for the relevant financial year. (for information regarding outstanding balances at 31 March 2025 and 31 March 2024, refer to Notes 17 and 24).

NOTES TO THE FINANCIAL STATEMENTS

27. RELATED PARTY DISCLOSURES (CONTD.)

27.1 Transactions with the Related Parties (Contd.)

27.1.1 Group

	Parent		Other Group Companies		Total	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Nature of Transactions						
As at 1 April	292,770,745	158,864,494	650,786,559	689,447,608	943,557,303	848,312,102
Sale of Goods/Services	75,378,811	51,337,096	145,415,819	128,024,020	220,794,630	179,361,116
Settlement of Trade & Other Receivable	(89,597,203)	(51,067,409)	(94,821,623)	(185,987,572)	(184,418,826)	(237,054,981)
Purchase of Goods/Services	(596,991,749)	(462,888,525)	(310,768,070)	(211,191,351)	(907,759,819)	(674,079,875)
Settlement of Trade & Other Payable	636,868,338	545,753,562	274,350,085	226,785,608	911,218,423	772,539,170
Adjustment due to transfer of Employee	-	(8,761,493)	-	3,708,246	-	(5,053,247)
Interest Income/(Expense)	25,766,883	-	40,058,518	-	65,825,401	-
Others	-	59,533,018	-	-	-	59,533,018
As at 31 March	344,195,825	292,770,745	705,021,288	650,786,559	1,049,217,112	943,557,303

27.1.1.1 Other Group Companies include following Companies;

Ananthaya Pasikudah (Pvt) Ltd
 LAUGFS Business Solutions (Pvt) Ltd
 LAUGFS Corporation (Rubber) Ltd
 LAUGFS Eco Sri Ltd
 LAUGFS Engineering (Pvt) Ltd
 LAUGFS International (Pvt) Ltd
 LAUGFS Leisure Ltd
 LAUGFS Life Sciences (Pvt) Ltd
 LAUGFS Lubricants Ltd
 LAUGFS Petroleum (Pvt) Ltd
 LAUGFS Power PLC
 LAUGFS Restaurant (Pvt) Ltd
 LAUGFS Supermarkets (Pvt) Ltd
 Southern Petroleum (Pvt) Ltd
 LAUGFS Lubricants (Bangladesh) Ltd

27.1.2 Company

	Parent		Subsidiaries		Other Related Companies		Total	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Nature of Transactions								
As at 1 April	20,781,063	(20,149,814)	(950,640,935)	(852,866,631)	483,050,324	487,502,543	(446,809,548)	(385,513,902)
Sale of Goods/Services	-	-	-	-	52,650,337	39,266,584	52,650,337	39,266,584
Purchase of Goods/Services	(532,790,752)	(365,333,409)	(18,249,323,614)	(13,395,254,292)	(283,988,220)	(213,150,682)	(19,066,102,585)	(13,973,738,383)
Settlement of Trade and Other Receivables	-	(3,783,287)	-	(19,479,154)	-	(76,696,594)	-	(99,959,034)
Settlement of Trade and Other Payables	633,169,614	355,694,714	16,860,071,143	13,316,959,141	237,143,319	242,711,962	17,730,384,075	13,915,365,816
Adjustment due to transfer of Employee	-	(5,180,160)	-	-	-	3,416,511	-	(1,763,648)
Interest Income/(Expense)	8,229,694	-	(53,051,064)	-	39,620,031	-	(5,201,339)	-
Others	-	59,533,018	-	-	-	-	-	59,533,018
As at 31 March	129,389,618	20,781,063	(2,392,944,471)	(950,640,935)	528,475,791	483,050,324	(1,735,079,060)	(446,809,548)

27.1.2.1 Subsidiaries include the following Companies;

LAUGFS Maritime Services (Pvt) Ltd
 LAUGFS Property Developers (Pvt) Ltd
 LAUGFS Terminals Ltd
 SLOGAL Energy DMCC

27.1.2.2 Other Related Companies include the following Companies;

Ananthaya Pasikudah (Pvt) Ltd
 LAUGFS Business Solutions (Pvt) Ltd
 LAUGFS Corporation (Rubber) Ltd
 LAUGFS Eco Sri Ltd
 LAUGFS Engineering (Pvt) Ltd
 LAUGFS Leisure Ltd
 LAUGFS Life Sciences (Pvt) Ltd
 LAUGFS Petroleum (Pvt) Ltd
 LAUGFS Supermarkets (Pvt) Ltd
 Southern Petroleum (Pvt) Ltd
 LAUGFS Lubricants Ltd
 LAUGFS Restaurant (Pvt) Ltd
 LAUGFS Lubricants (Bangladesh) Ltd
 LAUGFS International (Pvt) Ltd

NOTES TO THE FINANCIAL STATEMENTS

27. RELATED PARTY DISCLOSURES (CONTD.)

27.2 Transactions with Key Management Personnel of the Company or its Parent

Key Management Personnel (KMPs) are defined as those persons such as directors, chief executive officers and other senior executives etc. who have authority and responsibility for planning, directing and controlling the activities of the Company as well as the subsidiaries, direct or indirectly.

Compensation of Key Management Personnel

Group	2025 Rs.	2024 Rs.
Short Term Employee Benefits (Cash Benefits)	73,258,856	114,473,407
Short Term Employee Benefits (Non-cash Benefits)	3,000,000	900,000
Contributions to Defined Contribution Plans	7,067,550	6,897,300
Post Employment Benefits	-	-
Total Compensation paid to Key Management Personnel	83,326,406	122,270,707

Company	2025 Rs.	2024 Rs.
Short Term Employee Benefits (Cash Benefits)	58,727,000	112,673,407
Short Term Employee Benefits (Non-cash Benefits)	3,000,000	900,000
Contributions to Defined Contribution Plans	7,067,550	6,897,300
Post Employment Benefits	-	-
Total Compensation paid to Key Management Personnel	68,794,550	120,470,707

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

28. EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date, which would require adjustments to, or disclosure in the Financial Statements.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

29.1 Introduction

LAUGFS Gas PLC and its subsidiaries are particularly vulnerable to credit and liquidity risks, primarily due to the impacts of foreign currency fluctuations, interest rate volatility, and market price movements. These factors have a direct bearing on the Group's assets, liabilities, and forecasted transactions. Some of these risks are inherent to the Group's conglomerate structure, which spans across diverse industries and jurisdictions, amplifying cross-sectoral and operational exposure. Others are industry-specific, particularly within the energy and LPG sectors, where price controls, import dependency, and global commodity price volatility add further financial uncertainty.

The overall risk management policy at LAUGFS Gas PLC is designed to identify, assess, and mitigate financial and operational risks through a combination of strategic, operational, and financial measures. The Board of Directors holds ultimate responsibility for establishing and overseeing the Group's risk management framework, ensuring alignment with corporate objectives and regulatory requirements. The Group Treasury Division plays a central role in managing financial risks, including foreign exchange, interest rate, liquidity, and credit risks. In close collaboration with individual Business Units, the Treasury is responsible for implementing approved risk policies, as well as identifying, evaluating and hedging of exposures that may impact the Group's financial stability.

This note outlines the Group's exposure to key financial risks, including the objectives, policies, and processes in place for measuring and managing such exposures, as well as the Group's capital management strategies. LAUGFS has established strategies to regulate the use of financial instruments, ensuring appropriate governance and segregation of duties among functions related to economic decision-making, settlement, and financial reporting. This structure strengthens internal controls and reduces the potential for risk concentration or conflict of interest. The Group's risk management policies and systems are subject to regular review and refinement, enabling the organisation to remain responsive to evolving market dynamics and changes in the operational landscape of LAUGFS. These proactive adjustments support the Group's commitment to financial resilience and sustainable growth.

a) Credit Risk

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument or customer contract, resulting in a financial loss. The Group faces credit risk from its operating activities (primarily trade receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments.

The Group only trades with recognised, creditworthy third parties. It is the Group's policy that all clients wishing to trade on credit terms undergo credit verification procedures. Additionally, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts remains insignificant.

The Group employs a classification system for customers, taking into account various credit-related factors like their geographic location, industry, and previous financial performance. When engaging with new customers, individual credit assessments are conducted before extending the Group's standard terms and conditions for payment and delivery. To enhance risk management further, the Group implements a policy of acquiring Bank Guarantees from distributors and utilises other appropriate risk management instruments as required. These measures aim to safeguard against potential credit risks and ensure a secure business environment.

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade Receivables other than Related Party Receivables	2,472,431,751	3,728,872,032	1,637,037,340	800,213,035
Guarantees Provided by Customers	(428,520,000)	(414,870,000)	(428,520,000)	(414,870,000)
Total maximum exposure to credit risk on Trade Receivables	2,043,911,751	3,314,002,032	1,208,517,340	385,343,035

The carrying amounts of financial assets, which are typically exposed to credit risk, are aligned with their maximum risk positions. Nevertheless, the Group's overall exposure has decreased, despite of increase in revenue compared to the previous year, primarily due to diligent monitoring and efficient debt collection, even amidst challenging external circumstances.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Maximum Risk Position

Group

As at 31 March in Rs.	2025					
	Investments in Subsidiaries	Other Non-Current Financial Assets	Trade and Other Receivables	Other Current Financial Assets	Cash and Short-Term Deposits	Total
Trade and Other Receivables	-	-	3,116,741,250	-	-	3,116,741,250
Amount due from Related Parties	-	-	1,079,395,960	-	-	1,079,395,960
Loan to Company Officers	-	-	135,556	-	-	135,556
Deposits with Bank	-	-	-	-	53,665,525	53,665,525
Cash in Hand and at Bank	-	-	-	-	2,335,566,970	2,335,566,970
Total Credit Risk Exposure	-	-	4,196,272,766	-	2,389,232,495	6,585,505,261
Financial Assets at Fair Value through OCI (Equity Instruments)	-	24,787,100	-	-	-	24,787,100
Financial Assets at Fair Value through Profit or Loss	-	-	-	13,888,942	-	13,888,942
Total Equity Risk Exposure	-	24,787,100	-	13,888,942	-	38,676,042
Total	-	24,787,100	4,196,272,766	13,888,942	2,389,232,495	6,624,181,303

Company

As at 31 March in Rs.	2025					
	Investments in Subsidiaries	Other Non-Current Financial Assets	Trade and Other Receivables	Other Current Financial Assets	Cash and Short-Term Deposits	Total
Trade and Other Receivables	-	-	2,114,545,122	-	-	2,114,545,122
Amount due from Related Parties	-	-	615,314,072	-	-	615,314,072
Loan to Company Officers	-	-	55,556	-	-	55,556
Deposits with Bank	-	-	-	-	46,344,997	46,344,997
Cash in Hand and at Bank	-	-	-	-	299,309,933	299,309,933
Total Credit Risk Exposure	-	-	2,729,914,750	-	345,654,930	3,075,569,680
Financial Assets at Fair Value through OCI (Equity Instruments)	24,703,752,561	24,787,100	-	-	-	24,728,539,661
Financial Assets at Fair Value through Profit or Loss	-	-	-	13,888,942	-	13,888,942
Total Equity Risk Exposure	24,703,752,561	24,787,100	-	13,888,942	-	24,742,428,603
Total	24,703,752,561	24,787,100	2,729,914,750	13,888,942	345,654,930	27,817,998,283

Group

As at 31 March in Rs.	2024					
	Investments in Subsidiaries	Other Non-Current Financial Assets	Trade and Other Receivables	Other Current Financial Assets	Cash and Short-Term Deposits	Total
Trade and Other Receivables	-	-	4,052,232,568	-	-	4,052,232,568
Amount due from Related Parties	-	-	1,062,780,734	-	-	1,062,780,734
Loan to Company Officers	-	-	422,222	-	-	422,222
Deposits with Bank	-	-	-	-	1,409,726	1,409,726
Cash in Hand and at Bank	-	-	-	-	425,805,252	425,805,252
Total Credit Risk Exposure	-	-	5,115,435,524	-	427,214,978	5,542,650,502
Financial Assets at Fair Value through OCI (Equity Instruments)	-	18,838,196	-	-	-	18,838,196
Financial Assets at Fair Value through Profit or Loss	-	-	-	10,747,997	-	10,747,997
Total Equity Risk Exposure	-	18,838,196	-	10,747,997	-	29,586,193
Total	-	18,838,196	5,115,435,524	10,747,997	427,214,978	5,572,236,695

Company

As at 31 March in Rs.	2024					
	Investments in Subsidiaries	Other Non-Current Financial Assets	Trade and Other Receivables	Other Current Financial Assets	Cash and Short-Term Deposits	Total
Trade and Other Receivables	-	-	1,039,527,616	-	-	1,039,527,616
Amount due from Related Parties	-	-	615,843,896	-	-	615,843,896
Loan to Company Officers	-	-	422,222	-	-	422,222
Deposits with Bank	-	-	-	-	1,409,726	1,409,726
Cash in Hand and at Bank	-	-	-	-	115,396,950	115,396,950
Total Credit Risk Exposure	-	-	1,655,793,734	-	116,806,676	1,772,600,409
Financial Assets at Fair Value through OCI (Equity Instruments)	24,804,529,130	18,838,196	-	-	-	24,823,367,326
Financial Assets at Fair Value through Profit or Loss	-	-	-	10,747,997	-	10,747,997
Total Equity Risk Exposure	24,804,529,130	18,838,196	-	10,747,997	-	24,834,115,323
Total	24,804,529,130	18,838,196	1,655,793,734	10,747,997	116,806,676	26,606,715,733

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Cash in hand and at bank equivalents

The Group's credit risk associated with cash and cash equivalents is managed by the Group Treasury Division, following established guidelines. This division ensures that cash and cash equivalents are held with reputable banks and financial institutions with solid reputations and favourable credit ratings. This prudent approach helps to mitigate credit risk and ensures the safety of the Group's cash holdings. The Group maintains its short-term deposits and cash equivalents at banks that are mainly rated 'AA-' or above.;

As at 31 March 2025, deposits were made in reputed and leading commercial banks with following credit ratings, as follows;

As at 31 March Fitch Rating	Group				Company			
	2025		2024		2025		2024	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
AAA	-	0%	-	0%	-	0%	-	0%
AA+	-	0%	-	0%	-	0%	-	0%
AA	28,425,809	1%	150,562,442	41%	3,532,112	1%	-	0%
A+	2,008,558	0%	2,438,373	1%	582,536	0%	531,965	1%
A	4,737,084	0%	183,183,708	51%	924,817	1%	94,685,854	82%
AA-	2,204,760,426	98%	-	0%	338,732,189	98%	-	0%
A-	-	0%	-	0%	-	0%	2,030,991	2%
BBB	26,395	0%	-	0%	26,395	0%	-	0%
BBB-	497,600	0%	525,045	0%	497,600	0%	525,045	0%
BB-	-	0%	25,766,300	7%	-	0%	17,564,599	15%
	2,240,455,872	100%	362,475,868	100%	344,295,649	100%	115,338,455	100%

b) Liquidity Risk

Liquidity risk arises from an entity's financial obligations and its capacity to meet these obligations promptly upon maturity. The Group employs a proactive strategy to manage liquidity risk, ensuring adequate liquidity is maintained to meet liabilities on time, even under challenging conditions, without incurring significant losses or jeopardising LAUGFS' reputation. By managing liquidity prudently, the Group aims to protect its financial stability and uphold its commitment to responsibly meeting financial obligations. This approach involves meticulous planning and risk assessment to sustain a strong liquidity position, thereby preserving the Group's financial health and credibility.

The Group places significant importance on achieving a balance between the continuity of funding and financial flexibility. This is achieved by utilising various financial instruments such as bank overdrafts, bank loans, and finance leases. To effectively manage this process, the Group Treasury gathers comprehensive information from across the organisation, assessing the liquidity profile of its financial assets and liabilities. Additionally, the Group Treasury analyses the projected cash flows resulting from anticipated future business activities.

The Group Treasury takes charge of managing the liquidity of business units and subsidiaries through a centralised cash management system. Working in tandem with divisional finance teams, Group Treasury addresses any short-term fluctuations in liquidity and ensures adequate long-term financing to meet overall systemic liquidity needs. Corporate-level cash flows are closely monitored by Group Treasury in collaboration with divisional finance, facilitating effective planning and allocation of funds to meet various financing requirements. A key aspect of the liquidity management strategy is the diversification of funding sources, as the Group does not rely solely on a single financial institution for financing. By diversifying funding, the exposure to liquidity risk is minimised, providing the Group with greater resilience and stability in managing its financial obligations.

This integrated and diversified approach to liquidity management allows the Group to navigate through varying market conditions, maintain operational continuity, and ensure financial stability across its business units and subsidiaries.

The Group reduces its exposure to liquidity risk through the diversification of funding sources. This prudent approach ensures that the Group is less vulnerable to potential disruptions in the financial markets or any adverse events that may affect a particular institution. Instead, having multiple sources of funding provides the Group with increased financial resilience and flexibility, allowing it to manage liquidity challenges better and meet its financial obligations more effectively.

Please refer to the short term and long term borrowings note 15.2 for further details.

Maturity Analysis

The monthly liquidity position is monitored by the Group Treasury and all the liquidity policies and procedures are subjected to review and approval by the BOD. The Group attempts to match contracted cash outflows using a combination of operational cash inflows and other inflows that are generated through Operational cash flows, liquidation of short term investments and other secured borrowings.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 March 2025 based on contractual undiscounted payments.

Group

As at 31st March 2025 in Rs.	Not later than 1 Month	Later than 1 Month Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Long term loans	293,183,031	447,441,070	6,298,293,354	7,194,048,004	4,045,316,837	18,278,282,296
Leases Obligations	621,659	787,597	126,146,344	760,485,542	1,572,748,190	2,460,789,332
Trade and other payables	4,876,785,456	283,855,586	3,174,064,537	-	-	8,334,705,579
Short term loans	5,949,972,898	4,965,130,773	1,001,689,914	-	-	11,916,793,585
Bank overdrafts	1,678,652,851	-	-	-	-	1,678,652,851
Total	12,799,215,895	5,697,215,026	10,600,194,149	7,954,533,546	5,618,065,027	42,669,223,643

As at 31st March 2024 in Rs.	Not later than 1 Month	Later than 1 Month Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Long term loans	884,259,523	2,212,243,794	3,876,636,447	10,363,501,300	3,451,012,149	20,787,653,214
Leases Obligations	526,659	14,707,240	159,016,604	895,633,754	838,306,130	1,908,190,387
Trade and other payables	253,493,126	4,817,414,093	1,448,826,315	-	-	6,519,733,534
Short term loans	982,570,623	2,862,506,510	3,246,023,218	-	-	7,091,100,351
Bank overdrafts	1,891,131,096	-	-	-	-	1,891,131,096
Total	4,011,981,028	9,906,871,637	8,730,502,584	11,259,135,054	4,289,318,280	38,197,808,582

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Company

As at 31st March 2025 in Rs.	Not later than 1 Month	Later than 1 Month Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Long term loans	274,676,406	397,056,869	1,676,726,699	4,601,216,275	-	6,949,676,249
Leases Liabilities	526,659	502,600	594,000	2,524,950	-	4,148,209
Trade and other payables	1,303,241,212	10,682,184	1,668,716,585	-	-	2,982,639,982
Short term loans	2,069,055,281	4,787,322,457	1,001,689,915	-	-	7,858,067,652
Bank overdrafts	75,936,639	-	-	-	-	75,936,639
Total	3,723,436,197	5,195,564,110	4,347,727,199	4,603,741,225	-	17,870,468,731

As at 31st March 2024 in Rs.	Not later than 1 Month	Later than 1 Month Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Long term loans	879,725,669	1,545,469,459	1,861,573,524	4,554,984,116	-	8,841,752,768
Leases Liabilities	526,659	1,053,319	4,739,933	4,426,998	-	10,746,909
Trade and other payables	214,064,373	11,358,869	1,417,234,815	-	-	1,642,658,057
Short term loans	982,570,623	2,862,506,510	1,419,951,891	-	-	5,265,029,024
Bank overdrafts	-	-	-	-	-	-
Total	2,076,887,324	4,420,388,157	4,703,500,163	4,559,411,115	-	15,760,186,759

c) Market Risk

Market risk is the risk that changes in market prices will affect LAUGFS income or the value of its holdings of financial instruments. We are exposed to market risk through financial instruments affected by market risk include loans and borrowing, deposits, financial assets designated at fair value through OCI, financial assets at fair value through profit or loss and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk, we have established a Group Treasury Policy of which the objective is to reduce the volatility relating to these exposures.

Market prices comprise four types of risk:

- Interest Rate Risk,
- Currency Risk (FOREX Risk)
- Commodity Price Risk
- Other Price Risk, Such As Equity Price Risk

The sensitivity analyses in the following sections relate to the position as at 31 March 2025 and 2024.

Interest Rate Risk

Risk arises from movements in interest rates which could affect the Group financial result or the value of Group equity. The Group's exposure to the risk of changes in market interest rates relating primarily to the Group's long term debt obligations with floating interest rates. In addition, they may affect the market value of certain financial assets, liabilities and hedging instruments. The primary objective of the Group's interest rate management is to protect the net interest result.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax.

Increase/(Decrease) in Interest Rate Effect on Statement of Profit or Loss	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
+1%	332,042,946	311,612,636	148,870,905	141,173,950
-1%	(332,042,946)	(311,612,636)	(148,870,905)	(141,173,950)

Foreign Exchange Risk

The Group's operations span multiple regions, making it susceptible to foreign currency fluctuations, which can impact its financial results and equity valuation. Exchange rate fluctuations may cause variations in the local currency amounts paid or received for transactions denominated in foreign currencies, and after consolidation into Group Financial Statements, the foreign currency-denominated financial statements of foreign subsidiaries may differ.

To address foreign currency risk, the Group Treasury Division analyses the foreign exchange market conditions and shares market updates with the Finance Divisions of each subsidiary company. This division also aids in reducing the Group's exposure to foreign currency risk through positive bank negotiations and makes decisions regarding holding, selling, or making forward bookings of foreign currency based on prevailing market conditions.

Below is a table illustrating the sensitivity of the Group's profit before tax to a reasonably possible change in the USD/LKR exchange rate, assuming all other variables remain constant.

Increase/(Decrease) in Exchange Rate Effect on Statement of Profit or Loss	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
+1%	1,102,943	1,461,582	2,351,664	2,618,000
-1%	(1,102,943)	(1,461,582)	(2,351,664)	(2,618,000)

Foreign Exchange Risk

The principal exchange rates used for translation purposes were:

	Average		Closing spot rate As at 31 March	
	2025	2024	2025	2024
United States Dollar (USD)	297.89	323.91	296.35	305.33

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Equity Price Risk

The Group's quoted and non-quoted investments are prone to market price risk arising from uncertainties about future values of the investment securities. The key objective of managing the equity price risk is to safeguard its ability to continue as a going concern and maximise the wealth of the shareholders and benefits for other stakeholders. The investments on non-quoted shares of subsidiary companies are made after required analysis of the respective company's financial position, performance and growth potentials. The Group Treasury Division measures the fair value of the quoted and non-quoted equity security investments regularly.

The Group manages the equity price risk through diversification and the management reviews and prior approval for all equity investment decisions. Material investments within the portfolio are managed individually and all buy and sell decisions are approved by the Board. Equity price risk is not material to the financial statements under the year purview.

Commodity Price Risk

The commodity price risk is that a change in the price of a production input will adversely impact the profit margins of the Group. The factors that can affect commodity prices include political and regulatory changes, seasonal variations, and technology and market conditions.

LAUGFS Gas PLC is significantly exposed to commodity price risk, particularly relating to the global price volatility of Liquefied Petroleum Gas (LPG), which constitutes the Company's primary input material. LPG prices are influenced by a variety of external factors beyond the Company's control, including crude oil price movements, geopolitical developments, supply-demand dynamics, freight and logistics costs, and foreign exchange fluctuations. LAUGFS Gas PLC manages commodity price risk primarily through its pricing formula agreed with the Consumer Affairs Authority (CAA), which allows recovery of the total landed cost plus a reasonable profit margin. The Company's pricing committee actively monitors global LPG trends and adjusts selling prices where possible, supporting a dynamic pricing strategy that helps mitigate the impact of volatility on profitability.

While LPG price fluctuations have historically pressured margins and cash flows, the reclassification of LPG as a non-essential item has enabled the use of an internally developed, transparent pricing model. This model improves the ability to transfer global price changes to the local market in a fair and timely manner.

Despite these measures, LPG remains a globally traded commodity, and price volatility continues to pose a risk to earnings. As such, LAUGFS remains focused on enhancing procurement efficiency, cost controls, and pricing flexibility to manage this exposure effectively.

Capital Management

Company's capital includes ordinary shares. The intention of the Board of Directors is to maintain an optimum capital structure while minimising cost of financing and safeguarding key stakeholders' interest by looking at the position in the life cycle of the respective business units. The Group is evaluating options on a long term basis at the moment on capital management. The Group and Company have made progress in managing their capital structures, maintaining a balance between debt and equity remains crucial for long-term sustainability and growth. Continued vigilance, strategic planning, and flexibility in capital management is imperative to navigate evolving market dynamics and safeguard stakeholders' interests effectively.

The Board of Directors reviews the capital structure of the companies of the Group on periodic basis. The Group monitors capital using a gearing ratio, which is debt divided by total capital plus debt.

	Group		Company	
	2025	2024	2025	2024
Debt/Equity	92%	90%	42%	41%

FIVE YEAR SUMMARY

For the year ended 31 March	2021 Rs.	2022 Rs.	2023 Rs.	2024 Rs.	2025 Rs.
Summary of Operations					
Revenue	35,533,768,139	24,023,408,169	22,526,749,864	31,199,516,961	44,187,406,312
Gross Profit/ (Loss)	3,734,582,466	(952,358,801)	6,429,555,348	4,505,814,495	2,723,052,830
Earnings Before Interest Tax, Depreciation and Amortisation	3,010,744,768	(556,361)	(6,759,486)	5,096,157,658	2,617,604,436
Depreciation and Amortisation	(1,690,550,131)	(1,769,539,700)	(2,354,764,558)	(1,867,703,758)	(1,844,804,605)
Profit Before Finance Cost	1,320,194,638	(1,917,265,533)	4,835,196,501	3,228,453,900	772,799,831
Profit/(Loss) Before Tax	(914,726,326)	(4,119,070,070)	(884,100,198)	(777,129,222)	(1,639,556,964)
Income Tax Expense	256,440,066	498,073,706	(316,614,638)	(181,629,483)	(883,979,263)
Profit/ (Loss) for the Year from Continuing Operations	(658,286,260)	(3,620,996,364)	(1,200,714,836)	(958,758,705)	(2,523,536,227)
Profit/(Loss) after Tax for the Year from Discontinued Operations	-	(361,476,582)	3,439,245,039	-	-
Attributable To:					
Equity Holders	(685,532,741)	(4,077,068,060)	2,221,678,891	(975,640,199)	(2,539,421,335)
Non-Controlling Interests	27,246,481	94,595,113	16,851,312	16,881,495	15,885,108
	(658,286,260)	(3,982,472,947)	2,238,530,203	(958,758,705)	(2,523,536,227)
	2021 Rs.	2022 Rs.	2023 Rs.	2024 Rs.	2025 Rs.
Summary of Financial position					
Capital and Reserves					
Stated Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Fair Value Reserve of Financial Assets at FVTOCI	(22,730,041)	(21,818,226)	(21,131,814)	(21,475,020)	(15,526,116)
Revaluation Reserve	804,478,813	7,474,518,723	5,608,274,942	4,955,079,294	6,175,065,552
Foreign Currency Translation Reserve	1,477,139,274	4,293,985,190	462,171,198	526,580,625	392,680,842
Accumulated Losses	(3,191,949,404)	(7,131,204,812)	(3,184,739,737)	(3,524,140,741)	(5,403,983,892)
	66,938,641	5,615,480,877	3,864,574,589	2,936,044,158	2,148,236,386
Non-Controlling Interests	478,698,502	573,611,713	590,450,806	607,292,513	623,581,531
Total Equity	545,637,143	6,189,092,590	4,455,025,395	3,543,336,671	2,771,817,917
Assets and Liabilities					
Current Assets	8,175,501,661	6,540,287,923	6,003,268,148	8,389,590,770	11,797,536,784
Current Liabilities	23,825,308,918	30,572,403,622	21,862,801,380	22,840,264,273	29,252,856,786
Net Current Assets	(15,649,807,257)	(24,032,115,699)	(15,859,533,232)	(14,450,673,503)	(17,455,320,002)
Property Plant & Equipment, Right of Use Assets and Investments Properties	30,971,717,795	46,787,272,034	39,666,704,900	36,488,970,284	37,914,983,188
Other Non Current Assets	10,457,786	18,494,990	19,181,402	18,838,196	24,787,100
Intangible Assets	2,888,470,574	4,356,540,849	14,521,639	10,059,009	9,316,506
Non Current Liabilities	17,675,201,757	20,941,099,583	19,385,849,313	18,523,857,315	17,721,948,875
Net Assets	545,637,143	6,189,092,590	4,455,025,395	3,543,336,671	2,771,817,917

FIVE YEAR SUMMARY

	2021 Rs.	2022 Rs.	2023 Rs.	2024 Rs.	2025 Rs.
Summary of Cash Flows					
Net Operating Cash Flows From/(used in) Operating Activities	1,206,579,373	(1,319,198,474)	(1,406,105,644)	537,090,593	394,855,883
Net Cash Flows From/(Used in) Investing Activities	(1,119,156,987)	(193,668,645)	8,209,424,338	(280,264,727)	(909,888,703)
Net Cash Flows From/(Used in) Financing Activities	(162,135,177)	1,346,557,760	(6,393,502,269)	(1,100,887,035)	2,689,528,582
	2021 Rs.	2022 Rs.	2023 Rs.	2024 Rs.	2025 Rs.
Financial Ratio					
GP Margin	11%	-4%	29%	14%	6%
EBITDA Margin	8%	-2%	30%	16%	6%
NP Margin	-2%	-17%	10%	-3%	-6%
Earnings per Share (Rs.)	(1.77)	(10.54)	5.74	(2.52)	(6.56)
Current Ratio (Times)	0.34	0.21	0.27	0.37	0.40

REAL ESTATE PORTFOLIO

As at 31 March 2025	Land in acres		Building in (Sq.Ft)		No.of Building in	Market Value
Owning company and location	Freehold	Leasehold	Free Hold	Leasehold	each location	Rs.'000

Properties in Colombo

LAUGFS Gas PLC

No 112A, Kumarathunga Munidasa Mawatha, Colombo 03	0.24	-	-	-	-	624,000
No 02, Havelock Place, Colombo 05	0.22	-	7,713	-	1	596,000

LAUGFS Property Developers (Pvt) Ltd

No 101, Maya Avenue, Colombo 06	0.30	-	87,307	-	1	2,717,000
No. 69/2, Maya Avenue, Colombo 06	0.13	-	-	-	-	161,000

Properties outside Colombo

LAUGFS Gas PLC

Biyagama Road, Mabima	32	-	39,100	-	10	1,330,000
Biyagama Road, Mabima	1.02	-	-	-	-	90,000
Matara Road, Galupiyadda, Galle	0.18	-	680	-	1	95,000
Katuwawala, Borelasgamuwa		0.40	9,813		1	840

LAUGFS Terminals Ltd

Hambantota international port, Hambantota	-	10	14,600	-	17	1,504,000
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SHARE INFORMATION

LAUGFS GAS PLC (VOTING)

TWENTY MAJOR SHAREHOLDERS OF THE COMPANY – (VOTING)

		31st March 2025		31st March 2024	
		No. of shares	(%)	No. of Shares	(%)
1	LAUGFS HOLDINGS LTD	247,980,050	74.024	247,980,050	74.024
2	EMPLOYEE'S PROVIDENT FUND	57,897,800	17.283	57,897,800	17.283
3	HATTON NATIONAL BANK PLC/ALMAS HOLDINGS (PRIVATE) LIMITED	9,204,312	2.748	9,123,613	2.723
4	HATTON NATIONAL BANK PLC/ALMAS CAPITAL (PRIVATE) LIMITED	2,949,574	0.880	2,786,658	0.832
5	SEYLAN BANK PLC/KARAGODA LOKU GAMAGE UDAYANANDA	1,609,692	0.481	1,846,795	0.551
6	MR. W.K.H. WEGAPITIYA	1,549,416	0.463	1,549,416	0.463
7	PEOPLE S LEASING AND FINANCE PLC/ALMAS HOLDINGS (PRIVATE) LIMITED	1,343,102	0.401	-	-
8	MR. U.K.T.N. DE SILVA	1,077,897	0.322	1,077,897	0.322
9	MR. G.Y.N. MAHINKANDA	661,024	0.197	661,024	0.197
10	MRS. R.M. SOMAWATHI	506,935	0.151	514,911	0.154
11	MRS. F.R. BUHARDEEN	505,599	0.151	346,334	0.103
12	MR. H.D.M.P. SIRIWARDENA	329,628	0.098	370,343	0.111
13	MR. R.S. INGRAM	291,300	0.087	228,201	0.068
14	MR. C.N. RAJAHMONEY	212,483	0.063	212,483	0.063
15	PEOPLE S LEASING AND FINANCE PLC/L.P.HAPANGAMA	203,999	0.061	203,999	0.061
16	MRS. C.N.G. NARAYANA	162,300	0.048	162,300	0.048
17	PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA	154,811	0.046	154,811	0.046
18	SEA CONSORTIUM LANKA (PRIVATE) LIMITED	139,400	0.042	139,400	0.042
19	PEOPLE'S LEASING & FINANCE PLC/L.H.L.M.P.HARADASA	136,650	0.041	136,650	0.041
20	COMMERCIAL BANK OF CEYLON PLC./ M R H GALAPPATTI	126,714	0.038	126,714	0.038
		327,042,686	97.625	325,519,399	97.170
	OTHERS	7,957,400	2.375	9,480,687	2.830
	TOTAL	335,000,086	100	335,000,086	100

LAUGFS GAS PLC (VOTING) (CONTD.)

SHARE DISTRIBUTION

SHARE HOLDING AS AT 31ST MARCH 2025

From	To	No. of Holders	No. of Shares	%
1	- 1,000	6,557	2,123,657	0.63
1,001	- 10,000	962	2,885,644	0.86
10,001	- 100,000	100	2,592,804	0.77
100,001	- 1,000,000	15	3,786,224	1.13
	Over 1,000,000	8	323,611,757	96.60
Grand Total		7,642	335,000,086	100

CATEGORIES OF SHAREHOLDERS

		Count of Resident	Sum of Share Holding	%
Non Resident	Individuals	33	663,627	0.20
Non Resident	Institutions	2	69,921	0.02
Non Resident Total		35	733,548	0.22
Resident	Individuals	7,486	11,529,824	3.44
Resident	Institutions	121	322,736,714	96.34
Resident Total		7,607	334,266,538	99.78
Grand Total		7,642	335,000,086	100

DIRECTORS' AND CEO'S SHAREHOLDING AS AT 31ST MARCH 2025 - (VOTING)

	No. of Shares	%
1 Mr. W K H Wegapitiya	1,549,416	0.463
2 Mr. U K T N De Silva	1,077,897	0.322
3 Mr. S P P Amaratunge	Nil	Nil
4 Mr. K R Goonesinghe	Nil	Nil
5 Mr. P M B Fernando	100	0.00
6 Mr. R Selvaskandan	Nil	Nil
7 Mr. P Kudabalage – Group CEO (resigned w.e.f. 28th May 2025)	Nil	Nil
8 Mr. W N J Pieries – CEO	Nil	Nil
9 Mr. P N Kurukulasooriya – CEO	Nil	Nil

SHARE INFORMATION

LAUGFS GAS PLC (VOTING) (CONTD.)

SHARE PRICES FOR THE YEAR

Market price per share

	As at 31.03.2025	Date	As at 31.03.2024	Date
1 Highest during the year	Rs. 39.50	09.05.2024	Rs. 39.90	11.08.2023
2 Lowest during the year	Rs. 25.10	18.03.2025	Rs. 20.00	23.05.2023
3 As at end of year	Rs. 28.70	28.03.2025	Rs. 34.50	28.03.2024

	As at 31.03.2025	As at 31.03.2024
Number of Transactions during the year	3,248	3,833
Number of Shares Traded during the year	1,610,748	6,213,296
Value of Shares Traded during the year	Rs. 53,594,272	Rs. 213,462,915

PUBLIC HOLDING

- Public Holding percentage - **25.19%**
- Number of shareholders representing the above percentage - **7,634**
- The Float adjusted Market Capitalisation - **Rs. 2,422,030,970.10**

The Float adjusted market capitalisation of the Company falls under Option 4 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

LAUGFS GAS PLC (NON VOTING)

TWENTY MAJOR SHAREHOLDERS OF THE COMPANY – (NON VOTING)

		31st March 2025		31st March 2024	
		No. of shares	(%)	No. of Shares	(%)
1	EMPLOYEE'S PROVIDENT FUND	18,041,300	34.695	18,041,300	34.695
2	HATTON NATIONAL BANK PLC/ALMAS HOLDINGS (PRIVATE) LIMITED	12,336,980	23.725	11,992,849	23.063
3	HATTON NATIONAL BANK PLC/ALMAS CAPITAL (PRIVATE) LIMITED	6,557,404	12.610	6,291,119	12.098
4	PEOPLE S LEASING AND FINANCE PLC/ALMAS HOLDINGS (PRIVATE) LIMITED	1,954,887	3.759	-	-
5	BANK OF CEYLON NO. 1 ACCOUNT	1,683,646	3.238	1,683,646	3.238
6	MR. A.M. WEERASINGHE	1,000,000	1.923	1,000,000	1.923
7	J.B. COCOSHELL (PVT) LTD	715,434	1.376	715,434	1.376
8	MRS. F.R. BUHARDEEN	461,299	0.887	38,464	0.074
9	MRS. C.N.G. NARAYANA	378,800	0.728	378,800	0.728
10	MRS. S.D. AMARASINGHE	372,400	0.716	372,400	0.716
11	NARATHA VENTURES PRIVATE LIMITED	308,000	0.592	308,000	0.592
12	MR. M.I. BUHARDEEN	258,356	0.497	250,806	0.482
13	MR. M.H.M. FAWSAN	180,000	0.346	250,000	0.481
14	MR. W.L.W. FERNANDO	159,721	0.307	159,721	0.307
15	MR. S.G.H.I. JAFFERJEE	153,236	0.295	153,236	0.295
16	MRS. N. MULJIE	139,217	0.268	139,217	0.268
17	DR. P. ALUTHGE	125,000	0.240	125,000	0.240
18	MR. M.D.S. GOONATILLEKE	114,280	0.220	-	-
19	MR. S.K.T. MUNASINGHE	111,089	0.214	103,341	0.199
20	MR. P.P. SUBASINGHE	100,390	0.193	50,390	0.097
		45,151,439	86.829	42,053,723	80.872
	OTHERS	6,848,561	13.171	9,946,277	19.128
	TOTAL	52,000,000	100	52,000,000	100

SHARE INFORMATION

LAUGFS GAS PLC (NON VOTING) (CONTD.)

SHARE DISTRIBUTION

SHARE HOLDING AS AT 31ST MARCH 2025

From	To	No. of Holders	No. of Shares	%
1	- 1,000	4,846	1,538,349	2.96
1,001	- 10,000	873	2,494,532	4.80
10,001	- 100,000	109	2,815,680	5.41
100,001	- 1,000,000	15	4,577,222	8.80
	Over 1,000,000	5	40,574,217	78.03
Grand Total		5,848	52,000,000	100

CATEGORIES OF SHAREHOLDERS

		Count of Resident	Sum of Share Holding	%
Non Resident	Individuals	19	735,365	1.41
Non Resident	Institutions	1	50,000	0.10
Non Resident Total		20	785,365	1.51
Resident	Individuals	5,726	8,935,854	17.18
Resident	Institutions	102	42,278,781	81.31
Resident Total		5,828	51,214,635	98.49
Grand Total		5,848	52,000,000	100

DIRECTORS' AND CEO'S SHAREHOLDING AS AT 31ST MARCH 2025 - (NON VOTING)

	No. of Shares	%
1 Mr W K H Wegapitiya	Nil	Nil
2 Mr U K T N De Silva	Nil	Nil
3 Mr. S P P Amaratunge	Nil	Nil
4 Mr. K R Goonesinghe	Nil	Nil
5 Mr. P M B Fernando	Nil	Nil
6 Mr. R Selvaskandan	Nil	Nil
7 Mr. P Kudabalage – Group CEO (resigned w.e.f. 28th May 2025)	Nil	Nil
8 Mr. W N J Pieries – CEO	Nil	Nil
9 Mr. P N Kurukulasooriya - CEO	Nil	Nil

LAUGFS GAS PLC (NON VOTING) (CONTD.)

SHARE PRICES FOR THE YEAR

Market price per share

	As at 31.03.2025	Date	As at 31.03.2024	Date
1 Highest during the year	Rs. 26.00	25.04.2024	Rs. 26.80	06.02.2024
2 Lowest during the year	Rs. 17.00	18.03.2025	Rs. 15.70	26.06.2023
3 As at end of year	Rs. 19.00	26.03.2025	Rs. 24.90	28.03.2024
	As at 31.03.2025		As at 31.03.2024	
Number of Transactions during the year	3,734		3,296	
Number of Shares Traded during the year	3,349,771		8,805,947	
Value of Shares Traded during the year	Rs. 67,017,974		Rs. 183,547,910	

PUBLIC HOLDING

- Public Holding percentage - **100%**
- Number of shareholders representing the above percentage - **5,848**

VALUE ADDED STATEMENT

GRI 201-1

For the Year ended 31 March	2025		2024	
	Rs. '000	%	Rs. '000	%
Revenue	44,187,406		31,199,517	
Other Income	350,794		302,261	
	44,538,200		31,501,778	
Cost of Material & Services Provided	(40,562,656)		(25,014,147)	
Value addition	3,975,544	100	6,487,630	100
Distribution of Value Addition				
To Employees				
Salaries & Other Benefits	1,357,939	34	1,391,473	21
To Providers of Funds				
Dividend Paid	-	-	-	-
Interest Cost	2,412,357	61	4,005,583	62
To Government				
As Taxes & Levies	883,979	22	181,629	3
	4,654,276	117	5,578,685	86
To Expansion & Growth				
Depreciation and Amortisation	1,844,805	46	1,867,704	29
Profit After Dividend	(2,523,536)	(63)	(958,759)	(15)
	(678,732)	(17)	908,945	14
	3,975,544	100	6,487,630	100

OUR REACH

LAUGFS GAS

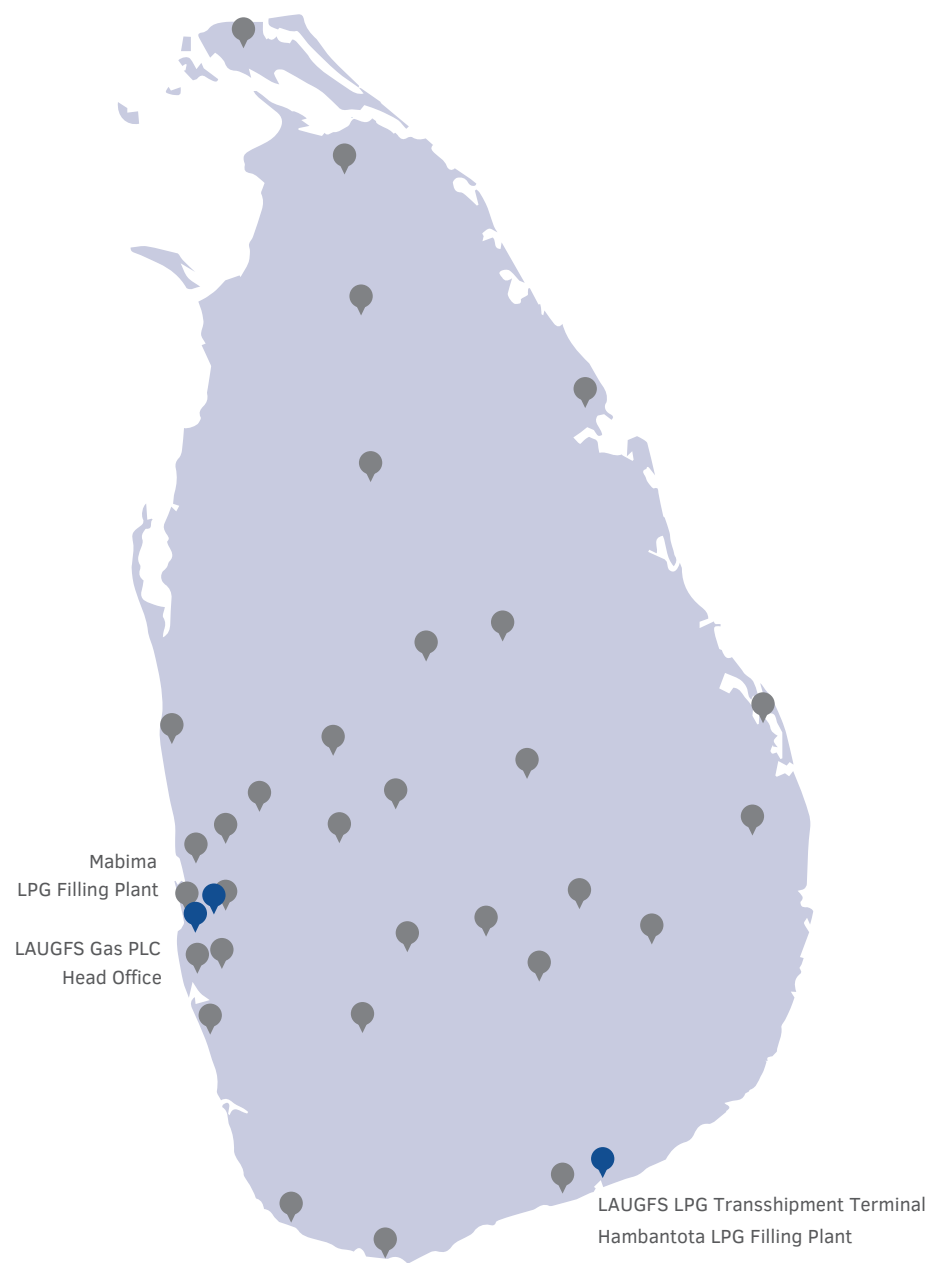
LPG Filling Plants:

Mabima and Hambantota

Distributor Network:

- 1 Kaluthara
- 2 Anuradhapura
- 3 Polonnaruwa
- 4 Galle
- 5 Watareka
- 6 Mawanella
- 7 Madampe
- 8 Akkaraipattu
- 9 Matara
- 10 Thissamaharama
- 11 Vavuniya
- 12 Gampaha
- 13 Trincomalee
- 14 Jaffna
- 15 Dambulla
- 16 Manikhinna
- 17 Siyambalape
- 18 Kurunegala
- 19 Batticaloa
- 20 Badulla
- 21 Monaragala
- 22 Boralesgamuwa
- 23 Negombo
- 24 Nawagamuwa
- 25 Rathnapura
- 26 Kilinochchi
- 27 Kiribathkumbura
- 28 Nuwaraeliya
- 29 Mahiyanganaya
- 30 Kotagala

With a sharp focus in mind, we have strived to expand our coverage, as coverage gives us the edge over our competition...



NOTICE OF MEETING

Notice is hereby given that the 15th Annual General Meeting of the Company will be held by way of electronic means on 10th September 2025 at 10.00 a.m. centered at the LAUGFS Head Office building located at No. 101, Maya Avenue, Colombo 06, Sri Lanka, for the following business:

1. To receive and consider the Annual Report and Financial Statements for the financial year ended 31st March 2025 with the Report of the Auditors thereon.
2. To re-elect Prof. S.P.P. Amarathunga who retires by rotation, in terms of Article 81 of the Articles of Association, as a Director of the Company.
3. To re-elect Mr. R. Selvaskandan who retires by rotation, in terms of Article 81 of the Articles of Association, as a Director of the Company.
4. To re-appoint as a Director, Mr. U.K. Thilak De Silva who is 70 years of age and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007.

Notice is hereby given that the undernoted Ordinary Resolution in relation to Mr. U.K Thilak De Silva's re-appointment to be passed in compliance with Section 211 of the Companies Act No. 07 of 2007.

"RESOLVED THAT Mr. U.K. Thilak De Silva who is 70 years of age be and is hereby re-appointed as a Director of the Company and it is hereby declared as provided for in Section 211 of the Companies Act No. 07 of 2007, that the age limit of 70 years referred to in Section 210 of the said Companies Act shall not apply to the said Mr. U.K.Thilak De Silva"

5. To re-appoint as a Director, Dr. R.P.Edirisinghe who was appointed during the year in terms of Article 88 of the Articles of Association of the Company.

6. To authorise the Directors to determine and make donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.
7. To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorise the Directors to determine their remuneration.

By Order of the Board

LAUGFS GAS PLC



Corporate Advisory Services (Pvt) Ltd

Company Secretaries

21st July 2025

Notes:

Below mentioned documents can be now downloaded via the corporate website <https://www.laugfs.lk> and the CSE website visit <https://www.cse.lk> and click on the announcements tab.

- a. Notice of Meeting
- b. Circular to shareholders
- c. Form of Proxy
- d. Guideline and Registration Process to join the AGM virtually
- e. Registration Form for the AGM
- f. Request Form for the printed copy of the Annual Report

- A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy which can be downloaded as above
- Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
- A proxy need not be a shareholder of the Company.
- For more information on how to participate by virtual means in the above virtual meeting, please refer Registration Process which can be downloaded as above.

FORM OF PROXY - VOTING

*I/We holder of NIC No.
 of being a *Shareholder /Shareholders of LAUGFS Gas PLC, do hereby appoint
 holder of NIC No.
 of or failing him/her

Mr. W. K. H. Wegapitiya of Colombo or failing him
 Mr. U. K. Thilak De Silva of Colombo or failing him
 Prof. S. P. P. Amaratunge of Colombo or failing him
 Dr. R. P. Edirisinghe of Colombo or failing him
 Mr. R. Selvaskandan of Colombo or failing him
 Mr. P. M. B. Fernando of Colombo or failing him
 Mr K. R. Goonesinghe of Colombo

as *my/our proxy to represent me/us to speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 10th September 2025 at 10.00 a.m. and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and consider the Annual Report and Financial Statements for the financial year ended 31st March 2025 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Prof. S.P.P. Amaratunga who retires by rotation, in terms of Article 81 of the Articles of Association, as a Directors of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. R. Selvaskandan who retires by rotation, in terms of Article 81 of the Articles of Association, as a Directors of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint as a Director, Mr. U.K. Thilak De Silva who is 70 years of age and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
Notice is hereby given that the undernoted Ordinary Resolution in relation to Mr. U.K Thilak De Silva's re-appointment to be passed in compliance with Section 211 of the Companies Act No. 07 of 2007. "RESOLVED THAT Mr. U.K. Thilak De Silva who is 70 years of age be and is hereby re-appointed as a Director of the Company and it is hereby declared as provided for in Section 211 of the Companies Act No. 07 of 2007, that the age limit of 70 years referred to in Section 210 of the said Companies Act shall not apply to the said Mr. U.K.Thilak De Silva"		
5. To re-appoint as a Director, Dr. R.P. Edirisinghe who was appointed during the year in terms of Article 88 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the Directors to determine and make donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Twenty Five.

.....
 Signature

- 1) *Please delete the inappropriate words.
- 2) Instructions as to completion are noted on the reverse thereof.

FORM OF PROXY - VOTING

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an Attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).
3. For voting share, please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.
4. To be valid, the completed Form of Proxy must be deposited with the Company Registrars, Central Depository Systems (Private) Limited, # Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya, Sri Lanka or must be emailed to agm_egm_registrars@cse.lk by 48 hours before the AGM.

FORM OF PROXY - NON-VOTING

*I/We holder of NIC No.
of being a *Shareholder /Shareholders of LAUGFS Gas PLC, do hereby appoint
..... holder of NIC No.
of or failing him/her

- | | |
|---------------------------|---------------------------|
| Mr. W. K. H. Wegapitiya | of Colombo or failing him |
| Mr. U. K. Thilak De Silva | of Colombo or failing him |
| Prof. S. P. P. Amaratunge | of Colombo or failing him |
| Dr. R. P. Edirisinghe | of Colombo or failing him |
| Mr. R. Selvaskandan | of Colombo or failing him |
| Mr. P. M. B. Fernando | of Colombo or failing him |
| Mr K. R. Goonesinghe | of Colombo |

as *my/our proxy to represent me/us at the Annual General Meeting of the Company to be held on 10th September 2025 at 10.00 a.m and any adjournment thereof and at every poll which may be taken in consequence thereof.

Signed this day of Two Thousand and Twenty Five.

.....
Signature

- 1) *Please delete the inappropriate words.
- 2) Instructions as to completion are noted on the reverse thereof.

FORM OF PROXY - NON-VOTING

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an Attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).
3. To be valid, the completed Form of Proxy must be deposited with the Company Registrars, Central Depository Systems (Private) Limited, # Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya, Sri Lanka or must be emailed to agm_egm_registrars@cse.lk by 48 hours before the AGM.

CORPORATE INFORMATION

NAME OF THE COMPANY

LAUGFS Gas PLC (A Subsidiary of LAUGFS Holdings Limited)

COMPANY REGISTRATION NO

PV - 8330 PB/PQ

LEGAL FORM

A Limited Liability Company listed in the Colombo Stock Exchange.

SUBSIDIARIES

LAUGFS Maritime Services (Pvt) Ltd.

LAUGFS Property Developers (Pvt) Ltd.

LAUGFS Terminals Ltd.

SLOGAL Energy DMCC - Dubai

PRINCIPAL ACTIVITIES & NATURE OF OPERATIONS

LAUGFS Gas PLC

Downstream Business of Liquefied Petroleum Gas & other related Products & Services.

LAUGFS Maritime Services (Pvt) Ltd

Shipping operations

LAUGFS Property Developers (Pvt) Ltd

Holding Company of the Head Office building

LAUGFS Terminals Ltd

Provider of LPG storage and transshipment facilities

SLOGAL Energy DMCC

Trading of Liquefied Petroleum Gas and other Petroleum Products

PARENT ENTERPRISE

The Company's holding Company and controlling entity is LAUGFS Holdings Limited, which is incorporated and domiciled in Sri Lanka.

BOARD OF DIRECTORS

Mr. W. K. H. Wegapitiya
(Group Chairman)

Mr. U. K. Thilak De Silva
(Group Deputy Chairman)

Mr. R. P. Edirisinghe
(Group Managing Director / GCEO)

Prof. S. P. P. Amaratunge

Mr. R. Selvaskandan

Mr. P. M. B. Fernando

Mr K. R. Goonesinghe

BANKERS

Bank of Ceylon

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Hatton National Bank PLC

Hongkong and
Shanghai Banking Corporation

MCB Bank Limited

National Development Bank PLC

Nations Trust Bank PLC

Pan Asia Banking Corporation PLC

People's Bank

Sampath Bank PLC

Seylan Bank PLC

Standard Chartered Bank

Union Bank of Colombo PLC

AUDITORS

Ernst & Young (Chartered Accountants)
Rotunda Towers, No. 109, Galle Road,
Colombo 03, Sri Lanka.

SECRETARIES

Corporate Advisory Services (Pvt) Ltd
47, Alexandra Place,
Colombo 07,
Sri Lanka.

REGISTRARS

Central Depository Systems (Private) Limited
Ground Floor, M & M Center, 341/5,
Kotte Road, Rajagiriya.
Sri Lanka

REGISTERED OFFICE

101, Maya Avenue,
Colombo 06, Sri Lanka.
Telephone: (011) 55 66 222
Fax: (011) 55 77 824

CORPORATE WEBSITE

www.LAUGFSgas.lk

SENIOR LEGAL OFFICER

Laugfs Gas PLC
101, Maya Avenue,
Colombo 06.
Telephone: (011) 55 68 257



LAUGFS Gas PLC

101, Maya Avenue,
Colombo 06, Sri Lanka.
Telephone: (011) 55 66 222
Fax: (011) 55 77 824