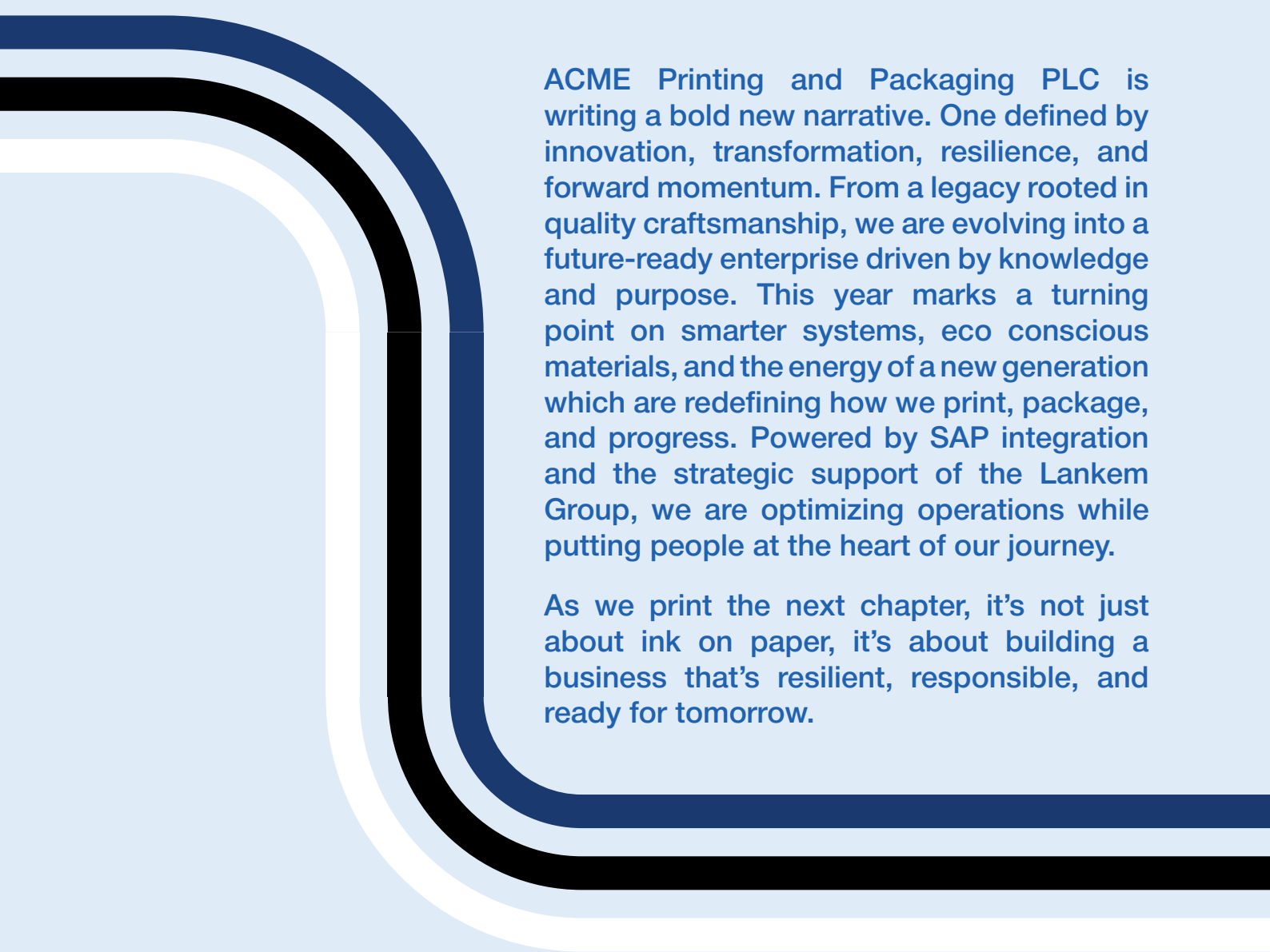


continued momentum

ACME PRINTING AND PACKAGING PLC
ANNUAL REPORT 2024 | 2025

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continued
momentum



ACME Printing and Packaging PLC is writing a bold new narrative. One defined by innovation, transformation, resilience, and forward momentum. From a legacy rooted in quality craftsmanship, we are evolving into a future-ready enterprise driven by knowledge and purpose. This year marks a turning point on smarter systems, eco conscious materials, and the energy of a new generation which are redefining how we print, package, and progress. Powered by SAP integration and the strategic support of the Lankem Group, we are optimizing operations while putting people at the heart of our journey.

As we print the next chapter, it's not just about ink on paper, it's about building a business that's resilient, responsible, and ready for tomorrow.

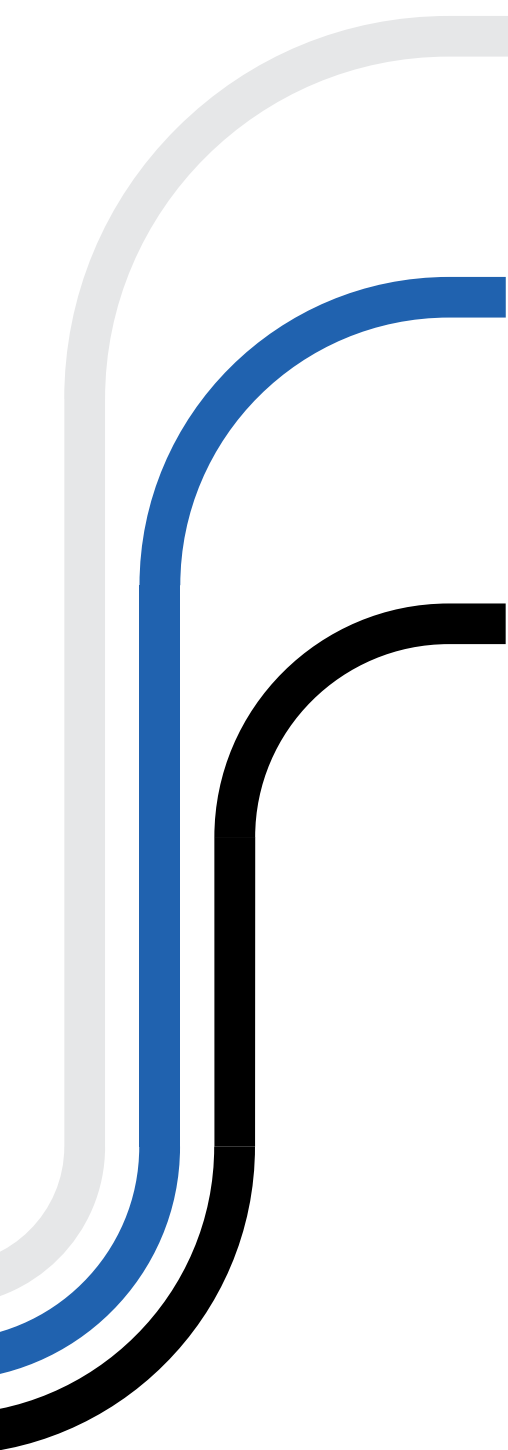


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We are a public quoted company and the leading flexible packaging manufacturer in Sri Lanka, providing quality flexible packaging solutions for a period spanning nearly 75 years. Our continuous efforts to enhance our standards have resulted in the Company achieving the ISO certification since year 2000 and today we are an ISO: 9001-2015, ISO: 22000-2018, FSMS, Q.M.S and FSSC-22000 Version 5.1 certified Company.






vision

To be the preferred dynamic provider of flexible packaging solutions.



mission

To become the major supplier of packaging material in Sri Lanka and be the leader of our chosen business through continuous search for Excellence.



CORPORATE INFORMATION

NAME OF THE COMPANY

ACME Printing and Packaging PLC

LEGAL FORM

A Public Quoted Company with limited liability incorporated Under the provisions of Company Act No. 7 of 2007.

SUBSIDIARY COMPANY

ACME Packaging Solutions (Private) Limited A Fully owned Subsidiary Company with limited liability incorporated Under the provisions of Companies Act No. 7 of 2007.

DIRECTORS

1. A. Hettiarachchy
2. H. K. P. Jayasuriya
3. S. D. R. Arudpragasam
4. A. Rajaratnam
5. P. S. Goonewardene
6. A. I. Piyadigama
7. K. G. PUNCHIHewa

REGISTERED OFFICE

#98, Sangaraja Mawatha,
Colombo 10.
Tel : +94 11 556 6000
Fax : +94 11 280 7480
E-mail : info@acmelk.com
Web : www.acmelk.com

FACTORIES

Factory & Office - Piliyandala

#318, Gonamaditta Road,
Piliyandala, Sri Lanka.
Tel : +94 11 4368468,
: +94 11 4641818
E-mail : info@acmelk.com

Factory & Office - Pannala (Subsidiary)

Katugampola Industrial Estate (West)
Makandura, Gonawila, Sri Lanka
Tel : +94 31 2298201-2,
E-mail : solutions@acmelk.com

SECRETARIES

S S P Corporate Services (Private) Limited
101, Inner Flower Road,
Colombo 03.

EXTERNAL AUDITORS

KPMG Sri Lanka,
Chartered Accountants,
P. O. Box 186,
Colombo 03.

BANKERS

1. National Development Bank PLC
2. Hatton National Bank PLC
3. Sampath Bank PLC
4. Seylan Bank PLC
5. Nations Trust Bank PLC
6. People's Bank
7. Commercial Bank of Ceylon PLC
8. Amana Bank PLC
9. DFCC Bank PLC

NOTICE OF MEETING

ACME PRINTING AND PACKAGING PLC

Notice is hereby given that the Seventy Sixth Annual General Meeting of ACME Printing and Packaging PLC will be held on 9th September 2025, at 10:00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01 for the purpose of transacting the following items of business:

AGENDA

1. To receive and consider the Audited Financial Statements for the year ended 31st March 2025 together with the Annual Report of the Board of Directors and of the Auditors thereon.
2. To re-elect as a Director Mr. K.G. Punchihewa, who retires in terms of Article 91 of the Articles of Association as recommended by the Board of Directors.
3. To re-elect as a Director Mr. A.I. Piyadigama, who retires in terms of Article 91 of the Articles of Association as recommended by the Board of Directors.
4. To re-elect as a Director Mr. A. Rajaratnam, who retires by rotation in terms of Article 84 and 85 of the Articles of Association as recommended by the Board of Directors.
5. To consider and if thought fit to pass the following Ordinary Resolution pertaining to the re-appointment of Mr. A. Hettiarachchy, as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No.7 of 2007; and whose reappointment is recommended by the Board of Directors
6. To consider and if thought fit to pass the following Ordinary Resolution pertaining to the re-appointment of Mr. S.D.R. Arudpragasam, as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No.7 of 2007; and whose reappointment is recommended by the Board of Directors

Ordinary Resolution

"That the age limit of 70 years referred to in Section 210 of the Companies Act, No.7 of 2007 shall not apply to Mr. Sri Dhaman Rajendram Arudpragasam, Director who is 73 years of age (having reached 70 years of age on 16th August 2021) and accordingly that Mr. Sri Dhaman Rajendram Arudpragasam be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No.7 of 2007".

7. KPMG Sri Lanka, Chartered Accountants who are deemed to have been re-appointed as Auditors in terms of Section 158 of the Companies Act No. 07 of 2007.
8. To authorize the Board of Directors to determine contributions to charities.

By Order of the Board of Directors of
ACME Printing and Packaging PLC



**S S P CORPORATE SERVICES
(PRIVATE) LIMITED**

SECRETARIES

Colombo

14th August 2025

Notes.

1. A shareholder entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such proxy need not be a Shareholder of the Company.
2. A Form of Proxy is enclosed.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company, No.98, Sri Sangaraja Mawatha, Colombo 10, not later than 48 hours before the time appointed for the holding of the meeting.

Ordinary Resolution

"That the age limit of 70 years referred to in Section 210 of the Companies Act, No.7 of 2007 shall not apply to Mr. Ariyawansa Hettiarachchy, Director who is 76 years of age (having reached 70 years of age on 21st January 2019) and accordingly that Mr. Ariyawansa Hettiarachchy be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No.7 of 2007".

MR. A. HETTIARACHCHY

C.Eng, MIEE, MIProdE, MIChemE

Executive Chairman

Mr. Hettiarachchy was appointed to the Board on the 12th January 2022 and as the Executive Chairman on 15th January 2022.

Mr. Hettiarachchy is a Chartered Chemical Engineer. He is Chairman of the Board of ISL Services Limited, Deputy Chairman of Lankem Ceylon PLC. He has served on the Boards of Richard Pieris Finance Ltd, C.W. Mackie PLC, Sri Lanka Institute of Nano Technology, Central Industries PLC, Hayleys PLC and functioned as Managing Director on the Boards of Haycarb PLC, Recogen Limited and Puritas Limited and also served on several other subsidiaries of Haycarb PLC and Hayleys PLC both in Sri Lanka and Overseas.

He was also a Board Member of the National Science Foundation, Coconut Research Institute, Member of the National Nano Committee, Chief of Research and Engineering Systems – Sri Lanka Institute of Nano Technology, and a member of several advisory Boards of the NSF.

MR. H. K. P JAYASURIYA

FCIM (UK), MBA (WALES)

Executive Director / CEO

Mr. Harith Jayasuriya appointed to the Board on 26th September 2022. He was appointed as Chief Executive Officer of ACME Printing and Packaging PLC with effect from 7th March 2022 & appointed as a Executive Director with effect from 26th September 2022. He holds a Master of Business Administration from University of Wales and is a Fellow Member of the Chartered Institute of Marketing UK. He has functioned in the capacity of Group Director / Chief Marketing Officer at MAC Holdings Pvt Ltd, Director / Chief Executive Officer MAC Travels Pvt Ltd. He started his career at Coats Thread Lanka Pvt Ltd, a multinational company headquartered in UK. He was a Council Member of the Sri Lanka Australia New Zealand Business Council and a former President of the Sri Lanka Canada Business Council. Mr. Jayasuriya's experience spans over 20 years across multiple industries and possess expertise in the fields of Freight & Logistics, Travel & Tourism, Shipping & Aviation, Strategic Planning, Marketing & Sales, General Management and Business Consultancy.

MR. S. D. R. ARUDPRAGASAM

FCMA (UK)

Non-Executive Director

Mr. S. D. R. Arudpragasam was appointed to the Board on 12th January 2022.

Mr. S. D. R. Arudpragasam joined the Board of Lankem Ceylon PLC in 1989, was appointed Deputy Chairman in 1990 and as the Chairman on 1st October 2017. Mr. Arudpragasam whilst being associated with The Colombo Fort Land & Building Group of companies since 1982 and having served on the Board of The Colombo Fort Land & Building PLC (CFLB) since the year 2000 and as Deputy Chairman from 2011 was appointed Chairman CFLB with effect from 1st July 2022. Mr. Arudpragasam also serves as Chairman of several subsidiaries of The Colombo Fort Land and Building PLC including Chairman/ Managing Director of E.B. Creasy & Company PLC in addition to serving on the Boards of other companies in the CFLB Group. He also functions as a member on several Board Subcommittees of the CFLB Group.

Mr. Arudpragasam is a Fellow of the Chartered Institute of Management Accountants (UK).

BOARD OF DIRECTORS

MR. P. SUREN GOONEWARDENE

BBA (Aus.), CPA (Aus.), FCMA (SL), FCIM (UK)

Non-Executive Director

Mr. Suren Goonewardene was appointed to the Board on 30th November 2021.

He holds a bachelor's degree in Business Accounting from Monash University Australia, Member of the Certified Practising Accountants-Australia and is a Fellow Member of the Chartered Institute of Marketing U.K. and Certified Management Accountants of Sri Lanka.

He is the Managing Director of Lankem Ceylon PLC since August 2020.

He has functioned in the capacity of Chairman and Managing Director, Bharti Airtel Lanka Limited, Chief Operating Officer, Dialog Television and Fixed Line Services, Group Managing Director, Lanka Bell Limited and has also served on the Boards of Ceylon Shipping Corporation and the Civil Aviation Authority of Sri Lanka. He was a Council Member of the Employers' Federation of Ceylon and a former Vice President of the Indian Chamber of Commerce in Sri Lanka. He currently serves on the Boards of Associated Motor Finance PLC, First Guardian Equities Limited, Dawi Investment Trust (Private) Limited and ACME Printing and Packaging PLC.

Mr. Goonewardene's experience spans across multiple industries and possess expertise in the fields of Telecommunication, Information Technology, Strategic Planning, Organizational Restructuring, Investment/Credit Management, Finance, Marketing & Sales, General Management and Business Consultancy.

MR. ANUSHMAN RAJARATNAM

B.Sc (Hons.), CPA, MBA

Non-Executive Director

Mr. Anushman Rajaratnam was appointed to the Board on 30th November 2021.

Mr. Anushman Rajaratnam joined the Board of Lankem Ceylon PLC in 2005 and served as the Company's Managing Director from 2009 until December 2016. He relinquished that position in December 2016 to take up the role as the Group Managing Director of the Colombo Fort Land & Building PLC (CFLB) in January 2017. In addition, he serves on the Boards of several subsidiary companies and also functions as a member on several Board Subcommittees of the CFLB Group. Prior to joining the CFLB group, he worked overseas for a leading global Accountancy Firm.

He holds a Bachelor of Science degree in Economics from the University of Surrey, UK, CPA Australia and MBA from Massachusetts Institute of Technology USA

MR. K.G. PUNCHIHEWA

FCA, CPA (Aus.)

Independent Non-Executive Director

Mr. Kamal Punchihewa was appointed to the Board of ACME Printing and Packaging PLC on 05th February 2025. He started his career at M/s. B R De Silva & Co. Chartered Accountants, in 1983 and was appointed as a Partner in 1991.

He moved to the mercantile sector as the Financial Controller of Kotagala Plantations Ltd. under M/s George Steuarts Management Services in 1992 and in 1997 he was promoted as the Group Financial Controller of the George Steuarts Group of Companies and also as the Director Finance of George Stuart Auto Supplies (Pvt) Ltd.

He re-joined the Plantation Sector as the General Manager- Finance of Kahawatte Plantations Ltd. in 2002.

In 2005 he took his first overseas posting as the Financial Controller of PT Agro Bukit Indonesia and later promoted to the key position of Head of Finance – Plantation Operations and Business Support for the entire Indonesian operation of Good Hope Asia Group, which consisted of six Oil Palm Plantation Companies.

Mr. Punchihewa returned to Sri Lanka in 2011 and joined Lankem Tea & Rubber Plantations (Pvt) Ltd. (LT&RP) as the Director/ Deputy CEO, and was appointed, as the CEO of Agarapatana Plantations Ltd. in April 2014. He served on the Board of Agarapatana Plantations Ltd. from 2012 to 2016.

In October 2016 he joined Browns Group as the Group Chief Executive Officer – Plantation Sector in-charge of three Regional Plantation Companies and served as the Chief Executive Officer of Maturata Plantations Ltd in the same Group till July 2020.

He joined Richard Pieris Group as the Chief Financial Officer – Plantation Sector in August 2020 and was promoted as the Chief Executive Officer of Maskeliya Plantations PLC in February 2021 in the same Group, in addition to the post he was holding. He served as the Chief Executive Officer of Maskeliya Plantations PLC until March 2023.

Mr. Punchihewa currently serves as a Director of Plantation Human Development Trust and on the Boards of certain other listed entities of the Colombo Fort Land & Building Group as an Independent Non-Executive Director and also serves on the Boards of several other unlisted entities within the CFLB Group. He also functions as the Chairman/ Member of certain Board Subcommittees of several subsidiary companies of the CFLB Group.

He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka since 1988 (FCA) and a Member of the Certified Public Accountants (CPA) – Australia since 2014.

MR. ASOKA INDRASIRI PIYADIGAMA

FCA, CPA (Aus.)

Independent Non-Executive Director

Mr. A.I Piyadigama was appointed to the Board of ACME Printing and Packaging PLC on 05th February 2025

Mr. Asoka Piyadigama is a Fellow Member (FCA) of the Institute of Chartered Accountants of Sri Lanka and a Member of Certified Practising Accountants (CPA) Australia. He has extensive experience in a range of operational and finance roles, progressing from Manager to Chief Financial Officer, with leading conglomerates such as Carsons Cumberbatch PLC, Lankem Ceylon PLC, and C.W. Mackie PLC, all listed on the Colombo Stock Exchange. In addition to his corporate experience, He has served as an Audit and Business Advisory Manager at KPMG Sri Lanka and Deloitte Fiji. His career also includes holding key Finance and Business Partnering roles within the Manufacturing and FMCG sectors in Australia. Most recently, he was the Chief Executive Officer at the Institute of Chartered Accountants of Sri Lanka.

chairman's

During the financial year under review, the Group achieved a notable 8.2% year-on-year growth in revenue, with total turnover increasing to Rs. 1,196 million compared to Rs. 1,106 million in 2023/24. This growth was primarily driven by the continued demand for our innovative and sustainable flexible packaging solutions from our client portfolio, along with operational efficiencies and enhanced customer engagement across key market segments.

I am pleased to present to you the Annual Report of the ACME Printing and Packaging PLC for the financial year ending on 31st March 2025.

SRI LANKAN ECONOMY

In 2024, Sri Lanka's economy achieved a commendable turnaround from the economic contractions of previous years, with real GDP growing by approximately 5.0%, following a 2.3% decline in 2023. This rebound was notable across multiple sectors, particularly industry and services.

Sri Lanka remained under the Extended Fund Facility (EFF) with the International Monetary Fund (IMF), completing its second review in mid-2024 and accessing approximately USD 336 million, followed by a third tranche of approximately USD 333 million in November driven by firm action on fiscal consolidation, strengthened governance, and debt restructuring milestones.

The Central Bank of Sri Lanka (CBSL) continued a cautious easing monetary policy stance. From November 2024, the CBSL adopted a single Overnight Policy Rate (OPR) of 8%, down from dual-rate levels. Throughout the year, it actively managed liquidity and intervened in the forex market, purchasing over USD 3.0 billion to bolster foreign reserves and stabilize the rupee.

Sri Lanka's export performance strengthened during the year, with total foreign exchange earnings from exports rising to about USD 16.2 billion in 2024. Merchandise exports accounted for USD 12.7 billion, supported by stronger apparel, tea, and IT service sectors. Foreign currency inflows improved significantly with gross official reserves rising from around USD 5.5 billion by April to approximately USD 6.5 billion by early 2025. The Sri Lankan rupee appreciated and stabilized against the US Dollar, supported by CBSL interventions and recovering reserves.

INDUSTRY PERFORMANCE

The industry once again demonstrated resilience and achieved steady growth during the year under review. The industry was bolstered by rising demand across key sectors including food and beverages, pharmaceuticals, and fast-moving consumer goods. This upward trend reflects a broader shift towards value-added manufacturing and sustainable supply

statement

chain practices, which are increasingly prioritised by global and regional markets.

Notably, the industry's contribution to Sri Lanka's export economy strengthened further, as local manufacturers expanded their presence across international markets. Enhanced product quality, higher levels of compliance with international standards, and the ability to meet evolving customer requirements have all played a pivotal role in attracting and retaining global clientele. As a result, the sector is increasingly recognised as a significant driver of foreign exchange earnings and national economic growth.

COMPANY PERFORMANCE

Financial Performance

During the financial year under review, the Group achieved a notable 8.2% year-on-year growth in revenue, with total turnover increasing to Rs. 1,196 million compared to Rs. 1,106 million in 2023/24. This growth was primarily driven by the continued demand for our innovative and sustainable flexible packaging solutions from our client portfolio, along with operational efficiencies and enhanced customer engagement across key market segments.

Challenges

The industry encountered several operational and strategic challenges that impacted cost structures, competitiveness, and long-term growth initiatives. A key concern was the higher cost of raw materials, predominantly resins and specialty films, which are critical inputs in our manufacturing process. Global supply chain disruptions and currency fluctuations further compounded these cost pressures, affecting overall profitability. The competitive business landscape also intensified, with increased market

penetration by alternative packaging materials and low-cost imports - most notably within the pharmaceutical sector. These dynamics placed additional pressure on domestic manufacturers to differentiate through better innovation, enhanced efficiency, and greater value-added solutions. Moreover, while there is an urgent need for technological advancements across the production line to enhance operational efficiency, improve product quality, and meet stringent international standards, the high capital investment required for such upgrades continues to present a significant hurdle. A further structural challenge is the presence of a resin monopoly in the local market, which limits pricing flexibility and bargaining power for manufacturers. Additionally, significant investment in research and development, while essential for fostering product innovation and staying competitive, continues to represent a high cost burden with long gestation periods for returns.

Enhancing Human Resources

In alignment with the Company's long-term growth strategy and commitment to talent development, a structured approach has been adopted to strengthen and broaden the human capital base. This approach aims to bring in innovative, forward-thinking talent with the experience and institutional knowledge of the existing workforce, thereby fostering a culture of collaboration, adaptability, and continuous improvement.

One of the key initiatives undertaken was the recruitment of graduates with high potential from leading universities across the country. These individuals were appointed as Management Trainees and underwent comprehensive training programmes designed to provide them with cross-functional

exposure and a holistic understanding of the organisation's operations. Upon successful completion of their training, they were entrusted with significant responsibilities and assigned measurable Key Performance Indicators (KPIs), thereby positioning them as future leaders within the organisation.

Additionally, the Company has partnered with academic institutions to onboard university students as in-plant trainees across critical departments such as Production, Quality Assurance, and Engineering. These placements not only serve as practical training opportunities for the students but also allow the Company to assess their capabilities in real-world scenarios. High-performing trainees are identified and nurtured as potential long-term contributors, strengthening the talent pipeline and ensuring sustained organisational excellence.

ENVIRONMENTALLY-FRIENDLY PACKAGING

The global shift towards environmental sustainability has significantly influenced the packaging industry, with increasing emphasis on the adoption of eco-conscious solutions. There is a notable rise in awareness and demand for sustainable packaging materials - particularly biodegradable, recyclable, and compostable alternatives - as stakeholders across the value chain, including consumers, regulatory bodies, and business partners, place greater importance on environmental responsibility. Consumer preferences are changing rapidly, with a growing segment actively seeking products that align with sustainable values. This shift is compelling manufacturers and brand owners to adopt greener packaging solutions, not only to meet regulatory compliance but also to maintain market relevance and customer loyalty.

CHAIRMAN'S STATEMENT

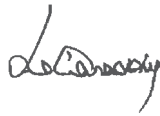
FUTURE OUTLOOK

Exporters operating in the above-mentioned regional markets are faced with a range of challenges that must be managed prudently. Chief among these are increasingly stringent regulatory and quality standards, which necessitate continuous enhancements in production processes, compliance protocols, and certification frameworks. Additionally, logistical complexities such as limited infrastructure, high freight costs, and geopolitical instability in certain territories pose operational constraints that can impact delivery timelines and cost efficiency. Despite these obstacles, the Company remains committed to expanding its export footprint through resilient supply chain strategies, investment in quality assurance systems, and customer-focused innovation. These efforts are aimed at positioning the organisation as a preferred partner in international markets, while contributing to the broader national objective of strengthening Sri Lanka's export economy. Meanwhile, as a responsible company, we will continue to explore and invest in environmentally sustainable packaging technologies, with the aim of minimizing environmental impact while maintaining product integrity and performance.

ACKNOWLEDGEMENTS

I am thankful to all our stakeholders for the continued support given to the Company during this financial year. I am deeply grateful to all our clients for trusting in our ability to deliver and to our suppliers for helping us meet our clients' expectations. I would like to convey my appreciation to the entire ACME team for their hard work and dedication during the year. I would also like to extend my heartfelt thanks to the Board and the various committees for their invaluable support and guidance during the year.

The trust and belief shown by you all in our vision of becoming the preferred and dynamic flexible packaging provider in the market gives us the strength to forge ahead during these times of uncertainty. Let us all continue to work together and bring about greater successes in the years ahead!.



A. Hettiarachchy

Chairman

Colombo
14th August 2025

**MANAGEMENT
DISCUSSION
AND ANALYSIS**



MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

The Sri Lankan economy exhibited clear signs of macroeconomic stabilisation and the early stages of recovery during the financial year 2024/25, following the unprecedented sovereign debt and balance of payments crisis that unfolded in 2022. The reform momentum, combined with disciplined monetary and fiscal policies, created a more conducive environment for growth and investor confidence.

According to the World Bank, real GDP expanded by 4.4% year-over-year in 2024, driven largely by the improved performance of the industrial and services sectors. These gains reflect a broad-based resurgence in domestic economic activity supported by easing inflationary pressures, greater credit availability, and improved global demand conditions.

In March 2025, the International Monetary Fund (IMF) completed the third review of Sri Lanka's Extended Fund Facility (EFF), triggering the release of a USD 334 million tranche, bringing total disbursements under the programme to USD 1.3 billion. The continuation of the programme reinforces investor confidence and supports fiscal and external sector stability.

The Central Bank of Sri Lanka (CBSL) maintained the Standing Lending Facility Rate at 8.00% to balance inflation expectations while nurturing economic recovery. Concurrently, the CBSL prioritised the accumulation of foreign reserves to enhance external resilience.

Headline inflation, as measured by the Colombo Consumer Price Index (CCPI), moderated significantly, registering 0.9% year-on-year in May 2024. The decline was primarily attributed to stabilising food and energy prices and sound monetary policy implementation in line with the CBSL's medium-term targets.

The Sri Lankan Rupee (LKR) appreciated steadily against the US Dollar (USD), strengthening from LKR 324.80 in January to LKR 289.87 by December 2024, with the annual average settling at LKR 301.98 per USD. This appreciation reflects improved external sector inflows, reduced demand for foreign currency, and renewed policy credibility anchored by the IMF programme.

PERFORMANCE OF THE PRINTING INDUSTRY

The Sri Lankan printing and flexible packaging industry is positioned for sustainable growth, underpinned by continuous innovation and an increasing shift toward environmentally responsible practices. While evolving regulatory frameworks and rising environmental concerns pose certain challenges, they also open avenues for transformation and competitiveness. By adopting eco-friendly materials, enhancing production efficiency, and aligning with global sustainability benchmarks, the industry is well placed to capture emerging opportunities and expand its presence in international markets. This strategic transition not only supports environmental stewardship but also strengthens Sri Lanka's reputation as a reliable and future-ready packaging solutions provider.

FINANCIAL PERFORMANCE

Revenue

During the financial year 2024/25, the Company reported a revenue of LKR 868 million, reflecting a modest decline of 2% compared to the previous year, largely due to subdued domestic market demand. In contrast, Group revenue increased by 8%, reaching LKR 1,196 million, supported by higher sales volumes in the subsidiary company.

Gross Profit

Gross profit at the Company level stood at LKR 19 million, while the Group reported LKR 50 million, resulting in gross profit margins of 2% and 3%, respectively. These figures mark a decline from the prior year's gross margins of 6% at both Company and Group levels. The reduction in profitability is primarily attributable to a significant increase in the cost of raw materials, which could not be fully passed on to customers. Despite these pressures, the Group remains focused on cost optimisation and improving operational efficiency to protect margins in the future.

Current Assets

As at 31st March 2025, current assets totalled LKR 880 million, reflecting a 12% year-on-year decline. This was primarily due to enhanced inventory utilisation and improved working capital efficiency. The composition of current assets included LKR 564 million in amounts due from related companies, LKR 171 million in accounts receivable, and LKR 132 million in inventories. The reduction underscores the Company's continued focus on optimising asset utilisation and strengthening liquidity through disciplined financial and operational management.

Non-current Liabilities

As at 31st March 2025, the Company's non-current liabilities amounted to LKR 296 million, reflecting a 9% increase from LKR 272 million in the previous year. This rise was primarily attributable to expanded financing arrangements and higher deferred tax implications. The key components included LKR 97 million in long-term borrowings and LKR 181 million in deferred tax obligations. The increase aligns with the Company's capital structure strategy to support future growth and manage long-term fiscal responsibilities prudently.

Current liabilities

As at 31st March 2025, current liabilities stood at LKR 1,377 million, reflecting a 12% increase compared to the previous year. This increase was mainly driven by increased working capital needs in response to operational losses during the financial year. The key components included LKR 1,138 million in short-term borrowings and LKR 166 million in trade and other payables.

STRATEGIC FOCUS AND FUTURE ORIENTATION

New Product Development (NPD)

During the year under review, the Company launched a strategically driven New Product Development (NPD) initiative to diversify its product portfolio and address evolving customer and market demands. Through effective cross-functional collaboration, informed by robust market research and technological innovation, the project advanced through critical phases including concept validation, prototyping, and initial performance testing. This initiative underscores the Company's commitment to continuous improvement and customer-centric innovation, while strengthening its competitive positioning and long-term growth potential across both domestic and international markets.

Introduction of Pre-Production Meetings (PPM)

In line with our continuous improvement initiatives, the Company implemented a formalised Pre-Production Meeting (PPM) framework during the year to strengthen cross-functional alignment and production preparedness. This structured approach brings together key departments such as Sales, Production, Quality Assurance, Planning, and Procurement to collaboratively review product specifications, delivery timelines, and risk mitigation strategies. The introduction of PPMs has led to a measurable reduction in production errors, improved first-pass yield, and enhanced responsiveness to customer requirements, thereby reinforcing operational efficiency, product quality, and interdepartmental accountability across the organisation.

Introduction of Product Appraisal Meetings

In line with our commitment to quality and continuous improvement, the Company implemented a new initiative - Product Appraisal Meetings (PAM) - to systematically evaluate first bulk of the product performance. These meetings bring together cross-functional teams from R&D, quality, sales, planning and production to review product outcomes against initial objectives, market reception, and operational performance. The insights gained have helped us identify enhancement opportunities, strengthen product reliability, ensure the customer's expected quality level, and refine future development strategies. The Product Appraisal Meeting has become an integral part of our product life cycle management, reinforcing a culture of accountability, innovation, and customer satisfaction.

FOCUS ON SUSTAINABLE PRACTICES

Ink GSM Reduction Project and Its Role in Sustainability

As part of our ongoing commitment to environmental responsibility, the Company launched the Ink GSM Reduction Project to minimize ink consumption across our printing operations. By optimizing print designs, calibrating machines more precisely, and adopting lower-GSM ink formulations without compromising quality, we have significantly reduced material usage and waste generation. This initiative contributes to lower production costs and supports our broader sustainability goals by reducing our carbon footprint and chemical impact on the environment. The project reflects our proactive approach to sustainable manufacturing and underscores our dedication to balancing operational efficiency with ecological stewardship.

Bio-Compostable Product Design Project and Its Impact on Sustainability

In alignment with our long-term sustainability vision, the Company initiated the Bio-Compostable Product Design Project aimed at reducing environmental impact through innovation in material selection and product lifecycle design. By developing packaging and product components that are fully compostable under natural conditions, we are actively addressing the global challenge of plastic waste and supporting the transition to a circular economy. This project not only demonstrates our commitment to eco-friendly manufacturing but also positions us as a responsible industry leader driving sustainable change. The adoption of bio-compostable alternatives underscores our dedication to minimizing landfill waste and promoting greener consumer choices.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL

Employee Training and Lean Culture Development

As part of our ongoing commitment to operational excellence, the Company prioritized employee training and engagement in lean manufacturing practices during the year. Through structured workshops, continuous improvement programs, and cross-functional collaboration, we empowered our teams to embrace a lean culture focused on waste reduction, process efficiency, and value creation. This initiative has not only enhanced productivity on the shop floor but also fostered a mindset of accountability, problem-solving, and proactive innovation at all levels of the organization. Embedding lean principles into our daily operations supports our long-term goals of agility, customer satisfaction, and sustainable growth in the highly competitive flexible packaging industry.

Work-Life Balance

The Company is committed to fostering a supportive work environment that promotes a healthy work-life balance for all employees. Recognising that employee well-being directly influences productivity and engagement, we have implemented flexible work arrangements, including remote work options and adjustable working hours. These initiatives enable our staff to effectively manage both personal and professional responsibilities. By encouraging a culture of balance and trust, we aim to reduce stress, enhance morale, and support the overall mental and physical well-being of our workforce, contributing to a more resilient and motivated organisation.



Pirith ceremony

Professional Development Opportunities

The ACME Group remains committed to fostering a culture of continuous learning and professional growth. A range of development opportunities including training programmes, skills workshops, and structured mentorship initiatives are made available to employees at all levels. These initiatives are designed to enhance individual competencies, support career advancement, and promote job satisfaction. By investing in the development of its workforce, the Group strengthens employee engagement, improves organisational capability, and builds a resilient, future-ready talent pool.

Motivation of Human Capital

ACME recognises that a motivated workforce is fundamental to achieving organisational excellence. To foster engagement and enhance performance, the Company has implemented a range of incentive programmes designed to reward achievement, promote job satisfaction, and encourage continuous improvement. These initiatives include performance-based rewards, recognition schemes, and career advancement opportunities. By actively investing in the motivation of its human capital, ACME strengthens employee commitment, drives productivity, and supports a high-performance culture aligned with the Company's strategic objectives.



Training Program to enhance the productivity on the shop floor



New year celebrations



First Aid Training



Fire training from factory and office staff



Eye Camp for staff and family members

ACME Printing and Packaging operates in a highly competitive market landscape comprising over 15 major industry players. Therefore, it is imperative to innovate and adopt sustainable packaging solutions on a regular basis. As an organization committed to responsible growth, we recognize the urgent need to address environmental challenges while responding to an evolving local economy, shifting market expectations and various stakeholder demands.

Our sustainability agenda places a strong emphasis on the development and promotion of eco-friendly packaging alternatives that reduce environmental impact throughout the product lifecycle. This includes prioritizing materials that are recyclable, biodegradable, or compostable, and integrating sustainability criteria into our product design and sourcing strategies.

By actively advancing sustainable packaging, we not only contribute to the reduction of plastic waste and carbon emissions, but also align our operations with global sustainability frameworks and consumer preferences for ethically produced goods. These initiatives are central to our broader Environmental, Social, and Governance (ESG) commitments and demonstrate our role as a responsible industry leader. Through continued investment in sustainable innovation, we aim to create long-term value for our shareholders while contributing to an environmentally conscious packaging economy.

INTERNATIONAL QUALITY AND SAFETY STANDARDS

The Company's commitment to maintaining and continuously improving its quality and safety standards has been consistently demonstrated through its long-standing pursuit of internationally recognized certifications. Since initially achieving ISO certification in the year 2000, the Company has systematically advanced its compliance frameworks to align with evolving global benchmarks. As of today, we are proud to hold multiple prestigious certifications, including ISO 9001:2015 (Quality Management System), ISO 22000:2018 (Food Safety Management System), FSMS, QMS, and FSSC 22000 Version 5.1.

COMPOSTABLE PACKAGING SOLUTIONS

In line with our long-term sustainability vision, the Company has undertaken a strategic initiative to invest in the research, development, and implementation of compostable packaging solutions. This forward-looking project exemplifies our firm commitment to environmental stewardship and innovation by actively seeking alternatives to conventional plastic-based materials that pose long-term ecological risks.

The compostable packaging project encompasses the careful sourcing of certified biodegradable raw materials, refinement of manufacturing processes to maximize efficiency and reduce carbon footprint, and rigorous testing to ensure the final products meet or exceed both customer expectations and internationally recognized environmental performance standards.

This initiative not only aligns with global movements toward sustainable production but also positions the Company as a leader in the flexible packaging industry. By advancing packaging technologies that are designed to break down naturally without releasing harmful residues into the environment, we are actively contributing to the development of a circular economy. Moreover, it strengthens our operational resilience by future-proofing our product portfolio against today's increasingly strict environmental regulations and shifting consumer preferences. Through these efforts, we reaffirm our dedication to sustainability, innovation, and long-term value creation for all stakeholders.

LOOKING AHEAD

Ink GSM Reduction Project

As part of its ongoing operational efficiency and sustainability initiatives, the Company intends to launch an Ink GSM Reduction Project aimed at optimizing ink usage across its printing processes. This project focuses on reducing the grams per square meter (GSM) of ink applied without compromising print quality or brand integrity. By adopting advanced ink management techniques and refining print parameters, we expect to minimize material waste, achieve significant cost savings, and reduce environmental impact.

CORPORATE GOVERNANCE

Corporate Governance at ACME means creating value to shareholders whilst promoting a culture of ethical behaviour and practice. ACME is committed to maintaining the highest standard of ethical values and professionalism in all its activities. The Group provides all the market participants and regulatory authorities with timely, accurate, complete and reliable information of the Company while continuing to regulate and improve its corporate governance structure. Further an important element of corporate governance is to ensure the accountability of certain individuals in an organization through mechanisms that try to reduce or eliminate the cost of principal agent problem. Corporate governance covers a very wide range of issues and disciplines from company secretarial and legal, through to business strategy, executive and non-executive management and investor relations, to accounting and information systems and remuneration.

In 2023, the Colombo Stock Exchange issued the Listing Rule 9 on Corporate Governance which all listed entities need to comply with in stages and to be fully complied by 1st October 2024. Additionally, the Institute of Chartered Accountants issued a revised Code of Best Practice on Corporate Governance in December 2023. The Board reviewed the Listing Rule 9 and is adopting a phased approach to compliance in line with the transition provisions. Compliance with the revised Code will be reviewed in 2024.

THE BOARD OF DIRECTORS

The primary role of the Board is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises executive management. It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the company and its shareholders.

The Board consisted of 07 Directors out of which 05 were non-executive directors. The names and profiles of the Directors are given in pages 07 to 09 of this annual report. They possess the skill, experience and knowledge, to set the directions and oversee the operations of the company. The Board has determined that the Independent Non-Executive Directors, satisfy the criteria for Independent set out in the Listing Rules and annually each Non-Executive Director declares his independence/ non independence i.e compliance with the relevant statutory regulations.

The Chairman meets with the Independent Non-Executive Directors as and when necessary.

RESPONSIBILITIES OF THE BOARD

- Ensuring the implementation of an effective internal control system and risk management system.
- Ensuring Compliance with Highest Ethical and Legal Standards.
- Approval of the Annual and Interim Financial Statements prior to publication.
- Providing direction and guidance to the Company in the formulation of its strategies and in the pursuance of its operational and financial goals.
- Monitoring systems of governance and compliance.
- Approving major acquisitions, disposals and capital expenditure.
- Approving annual budgets and strategic plans.
- Reviewing the statutory and SEC governance rules and ensuring compliance.
- Formulating proposals for dividend and bonus distributions, and for the increase or reduction of capital.
- Exercising other powers, functions and duties as conferred by the Company's articles of association.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear demarcation of the responsibilities between our Executive Chairman and our Chief Executive Officer. The functions performed by each are distinct and separated, ensuring the balance of power and authority within the organization that no person has unfettered powers of decision making implementation.

ROLE OF CHAIRMAN

Our Chairman is responsible for providing leadership and preserving order at Board Meetings and the good corporate governance of our group whilst facilitating the effective discharge of Board functions and business strategies. He is responsible for;

- Ensuring the Board adheres to procedures and the relevant statutes whilst being in complete control of the affairs of the Company,
- Ensuring that its obligations to the various stakeholders and regulatory bodies are met,
- Encouraging effective participation by both Executive and Non-Executive Directors on matters taken up for consideration and,
- Ensuring that shareholders are given adequate opportunity to make observations, express their views and seek clarifications at meetings of shareholders.

ROLE OF CHIEF EXECUTIVE OFFICER

- Day to day management of the Group's business operations, with the support of the Executive Directors and the senior management team.
- Revision and implementation of the Company's strategies and policies,
- Maintaining a close working relationship with the Chairman and being a sounding board for the Chairman as and when necessary,

- He is accountable for guaranteeing that the correct Board procedures are followed and that the applicable rules and regulations are reviewed regularly and complied with,
- Advises the Board on corporate governance matters and acts as the interface between the management and regulatory authorities as and when necessary,

- Manages the procedure whereby the Directors and the Board can, as needed, obtain independent professional advice at the Company's expense in discharging their/its duties,
- Reviews and approves the operational and financial budgets/targets in line with the short, medium and long term objectives of the Company and the Group,

- Evaluation of pearl wisdom and performance conducted by the Board on regular basis and,
- Providing the Board explanations for variances and recommend any corrective action that needs to be adopted.

FINANCIAL ACUMEN

The Board of ACME consists of professionals as well as entrepreneurs who have many years of experience in the corporate world. Their proficiency in the diverse areas of business, academic and/or entrepreneurial financial skills, business acumen, broad practical wisdom and unique perspectives enable the efficient and effective decision making and leadership of the Group.

THE BOARD BALANCE

Coming from diverse business and professional backgrounds, the non-executive directors (including independent non-executive directors) of the Company have shared their valuable experiences to the Board for promoting the best interests of the Company and its shareholders. The non-executive directors have actively participated in the board committees of the Company and they have made significant contribution of their skills and expertise to these committees. The composition of the Executive and Non-Executive Directors in the Board satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange.

HOLDING REGULAR BOARD MEETINGS

The Board meets regularly at least four times a year at quarterly intervals and holds additional meetings as and when the Board thinks appropriate. During the year under review, 07 Board meetings were held. All meetings were presided over by the Chairman.

The attendance record of each of the directors for the Board meetings, held during FY 2024/25 is listed as follows:

Name of the Director	Attendance at Board Meetings 2024/2025							Attendance
	02.07.2024	15.08.2024	20.08.2024	26.09.2024	02.10.2024	12.11.2024	13.02.2025	
1. Mr. A. Hettiarachchy	☑	☑	☑	☑	☑	☑	☑	7/7
2. Mr. H. K. P. Jayasuriya	☑	☑	☑	☑	☑	☑	☑	7/7
3. Dr. J. M. Swaminathan (Resigned w.e.f 31st December 2024)	☑	⊗	⊗	☑	⊗	☑	⊖	3/6
4. Mr. A. Rajaratnam	☑	☑	⊗	☑	⊗	☑	☑	5/7
5. Mr. P. S. Goonewardene	☑	☑	☑	⊗	☑	☑	☑	6/7
6. Mr. P. M. A. Sirimane (Resigned w.e.f 31st March 2025)	☑	☑	☑	☑	☑	☑	☑	7/7
7. Mr. G. K. B. Dasanayaka (Resigned w.e.f 31st December 2024)	☑	⊗	☑	☑	☑	☑	⊖	5/6
8. Mr. S. D. R. Arudpragasam	⊗	☑	☑	☑	☑	☑	☑	6/7
9. Mr. A. C. S. Jayaranjan (Resigned w.e.f 31st December 2024)	⊗	☑	☑	☑	☑	☑	⊖	5/6
10. Mr. K. G. Punchihewa (Appointed w.e.f 05th February 2025)	⊖	⊖	⊖	⊖	⊖	⊖	☑	1/1
11. Mr. A. I. Piyadigama (Appointed w.e.f 05th February 2025)	⊖	⊖	⊖	⊖	⊖	⊖	☑	1/1

☑	Present	⊗	Absent	⊖	Not Applicable
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CORPORATE GOVERNANCE

BOARD COMMITTEES

The Board delegates its powers and authorities from time to time to committees in order to ensure the operational efficiency and specific issues are being handled with relevant expertise. Four board committees have been established and each of them has its specific duties and authorities set out in its own terms of reference.

A. Audit Committee

The Audit Committee consists of three (03) Non-Executive Directors and two (02) of them are independent Directors. The role of the Committee is to review the accounting principles, policies and the practices adopted in the preparation of financial information. The Committee is responsible for consideration and the appointment of the external auditors. Further the Committee supports the Board in discharging their responsibilities in areas such as the overseeing of internal controls, business risk and statutory compliances.

The Audit Committee report including the subjects reviewed during the financial year 2024/25 are reported in detail on pages 51 to 52.

B. Remuneration Committee

The Remuneration Committee consists of three (03) Non-Executive Directors and two (02) of them are Independent Directors. The role of the Committee is to determine the remuneration policy for the Chief Executive Officer and the Senior Managers, and to ensure that the statutory and legal requirements pertaining to the remuneration are complied with.

The Remuneration Committee report and the subjects reviewed during the financial year are presented in pages 55.

C. Related Party Transactions Review Committee

The Related Party Transaction Review Committee consists of three (03) Non-Executive Directors & two (02) of them are Independent Directors. The objective of the Committee is to exercise oversight

on behalf of the Board, that all Related Party Transactions are taken note of and dealt with in a manner consistent with the code of listing rules.

The Related Party Transactions Review Committee report and the subjects reviewed during the financial year are presented in pages 53 to 54.

All related party transactions as defined by the applicable accounting standards are disclosed on Note 28 of the Financial Statements on pages 102 to 103 of this Annual Report.

D. Nomination & Governance Committee

The Nomination & Governance Committee consists of three (03) Non-Executive Directors & two (02) of them are Independent Directors.

The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.

The Nomination & Governance Committee report and the subjects reviewed during the financial year are presented in pages 56 to 58.

SENIOR INDEPENDENT DIRECTOR

In view of the strategic direction of the ACME Group of Companies and the pivotal role played by the Executive Chairman in terms of cultivating and developing external partnerships, maintaining trust and confidence with business partners and key principals, and ensuring the retention of prestigious agencies for the sustenance and growth of the Company and the Group's business as a whole, as well as his Executive Management skills, integrity, expertise, wealth of experience and business acumen, the Board decided that the most appropriate arrangement would be for the Executive Chairman to continue in the role guiding the ACME Group in reaching its organizational

goals in the future. Accordingly, in compliance with CSE Listing Rule 9.6.3, the Board of ACME Printing and Packaging PLC. Accordingly, the Board of Directors appointed Mr. P.M.A. Sirimane, as the Senior Independent Director of the Company with effect from 31st October 2023. Consequent to the revision of the CSE Listing Rules in relation to Independent Directors, the Board resolved that the nature of directorship of Mr. Sirimane be changed to Non Executive Director with effect from 1st January 2025. Accordingly, Mr. Sirimane effectively ceased to function as the SID as of end December 2024. Mr. Sirimane resigned from the Board of Directors of the Company with effect from 31st March 2025. Mr. K.G. Punchihewa was appointed Senior Independent Director by the Board of ACME Printing and Packaging PLC with effect from 31st March 2025.

ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

The Directors obtain independent professional advice whenever required to assist in discharging their duties.

COMPANY SECRETARY

All directors have access to the advice and services of the Company Secretary, who is responsible to the Board in ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Any question of the removal of the Company Secretary should be a matter of to the Board as a whole. S S P Corporate Services (Pvt) Ltd functions as the Secretary of the Board.

INDEPENDENT JUDGMENT OF THE DIRECTORS

The Independent Directors remain independent from day to day management and are free from any business and / or other relationship which may hinder their exercise of unbiased judgment. This enables them to act critically and independently in the best interest of the Company.

DEDICATION OF ADEQUATE TIME & EFFORT

Adequate time is devoted at every meeting to ensure that the Board's responsibilities are discharged satisfactorily.

TRAINING FOR THE DIRECTORS

The policy on Directors training is to provide adequate opportunities for continuous development subject to requirement and relevance for each Director.

SUPPLY OF INFORMATION

The notices of Board Meetings are provided along with the agenda well ahead of the scheduled meeting. The Board Papers are circulated among the Directors ahead of the meeting providing adequate time to review and call for any additional information and clarification to assist them to formulate independent views.

APPOINTMENTS TO THE BOARD

The Company has a formal and transparent procedure for appointment of new Directors to the Board.

APPRAISAL OF BOARD PERFORMANCE

The performance of the Board, its sub Committees and individual Directors are being evaluated annually.

DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS

The names of the Directors and their profiles are disclosed on pages 07 to 09 of this Annual Report.

APPRAISAL OF CHIEF EXECUTIVE OFFICER

The performance of the Chief Executive Officer is being evaluated annually.

CONSTRUCTIVE USE OF ANNUAL GENERAL MEETING

We ensure that all proxy votes are counted and the quantum of proxies lodged on each resolution is conveyed to our Chairman. Separate resolution is proposed at an Annual General Meeting on each substantial separate issue. At the Annual General Meeting the respective Chairmen of the Remuneration Committee and Audit Committee are present to provide any clarification to shareholders as necessary. The notice and the agenda for the Annual General Meeting together with the Annual Report of the Company containing the relevant documents are sent to the shareholders giving 15 working days' notice prior to the date of the Annual General Meeting.

COMMUNICATION WITH SHAREHOLDERS

All shareholders are invited and encouraged to be present, actively participate and vote at the Annual General Meeting. The Annual general Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company. The external Auditors are invited to attend the Annual General Meeting, for any professional assistance that may be requested. Shareholders who are not in the position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their own choice.

MAJOR TRANSACTIONS

There were no major transactions during the financial year that materially altered our Company's net asset base or the consolidated Group net asset base.

FINANCIAL REPORTING

The Board responsibility to present the Financial Statements accepts in the Statement of Directors' Responsibility shown on page 63. The report of the directors on the state of affairs of the Company is given on this Annual Report on pages 59 to 61. The Auditor's Report

on the Financial Statements for the year ended 31st March 2025 is presented on pages 66 to 68 of this Annual Report.

The management discussion and analysis of the company is presented on pages 14 to 16 of this Annual Report. The Board is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

INTERNAL CONTROL

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board's policy is to have systems in place which optimize the Company's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Audit Committee responsibility for identifying, evaluating and monitoring the risks facing the Company and for deciding how these are to be managed. In addition to internal audit carried out by an external professional body, members of the Audit Committee are expected to report to the Board as necessary the occurrence of any material control issues, serious incident or events that have had a major commercial impact, or any significant new risks which have been identified.

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has developed and institutionalized a strong set of corporate values and code of conduct that is circulated to Directors and all employees. The Board ensures that Directors and employees strictly comply with the code of Business Conduct and Ethics at all levels in the performance of their official duties, communications, role modelling and in any other circumstances, so as to prevent the tarnishing of our Company's image in any manner. The violation of the code of ethics is an offence that is subject to disciplinary action.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE / COMPLIANCE STATEMENT

ACME Printing and Packaging PLC is complied with the Corporate Governance, listing requirement of the Colombo Stock Exchange and adheres to the different regulating authorities.

- Companies Act No.7 of 2007
- Code of Best Practices on Corporate Governance issued jointly by the CA Sri Lanka and the Securities & Exchange Commission of Sri Lanka
- Inland Revenue Act
- Exchange Control Act
- Customs Ordinance

The tables given below presents the details and disclosures on the level of compliance with

1. Section 168 of Companies Act, No. 07 of 2007, pertaining to Corporate Governance.
2. Section 7.6 of Listing Rules of the Colombo Stock Exchange.
3. Section 9 of the Listing Rules of the Colombo Stock Exchange.
4. Code of best practices on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities Exchange Commission of Sri Lanka.

These are discussed in the sections that follows.

1. LEVEL OF COMPLIANCE WITH SECTION 168 OF COMPANIES ACT, NO. 07 OF 2007, PERTAINING TO CORPORATE GOVERNANCE.

Rule No.	Disclosure Requirement	Compliance Status
Section 168 (1) a	The nature of the business together with any change thereof.	Complied
Section 168 (1) b	Financial Statements for the accounting period completed and signed in accordance with section 151.	Complied
Section 168 (1) c	Auditor's report on the Financial Statements	Complied
Section 168 (1) d	Change in accounting policies made during the accounting period.	Complied
Section 168 (1) e	Particulars of entries in the interests register made during the accounting period.	Complied
Section 168 (1) f	Remuneration and other benefits of directors during the accounting period	Complied
Section 168 (1) g	Amount of donations made by the Company during the accounting period.	Complied
Section 168 (1) h	Names of the persons holding office as Directors of the Company as at the end of the accounting period and the names of any persons who ceased to hold office as Directors of the Company during the accounting period.	Complied
Section 168 (1) i	Amounts payable by the Company to the auditor of the Company as audit fees and as a separate item, fees payable by the Company for other services provided by that firm.	Complied
Section 168 (1) j	Particulars of any relationship (other than that of auditor) which the auditor has with or any interests which the auditor has in, the Company.	Complied
Section 168 (1) k	Sign the Annual Report on behalf of the Board by two Directors of the Company and the Secretary of the Company.	Complied

2. LEVEL OF COMPLIANCE WITH SECTION 7.6 OF LISTING RULES OF THE COLOMBO STOCK EXCHANGE.

Rule No.	Disclosure Requirement	Compliance Status
Rule 7.6 (i)	Names of persons who during the financial year were Directors of the Entity.	Complied
Rule 7.6 (ii)	Principal activities of the Entity during the year and any changes therein.	Complied
Rule 7.6 (iii)	The names and the number of shares held by the 20 largest holders of shares and the percentage of such shares held.	Complied
Rule 7.6 (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.	Complied
Rule 7.6 (v)	Directors' and Chief Executive Officer's holding in shares of the Entity at the beginning and end of financial year.	Complied
Rule 7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Complied
Rule 7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	N/A
Rule 7.6 (viii)	Extent, locations, valuations of land and buildings and investment properties.	Complied
Rule 7.6 (ix)	Number of shares presenting the Entity's stated capital.	Complied
Rule 7.6 (x)	Distribution schedule of the number of holders in each class of security, and the percentage of their holding as per given categories	Complied
Rule 7.6 (xi)	Ratios and market price information	Complied
Rule 7.6 (xii)	Significant changes in the Entity's fixed assets and the market value of land if differs substantially from the book value.	Complied
Rule 7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue ,right issue or private placement	N/A
Rule 7.6 (xiv)	Information in respect of Employee Share Ownership or Stock option Schemes	N/A
Rule 7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of section 09 of the listing Rules.	Complied
Rule 7.6 (xvi)	Details of Related party transactions as per the specified criteria.	Complied

CORPORATE GOVERNANCE

COMPLIANCE WITH THE CORPORATE GOVERNANCE RULES OF COLOMBO STOCK EXCHANGE

The Colombo Stock Exchange introduced a new set of Corporate Governance Rules in October 2023 with certain transitional provisions. The Company's adherence to and compliance with these regulations to be effective from 1st October 2024 are detailed below.

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.1	Company shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity.	Complied
9.2	POLICIES	
9.2.1	Establish and maintain the following policies: <ul style="list-style-type: none"> a) Matters relating to the Board of Directors; b) Board Committees; c) Corporate Governance, Nominations and Re-election; d) Remuneration; e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities; f) Risk management and Internal controls; g) Relations with Shareholders and Investors; h) Environmental, Social and Governance Sustainability; i) Control and Management of Company Assets and Shareholder Investments; j) Corporate Disclosures; k) Whistleblowing; l) Anti-Bribery and Corruption. 	Complied
9.2.2	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	Not Applicable
9.2.3	Listed entities shall disclose in its Annual Report: <ul style="list-style-type: none"> (i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website; (ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above. 	Complied
9.2.4	Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy	Will be made available when requests are received.
9.2.5	<ul style="list-style-type: none"> i. If a Listed Entity fails to comply with Rule 9.2.1, the Exchange will issue a Notice of Show Cause, granting seven (7) Market Days to provide reasons for the non-compliance. ii. If no response is received within the given time or if the explanation is deemed insufficient, enforcement measures will follow as outlined below: <ul style="list-style-type: none"> a. A letter of warning will be issued by the Exchange. b. If the Entity fails to rectify the non-compliance within three (3) months from the date of the warning letter, a penalty of Rs. 250,000 will be imposed. iii. The Exchange will make a Market Announcement regarding the non-compliance, enforcement action, and penalty. The penalty must be settled within seven (7) Market Days from notification. Failure to do so will result in referral to the SEC under Section 65 of the SEC Act. 	Not Applicable

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.3	BOARD COMMITTEES	
9.3.1	Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; <ul style="list-style-type: none"> (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee. 	The Board appointed, Remuneration Committee, Audit Committee and Related Party Transactions Review Committees & Nominations & Governance are functioning effectively.
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees.	Complied
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Complied
9.4	MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS	
9.4.1	Records of all resolutions and the following information upon a resolution being considered at any General Meeting shall be maintained. <ul style="list-style-type: none"> (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained. 	Complied
9.4.2	Communication and relations with shareholders and investors.	The Company has established the Policy on relations with Shareholders and Investors and it is published on the corporate website www.acmelk.com
	(a) Have a policy on effective communication and relations with shareholders and investors.	
	(b) Disclose the contact person for such communication.	The contact person is mentioned.
	(c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders.	Major issues and concerns of shareholders are effectively communicated to the Directors by the Senior Management and the Corporate Secretaries & Registrars as and when they arise.
	(d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange.	Complied
9.5	POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS	
9.5.1	Establish and maintain formal policy governing matters relating to the Board: <ul style="list-style-type: none"> a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO; b) Where Role of Chairman and CEO are combined Appointment of SID- Establish Board Charter inclusive of functions and safeguards for SID; c) Board diversity – experience, skills, competencies, age, gender, industry requirements; d) Maximum number of Directors and rationale; e) Frequency of Board meetings; f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and ongoing compliance and/or non-compliance; 	Complied

CORPORATE GOVERNANCE

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.5.1 (Contd.)	<ul style="list-style-type: none"> g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend; h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements; i) Specify the maximum number of directorships in Listed Entities that may be held by Directors; j) Participation at meeting of the Board and Board committees by audio visual means and participation to be taken into account when deciding the quorum 	Complied
9.5.2	Confirm compliance of 9.5.1. in Annual Report – If non compliant provide explanations with reasons and proposed remedial action.	Complied
9.6	CHAIRPERSON AND CEO	
9.6.1	Chairperson shall be a Non-Executive Director.	Not Complied
	Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Complied
9.6.2	Market announcement in the event Chairperson is an Executive Director and/ or the position of Chairman and CEO are held by the same individual.	Complied
9.6.3	<ul style="list-style-type: none"> (a) The Company shall appoint an Independent Director as the SID in the following instances: <ul style="list-style-type: none"> i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. ii. The Chairperson and CEO are Close Family Members or Related Parties. (b) Senior Independent Director shall meet with the Independent Directors at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors and provide feedback and recommendations to the Board. (c) Senior Independent Director shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually to appraise the Chairman's performance. (e) SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties. 	Complied (Company has a Senior Independent Director as Chairman is a Executive Director)
		Complied
		Complied
		Complied
9.6.4	Rationale for the appointment of a SID set out in the Annual Report.	Complied
9.7	FITNESS OF DIRECTORS AND CEO	
9.7.1	Fitness of Directors and CEO in terms of the Listing Rules	Complied
9.7.2	Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper before such nominations are placed before Shareholders' meeting or appointments.	Complied
9.7.3	Fit and Proper Assessment Criteria' set out in Rule 9.7.3 <ul style="list-style-type: none"> (a) Honesty, integrity and reputation - (i)-(vii) (b) Competence and capability - (i)-(ii) (c) Financial soundness - (i)-(iii) 	Complied
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in the rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.7.5	Disclosures in the Annual Report (a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance and remedial action taken to rectify non-compliance	Complied
9.8	BOARD COMPOSITION	
	Board Composition <input checked="" type="checkbox"/> Minimum of 5 Directors <input checked="" type="checkbox"/> Minimum 2 or 1/3 of the directors whichever is high shall be independent directors.	Complied
9.8.1	The Board of Directors of a Listed Entity shall consist of five (05) Directors at a minimum.	Complied
9.8.2	(a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied
9.8.3	Criteria for Determining Independence (i) - (ix) (i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director. (ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) Currently has/had during the preceding financial year a close Family Member who is a Director and/or CEO in the Listed Entity. (iv) Has a Significant Shareholding in the Listed Entity. (v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) Is employed in another Company or business: a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) Is a director of another Company: a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) Has a Material Business Relationship or a Significant Shareholding in another company or business: a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity.	Complied The Independent Non-Executive Directors who are currently in office satisfied these criteria at the time of their appointment to the Board and continue to satisfy the said criteria.

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.10.2	Market announcement upon the appointment of a new Director. (i - iii)	Complied Immediate announcements were made to the Colombo Stock Exchange on the appointment of new Directors in line with the requirements of the Listing Rules.
9.10.3	Immediate Market announcement upon any changes to the composition of the Board Committees. (i - iii)	Complied Immediate announcements were made to the Colombo Stock Exchange on the composition of the Board Committees in line with the requirements of the Listing Rules.
9.10.4	<p>Details in relation to the Board members. Name, qualifications and brief profile</p> <ul style="list-style-type: none"> ➔ Nature of his/her expertise in relevant functional areas. ➔ Whether either the Director or Close Family Members has any material business relationships with other Directors. ➔ Whether Executive, Non-Executive and/or independent Director. ➔ Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non- executive (If the directorships are within the Group names need not be disclosed). ➔ Number of Board meetings attended. ➔ Names of Board Committees in which the Director serves as Chairperson or a member. ➔ Attendance of committee meetings. ➔ TOR and powers of SID. 	Complied
9.10.5	<p>Non-Disclosure of Changes to Board and Committees:</p> <ul style="list-style-type: none"> a. Failure to disclose new appointments or changes to the Board of Directors; b. Failure to disclose changes to the composition of Board Committees in terms of Rule 9.10.3 (ii). 	Not Applicable
9.11	NOMINATIONS AND GOVERNANCE COMMITTEE	
9.11.1	Establishment of Nominations and Governance Committee.	Complied
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
9.11.3	Written terms of reference.	Complied
9.11.4	<p>Composition:</p> <ul style="list-style-type: none"> (1) The members of the Nominations and Governance Committee shall: <ul style="list-style-type: none"> (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors; (b) Not comprise of Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson. (3) Identify Members in the Annual Report. 	Complied

CORPORATE GOVERNANCE

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.11.5	<p>Functions:</p> <ul style="list-style-type: none"> (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees; (ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors; (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/reappoint Directors; (iv) Establish and maintain a set of criteria for selection of Directors; (v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged; (vi) Develop a succession plan for the Board of Directors and Key Management Personnel; (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities; (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/ international best practices; (ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice; (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same. 	Complied
9.11.6	Disclosures in Annual Report Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)	Complied
9.12	REMUNERATION COMMITTEE	
9.12.1	The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received.	Complied
9.12.2	Listed Entity shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules.	Complied
9.12.3	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/ her own remuneration.	Complied
9.12.4	Remuneration for Non-Executive Directors shall be based on a policy of non-discriminatory pay practices to ensure the independence is not impaired.	Complied
9.12.5	The Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.12.6	Composition: (1) The members of the Remuneration Committee shall: (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors; (b) Not comprise of Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Complied
9.12.7	Functions: (1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations; (2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	Complied
9.12.8	(a) Names of Remuneration Committee members. (b) Statement of Remuneration Policy. (c) Aggregate remuneration paid to Executive Directors and Non-Executive Directors	Complied
9.13 AUDIT COMMITTEE		
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk functions, the Audit Committee of such Listed Entities shall additionally perform the Risk functions.	Complied
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties.	Complied
9.13.3	(1) Composition of the Audit Committee. (2) Quorum - requires that the majority of those in attendance to be independent Directors. (3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market. (4) An Independent Director shall be the Chairman of the Committee. (5) Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. (6) The Chairperson of the Audit Committee shall be a member of a professional accounting body.	Complied
9.13.4	Functions of the Audit Committee. Detailed in Rule (1) (i) –(xiii) and (2)	Complied

CORPORATE GOVERNANCE

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.13.5	<p>Disclosure in the Annual Report relating to Audit Committee:</p> <ul style="list-style-type: none"> (a) Names of chairperson and members with nature of directorship; (b) Status of risk management and internal control – Company and group; (c) Statement on CEO and CFO assurance on operations and finances; (d) Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements; (e) Availability of formal Audit Charter; (f) Internal audit assurance and summary of the work internal audit function; (g) Details demonstrating effective discharge of functions and duties; (h) Statement on external auditors' assurance on their independence; (i) Confirmation on determining auditor's independence. 	Complied
9.14	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (RPTR)	
9.14.1	Establishment of Committee: Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied
9.14.2	<p>(1) The Related Party Transactions Review Committee shall comprise -</p> <ul style="list-style-type: none"> ➤ Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors; ➤ May comprise of Executive Directors; ➤ An Independent Director shall be appointed as the Chairperson. 	Complied
9.14.3	<p>Functions of the Related Party Transactions Review Committee:</p> <ul style="list-style-type: none"> (1) Committee shall be responsible for reviewing the Related Party Transactions; (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions; (3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality; (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to end basis across the Entity's operations. 	Complied
9.14.4	<ul style="list-style-type: none"> (1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) Should ensure having access to enough knowledge or expertise complied to assess or aspects of proposed Related Party Transactions and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary. (3) Board of Directors to approve RPT when required by the Committee. (4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: <ul style="list-style-type: none"> (a) Be present while the matter is being considered at the meeting; and (b) Vote on the matter. 	<p>Complied</p> <p>Not Applicable</p>

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied
9.14.6	<p>Shareholder approval</p> <p>1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction.</p> <p>a) Non-recurrent transaction</p> <p>i) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements;</p> <p>ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into with the same Related Party during the same financial year;</p> <p>iii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates</p>	Not Applicable
9.14.6	<p>b) Recurrent transaction</p> <p>(i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or</p> <p>(ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same financial year; and;</p> <p>(iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public.</p>	Not Applicable
9.14.7	<p>(a) Immediate disclosure of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements;</p> <p>(b) Immediate disclosure of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.</p>	Complied

CORPORATE GOVERNANCE

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.14.8	<p>(1) Disclosure in the Annual Report if the aggregate value of all the Non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Listed Entity, whichever is lower, as per the latest Audited Financial Statements.</p> <p>(2) Disclosures in the Annual Report if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of Group Entity Consolidated Revenue) as per the latest Audited Financial Statements.</p> <p>(3) Report of the Related Party Transactions Review Committee.</p> <p>(4) Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to Related Party Transactions, or a negative statement otherwise.</p>	Complied
9.14.9	<p>(1) (2) Shareholder approval for acquisition and disposal of substantial assets.</p> <p>(3) Rule 9.14.9(1) does not apply to:</p> <ul style="list-style-type: none"> a) Transactions between the Listed entity and a wholly owned subsidiary b) Transaction between wholly owned subsidiaries of the Entity; c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended); d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of its banking business. <p>(4) (5) (6) Competent independent advice on acquisition and disposal of substantial asset</p>	Complied

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.14.10	<p>Exempted Related Party Transactions:</p> <p>(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public;</p> <p>(b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares;</p> <p>(c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/ employees share purchase scheme (subject to Rule 5.6 of these Rules);</p> <p>(d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction;</p> <p>(e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka;</p> <p>(f) Directors' fees and remuneration, and employment remuneration.</p>	Complied
9.15	PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS	
	<p>Penalties for Non-Compliance with Board Committee Composition Requirements</p> <p>a. When a Listed Entity fails to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6), or 9.14.2</p> <p>b. Where a Listed Entity has failed to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 and has not disclosed of such non-compliance to the Exchange or the market:</p> <p style="margin-left: 20px;">→ If non-compliance is rectified: (a) - (b)</p> <p style="margin-left: 20px;">→ If non-compliance is not rectified: (c) - (e)</p>	Not Applicable
9.17	ADDITIONAL DISCLOSURES	
	<p>Additional Disclosures</p> <p>(i) Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.</p> <p>(ii) Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence.</p> <p>(iii) Directors are aware of laws, rules and regulations and their changes particularly to Listing Rules and applicable capital market provisions.</p> <p>(iv) Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Entity operates.</p>	Complied

CORPORATE GOVERNANCE

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.18	ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS	
	<p>Enforcement Procedure for Non-Compliance with Corporate Governance Requirements</p> <p>a) Immediate Market Announcement on non-compliance in the event of failure to comply with any of the requirements contained in Rules 9.3.1, 9.8.1, 9.8.2(a), 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 about such noncompliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules.</p> <p>b) The non-compliance must be rectified within three (03) months from the date of noncompliance.</p> <p>c) If not rectified within three months, the Entity's Securities shall be transferred to the Watch List immediately upon the expiration of the said period.</p> <p>d) While the Securities are on the Watch List, Directors, CEO, their Close Family Members, parent Entity, and entities where they hold 50% or more voting rights, cannot transact in the Entity's Securities without prior SEC approval. This restriction continues for three (03) months after resignation or until compliance is restored— whichever is earlier.</p> <p>e) Upon being placed on the Watch List, the Entity must make a Market Announcement including:</p> <ul style="list-style-type: none"> ➔ The remedial action proposed within six (06) months. ➔ The following statements: <ul style="list-style-type: none"> i) Any change in the plan will be announced within 1 Market Day after Board approval. ii) If the plan is not implemented within 6 months, trading will be suspended. iii) If suspension lasts more than 6 months, delisting will follow. 	Not Applicable
9.18 (Contd.)	<p>f) At the first General Meeting following the transfer to the Watch List, shareholders must be informed of the non-compliance, remedial actions, and that continued failure will result in suspension and potential delisting.</p> <p>g) The outcome of the above General Meeting must be announced to the Market by the next Market Day, including any decisions made.</p> <p>h) The Entity must rectify non-compliance within six (06) months from the date of Watch List transfer.</p> <p>i) Failure to comply within six months will result in trading suspension. The Exchange will also announce the enforcement action and any penalties imposed</p> <p>j) In addition to actions under 9.18(c) and 9.18(i), the Exchange shall impose penalties on the Listed Entity and/or its Directors as of the date of non-compliance.</p> <p>k) If suspension exceeds six (06) months, the Securities shall be delisted under Rule 11.3.</p> <p>l) The Exchange's decision to delist the Securities and any attached conditions shall be communicated to the SEC</p>	Not Applicable

5. CODE OF BEST PRACTICES ON CORPORATE GOVERNANCE JOINTLY ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA AND THE SECURITIES EXCHANGE COMMISSION OF SRI LANKA

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
THE COMPANY		
A. Directors		
A.1 The Board Every public company should be headed by an effective Board, which should lead and control the Company. The Board should include a balance of Executive and Non-Executive Directors such that no party can dominate the Board's decision making. The Board of a Listed Company includes two or one third of Non-Executive Directors appointed to the Board of Directors as "independent director".	Complied	<p>The Board consists of 7 Directors out of which 5 are non-executive directors. The names and profiles of the Directors are given on pages 07 to 09 of this Annual Report. They Possess the skill, experience and knowledge, to set the directions and oversee the operations of the Company. The composition of the Executive and Non-executive Directors satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange.</p> <p>The Board has determined that the 2 Independent Non-Executive Directors, satisfy the criteria for Independent set out in the Listing Rules and annually each Non-Executive Director declares his independence/ non independence i .e compliance with the relevant statutory regulations.</p> <p>The Chairman meets with the Independent Non- Executive Directors as and when necessary.</p>
A.1.1 Frequency of Board Meetings The Board should meet regularly and the Board Meeting should be held at least once a quarter of a financial year.	Complied	The Board generally meets on a monthly basis, but more frequently whenever it is necessary. During the year under review, 07 Board meetings were held. The meetings were presided over by the Chairman. The attendance by each of the Directors is set out on page 19.
A.1.2 Responsibilities of the Board The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed.	Complied	Please refer "Responsibilities of the Board of Directors" on page 63.
A.1.3 Compliance with laws and access to independent professional advice. There should be a procedure agreed by the Board of Directors, in furtherance of their duties to take professional advice if necessary.	Complied	<p>The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are applicable to the business enterprise. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations.</p> <p>A procedure has been established for Directors to seek independent professional advice from external parties when necessary at the expense of the Company.</p>

CORPORATE GOVERNANCE

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<p>A.1.4 Board Secretary</p> <p>All Directors should have access to the advice and services of a Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.</p>	Complied	<p>The Directors have access to the advice and services of the Board Secretary. The Board Secretary ensures that Board procedures, relevant statutory obligations and other applicable rules and regulations are complied with.</p> <p>The Board Secretary had provided the Board with support and advice relating to Corporate Governance matters, Board procedures, and applicable rules and regulations during the financial year. The Board Secretary ensures that the Board members are provided with timely and accurate information to fulfill their duties.</p> <p>The appointment and removal of the Board Secretary is a decision taken by the Board as a whole.</p> <p>S S P Corporate Services (Pvt) Ltd functions as the Secretary of the Board.</p>
<p>A.1.5 Independent judgment</p> <p>All Directors should bring independent judgment to bear, in discharging their duties and responsibilities on matters relating to the Board including strategy, performance, resource allocation, risk management, compliance and standards of business conduct.</p>	Complied	<p>The Independent Directors remain independent from day to day management and are free from any business and / or other relationship which may hinder their exercise of unbiased judgment. This enables them to act critically and independently in the best interest of the Company.</p>
<p>A.1.6 Dedication of adequate time and effort by the Board and Board Committees</p> <p>Every Director should dedicate adequate time and effort to matters of the Board and the Company.</p>	Complied	<p>Adequate time is devoted at every meeting to ensure that the Board's responsibilities are discharged satisfactorily.</p>
<p>A.1.7 Ability to present resolution to the Board</p> <p>One third of directors can call for a resolution to be presented to the Board where they feel it is in best interest to the company to do so.</p>	Complied	<p>This was not exercised during the financial year 2024/25.</p>
<p>A.1.8 Induction and Training for Directors</p> <p>Every Director should receive appropriate training on the first occasion that he or she is appointed to the Board of a listed Company and subsequently as necessary.</p>	Complied	<p>The policy on Directors training is to provide adequate opportunities for continuous development subject to requirement and relevance for each Director.</p>
<p>A.2 & A.2.1 Chairman and Chief Executive Officer</p> <p>There should be a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decisions.</p>	Complied	<p>There is a clear demarcation of the responsibilities between our Executive Chairman and our Chief Executive Officer. The functions performed by our Chairman and our Chief Executive Officer are distinct and separate, ensuring the balance of power and authority within the organization, so that no person has unfettered powers of decision making implementation.</p>
<p>A.3 Chairman's Role</p> <p>The Chairman should lead and manage the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully, and preserves order, and facilitates the effective discharge of the Board function.</p>	Complied	<p>The Chairman of the Board facilitates the effective discharge of Board proceedings. All the Directors are encouraged to participate in decision making and their views are obtained to ensure that the Board functions in an efficient manner which is beneficial to the stakeholders and the Company.</p> <p>Please refer page 18 for the Chairman's role.</p>

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<p>A.4 Financial Acumen</p> <p>The Board should ensure the availability within of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.</p>	Complied	The Board of ACME consists of professionals as well as entrepreneurs who have many years of experience in the corporate world. Their proficiency in the diverse areas of business, academic and/or entrepreneurial financial skills, business acumen, broad practical wisdom and unique perspectives enable the efficient and effective decision making and leadership of the Group.
<p>A.5 Board Balance</p> <p>There should be balance of Executive and Non-Executive Directors so that no individual or small group of individuals can dominate the Board's decision- making.</p>	Complied	All Directors are Non-Executive Directors except Executive Chairman and Director/CEO. Each of them brings vast experience and the ability to exercise independence and judgment when taking informed decisions.
A.5.1 Presence of Non-Executive Directors	Complied	Please refer "Board of Directors" profile on page 07 to 09.
A.5.2 Independent Directors	Complied	Two (02) out of the 05 Non-Executive Directors were considered independent. The requirement as per the Code has been complied with throughout the financial year.
A.5.3 Criteria to evaluate Independence of Non-Executive Directors	Complied	The Board considers Non-Executive Directors' independence on an annual basis and concluded for the financial year that each of them continues to be free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
A.5.4 Signed declaration of independence by the Non- Executive Directors	Complied	Every Non-Executive Director of the Company has made a written submission as to their independence as to their independence against the specified criteria.
A.5.5 Determination of independence of the Directors by the Board	Complied	The Board annually determines the independence of each Non-Executive Independent Director based on the declarations submitted by them. Circumstances have not arisen for the determination of independence by the Board, beyond the criteria set out in the Code.
A.5.6 Alternate Directors	Not Applicable	No alternative directors have been appointed.
<p>A.5.7 Senior Independent Directors</p> <p>The Chairman should lead and manage the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully, and preserves order, and facilitates the effective discharge of the Board function.</p>	Complied	The Board has appointed Mr P M A Sirimanna as the Senior Independent Director and relevant disclosure has been made to CSE on 31.10.2023. The Requirement to appoint a Senior Independent Director does not arise under this Code. As at 31st March 2025 Mr. K.G. Punchihewa appointed with the replacement of Mr. Sirimane.
A.5.8 Role of the SID	Complied	The SID makes himself available for confidential discussions with other Directors who have concerns which they believe have not been properly considered by the Board.
<p>A.5.9 Meeting of Non-Executive Directors</p> <p>The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.</p>	Complied	<p>The Chairman meets with the Non-Executive Directors without the presence of the Executive Director on a need basis.</p> <p>However, there were no formal specific meetings held with Non-Executive Directors during the year.</p>

CORPORATE GOVERNANCE

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<p>A.5.10 Recording of concerns in Board Minutes Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes.</p>	Complied	All concerns raised by the Directors on matters of the Company and wished to be recorded have been duly recorded in the Board minutes in sufficient detail.
<p>A.6, A.6.1 & A.6.2 Supply of Information Obligation of the Management to provide appropriate and timely information and adequate time for circulation of respective Board documents.</p>	Complied	The notices of Board Meetings are provided along with the agenda well ahead of the scheduled meeting. The Board Papers are circulated among the Directors ahead of the meeting providing adequate time to review and call for any additional information and clarification to assist them to formulate independent views.
<p>A.7 Appointments to the Board A formal and transparent procedure should be followed for the appointment of new Directors to the Board.</p>	Complied	The Board assesses the suitability of the prospective nominees to the Board and approves the persons as “fit and proper” to serve as a member of the Board.
<p>A.7.1 /A.7.2 Nomination & Governance committee</p>	Complied	The Nominations and Governance Committee established on 30th September 2024
<p>A.8, A 8.1 & A 8.2 Re-election All Directors should be required to submit themselves for Re-election at regular intervals and at least every three years.</p>	Complied	According to the Articles of association of the company, four directors retire by rotation and being eligible for re-election will stand for re- election by shareholders at the Annual General Meeting.
<p>A.8.3 Resignation In the event of a resignation of a director prior to completion of his appointed term, the director should provide a written communication to the board of his reasons for resignation.</p>	Complied	All Directors resigned during the year have tendered their resignation to Board of Directors.
<p>A.9, A.9.1, A.9.2, A.9.3 & A.9.4 Appraisal of board performance The Board should periodically appraise its own performance against the preset targets in order to ensure that the Board responsibilities are satisfactorily discharged.</p>	Complied	The performance of the Board, its sub Committees and individual Directors are being evaluated annually.
<p>A.10 Disclosure of Information in respect of Directors Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.</p>	Complied	The biographical details of the Directors including their qualifications, nature of expertise in relevant functional areas, and other directorships are given on page 07 to 09 Directors’ attendance at Board and Board Sub-Committee meetings are given on page 19 to 20.
<p>A.11, A.11.1 & A.11.2 Appraisal of the Chief Executive Officer Setting of the annual targets and the appraisal of the CEO.</p>	Complied	The performance of the Chief Executive Officer is being evaluated annually.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
B. Directors' Remuneration		
B.1 Remuneration Procedure The Company should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.	Complied	The Company has a formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration packages of individual Directors. No Director has been involved in deciding his remuneration in order to avoid the self-review threat.
B.1.1 Remuneration Committee To avoid potential conflicts of interest, the Board of Directors should set up a Remuneration Committee to make recommendations to the Board, within agreed terms of reference, on the Company's framework of remunerating executive directors.	Complied	The Remuneration Committee makes recommendations to the Board on remuneration policy for the Executive Director and the corporate management that is consistent with the objectives of the Company. The Committee determines and agrees with the Board the broad policy framework for the remuneration of the Chief Executive Officer. The Chief Executive Officer participates at meetings when deciding the remuneration of the corporate management in order to recruit, retain and motivate the corporate management team.
B.1.2 & B 1.3 Composition of the Remuneration Committee Remuneration Committee should consist exclusive of Non-Executive Directors who are Independent of Management. The members of the Remuneration Committee should be listed in the Board's remuneration report to the shareholders.	Complied	The Remuneration Committee comprises of the following Non-Executive Directors. <ul style="list-style-type: none"> ➔ Mr. K.G Punchihewa – Chairman ➔ Mr.A.I Piyadigma ➔ Mr. P.M.A. Sirimane Further details of the Remuneration Committee are given on this Annual Report on page 55.
B.1.4 Remuneration of the Non-Executive Directors The Board as a whole, or where required by the Articles of Association, the shareholders should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee, within the limits set in the Articles of Association. Where permitted by the Articles, the Board may delegate this responsibility to a subcommittee of the Board, which might include the CEO.	Complied	Non-Executive Directors are remunerated in accordance with the Articles of Association of the Company. The fees and reimbursable expenses are payable in consideration of the basis of contribution/ services performed at the Board and Committee Meetings, and the Company's year end financial performance.
B.1.5 Consultation of the Chairman and access to professional advice	Complied	The Committee consults the Chairman on proposals relating to the remuneration of the Executive Director and has access to professional advice in discharging their duties.
B.2 Level and make-up of Remuneration The level of remuneration of both Executive and Non- Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.	Complied	Please refer Remuneration Committee Report on Page 55.

CORPORATE GOVERNANCE

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<p>B.2.1& B 2.2 Level and make-up of the remuneration of the Executive Director</p> <p>The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors of the quality required but should avoid paying more than is necessary for this purpose.</p> <p>Executive directors' remuneration should be designed to promote the long-term success of the company.</p>	Complied	<p>The Board makes assessments on the fact that the remuneration of Executive and the Non-Executive Directors reflects the market expectations and is sufficient enough to attract and retain the quality of Directors needed to run the Company.</p> <p>The remuneration package of the Chief Executive Officer is structured to link rewards to corporate and individual performance, ensuring there is strong alignment between the short-term and long-term interests of the Company.</p>
<p>B.2.3 Comparison of remuneration with other companies</p> <p>The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with no corresponding improvement in performance.</p>	Complied	The Committee ensures that remuneration of executives at each level of management is competitive and in line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is on par with those of competitive companies.
<p>B.2.4 Comparison of remuneration with other companies in the Group</p>	Complied	It also takes into consideration data concerning executive pay among the related group companies when determining annual salary increases.
<p>B.2.5 Performance related payments to the Chief Executive Officer</p>	N/A	
<p>B.2.6 Executive share options</p>	N/A	The Company has no share option made available to the Directors, Executives or employees of the Company.
<p>B.2.7 Deciding the Executive Directors' Remuneration</p>	Complied	In deciding the remuneration of the Chief Executive Officer, the Committee takes note of the provisions set out in Schedule E of the Code.
<p>B.2.8 Early termination of Directors</p> <p>Remuneration Committees should consider what compensation commitments (including pension contributions) their Directors' contracts of service, if any, entail in the event of early termination. Remuneration Committees should in particular, consider the advantages of providing explicitly for such compensation commitments to apply other than in the case of removal for misconduct, in initial contracts.</p>	N/A	Not applicable to the Board except for the Executive Directors including Chief Executive Officer who is an employee of the Company and his terms of Employment is governed by the employment contract.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<p>B.2.9 Early termination not included in the initial contract</p> <p>Where the initial contract does not explicitly provide for compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. The broad aim should be, to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.</p>	Complied	Please refer comment in B.2.8 above.
<p>B.2.10 Remuneration of Non-Executive Director</p>	Complied	Please refer details of the Compliance given in B.1.4 on page 55
<p>B.3 & B 3.1 Disclosure of Remuneration</p> <p>The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole.</p>	Complied	The names of the members of our Remuneration Committee are indicated in page 55 Please refer Note 08 to the Financial Statements for the details of remuneration paid to Board of Directors and Key Management Personnel.
C. Relations with Shareholders		
<p>C.1 Constructive use of the Annual General Meeting and Conduct of General Meetings</p> <p>The Board should use the AGM to communicate with shareholders and should encourage their participation.</p>	Complied	The Company conducts Annual General Meeting on effective manner to communicate with shareholders and encourage their active participation.
<p>C.1.1 Notice of the AGM</p> <p>Companies should arrange for the Notice of the AGM and related papers to be sent to shareholders as determined by statute, before the meeting.</p>	Complied	The notice and the agenda for the Annual General Meeting together with the Annual Report of the Company containing the relevant documents are sent to the shareholders giving 15 working days' notice prior to the date of the Annual General Meeting as required by section 135 (1) of the Companies Act No 7 of 2007.
<p>C.1.2 Separate resolutions for all separate issues</p>	Complied	Separate resolutions are proposed at an Annual General Meeting on each substantial separate issue.
<p>C.1.3 Use of proxy votes</p>	Complied	We ensure that all proxy votes are counted and the quantum of proxies lodged on each resolution is conveyed to our Chairman.
<p>C.1.4 Availability of all Board Sub-Committee Chairmen at the Annual General Meeting</p>	Complied	At the Annual General Meeting the respective Chairmen of the Subcommittees are present to provide any clarification to shareholders as necessary.
<p>C.1.5 Adequate notice of Annual General Meeting and summary of procedure</p>	Complied	Please refer comment C.1.1 above.

CORPORATE GOVERNANCE

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
C.2.1 to C2.7 Board should use the Annual General Meeting to communicate with investors and encourage their participation	Complied	<p>All shareholders are invited and encourage to be present, actively participate and vote at the Annual General Meeting. The Annual general Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company.</p> <p>The external Auditors are invited to attend the Annual General Meeting, for any professional assistance that may requested.</p> <p>Shareholders who are not in the position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their own choice.</p>
C.3, C.3.1 & C 3.2 Major and Material Transactions Directors should disclose to shareholders all proposed material transactions which would materially alter the net asset position of the Company, if entered into.	Complied	There were no major transactions during the financial year 2024/2025 that materially altered our Company's net asset base or the consolidated Group net asset base.
D. Accountability and Audit		
D.1 Financial Reporting The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.	Complied	<p>ACME has reported a true and fair view of its financial position and performance for the year ended 31st March 2025 and at the end of each quarter of 2024/25 financial year.</p> <p>The Board ensures that the quarterly and annual Financial Statements of the Company and Group are prepared and Published in compliance with the requirements of the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards (LKASs and SLFRSs) and the Rules of the Colombo Stock Exchange.</p>
D.1.1 & D.1.2 Board responsibility to present the Financial Statements and Annual Report of the Directors	Complied	Please refer the Statement of Directors' Responsibility shown on page 63 and the Directors have made the required declaration on pages 59 to 61 of this Annual Report.
D.1.3 Before approve financial statements for a financial period, A declaration should be made by Chief Executive Officer and Chief Financial Officer to the Board. In their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the system of risk management and internal control was operating effectively.	Complied	The required declaration has been given to the board for the financial year of 2024/2025.
D.1.4 Directors Report	Complied	Please refer the Report of the Directors on the State of Affairs of the Company on pages 59 to 61.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
D.1.5 Statement by the Directors and the Auditors	Complied	The Statement of Directors' Responsibilities is on page 63 of this Annual Report. The Auditor's Report on the Financial Statements for the year ended 31st March 2025 is presented on pages 66 to 68 of this Annual Report.
D.1.6 Management discussion and analysis	Complied	The management discussion and analysis of the company is on pages 14 to 16 of this Annual Report.
D.1.7 Requirement for an Extraordinary General Meeting in a situation of serious loss of capital	Complied	This is not applicable to us however subsidiary company has an issue of such and EGM was held to notify this to share holder accordingly.
D.1.8 Disclosure of related party transactions	Complied	The Directors disclose their interest in transactions in companies in as and when basis. However, they make disclosures of their interest in transactions with the Company in compliance with the requirements of the companies act and other statutory requirements. The Company maintains an interest register as stipulated in the Companies Act.
D.2 Risk Management and Internal Control The Board should have a process of risk management and a sound system of internal controls to safeguard shareholders' investments and Company's assets.	Complied	The Board of Directors acknowledges its overall responsibility for maintaining a process of risk management and a sound system of internal controls, to safe guard shareholders' investment and the Company's assets.
D.2.1 Annual evaluation of the risks facing the Company and the effectiveness of the system of internal controls	Complied	The Board has appointed a Audit Committee comprising of Non-Executive Directors. The Audit Committee meets quarterly basis monitor the company's risk management system and internal control system in the context of likelihood and their impact to the Group along with the effectiveness of the system of internal controls to address them to a satisfactory level.
D.2.2 Robust assessment of the principal risks facing	Complied	The assessment of the principal risks facing the company and risk mitigation strategies have been discussed on Risk Management Report on pages 105 to 109.
D.2.3 Internal audit function	Complied	The internal auditors under the direction of the Audit Committee are tasked with reviewing the adequacy and the effectiveness of the internal controls of the Company. Internal audit function is outsourced to a firm of Chartered Accountants.
D.2.4 Review of the process and effectiveness of risk management and internal controls by the Audit Committee	Complied	The Audit Committee monitors, reviews and evaluates the effectiveness of the risk management and internal control system including the internal controls over financial reporting. The internal auditors review the adequacy and effectiveness of the Internal control system and report their findings to the Audit Committee. In the financial year under review, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company. Please refer Audit Committee Report on pages 51 to 52.
D.2.5 Responsibilities of Directors in maintaining a sound system of internal control	Complied	Please refer Report of the Directors on the State of Affair of the Company on pages 59 to 61.

CORPORATE GOVERNANCE

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<p>D.3, D.3.1 & D.3.2 Audit Committee, Composition, Duties & Responsibilities and Disclosures of Audit Committee</p> <p>The Board should have a formal and transparent arrangement in selecting and applying the accounting policies, financial reporting and internal control & risk management principles and maintaining an appropriate relationship with the Company's External Auditors.</p>	Complied	Please refer Audit Committee Report on pages 51 to 52.
<p>D.4, D.4.1 to D.4.3 Related Party Transaction Review Committee, Composition, Duties & Responsibilities and Disclosures of Related Party Transaction Review Committee</p> <p>The Board should establish a procedure to ensure that the Company does not engage in transactions with "related parties" in a manner that would grant such parties "more favorable treatment" than that accorded to third parties in the normal course of business.</p>	Complied	Please refer Related Party Transactions Review Committee Report on pages 53 to 54.
<p>D.5, D.5.1 to D.5.4 Code of Business Conduct and Ethics</p> <p>The Company should develop a Code of Business Conduct and Ethics for Directors and members of the senior management team.</p>	Complied	The Company has developed and institutionalized a strongest of corporate values and code of conduct that is circulated to Directors and all employees. The Board ensures that Directors and employees strictly comply with the code of Business Conduct and Ethics at all levels in the performance of their official duties, communications, role modeling and in any other circumstances, so as to prevent the tarnishing of our Company's image in any manner. The violation of the code of ethics is an offence that is subject to disciplinary action.
<p>D.5 & D.5.1 Corporate Governance Disclosures</p>	Complied	We are adhering to the highest standards of corporate governance as is evident in this Annual Report on pages 20 to 48.

SHAREHOLDERS

E. Institutional Investors

<p>E.1 & E.1.1 Shareholders voting</p> <p>Institutional shareholders are required to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice.</p>	Complied	<p>The Company is committed to maintain good communications with investors. The Chairman conducts a structured dialogue with the shareholders based on the mutual understanding of objectives and ensures that the views of the shareholders are communicated to the Board as a whole.</p> <p>The Annual General Meeting is used to have an effective dialogue with the shareholders on matters which are relevant and concern to the general membership.</p>
<p>E.2 Evaluation of Corporate Governance initiatives</p>	Complied	Institutional investors are encouraged to give due weight to all relevant factors drawn to their attention when evaluating the governance arrangements particularly in relation to Board structure and composition.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
F. Other Investors		
F.1 & F.1.1 Investing/ Divesting decision by Individual Shareholders	Complied	Individual shareholders are encouraged to carry out adequate analysis and seek the independent advice prior to make investing or divesting directly in shares of the Company.
F.2 Individual shareholders voting	Complied	All shareholders are encouraged to participate at meetings of the Company and a Form of Proxy accompanies each Notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.
G. Internet of Things and Cyber-Security		
G.1 The Board should have a process to identify how in the organization's business model, IT devices within and outside the organization can connect to the organization's network to send and receive information and the consequent cyber security risks that may affect the business. Internal and external parties could have computing devices embedded in everyday objects which may enable them to interconnect with the Company's network to send and receive data. Such access could be authorized or unauthorized.	Complied	The board assigned this responsibility to the Information Technology Division which ensures security of the IT system.
G.2 The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise, authority and budgetary allocation to introduce and implement a Cyber-security risk management policy which should be approved by the Board. The policy should include a robust Cyber security. Risk management process, incident response system, vendor management system, disaster recovery plan and a governance structure to monitor effective implementation, reporting and the need for Cyber security insurance.	Complied	IT Manager performs the duties of Chief Information Security Officer (CISO).
H. Environment, Society and Governance (ESG)		
H.1& H 1.1 Companies should provide information in relation to: <input type="checkbox"/> The relevance of environmental, social and governance factors to their business models and strategy. <input type="checkbox"/> How ESG issues may affect their business. How risks and opportunities pertaining to ESG are recognized managed, measured and reported.	Complied	Sustainability principles related to ESG factors are embedded in the operations of the Company and initiatives implemented to ensure adherence by the Company.
H.1.2 Environmental governance of an organization should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications of their decisions and activities.	Complied	Refer H.1 & H.1.1 above.

CORPORATE GOVERNANCE

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<p>H.1.4 Companies should establish a governance structure to support its ability to create value and manage risks in the short, medium and long-term, recognizing managing and reporting on all pertinent aspects of ESG.</p> <p>The Company should recognize the key resources/ capitals deployed in its business and establish financial and non-financial measures for resource/capital management and related outputs and outcomes.</p> <p>The Company should have a process to ascertain, assess and manage risks which have an impact on the sustainability of the Company.</p> <p>The company should have a process to recognize material matters relating to significant stakeholders and a method of engagement relevant to their level of interest and influence.</p> <p>The disclosures should deal with how the Company has complied with the mandatory and voluntary codes of corporate governance and how its leadership structure, organizational culture, code of conduct and business model supports sustainability of the company in the short, medium and long-term.</p>	Complied	Process of managing risks in line with ESG aspects is discussed in the Risk management report on pages 49 to 50.

ENTERPRISE RISK MANAGEMENT

Risk management involves identifying potential risk exposure faced by the Company and implementing proper risk management techniques to mitigate such risks. A disciplined approach to risk management is important in order to ensure successful execution of strategic objectives and to express our acceptance towards risk management for which we have adequately compensated for.

The Board of Directors has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. We consider risk management as a vital component in our operations and build upon management's risk assessment and mitigation processes, which include standardised reviews of long-term strategic and operational planning; executive development and evaluation; regulatory and litigation compliance; health, safety and environmental compliance; financial reporting and controls; and information technology and security. The Company has established appropriate internal control systems and other risk mitigation techniques to ensure the delivery of shareholder wealth and to meet its obligations to other stakeholders.

INTERNAL CONTROLS

The Directors acknowledged their responsibility for the Company's system of internal control. The system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

BUSINESS RISK

The business risk management is a dynamic process due to the constant change and complexity in the operating environment of the Group. The different business operations of the Group and their performance are subject to a variety of risk factors which are constantly monitored and evaluated by the management in order to respond effectively.

COMPETITIVE ENVIRONMENT

Our businesses are highly competitive. Failure to compete with competitors on areas including price, product range, quality and service would have an adverse effect on the Group's financial results. Hence we aim to have a broad appeal in price range and format in a way that allows us to compete effectively.

HEALTH AND SAFETY RISKS

The safety of our staff and customer is of paramount importance to us. We operate stringent health and safety processes in line with best practices in our manufacturing facilities, stores and offices.

IT SYSTEMS AND INFRASTRUCTURE

The business is dependent on efficient information technology (IT) systems. We have extensive controls in place to maintain the integrity and efficiency of our IT infrastructure and to ensure consistency of delivery, and all relevant staff is effectively engaged to mitigate IT related risks through effective policy and procedures as well as increased awareness.

INTEREST RATE AND EXCHANGE RATE RISK

The Group mostly uses its foreign currency proceeds to settle import bills, which effectively provides for foreign exchange exposure by minimizing any adverse impact.

By having a centralized treasury management system and through appropriate financial risk management techniques, the Group has been able to mitigate losses arising through interest rate fluctuations.

CREDIT RISK

Credit risks arise due to the non-payment by debtors which can lead to working capital issues. Export sales are done on letter of credits as much as possible. Company extends credit facilities to customers during the course of business. We undertake actions such as implementation of Group credit policy, evaluation of customers prior to granting credits, periodic review of receivables by the Group Management Committee and credit suspension on overdue accounts and legal procedures for recovery of long overdue receivables to mitigate the credit risk.

MARKET RISK

A broad definition of market risk is exposure to adverse movements in the securities markets for both equity and fixed income investments, which can result in value loss as well as variations in the anticipated returns from those securities. All financial institutions face market risks, created by changes in the macro environment related to political factors, national security economic management and globalisation influences which have an impact on systematic risk factors such as interest rates, currency parity, inflation, and availability of credit. Therefore, understanding market risks requires considering multiple dimensions and complexity in the macro environment.

Market risks are inherent in every security and are thus collectively considered at the portfolio level to take into account the asset allocation decisions of the portfolio.

INVENTORY MANAGEMENT RISK

Plan monthly production based on budgets and sales forecasts and review during production planning meetings held regularly. Adopt various quality standards at different stages to verify the quality until the product is delivered. Carry-out stocks verifications on periodically to identify non-moving stocks and regularly monitor inventory days.

ENTERPRISE RISK MANAGEMENT

TECHNOLOGICAL AND QUALITY RELATED RISK

Develop a long term plan to replace existing machines with technology advanced machines, obtain certificates from relevant authorities and ensure products comply with most of the local and international standards and already the equipment required to test the quality of products are in place.

GENERAL SECURITIES RISK

Any trading in securities carries inherent investment risks, associated with the entity issuing those securities in particular the price of value of any security can and does fluctuate and may even become valueless, resulting in possible loss not only of returns and profits but even also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities past performance of any investment is not necessary indicative of future performance.

LEGAL COMPLIANCE

ACME Printing and Packaging PLC complies with all legal and regulatory provisions applicable to it. The legal function pro-actively identifies and sets up appropriate systems and processes for legal and regulatory compliance in respect of all our investments. The internal audit function of the Group ensures the safeguarding of Company assets and recommends process improvements in areas where process control failures are noted.

REGULATORY COMPLIANCE

The operations of the ACME Printing and Packaging PLC come within the rules and regulations applicable to companies listed on the CSE and regulations applicable to securities trading set by the Securities and Exchange Commission of Sri Lanka. Our systems and processes are structured to satisfy the criteria set by these regulations and staff are constantly kept aware of the compliance needs imposed by these regulations.

OPERATIONAL RISKS

We manage operational risks by identifying areas of risk, formulating plans for their management, promoting best practices, implementing internal controls and systems and monitoring compliance. Operational risks mainly cover the areas of system failure, continuity of decision making, dealing with contingencies and ensuring efficiency in operations and correct application of recommended management practices.

ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONSHIP

The Board of ACME Printing and Packaging PLC assesses all the issues with regard to employees and industrial relation which influence the performance of the Group. ACME Printing and Packaging PLC takes considerable number of steps to ensure employees are satisfied at all the levels and their issues are addressed in order to retain talented employees. A well structured grievance handling system is in place to handle the grievances of employees at all levels. We make sure to maintain pertinent industrial relationship with all the governmental agencies. There are no issues which affect the Company's performance to be disclosed.

AUDIT COMMITTEE REPORT

The Audit Committee has the responsibility of assisting the Board in fulfilling its oversight responsibility on financial reporting to the stakeholders in relation to review of the financial reporting process, the integrity of the financial statements and monitor the internal control system of the company in accordance with the relevant laws and regulations through a process of independent and objective review.

The Terms of Reference of the Audit Committee is governed by the Audit Committee Charter which has been reviewed and recommended by the Audit Committee and approved by the Board to ensure its align with the Code of Best Practices on the Corporate Governance issues by the Institute of Chartered Accountants of Sri Lanka.

COMPOSITION

The Audit Committee of Acme Printing and Packaging PLC comprised of the following Members until the close of business on 31st December 2024.

Mr. A.C.S. Jayaranjan - Chairman
(Independent Non-Executive Director)

Dr. J.M. Swaminathan - Member
(Independent Non-Executive Director)

Mr. G.K.B. Dasanayaka - Member
(Independent Non-Executive Director)

Mr. P.M.A. Sirimane - Member
(Independent Non-Executive Director - until 31st March 2025)

Consequent to the resignation of Mr. A.C.S. Jayaranjan, Dr. J.M. Swaminathan and Mr. G.K.B. Dasanayaka from the Board of Directors at the close of business on 31st December 2024 and the subsequent appointment of Mr. K.G. Punchihewa and Mr. A.I. Piyadigama, Independent Non-Executive Directors on 5th February 2025, the non-compliance of the Sub Committee was regularized by re-constituting the Sub Committee on 11th February 2025 and comprised of the following members:

Mr. K.G. Punchihewa - Chairman
(Independent Non-Executive Director)

Mr. A.I. Piyadigama - Member
(Independent Non-Executive Director)

Mr. P.M.A. Sirimane - Member
(Independent Non-Executive Director)

Consequent to the resignation of Mr. P.M.A. Sirimane from the Board at the close of business on 31st March 2025 the Audit Committee was reconstituted with effect from 31st March 2025 and comprised of the following members:

Mr. K.G. Punchihewa - Chairman
(Independent Non-Executive Director)

Mr. A.I. Piyadigama - Member
(Independent Non-Executive Director)

Mr. P.S. Goonewardene - Member
(Non-Executive Director)

The Chairman of the Committee, Mr. K.G. Punchihewa is a Fellow Member of Institute of Chartered Accountants of Sri Lanka (FCA) and Member of the Certified Public Accountants (CPA)- Australia. The Committee has a blend of experience in the commercial sector with financial expertise and high standing of integrity and business acumen in order to carry out their role efficiently and effectively.

Brief profile of the Audit Committee members are given on pages 08 to 09.

MEETING AND ATTENDANCE

The Audit Committee has met on 4 occasions and the attendance was as follows:

The Company's Secretaries, S S P Corporate Services (Private) Limited function as the Secretaries to the Audit Committee.

Audit Committee for the period 1st April 2024 to 31st December 2024

Mr. A.C.S. Jayaranjan	2/2
Dr. J.M. Swaminathan	2/2
Mr. G.K.B. Dasanayaka	2/2
Mr. P.M.A. Sirimane	2/2

Audit Committee for the period 1st January 2025 to date

Mr. K.G. Punchihewa (appointed with effect from 11th February 2025)	2/2
Mr. A.I. Piyadigama (appointed with effect from 11th February 2025)	2/2
Mr. P.M.A. Sirimane (resigned with effect from 31st March 2025)	1/1
Mr. P.S. Goonewardene (appointed with effect from 31st March 2025)	1/1

The proceedings of the audit committee are regularly reported to the Board of Directors.

In addition to the meetings, any other matters referred to the Committee were reviewed and recommended in writing, to the Board for approval.

Other members of the Board, the Chief Executive Officer and the Chief Financial Officer are invited to attend meetings as and when required. The proceedings of the Audit Committee are regularly reported to the Board.

TERMS OF REFERENCE

The Committee reviews and advises on the following matters in discharging its responsibilities taking into consideration the terms of reference together with the requirements of the Listing Rules of the Colombo Stock Exchange.

- Risk Management
- Efficiency of the system of internal controls
- Independence and objectivity of the external (statutory) Auditors
- Appropriateness of the principal accounting policies used
- Financial Statement integrity.

AUDIT COMMITTEE REPORT

ROLE OF THE AUDIT COMMITTEE

The Audit Committee principally performs an advisory role to the Board and its main objective is to assist the Board of Directors by advising the management in ensuring that the Company follows best practices of sound financial reporting and adhering to relevant accounting standards and principles, adequacy of internal controls, and risk control measure, efficient management reporting systems and adherence to other statutory requirements. In fulfilling this role, the Audit Committee is empowered to examine the financial records of the Company and other communications as necessary in order to ensure the Company adheres to accepted norms of ethical guidance, rules and regulations.

The Audit Committee recommends to the Board the appointment or re-appointment of external Auditors ensuring independence and maintains a close professional relationship with them. The Committee also recommends to the Board the fees payable to external auditors.

ACTIVITIES DURING THE YEAR

Risk Management, Internal Control and financial reporting

The Committee obtained and reviewed Representative Letters from the management confirming that adequate internal control measures are in place and implemented in the Company including but not limited to a statement of assurance from the CEO and CFO on the Company's operations and finances. The management is in the process of developing a formal risk management framework and it will be implemented within the next year and will be subject to review and improvements over time.

The Audit Committee reviewed the financial reporting system adopted to prepare Financial Statements to ensure that the reliability of the process and consistency of the accounting policies and methods adopted are in compliance with financial reporting requirements, information requirements under the CSE Listing Rules, the Companies Act, the SEC Act, Sri Lanka Accounting Standards (SLFRS/LKAS) and other relevant financial reporting related regulations and requirements.

The Committee satisfied itself that adequate internal controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded.

A formal internal Audit charter is in place at present and implementation of internal audit function is in progress.

The Committee effectively discharged its apex function of reviewing and recommending the quarterly unaudited financials and the annual audited financials for approval of the Board.

EXTERNAL AUDIT

The Committee has recommended to the Board the appointment of M/s KPMG as its external auditors.

M/s. KPMG has also issued a declaration as required by the Companies Act No.07 of 2007 that they do not have any relationship or interest in any of the Companies in the group, which may have a bearing on the independence of their role as Auditors.

The Audit Committee has evaluated the auditor's independence and determined that they are in fact independent and objective in their role. No audit work was performed by them or affiliated parties in the year under review other than tax advisory services.

The Committee after evaluating the independence and performance of the External Auditors has recommended to the Board the reappointment of Messrs. KPMG for the financial year ending 31st March 2026 subject to the approval of the shareholders at the Annual General Meeting of the Company.



K.G. Punchihewa

Chairman

Audit Committee

14th August 2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee (RPTRC) is entrusted with the responsibility of ensuring that the interest of the shareholders' protected when entering into transactions with the Related Parties.

COMPOSITION

The Related Party Transactions Review Committee of the Company consisted of the following members until the close of business on 31st December 2024:

Dr. J.M. Swaminathan - Chairman
(Independent Non-Executive Director)

Mr. G.K.B. Dasanayaka - Member
(Independent Non-Executive Director)

Mr. P.M.A. Sirimane - Member
(Independent Non-Executive Director) until 31st March 2025)

Consequent to the resignation of Dr. J.M. Swaminathan and Mr. G.K.B. Dasanayaka from the Board of Directors at the close of business on 31st December 2024 and the subsequent appointment of Mr. K.G. PUNCHIHEWA and Mr. A.I. PIYADIGAMA, Independent Non-Executive Directors on 5th February 2025, the non-compliance of the Sub Committee was regularized by re-constituting the Sub Committee on 11th February 2025 and comprised of the following members:

Mr. K.G. PUNCHIHEWA - Chairman
(Independent Non-Executive Director)

Mr. A.I. PIYADIGAMA - Member
(Independent Non-Executive Director)

Mr. P.M.A. Sirimane - Member
(Independent Non-Executive Director)

Consequent to the resignation of Mr. P.M.A. Sirimane from the Board at the close of business on 31st March 2025 the Related Party Transaction Review Committee was reconstituted with effect from 31st March 2025 and comprised of the following members:

Mr. K.G. PUNCHIHEWA - Chairman
(Independent Non-Executive Director)

Mr. A.I. PIYADIGAMA - Member
(Independent Non-Executive Director)

Mr. P.S. GOONEWARDENE - Member
(Non-Executive Director)

The Committee has extensive experience in financial oversight, regulatory compliance and business acumen in order to carry out their role efficiently and effectively. All three members are finance professionals. Brief profiles of the Committee members are give on pages 07 to 09.

The Company's Secretaries, S S P Corporate Services (Private) Limited functions as the Secretaries to the Committee.

Moreover, the representatives from S S P Corporate Services (Private) Limited, Secretaries and other Directors and the CEO are invited to the meetings as and when required.

MEETINGS OF THE COMMITTEE

The Related Party Transactions Review Committee has met on 4 occasions and the attendance in respect of the meetings are as follows:

Related Party Transaction Review Committee for the period 1st April 2024 to 31st December 2024

Mr. A.C.S. Jayaranjan	2/2
Dr. J.M. Swaminathan	2/2
Mr. G.K.B. Dasanayaka	2/2
Mr. P.M.A. Sirimane	2/2

Related Party Transaction Review Committee for the period 1st January 2025 to date

Mr. K.G. PUNCHIHEWA (appointed with effect from 11th February 2025)	2/2
Mr. A.I. PIYADIGAMA (appointed with effect from 11th February 2025)	2/2
Mr. P.M.A. Sirimane (resigned with effect from 31st March 2025)	1/1
Mr. P.S. GOONEWARDENE (appointed with effect from 31st March 2025)	1/1

In addition to these Meetings Related Party Transactions were referred to the RPTRC and have been reviewed and recommended by Resolution in writing.

During the said period, the RPTRC has reviewed and recommended to the Board for approval, Related Party Transactions in a manner consistent with the Listing Rules in respect of ACME Printing and Packaging PLC and the activities and views of the Committee are communicated on a regular basis to the Board of Directors.

The Committee is free to seek external professional advice on matters within their purview when necessary.

POLICIES, PROCEDURES AND FUNCTIONS OF THE COMMITTEE

The Policies and procedures adopted by the Related Party Transaction Review Committee when reviewing and recommending transactions are consistent with Section 9.14 of the Listing Rules of the Colombo Stock Exchange.

The functions of the Committee are as follows:

- To identify the persons/entities considered to be Related Parties
- Review all proposed Related Party Transactions (except for transactions which are exempt)
- Advise Management on Related Party Transactions and where necessary direct the transactions for Board approval/shareholder approval as deemed appropriate.
- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes.
- Establish guidelines for Senior Management to follow in ongoing dealings with Related Parties.
- Review and assess on an annual basis the transactions for compliance against the Committee guidelines.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

- Ensuring that immediate market disclosures and disclosures in the Annual Report are made as required by the applicable rules and regulations.

CONCLUSION

The Related Party Transaction Review Committee has reviewed the Related Party Transactions entered into during the financial year under review and has communicated its observations to the Board of Directors.

The Board of Directors have also declared in the Annual Report of the Board of Directors that there were no recurrent/non-recurrent related party transactions which exceeded the respective disclosure thresholds stated in Section 9.14 of the Colombo Stock Exchange Listing Rules.

The Company has complied with the requirements of the Listing Rules on Related Party Transactions and details of Related Party Transactions are disclosed under Note 28 to the financial statements in this Annual Report.



K.G. Punchihewa

Chairman

Related Party Transactions Review
Committee

14th August 2025

REMUNERATION COMMITTEE REPORT

The Remuneration Committee takes responsibility to assist the Board in developing and setting an equitable and transparent remuneration policy, while assisting the Board on setting the overall human resources strategy of the Group and the remuneration of Executive Directors, if any and senior management of the Group. There is a Board approved non-discriminatory remuneration policy in place for all Non-Executive Directors to ensure that their independence is not impaired.

COMPOSITION

The Remuneration Committee of Acme Printing and Packaging PLC comprised of the following Members until the close of business on 31st March 2025.

Mr. G.K.B. Dasanayaka - Chairman
(Independent Non-Executive Director)

Dr. J.M. Swaminathan - Member
(Independent Non-Executive Director)

Mr. R. Rajaratnam - Member
(Non-Executive Director)

Consequent to the resignation of Mr. G.K.B. Dasanayaka and Dr. J.M. Swaminathan from the Board of Directors at the close of business on 31st December 2024 and the subsequent appointment of Mr. K.G. Punchihewa and Mr. A.I. Piyadigama, Independent Non-Executive Directors on 5th February 2025, the non-compliance of the Sub Committee was regularized by re-constituting the Sub Committee on 11th February 2025 and comprised of the following members:

Mr. K.G. Punchihewa -
Chairman/Independent
Non-Executive Director

Mr. A.I. Piyadigama -
Member/Independent Non-Executive
Director

Mr. P.M.A. Sirimane -
Member/Non-Executive Director

Consequent to the resignation of Mr. P.M.A. Sirimane from the Board of Directors at the close of business on 31st March 2025, the Committee was reconstituted on 31st March 2025 as follows;

Mr. K.G. Punchihewa -
Chairman/Independent
Non-Executive Director

Mr. A.I. Piyadigama -
Member/Independent
Non-Executive Director

Mr. P.S. Goonewardene -
Member/Non-Executive Director

Brief Profiles of the Members are given on pages 08 and 09 of the Annual Report.

The Company's Secretaries, S S P Corporate Services (Private) Limited functions as the Secretaries to the Remuneration Committee to whom a fee is paid.

MEETING AND ATTENDANCE

The following Committee has met on one occasion during the period under review.

Mr. K.G. Punchihewa - Chairman	1/1
Mr. A.I. Piyadigama - Member	1/1
Mr. P.S. Goonewardene - Member	1/1

The aggregate remuneration of the Non-Executive Directors of the Company for the financial year ended 31st March 2025 is Nil.



K.G. Punchihewa

Chairman
Remuneration Committee

14th August 2025

NOMINATION AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee was established to ensure that the governance framework of the Company aligns with the requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

The Committee supports the Board in fulfilling its statutory and fiduciary responsibilities relating to the corporate governance and selection/appointment of new Directors, re-election and re-appointment of current Directors, selection and appointment of the CEO to ensure the highest levels of Corporate Governance in the Company and among members of the Board of Directors.

There is a formal and transparent procedure for the appointment of new Directors to the Board, and the re-election and re-appointment of current Directors which is in accordance with the recommendations made by the Nominations and Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance.

The composition and scope of work of the Committee are in line with the Terms of Reference of the Committee which is periodically reviewed and revised with the concurrence of the Board.

MEMBERSHIP

The Nominations & Governance Committee of ACME Printing and Packaging PLC comprised of the following Members until the close of business on 31st December 2024.

Mr. G.K.B. Dasanayaka -
Chairman / Independent
Non-Executive Director

Mr. A.C.S. Jayaranjan -
Member / Independent
Non-Executive Director

Mr. P.M.A Sirimane -
Member / Independent
Non-Executive Director

Consequent to the resignation of Mr. G.K.B. Dasanayaka and Mr. A.C.S. Jayaranjan from the Board of Directors at the close of business on 31st December 2024 and the subsequent appointment of Mr. K.G. Punchihewa and Mr. A.I. Piyadigama, Independent Non-Executive Directors on 5th February 2025, the non-compliance of the Sub Committee was regularized by re-constituting the Sub Committee on 11th February 2025 and comprised of the following members:

Mr. K.G. Punchihewa -
Chairman/Independent
Non-Executive Director

Mr. A.I. Piyadigama -
Member/Independent
Non-Executive Director

Mr. P.M.A. Sirimane -
Member/Non-Executive Director

On the resignation of Mr. P.M.A. Sirimane from the Board of Directors at the close of business on 31st March 2025, this Committee was reconstituted on 31st March 2025 and comprises of the following members:

Mr. K.G. Punchihewa -
Chairman / Independent
Non-Executive Director

Mr. A.I. Piyadigama -
Member / Independent
Non-Executive Director

Mr. P.S. Goonewardene -
Member/Non-Executive Director

Brief profiles of the Members are given on pages 07 and 09 of the Annual Report.

MEETING AND ATTENDANCE

The Nominations and Governance Committee met on 18th July 2025 and the attendance was as follows:

Mr. K.G. Punchihewa -	1/1
Mr. A.I. Piyadigama -	1/1
Mr. P.S. Goonewardene -	1/1

In addition, two circular resolutions of the Nomination and Governance Committee was also passed on 30th September 2024, recommending the Company Policies to the Board and on 30th March 2025 recommending the appointment of Senior Independent Director.

Other members of the Board, the Chief Executive Officer and S S P Corporate Services (Private) Limited are invited to attend meetings as and when required. The proceedings of the Nominations and Governance Committee are reported to the Board.

PURPOSE OF THE COMMITTEE

The Committee oversees the corporate governance structure of the organization, providing an overview of the principles, policies, and practices of the Board of Directors. This framework enables the Company to meet the governance requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

Furthermore, the Committee is responsible for reviewing and recommending improvements to the Company's governance policies and practices.

The Committee monitors the effectiveness of compliance with the relevant regulatory and legal requirements and makes recommendations to the Board on such matters and any corrective action to be taken, as the Committee may deem appropriate.

Whilst exercising the oversight with respect to the corporate governance by the Board of Directors, the Committee also considers and recommends succession arrangements from time to time for the retiring Directors, the Chief Executive Officer, and senior management taking into account the additional/new expertise required. The Committee reviewed the structure size, composition including gender representation and competencies (including the skills, knowledge and experience) of the Board members and made recommendations to the Board with regard to any changes.

The fitness and propriety of the Directors were considered during the year as and when required to ensure compliance with requirements and Corporate Governance Rules of the CSE.

Performance evaluations of the Board and that of the CEO were conducted in March 2025, reviewed by the Committee, and discussed at the Board Meeting.

The policies have been documented and recommendations have been made to the Board of Directors by the committee when nominating Directors for re-election/re-appointment at the forthcoming Annual General Meeting.

The newly appointed Directors were briefed on the structure, processes and resources of the Company the applicable corporate governance framework, applicable Listing Rules, securities market regulations and other applicable laws and regulations. Further an annual update was given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations. Any major issues relating to the Company and communicated to the Independent Directors and special meetings of the Board are held when the need arises to address such matters.

Mr. G.K.B. Dasanayaka and Mr. A.C.S. Jayaranjan who were determined to be Independent Non-Executive

Directors until the close of business on 31st December 2024. Mr. K.G. Punchihewa and Mr. A.I. Piyadigama who were appointed to the Board on 5th February 2025 as Independent Non-Executive Directors meet the criteria for independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

REAPPOINTMENTS/RE-ELECTIONS

In terms of the Articles of Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the shareholders.

The Articles of Association require one third or a number nearest to one third of the Directors in office to retire at each Annual General Meeting. The Director to retire in each year is who has been longest in office since his/her last election or appointment. The retiring Director is eligible for re-election by the shareholders.

Accordingly, respective members of the Committee whilst refraining from participating in recommending their own re-election or re-appointment, in terms of the Articles of Association of the Company, recommended the re-election of Mr. A. Rajaratnam who retires by rotation, Mr. K.G. Punchihewa and

Mr. A.I. Piyadigama who were appointed to fill casual vacancies on the Board during the year and to re-appoint in terms of Section 211 of the Companies Act No.7 of 2007, Mr. A. Hettiarachchy and Mr. S.R.D. Arudpragasam who are over 70 years of age as Directors at the forthcoming Annual General Meeting, based on their performance and the contribution made to achieve the objectives of the Board.

In view of the pivotal leadership role played by Mr. A. Hettiarachchy, Chairman and Mr. S.D.R. Arudpragasam, Director, their management oversight skills, integrity, expertise, extensive experience and business acumen, the Committee has recommended to the shareholders to re-appoint Mr. A. Hettiarachchy and Mr. S.D.R. Arudpragasam who are over seventy years of age and who retire in terms of Section 210 of the Companies Act No.7 of 2007.

The Directors coming up for re-election or re-appointment do not have any close family relationship with the directors, the listed entity nor do they have any relationship with shareholders holding over 10% of shares, other than disclosed hereunder.

Information of Directors who are to be re-elected/re-appointed at the AGM are as follows:

Board Member	Date first appointed Director	Date last re-appointed/re-elected as a Director	Board Committees served on	Any relationships including close family relationships between the member and the directors of ACME, the Company or its shareholders holding more than ten per-centum (10%) of the shares of ACME
Mr..A. Hettiarachcy - Chairman (Executive Director)	12.01.2022	09.10.2024	None	Mr. A. Hettiarachchy is a Director of the Parent Company Lankem Ceylon PLC
Mr. S.D.R. Arudpragasam - (Non-Executive Director)	12.01.2022	09.10.2024	None	Mr. S.D.R. Arudpragasam is a Director of the Parent Company, Lankem Ceylon PLC and Darley Butler and Company PLC
Mr. A. Rajaratnam - (Non-Executive Director)	30.11.2021	25.09.2023	None	Mr. A. Rajaratnam is a Director of the Parent Company, Lankem Ceylon PLC
Mr. K.G. Punchihewa - (Independent Non-Executive Director)	05.02.2025	Not applicable	Audit Committee, RPTRC, Nominations and Governance and Remuneration Committee	Mr. K.G. Punchihewa is a Director of the Parent Company, Lankem Ceylon PLC
Mr. A.I. Piyadigama - (Independent Non-Executive Director)	5.02.2025	Not applicable	Audit Committee, RPTRC, Nominations and Governance and Remuneration Committee	Mr. A.I. Piyadigama is a Director of the Parent Company, Lankem Ceylon PLC

NOMINATION AND GOVERNANCE COMMITTEE REPORT

The names, qualifications, principle commitments and other Directorships or Chairmanship of the aforesaid directors coming up for re-election or re-appointment and of the rest of the Board members of ACME Printing and Packaging PLC are given in their profiles on pages 07 and 09 Under the caption "Details of Directors' other Directorships" appearing on pages 07 to 09.

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity failed to comply with any provisions of such Rules, a statement explaining the reason for such non-compliance and the proposed remedial action taken for the rectification of such non-compliance has been made. The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 20 to 48.



K.G. Punchihewa

Chairman

Nomination and Governance Committee

14th August 2025

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIR OF THE COMPANY

The Board of Directors is pleased to present their Report and the Audited Financial Statements of the Company for the year ended 31st March 2025. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007, the Listing Rules of the Colombo Stock Exchange and are guided by recommended best accounting practices.

1. REVIEW OF THE YEAR

The Chairman's Statement at page 10 reviews the affairs of the Company for the financial year ended 31st March 2025. These reports form an integral part of the report of the Board of Directors.

2. PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture of a wide range of flexible packaging material for local and export markets. The main industrial sectors serviced are tea, food, confectionery, milk powder, pharmaceuticals and consumer products.

3. FINANCIAL STATEMENTS

The audited financial statements of the Company and Group are given on pages 69 to 72.

4. AUDITOR'S REPORT

The Auditor's report on the financial statements is given on page 66.

5. ACCOUNTING POLICIES

The accounting policies adopted in preparation of Financial Statements and the other explanatory notes are given on pages 73 to 113. There were no material changes in the Accounting Policies adopted and are consistent with those followed in the preparation of financial statements for the year ended 31st March 2025.

6. INTEREST REGISTER

The Company maintains an Interest Register and the particulars of those directors who were directly or indirectly interested in a contract of the Company are stated therein.

7. DIRECTORS' INTEREST

None of the directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 28, related party transactions to the financial statements.

8. DIRECTORS REMUNERATION AND OTHER BENEFITS

Directors remuneration in respect of the Company for the financial year ended 31st March 2025 is given in Note 28 to the financial statements.

9. CORPORATE DONATIONS

No Donations were made for political purposes or otherwise by the Company during the year 2024/2025 as well as in 2023/2024.

10. DIRECTORS AND THEIR SHAREHOLDINGS

The Directors of the Company and their respective shareholdings as at 31st March 2025.

	Number of Share held	
	31.03.2025	31.03.2024
Mr. A. Hettiarachchy Executive Chairman	Nil	Nil
Mr. H.K.P. Jayasuriya Chief Executive Officer/Executive Director	Nil	Nil
Mr. S.D.R. Arudpragasam Non-Executive Director	800,000 (Margin)	400,000 (Margin) 400,00 (Individual)
Mr. R. Rajaratnam Non-Executive Director	Nil	Nil
Mr. P.S. Goonewardene Non-Executive Director	Nil	Nil
Mr. K.G. Punchihewa Independent Non-Executive Director	Nil	Nil
Mr. A.I. Piyadigama Independent Non-Executive Director	Nil	Nil

Dr. J.M. Swaminathan, Mr. G.K.B. Dasanayaka and Mr. A.C.S. Jayaranjan resigned from the Board with effect from 31st December 2024.

Mr. P.M.A. Sirimane resigned from the Board with effect from 31st March 2025.

The Board wishes to place on record the Company's sincere appreciation to Dr. J.M. Swaminathan, Mr. G.K.B. Dasanayaka, Mr. A.C.S. Jayaranjan and Mr. P.M.A. Sirimane for their valuable contribution to the Company during their tenure on the Board.

Messrs K.G. Punchihewa and A.I. Piyadigama were appointed Independent Non-Executive Directors of the Company with effect from 5th February 2025.

In terms of Article 91 of the Articles of Association of the Company, Mr. K.G. Punchihewa and Mr. A.I. Piyadigama retired at the Annual General Meeting and, being eligible, offered themselves for re-election as recommended by the Directors.

In terms of Article 84 and 85 of the Articles of Association of the Company, Mr. A. Rajaratnam retires by rotation at the Annual General Meeting and being eligible offers himself for re-election as recommended by the Directors.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIR OF THE COMPANY

A resolution for the re-appointment of Mr. A. Hettiarachchy, as a Director who is 76 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.7 of 2007. Mr. A. Hettiarachchy's re-appointment is recommended by the Directors.

A resolution for the re-appointment of Mr. S.D.R. Arudpragasam, as a Director who is 73 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.7 of 2007. Mr. S.D.R. Arudpragasam's re-appointment is recommended by the Directors.

11. BOARD SUB-COMMITTEES

The following Board Sub-Committees are functional.

Audit Committee

Mr. K.G. Punchihewa -

Chairman/Independent Non-Executive Director

Mr. A.I. Piyadigama -

Member/Independent Non-Executive Director

Mr. P.S. Goonewardene -

Member/ Non-Executive Director

The report of the audit committee appears on pages 51 to 52.

Remuneration Committee

Mr. K.G. Punchihewa -

Chairman/Independent Non-Executive Director

Mr. A.I. Piyadigama -

Member/Independent Non-Executive Director

Mr. P.S. Goonewardene -

Member/ Non-Executive Director

The report of the Remuneration committee appears on page 55.

Related Party Transaction Review Committee

Mr. K.G. Punchihewa -

Chairman/Independent Non-Executive Director

Mr. A.I. Piyadigama -

Member/Independent Non-Executive Director

Mr. P.S. Goonewardene -

Member/ Non-Executive Director

The report of the Related Party Transaction Review Committee appears on pages 53 to 54.

Nomination and Governance Committee

Mr. K.G. Punchihewa -

Chairman/Independent Non-Executive Director

Mr. A.I. Piyadigama -

Member/Independent Non-Executive Director

Mr. P.S. Goonewardene -

Member/ Non-Executive Director

12. AUDITORS

The financial statements for the year ended 31st March 2025 have been audited by Messrs KPMG, Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No.07 of 2007, a resolution relating to their re-appointment and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The fees paid to the Auditors are disclosed in Note 08 to the financial statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

13. DIVIDENDS

The directors do not recommend a dividend for the year ended 31st March 2025.

14. INVESTMENTS

Details of investments held by the Company are disclosed in Note 14 to 15 the financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 11 to the financial statements.

16. CAPITAL COMMITMENTS

The capital expenditure approved by the Board for the financial year ended 31st March 2025 was Nil (2023/2024 - Nil).

There was no material capital or other commitment as at reporting date as set out in Note 29 to the financial statement on page 103.

17. GOING CONCERN

The Board is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

18. STATED CAPITAL

The Stated Capital of the Company is Rs 835,084,628.50. There was no change in the Stated Capital of the Company during the year.

19. TAXATION

The tax position of the Company is given in Note 09 to the Financial Statements.

20. DISCLOSURE AS PER COLOMBO STOCK EXCHANGE RULE NO.7.6

	31.03.2025	31.03.2024
Market price per share	Rs. 3.90	Rs. 5.50
Highest share price during the year	Rs. 6.50	Rs. 7.30
Lowest share price during the year	Rs. 3.90	Rs. 5.30

21. SHAREHOLDING

The number of registered shareholders of the Company as at 31st March 2025 are 2,097.

22. MAJOR SHAREHOLDERS

The twenty largest shareholders of the Company as at 31st March 2025, together with an analysis are given on page 117.

23. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government and the employees have been made on time.

24. CORPORATE GOVERNANCE/INTERNAL CONTROL

The Board of Directors confirms that, as at date of the Annual Report, the company complies with and is committed to good corporate governance. The Company has 3 Non-Executive Directors, 2 Executive Directors and 2 Independent Non-Executive Directors on its Board. The Board as a whole decided on the appointment of Independent Non-Executive Directors. The Directors so appointed retire in rotation at each annual general meeting and seek re-election by the shareholders.

The Board of Directors hold regular meetings and also meet if circumstances warrant. The Board reviews It reviews the strategic direction of the Company, the exposure of key business risks, the annual budgets and the progress toward achieving these budgets and their capital expenditure programmes.

The Directors are responsible for the Company's systems of internal finance controls. The Board has reviewed the effectiveness of the systems of finance controls for the period up to the date of signing the accounts. The Directors responsibility for the financial statements is described on page 63.

25. CONTINGENT LIABILITIES

There were no contingent liabilities as at reporting date which would require adjustments to or disclosure in the financial statements of the Company or Group other than contingent liabilities disclosed in Note 30 to the financial statements.

26. EVENTS OCCURRING AFTER THE REPORTING DATE

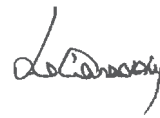
Subsequent to the date of the Financial Statement of Financial Position, no circumstances have arisen which would require adjustments to the accounts. There are also no significant events after the reporting date which in the opinion of the Directors require disclosure.

27. ANNUAL GENERAL MEETING

The 76th Annual General Meeting of the Company will be held on 9th September 2025, at 10:00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01.

For and on behalf of the Board of Directors of

ACME PRINTING AND PACKAGING PLC



A. Hettiarachchy
Chairman



P. S. Goonewardene
Director



S S P Corporate Services (Private) Limited
Secretaries

14th August 2025

RESPONSIBILITY STATEMENT OF EXECUTIVE CHAIRMAN AND CHIEF FINANCIAL OFFICER

COMPLIANCE WITH LAWS AND REGULATIONS

The Financial Statements of ACME Printing and Packaging PLC and the Consolidated Financial Statements of the Company and its subsidiary (the Group) for the year ended 31st March 2025 are prepared and presented in compliance with the requirements of the followings:

- ☞ Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (SLFRS/LKAS).
- ☞ Companies Act No. 07 of 2007.
- ☞ Listing Rules of the Colombo Stock Exchange.
- ☞ Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.
- ☞ Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka in 2017.

FINANCIAL REPORTING

The Significant Accounting Policies used in the preparation of the consolidated Financial Statements are appropriate and are consistently applied, except unless otherwise stated in the notes accompanying to the Financial Statements. The Material Accounting Policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and Company's External Auditors. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation. The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements reflect a true and fair view and the form & substance of transactions reasonably present the Company's state of affairs. We confirm that to the best of our knowledge, the Financial Statements,

Material Accounting Policies and other financial information included in this Annual Report, fairly present all material aspects regarding the financial position, results of the operations and the Cash Flows of the Group during the year under review.

We also confirm that the Group has adequate resources to continue in operation and have applied the Going Concern basis in preparing these Financial Statements.

SYSTEM OF INTERNAL CONTROL

The Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets, and for preventing and detecting frauds as well as other irregularities, which are reviewed, evaluated and updated on an ongoing basis. We have evaluated the internal controls and procedures of the Group for the financial period under review and confirm, based on our evaluations that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and frauds that involves management or other employees. The Internal Auditors conduct periodic audits to provide reasonable assurance that the established policies and procedures of the Group were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal control and accounting.

REPORT OF INDEPENDENT AUDITORS

The Financial Statements were audited by Messrs KPMG, Chartered Accountants, the Independent Auditors and their report is given in pages 66 to 68.

AUDIT COMMITTEE

The Audit Committee pre-approved the audit and non-audit services provided by Messrs KPMG. The Audit Committee meets periodically with the Internal Auditors and the Independent Auditors to review the manner in which these Auditors are performing

their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance. The Audit Committee Report is given in pages 51 to 52.

CONCLUSION

We confirm that to the best of our knowledge:

- ☞ The Group has complied with all applicable laws, regulations and guidelines and there is no material litigation against the Group other than those disclosed in Note 30 of the Financial Statements.
- ☞ The system of internal control is operating effectively.
- ☞ The Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs and have applied the Going Concern basis in preparing these Financial Statements.
- ☞ All taxes, duties, levies and all statutory payments by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Group as at 31st March 2025 have been paid, or where relevant provision made.

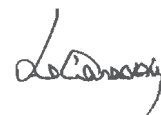
For and on behalf of the Board of Directors of

ACME Printing and Packaging PLC



Sameera Gamage

Chief Financial Officer



A. Hettiarachchy

Chairman

14th August 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

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

The Board accepts responsibility for the preparation and fair presentation of Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Groups'/Company s' Financial Statements, presented in this report for the year ended 31st March 2025 & conform to the requirements of Sri Lanka Accounting Standards (SLFRS/ LKAS) and the Companies Act No 7 of 2007. They also confirm that the Financial Statements presented by them give a true and fair view of Company activities as at that date. The financial information is consistent with that in the Financial Statements.

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

The Board of Directors has initiated an efficient and concise system of Internal Controls. It also includes Internal Checks and Internal Audits, along with the financial and other controls required to carry on the business smoothly, whilst safeguarding assets in a secure, practical, accurate and reliable manner.

The Directors have also taken all reasonable steps to ensure that the Company and its subsidiaries maintain adequate and accurate accounting books of records which reflects the transparency of transactions and provide an accurate disclosures of the Group's/ Company's financial position.

The Directors have provided the auditors Messrs KPMG, Chartered Accountants with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The auditors have examined the financial statements together with all financial records and related data and express their opinion.

COMPLIANCE REPORT

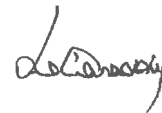
The directors confirm that, to the best of their knowledge all taxes and levies payable by the Group/Company and all contributions, levies and taxes payable on behalf of the employees of the Group/Company, and all other known statutory obligations as at the reporting date have been paid or provided for in the Financial Statements.

APPROVAL OF FINANCIAL STATEMENTS

The Directors report and the Financial Statements of the Company and the Group were approved by the Board of Directors on 14th August 2025.

For and on behalf of the Board of Directors of

ACME PRINTING AND PACKAGING PLC



A. Hettiarachchy
Chairman



P. S. Goonewardene
Director

14th August 2025

SENIOR INDEPENDENT DIRECTOR'S REPORT

Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka provide that in situations where the Chairman and Chief Executive Officer ("CEO") are the same person or where the Chairman is an Executive Director, a Senior Independent Director shall be appointed.

Accordingly, the Board of Directors appointed Mr. P.M.A. Sirimane, as the Senior Independent Director of the Company with effect from 31st October 2023. Mr. Sirimane resigned from the Board of Directors of the Company with effect from 31st March 2025 in order to comply with the Listing Rules of the Colombo Stock Exchange. Mr. K.G. Punchihewa was appointed as the Senior Independent Director by the Board of Acme Printing and Packaging PLC with effect from 31st March 2025.

RATIONALE FOR SUCH APPOINTMENT OF SID

In view of the strategic direction of Acme Printing and Packaging PLC Group and the pivotal role played by the Executive Chairman in terms of cultivating and developing external partnerships, maintaining trust and confidence with business partners and key principals and ensuring the retention of prestigious agencies for the sustenance and growth of the Company and the Group's business as a whole, as well as his Executive Management skills, integrity, expertise, wealth of experience and business acumen, the Board decided that the Chairman should continue to function in the said capacity.

Accordingly, the positions of the Chairperson of the Listed Entity being held by the same individual and the Chairperson being an Executive Director, the Company appointed a Senior Independent Director (SID).

ROLE OF THE SENIOR INDEPENDENT DIRECTOR (SID)

The Senior Independent Director (SID) provides guidance to the Chairman on matters of governance of the Company, review of the effectiveness of the Chairman and the Board, the Company and its operation, and being available to any Director to have any confidential discussion on the affairs of the Company, should the need arise.

THE TERMS OF REFERENCE AND POWERS OF THE SID

As set out in the Company policy, the SID of the Company shall effectively discharge the following duties:

1. To meet with the Directors (without the Chairman present) on such occasions as deemed appropriate.
2. The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations for such meetings to the Chairperson and other Board Members.
3. The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.
4. The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3 (b) and (c).
5. To act as a sounding board for the Chairman, providing him with ongoing counsel across the range of relevant Company issues.

6. To serve as an intermediary between the Chairman and the views of the other Directors and key stakeholders when necessary.
7. To provide the Chairman with candid feedback as a result of the annual evaluation and in doing so, identifying any areas which need attention.
8. The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.

ACTIVITIES DURING THE YEAR

In compliance with the regulatory requirements, I, K.G. Punchihewa presided over a meeting with the Non-Executive Directors where the performance of the Chairman was appraised and succession planning for the Board and any concerns of the Directors and Shareholders were considered. At the meeting of the Independent Directors presided over by me, matters and concerns relating to the entity and the operations, evaluation of Board composition and effectiveness of Board processes and procedures were discussed and recorded.

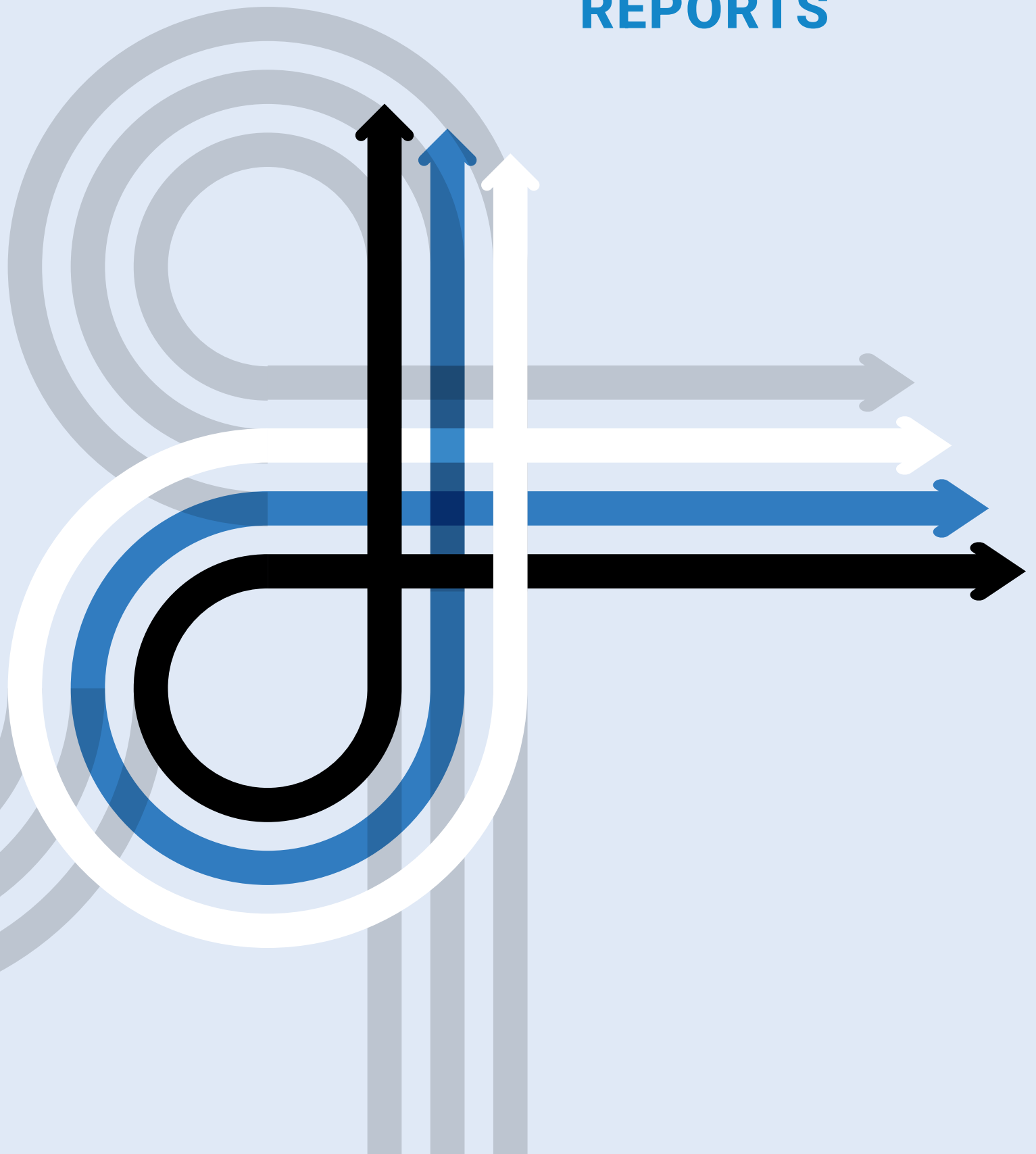
I believe that I have effectively discharged the duties entrusted to the Senior Independent Director (SID) in accordance with the Corporate Governance regulations.



K.G. Punchihewa
Senior Independent Director

14th August 2025

FINANCIAL REPORTS



INDEPENDENT AUDITORS' REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
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Internet www.kpmg.com/lk

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ACME PRINTING AND PACKAGING PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACME Printing and Packaging 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 31st March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, set out on pages 69 to 113.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Material Uncertainty related to Going Concern

We draw attention to Note 32 of the Financial Statements, which indicates that the Group and the Company incurred a net loss of Rs. 406 Mn and Rs. 292 Mn, respectively, for the year ended 31st March 2025 and as of that date, the Group's and the Company's current liabilities exceeded its current assets by Rs. 1,078 Mn and Rs. 496 Mn respectively. Furthermore, total liabilities exceeded its total assets by Rs. 518 Mn and Rs. 36 Mn respectively, resulting in negative equity positions. In addition, the Group and the Company reported accumulated losses of Rs. 2,010 Mn and Rs. 1,392 Mn, respectively, and the Company's net assets are less than the half of the stated capital and faces a serious loss of capital situation.

As stated in Note 32 to the financial statements, these events and conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. However, through the letter of support, the Directors of Lankem Ceylon PLC confirm that their commitment to provide financial assistance to the Subsidiary to ensure that it can pay its external debts as and when they fall due and payable for a period of at least 12 months from the date of signing these financial statements.

Our Opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, were of most significance in our audit of the Company and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related Going Concern Section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne



Valuation of Land

(Refer to Accounting policies in Note 3.5 and explanatory Note 11 (to the financial statements))

Risk Description	Our response
<p>As disclosed in Note 11 to the financial statements, the fair value of lands of the Company / the Group was Rs. 266.7 Mn as at 31st March 2025. The Company / the Group has recognised a fair value gain of Rs. 34.8 Mn for the year ended 31st March 2025.</p> <p>Management's assessment of the fair value of land is based on valuation performed by a qualified independent property valuer in accordance with recognized industry standards.</p> <p>We identified valuation of Land as a key audit matter because, the determination of the fair values involves significant judgments and estimation, particularly determining the appropriate valuation methodology to be used, and in estimating the key assumptions applied. This key assumption includes market value per perch used, taking into consideration for differences such as location and size. A change in the key assumptions will have a significant impact on the fair value of land.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> → Assessing the objectivity, independence, competency, and capability of the external valuer engaged by the Company. → Reading the professional valuer's report and assessing the key estimates made by external valuer in deriving the fair value of the land. → Engaging our own internal specialized resources to assess the reasonability of the valuation technique and the market value per perch used. → Assessing the adequacy of disclosures made in relation to the fair value of land in the financial statements.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SLAuSs, we exercise professional 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 Company and the Group's internal control.

INDEPENDENT AUDITORS' REPORT



- ⇒ 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ⇒ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ⇒ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

However, it should be noted that the Company's net assets are less than half of its stated capital resulting in a serious loss of capital situation as per the section 220 of the Companies Act No 07 Of 2007. The requirements prescribed by the said Act are pending as at the reporting date.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3029.

Chartered Accountants

Colombo, Sri Lanka

14th August 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31st March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	5	1,196,433	1,105,785	868,468	888,296
Cost of Sales		(1,146,293)	(1,036,921)	(849,028)	(831,547)
Gross Profit		50,140	68,864	19,440	56,749
Other Income	6	15,704	10,054	25,706	24,676
Administrative Expenses		(242,850)	(181,458)	(193,568)	(140,132)
Distribution Expenses		(24,204)	(23,016)	(23,228)	(19,571)
Provision for Impairment of Amount due from Related Parties and Trade Receivables	17.1/ 18.1	(29,157)	(5,305)	(5,948)	(39,467)
Loss from Operations		(230,367)	(130,861)	(177,598)	(117,745)
Finance Income	7.1	353	4,115	255	1,513
Finance Costs	7.2	(205,290)	(251,406)	(134,379)	(175,945)
Net Finance Costs		(204,937)	(247,291)	(134,124)	(174,432)
Loss before Taxation	8	(435,304)	(378,152)	(311,722)	(292,177)
Income Tax Reversal /(Expenses)	9	29,381	(232,464)	19,825	(165,858)
Loss for the Year		(405,923)	(610,616)	(291,897)	(458,035)
Other Comprehensive Income for the Year					
Items that will not be reclassified to Profit or Loss					
Revaluation Surplus on land	21	34,785	133,994	34,785	88,467
Actuarial (Loss) /Gain on Defined Benefit Obligation		(11,507)	754	(9,191)	1,849
Deffered tax effect on actuarial (Loss) /Gain on Defined Benefit Obligation		3,452	(226)	2,757	(555)
Deffered tax effect on revaluation surplus		(10,436)	(40,198)	(10,436)	(26,540)
Total Other Comprehensive income for the Year, (Net of tax)		16,294	94,324	17,915	63,221
Total Comprehensive Expense for the Year		(389,629)	(516,292)	(273,982)	(394,814)
Basic Loss per Share	10	(4.27)	(6.43)	(3.07)	(4.82)

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 73 to 113 are an integral part of these Consolidated Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	11	1,084,711	1,048,116	748,357	733,019
Intangible Assets	12	7,749	-	7,749	-
Right-of-Use Assets	13	3,232	6,068	-	-
Investment in Subsidiary	14	-	-	-	-
Financial assets measured at Fair Value through OCI	15	25	25	25	25
Total Non-Current Assets		1,095,717	1,054,209	756,131	733,044
Current Assets					
Inventories	16	303,885	418,786	132,327	281,512
Trade and Other Receivables	17	417,739	435,088	171,013	161,946
Amounts due from Related Companies	18	31,394	16,761	564,248	536,736
Cash and Cash Equivalents	19	14,292	37,616	12,904	21,733
Total Current Assets		767,310	908,251	880,492	1,001,927
Total Assets		1,863,027	1,962,460	1,636,623	1,734,971
EQUITY & LIABILITIES					
Equity					
Stated Capital	20	835,085	835,085	835,085	835,085
Revaluation Reserve	21	656,090	631,921	520,712	496,363
Accumulated Losses		(2,009,649)	(1,595,851)	(1,391,626)	(1,093,295)
Total Equity		(518,474)	(128,845)	(35,829)	238,153
Non-Current Liabilities					
Interest Bearing Borrowings	22	262,385	112,590	97,358	71,963
Lease Liabilities	23	2,235	3,642	-	-
Deferred Tax Liabilities	24	245,050	267,447	180,807	192,953
Defined Benefit Obligation	25	26,593	12,765	17,782	6,884
Total Non-Current Liabilities		536,263	396,444	295,947	271,800
Current Liabilities					
Trade and Other Payables	26	362,096	240,528	166,090	132,967
Amounts due to Related Companies	27	46,646	17,402	34,495	10,048
Interest Bearing Borrowings	22	1,397,309	1,417,893	1,138,788	1,068,175
Lease Liabilities	23	2,055	5,210	-	-
Bank Overdraft	19	37,132	13,828	37,132	13,828
Total Current Liabilities		1,845,238	1,694,861	1,376,505	1,225,018
Total Liabilities		2,381,501	2,091,305	1,672,452	1,496,818
Total Equity and Liabilities		1,863,027	1,962,460	1,636,623	1,734,971

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 73 to 113 are an integral part of these Consolidated Financial Statements.

It is certified that these financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.



Sameera Gamage
Chief Financial Officer

The Board of Directors are responsible for the preparation and presentation of the financial statements.

Approved and signed for and on behalf of the Board of Directors :



A. Hettiarachchy
Chairman



P. S. Goonewardene
Director

14th August 2025, Colombo

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March	Group			
	Stated	Revaluation	Accumulated	Total
	Capital	Reserve	Losses	
	Rs'000	Rs'000	Rs'000	Rs'000
Balance as at 1st April 2023	835,085	538,125	(985,763)	387,447
Comprehensive Expense for the Year				
Loss for the Year	-	-	(610,616)	(610,616)
Revaluation Surplus, (net of tax)	-	93,796	-	93,796
Other Comprehensive Income for the Year, (net of tax)	-	-	528	528
Total Comprehensive Expense for the Year	-	93,796	(610,088)	(516,292)
Balance as at 31st March 2024	835,085	631,921	(1,595,851)	(128,845)
Balance as at 1st April 2024	835,085	631,921	(1,595,851)	(128,845)
Transfer to retained earnings	-	(180)	180	-
Comprehensive Expense for the Year				
Loss for the Year	-	-	(405,923)	(405,923)
Revaluation Surplus, (net of tax)	-	24,349	-	24,349
Other Comprehensive Expense for the Year, (net of tax)	-	-	(8,055)	(8,055)
Total Comprehensive Income (Expense) for the Year	-	24,349	(413,978)	(389,629)
Balance as at 31st March 2025	835,085	656,090	(2,009,649)	(518,474)

For the year ended 31st March	Company			
	Stated	Revaluation	Accumulated	Total
	Capital	Reserve	Losses	
	Rs'000	Rs'000	Rs'000	Rs'000
Balance as at 1st April 2023	835,085	434,436	(636,554)	632,967
Comprehensive Expense for the Year				
Loss for the Year	-	-	(458,035)	(458,035)
Revaluation Surplus, (net of tax)	-	61,927	-	61,927
Other Comprehensive Income for the Year, (net of tax)	-	-	1,294	1,294
Total Comprehensive Expense for the Year	-	61,927	(456,741)	(394,814)
Balance as at 31st March 2024	835,085	496,363	(1,093,295)	238,153
Balance as at 1st April 2024	835,085	496,363	(1,093,295)	238,153
Comprehensive Expense for the Year				
Loss for the Year	-	-	(291,897)	(291,897)
Revaluation Surplus, (net of tax)	-	24,349	-	24,349
Other Comprehensive Expense for the Year, (net of tax)	-	-	(6,434)	(6,434)
Total Comprehensive Income/(Expense) for the Year	-	24,349	(298,331)	(273,982)
Balance as at 31st March 2025	835,085	520,712	(1,391,626)	(35,829)

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 73 to 113 are an integral part of these Consolidated Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Note	Group		Company	
		2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000
Cash flows from Operating Activities					
Loss before taxation		(435,304)	(378,152)	(311,722)	(292,177)
Adjustments for:					
Depreciation on Property, Plant & Equipment	11	65,527	73,494	32,442	35,336
Amortization of Right to Use Assets	13	3,054	11,855	-	-
Amortization of Intangible Assets	12	1,792	-	1,792	-
Provision for Defined Benefit Obligations net of interest on plan assets	25.2	5,099	3,924	3,599	2,532
Provision for Slow Moving Inventories	16	38,956	1,151	26,235	1,804
Provision for / (Reversal of) Impairment of Trade Receivables	17	28,959	5,305	9,061	(1,135)
Provision for Other Receivables	17.2	-	14,996	-	14,010
Provision for / (Reversal of) Impairment of Amounts Due from Related Parties	18.1	198	-	(3,113)	40,602
Gain on Disposal of Property, Plant and Equipment		(420)	-	(114)	-
Interest Income	7.1	(353)	(381)	(255)	(255)
Interest Expense	7.2	201,746	251,406	130,640	175,945
Gain on translation of Foreign Currency		(195)	-	-	-
Operating Loss before working capital changes		(90,941)	(16,402)	(111,435)	(23,338)
Decrease / (Increase) in Inventories	16	75,945	(56,075)	122,950	4,461
(Increase) / Decrease in Trade & other Receivables	17	(11,610)	(101,854)	(18,128)	98,966
(Increase) / Decrease in Amount Due from Related Parties	18	(14,633)	(16,761)	(24,399)	(329,272)
Increase in Amount Due to Related Parties	27	29,244	7,424	24,447	70
Increase in Trade & Other Payables	26	121,568	117,222	33,123	87,837
Cash Generated from / (used in) Operations		109,573	(66,446)	26,558	(161,581)
Interest Paid		(120,986)	(71,880)	(81,672)	(63,882)
Gratuity paid	25.2	(2,778)	(5,928)	(1,892)	(4,590)
Net Cash Flow used in Operating Activities		(14,191)	(144,254)	(57,006)	(230,053)
Cash Flows from Investing Activities					
Proceed from Disposal of Property, Plant & Equipment		828	-	828	-
Purchase of Property, Plant & Equipment	11	(71,585)	(56,202)	(16,482)	(31,376)
Interest Received	7.1	353	381	255	255
Purchase of Intangible Assets	12	(6,765)	-	(6,765)	-
Net Cash used in Investing Activities		(77,169)	(55,821)	(22,164)	(31,121)
Cash flows from financing activities					
Repayment of Long Term Borrowing	22.1	(47,409)	(77,931)	(34,522)	(40,156)
Proceeds from Long Term Loans	22.1	54,929	-	25,000	-
Net Lease Payment	23	(4,780)	(3,932)	-	-
Proceeds from Short Term Loans	22.2	734,439	399,979	733,481	395,994
Proceeds from Related Companies	22.3	20,000	95,000	20,000	95,000
Repayment of Short Term Borrowings	22.2	(702,447)	(140,891)	(686,922)	(140,891)
Payment of borrowings Obtained from Related Companies	22.3	(10,000)	(33,625)	(10,000)	(33,625)
Net Cash Flow generated from Financing Activities		44,732	238,600	47,037	276,322
Net (Decrease) / Increase in Cash & Cash Equivalents		(46,628)	38,525	(32,133)	15,148
Cash & cash equivalents at the beginning of the year		23,788	(14,737)	7,905	(7,243)
Cash & cash equivalents at the end of the year (Note 19)		(22,840)	23,788	(24,228)	7,905

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 73 to 113 are an integral part of these Consolidated Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. Domicile and Legal Form

ACME Printing and Packaging PLC (“the Company”) is a public quoted company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

The registered office of the Company is located at No 98, Sri Sangaraja Mawatha, Colombo-10. The operations are conducted at Piliyandala.

The Consolidated Financial Statements of the Group as at and for the year ended 31st March 2025 comprise the Company and its subsidiary (together referred to as the “Group” and individually as “Group entities”). The Company has a fully owned subsidiary, ACME Packaging Solutions (Pvt) Ltd.

1.2. Principal Activities and Nature of Operations

The principle activities of the Company and the subsidiary (ACME Packaging Solutions (Pvt) Ltd.) are manufacturing of flexible packaging materials.

There were no significant changes in the nature of the principal business activities of the companies in the Group during the financial year under review.

1.3. Parent Company and Ultimate Parent Company

The Company’s parent undertaking is Lankem Ceylon PLC, while the ultimate parent undertaking and controlling party is Colombo Fort Land & Building PLC.

1.4. Number of Employees

The numbers of employees of the Group and the Company as at 31st March 2025 are as follow:

Group	182 (2024 - 176)
Company	116 (2024 - 105)

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Group comprise the Statement of Financial Position, Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with the Accounting Policies and Notes to the Financial Statements which have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/ LKASs) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). Further, these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007. These Financial Statements, except information on Cash Flows, have been prepared following the accrual basis of accounting.

2.2. Approval of Financial Statements by Directors

The Consolidated Financial Statements for the year ended 31st March 2025 were authorized for issue by the Board of Directors on 14th August 2025.

2.3. Basis of Measurement

The Consolidated Financial Statements have been prepared on historical cost basis except for the following:

- Retirement Benefit Obligation based on actuarial valuation has been measured at fair value.
- Financial assets measured at Fair Value Through Other Comprehensive Income.
- Classes of Land, Buildings and Machinery under Property, Plant and Equipment are carried at fair value.

2.4. Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees which is the Group’s functional and presentation currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand unless otherwise stated.

2.5. Use of Estimates, Judgments and Assumptions

The preparation of the Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgments, estimates and assumptions in applying accounting policies that could have a significant effect on the amounts recognized in the Financial Statements are mentioned below:

	Policy No.
Valuation of Land, Building and Plant & Machinery	3.5.3
Impairment	3.9
Retirement Benefit Obligation	3.12
Deferred Taxation	3.14.5.2
Measurement of Fair Value of Financial Instruments	3.4

NOTES TO THE FINANCIAL STATEMENTS

2.5.1 Assumptions and Estimation Uncertainties.

Information about the assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st March 2025 is included in the following notes.

- Note 25: Measuring of defined benefit obligations: Key actuarial assumptions
- Note 24: Recognition of deferred tax liability
- Note 11: Valuation of Property, Plant and Equipment
- Note 17: Impairment of trade receivables

2.6. Presentation of Consolidated Financial Statements

The assets and liabilities of the Group presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

2.7. Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by LKAS 1: Presentation of Financial Statements.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on net basis, or to realize the assets and settle the liability simultaneously.

2.8. Going Concern

The Management has made an assessment of its ability to continue as a going concern for the foreseeable future, and they do not foresee a need for liquidation or cessation of trading. Therefore, the financial statement of the group continues to be prepared on a going concern basis as disclosed in Note 32 to the financial statements.

2.9. Measurement of Fair Value

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 inputs are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.10 Accounting Policies and Comparative Information

The accounting Policies applied by the Group Consistent with those used in the Previous year. Previous year's Figures and phrases have been rearranged, wherever necessary, to conform to the current year's presentation.

3. MATERIAL ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements, unless otherwise indicated.

3.1. Basis of consolidation

3.1.1. Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the consolidated Financial Statements from the date on which control commences until the date when control ceases.

3.1.3 Loss of Controls

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except foreign currency transaction gains or losses) arising from intra-group transactions are eliminated in preparing the Financial Statements. Unrealised losses are eliminated in the same way as unrealised gains, only to the extent that there is no evidence of impairment.

3.2. Foreign Currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group of companies exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

3.3. Assets and Bases of their Valuation

Assets classified as Current Assets in the Statement of Financial Position are Cash, Bank balances and those of which are expected to be realized in cash during, the normal operating cycle of the Group's business, or within one year from the reporting date, whichever is shorter. Assets other than current assets are those which the Group intends to hold beyond a period of one year from the reporting date.

3.4. Financial Instruments

3.4.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not an FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.2 Classification and subsequent measurement

3.4.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at; amortised cost; Fair Value Through Other Comprehensive Income (FVTOCI) or Fair value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequently to their recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

On the initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

a) Business Model Assessment

The Group makes an assessment of the objectives of the business model in which a financial asset is held as a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes;

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- ⇒ How the performance of the portfolio is evaluated and reported to the Group's management.
- ⇒ The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- ⇒ The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sale and expectation about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

b) Assessment whether Contractual Cash Flows are Solely Payment of Principal and Interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative cost), as well as a profit margin.

In assessing whether the contractual cash flows are solely payment of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers;

- ⇒ contingent events that would change the amount or timing of cash flows
- ⇒ terms that may adjust the contractual coupon rate, including variable rate features
- ⇒ prepayment and extension features; and

- ⇒ terms that limits the Group's claim to cash flows from specific assets (e.g. non-recourse features)

The prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

c) Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.4.2.2 Financial Liabilities

Financial liabilities are classified as measured at amortized cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4.3 Derecognition

3.4.3.1 Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of Financial Position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

3.4.3.2 Financial Liabilities

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.4.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.5. Property, Plant & Equipment

3.5.1 Recognition and measurement

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

Property, Plant & Equipment are initially measured at its cost and subsequently at cost or revaluation less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When Significant parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

3.5.2 Cost Model

The Group applies cost model to Property, Plant and Equipment except for free hold land, Buildings and Machinery, and records at cost of purchase or construction together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

3.5.3 Revaluation Model

The Group applies the revaluation model for the entire class of Free hold lands, Buildings and Machinery. Such assets are carried at a revalued amount, being their fair value at the date of revaluation, less subsequent accumulated impairment losses. Lands and the buildings of the Group are revalued at once in every three years on a roll over basis to ensure that the carrying amounts do not differ materially from the fair values at the reporting date. A revaluation is carried out when there is substantial difference between the fair value and carrying amount of the property and is undertaken by professionally qualified valuers. On revaluation of an asset, any increase in the carrying amount is recognized in Other Comprehensive Income and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of the previous write down.

Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited in the Other Comprehensive Income to the extent of any credit balance existing in the capital reserve in respect of that asset. The decrease recognized in Other Comprehensive Income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

3.5.4 Gains and losses on disposal

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognized net within "other income/other expenses" in profit or loss.

3.5.5 Subsequent costs

The cost of replacing a part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3.5.6 Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of Property, Plant and Equipment is included in profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.5.7 Depreciation

Items of Property, Plant and Equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of Property, Plant and Equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

The estimated useful lives for the current and comparative years are as follows:

Assets	Years
Building	44
Plant & Machinery	10
Furniture & Fittings	5-10
Motor Vehicles	5-10
Computer Equipment	10
Cylinders	3

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if required.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.5.8 Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work-in-progress, while the capital assets which have been completed during the year and put to use are transferred to Property, Plant and Equipment.

3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. Where the Lease agreement includes an annual adjustment on a variable such as GDP deflator the Group shall annually reassess the liability considering such variable and recognize the amount of remeasurement of the lease liabilities as an adjustment to the right-of use asset.

I. As a Lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

3.7 Intangible Assets

Intangible assets that acquired by the Group are measured at Cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Amortization is calculated to write off the cost of intangible asset less their estimated residual values under the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current period are as follows:

Computer software	5 years
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3.8 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Raw materials	Cost of purchases together with any incidental expenses
Packing materials and consumables	Cost of purchases together with any incidental expenses
Finished goods	Cost of materials and overheads absorbed.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.9 Impairment

3.9.1 Non- derivative Financial Assets

3.9.1.1 Financial instruments

The Group recognizes loss allowances for ECLs (Expected Credit Loss) on:

- financial assets measured at amortised cost

The Group measures loss allowances at an amount equal to lifetime ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

3.9.1.2 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3.9.1.3 Presentation of allowance for ECL in the statement of financial position

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

3.9.1.4 Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off based on historical experience of recoveries of similar assets and based on the assessment carried out by the Group. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.9.2 Non - Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

NOTES TO THE FINANCIAL STATEMENTS

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Cash and Cash Equivalents

Cash and Cash equivalents Comprise of cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

3.11 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from the reporting date. All known liabilities have been accounted for in preparing these Financial Statements. Provision and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.12 Employee Benefits

3.12.1 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. All the employees who are eligible for Employees' Provident Fund and Employees' Trust Fund are covered by relevant contribution funds in line with the respective statutes. Employers' contribution to defined contribution plans are recognized as an employee benefit expense in the Profit or Loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments available.

(a) Employees' Provident Fund

The Company and employees contribute 12% and 8% respectively on the salary of each employee to the Employees' Provident Fund.

(b) Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund.

3.12.2 Retirement Benefit Obligation

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

An actuarial valuation was carried out by a qualified firm of actuaries using the Projected Unit Credit (PUC) method as recommended by LKAS 19- "Employee Benefits". When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

The assumptions based on which the results of actuarial valuation was determined, are included in Note 25.3 to the financial statements.

The Group recognizes all actuarial gain/losses arising from defined benefit plans in Other Comprehensive Income.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The group recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

3.13 Stated Capital

Ordinary shares are classified as equity. As per the Companies Act No. 07 of 2007, section 58(1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call-in arrears.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

3.14 Statement of Profit or Loss and Other Comprehensive Income

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive income, the Directors are of the opinion that function of expenses method presents fairly the elements of the Group is performance, and hence such presentation method is adopted in line with the provisions of LKAS 1 in Presentation of Financial Statements.

3.14.1 Revenue Recognition

The Group revenue represents sales to customers outside the Group and sales within the Group which are intended for internal consumption.

Revenue will be recognised upon satisfaction of performance obligation. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on the time of dispatch of the goods.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

(a) Sale of Goods

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

Type of product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
Sale of Goods	The Company sells flexible packaging materials to customers.	Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, usually on dispatch of the goods. Sales are measured at the fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales taxes) and variable consideration (e.g. discounts and rebates).

3.14.2 Expenditure Recognition

All expenses incurred in running the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

For the purpose of the presentation of the Statement of Profit or Loss and Other Comprehensive Income, the Directors are of the opinion that function of expenses method presents fairly the elements of the enterprise's performance; hence such presentation method is adopted.

3.14.3 Finance Income and Finance Costs

Finance income comprises interest income on funds invested recognized as it accrues in profit or loss, using the effective interest method and foreign currency gains and losses are reported on a net basis.

Finance Costs comprise interest expense on bank overdrafts and Borrowings recognized in profit or loss using the effective interest method and foreign currency gains and losses are reported on a net basis.

3.14.4 Other Income

Other income is recognised based on the accrual basis.

Other income comprises rent income and net gains and losses on the disposal of Property, Plant and Equipment and other non-current assets including investments have been accounted for in the assets.

3.14.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in Statement of Profit or Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.14.5.1 Current tax

Current tax expenses for the current and comparative periods are measured at the amount paid or expected to be payable to the Commissioner General of Inland Revenue on taxable income for the respective year of assessment computed in accordance with the provisions of the Inland Revenue Act. No. 04 of 2023 as amended by subsequent legislation enacted or substantively enacted by the reporting date.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

3.14.5.2 Deferred tax

Deferred tax is recognized using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The principal temporary differences arise from depreciation on Property, Plant and Equipment; and provisions for defined benefit obligations.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.15 Statement of Cash Flows

The Statement of Cash Flows has been prepared using 'indirect method'. Interests paid are classified as operating cash flows while dividends paid are classified as financing cash flows. Interests and dividends received are classified as investing cash flows for the purpose of presentation of Cash Flow Statement.

For the purpose of Statement of Cash Flow, cash & cash equivalents consist of cash at bank and in hand and short-term deposits net of outstanding bank overdrafts.

3.16 Segmental Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group is a Public Limited Company in Sri Lanka. During the year ended 31st March 2025, the Group operated as a single business unit under one management team offering the flexible packaging materials to business customers.

There are no distinguishable components to be identified as segments for the Group.

3.17 Related Party Transactions

Disclosures have been made in respect of the transactions between parties who are defined as related parties as per LKAS 24 – Related Party Disclosures.

3.18 Events Occurring After the Reporting Date

All material events occurring after reporting date have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

3.19 Earnings per Share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Capital Commitments and Contingent Liabilities

Contingent Assets and Liabilities are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Group's control. All material capital commitments and Contingent Liabilities of the Group are disclosed in the Notes to the consolidated Financial Statements.

4. NEW/ AMENDMENTS TO ACCOUNTING STANDARD ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued following new Sri Lanka Accounting Standards which will become applicable for financial periods beginning after 1st April 2025. Accordingly, the Group has not applied these new standards in preparing these Financial Statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements.

- SLFRS S1 - General Requirements for Disclosures of Sustainability related Financial Information
- SLFRS S2 - Climate-Related Disclosures
- Lack of Exchangeability - (Amendments to LKAS 21)

5. REVENUE

5.1 Set out below is the disaggregation of the Group's/Company's revenue from contracts with customers:

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Geographical Market				
Local Sales	1,196,433	1,105,785	868,468	888,296
	1,196,433	1,105,785	868,468	888,296

5.2 Timing of Revenue Recognition

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Products transferred at a point in time	1,196,433	1,105,785	868,468	888,296
Total Revenue with contracts of Customers	1,196,433	1,105,785	868,468	888,296

There is no separately identifiable segments for the above mentioned revenue streams.

6. OTHER INCOME

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rent income	-	-	18,000	18,000
Scrap sales	7,510	10,054	3,211	6,676
Domestic Services	7,523	-	4,495	-
Intercompany Services	671	-	-	-
	15,704	10,054	25,706	24,676

7. NET FINANCE COSTS

7.1 Finance Income

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Interest Income	353	381	255	255
Gain on Translation of Foreign Currency	-	3,734	-	1,258
Total Finance Income	353	4,115	255	1,513

NOTES TO THE FINANCIAL STATEMENTS

7.2 Finance Costs

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Interest on term loans	74,011	86,268	22,154	39,143
Interest on overdraft and short term loans	92,208	99,342	73,825	72,255
Interest on Loans due to Related Parties	34,662	64,547	34,661	64,547
Interest on Lease Liabilities	865	1,249	-	-
Loss on translation of Foreign Currency	3,544	-	3,739	-
Total Finance Costs	205,290	251,406	134,379	175,945
Net Finance Costs	204,937	247,291	134,124	174,432

8. LOSS BEFORE TAX

Loss before tax is stated after charging all the expenses including the following;

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Directors' Emoluments	25,428	16,200	25,428	16,200
Audit fees and expenses - Audit & Audit Related Services	1,600	1,440	1,000	890
- Non Audit Services	483	283	132	132
Depreciation on Property, Plant and Equipment (Note 11)	65,527	73,494	32,442	35,336
Amortisation of Right of use Assets	3,054	11,855	-	-
Provision for impairment of Amount due from related parties and trade receivables (Note 17.1/18.1)	29,157	5,305	5,948	39,467
Provision for impairment of other receivables (Note 17.2)	-	14,996	-	14,010
Provision for Slow Moving Inventories (Note 16.1)	38,956	1,151	26,235	1,804
Staff and related costs				
- Salaries, wages & other related cost	203,794	151,752	142,150	101,425
- Defined contribution plans - EPF & ETF	23,134	19,260	19,454	15,386
- Defined benefit plan cost	5,099	3,924	3,599	2,532
	232,027	174,936	165,203	119,343

9. INCOME TAX REVERSAL /(EXPENSE)

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Current Tax Expense				
Taxation on Profit for the year (Note 9.1)	-	-	-	-
Deferred Tax Expense				
Deferred Tax Reversal / (Expense) recognized through Profit or Loss (Note 24.1)	29,381	(232,464)	19,825	(165,858)
Total Income Tax Reversal / (Expense) included in Profit or Loss	29,381	(232,464)	19,825	(165,858)
Deferred tax recognized in Other Comprehensive Income (Note 24.2)	(6,984)	(40,424)	(7,679)	(27,095)
Taxes included in Total Comprehensive Income	22,397	(272,888)	12,146	192,983

9.1 Current Income Tax Expense

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Reconciliation of the Accounting loss to Income tax expense				
Accounting loss before taxation	(435,304)	(378,152)	(311,722)	(292,177)
Non-business income	(353)	(381)	(255)	(255)
Aggregate disallowable expenses	205,389	140,833	110,650	49,669
Aggregate allowable expenses	(53,766)	(68,942)	(15,323)	(19,487)
Loss from business	(284,034)	(306,642)	(216,650)	(262,250)
Total Taxable Loss	(284,034)	(306,642)	(216,650)	(262,250)
Non-business income - Interest income	353	381	255	255
Tax loss utilised	(353)	(381)	(255)	(255)
Taxable income	-	-	-	-
Income tax @ -30%	-	-	-	-

9.1.1 Current tax rates

The Group/Company is liable to pay income tax on its taxable income at 30% as per the Inland Revenue (Amendment) Act No. 45 of 2022.(2024-30%).

9.2 Accumulated Tax losses

For the year ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Tax losses brought forward	1,494,452	1,175,252	938,725	661,515
Adjustment in respect of prior year	(55,041)	12,939	(42,477)	15,215
	1,439,411	1,188,191	896,248	676,730
Loss for the year	284,034	306,642	216,650	262,250
Tax losses set-off during the year	(353)	(381)	(255)	(255)
Tax losses carried forward	1,723,092	1,494,452	1,112,643	938,725

10. BASIC LOSS PER SHARE

10.1 Basic Loss per Share

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

For the year ended 31st March	Group		Company	
	2025	2024	2025	2024
Loss attributable to ordinary shareholders (Rs.000)	(405,923)	(610,616)	(291,897)	(458,035)
Weighted Average Number of shares (No'000)	95,000	95,000	95,000	95,000
Loss per share (Rs.)	(4.27)	(6.43)	(3.07)	(4.82)

10.2 Diluted Loss per Share

There was no potential dilution as at the year end. Therefore, diluted loss per share is the same as basic loss per share shown above.

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Group

	Land	Buildings	Plant & Machinery	Furniture & Fittings	Computer & Accessories	Motor Vehicles	Factory Equipment	Office Equipment	Cylinder Stocks	Total
As at 31st March	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Cost/ Revalued Amount										
Balance as at 1st April 2023	231,900	355,553	352,185	24,931	20,475	2,448	-	-	291,268	1,278,760
Additions during the year	-	10,716	14,557	1,890	5,628	-	-	-	23,411	56,202
Write-offs during the year	-	-	(1,171)	(15,713)	(14,274)	-	-	-	(123,934)	(155,092)
Surplus on revaluation	-	133,994	-	-	-	-	-	-	-	133,994
Accumulated Depreciation Transferred	-	(26,977)	-	-	-	-	-	-	-	(26,977)
Balance as at 31st March 2024	231,900	473,286	365,571	11,108	11,829	2,448	-	-	190,745	1,286,887
Balance as at 1st April 2024	231,900	473,286	365,571	11,108	11,829	2,448	-	-	190,745	1,286,887
Transferred during the year	-	-	(1,352)	(3,412)	(3,158)	-	3,071	1,693	-	(3,158)
Additions during the year	-	-	17,287	506	4,210	-	573	317	48,692	71,585
Disposal during the year	-	-	-	-	-	-	-	-	(51,888)	(51,888)
Surplus on revaluation	34,785	-	-	-	-	-	-	-	-	34,785
Balance as at 31st March 2025	266,685	473,286	381,506	8,202	12,881	2,448	3,644	2,010	187,549	1,338,211
Accumulated Depreciation										
Balance as at 1st April 2023	-	13,377	32,009	21,905	14,973	2,448	-	-	262,634	347,346
Charge for the year	-	13,600	33,477	1,047	2,630	-	-	-	22,740	73,494
Write offs during the year	-	-	(1,171)	(15,713)	(14,274)	-	-	-	(123,934)	(155,092)
Accumulated Depreciation Transferred	-	(26,977)	-	-	-	-	-	-	-	(26,977)
Balance as at 31st March 2024	-	-	64,315	7,239	3,329	2,448	-	-	161,440	238,771
Balance as at 1st April 2024	-	-	64,315	7,239	3,329	2,448	-	-	161,440	238,771
Transferred during the year	-	-	(167)	(2,504)	(382)	-	1,067	1,604	-	(382)
Charge for the year	-	10,194	34,143	547	1,703	-	310	48	18,582	65,527
Disposal during the year	-	-	-	-	-	-	-	-	(50,416)	(50,416)
Balance as at 31st March 2025	-	10,194	98,291	5,282	4,650	2,448	1,377	1,652	129,606	253,500
Net Carrying Value										
As at 31st March 2024	231,900	473,286	301,256	3,869	8,500	-	-	-	29,305	1,048,116
As at 31st March 2025	266,685	463,092	283,215	2,920	8,231	-	2,267	358	57,943	1,084,711

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**11.2 Company**

	Land		Buildings		Plant & Machinery		Furniture & Fittings		Computer & Accessories		Motor Vehicles		Cylinder Stocks		Total	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
As at 31st March																
Cost/ Revalued Amount																
Balance as at 1st April 2023	231,900	240,897	196,307	18,009	18,556	2,448	101,747	809,864								
Additions during the year	-	10,716	11,143	1,729	5,628	-	2,160	31,376								
Writeoffs during the year	-	-	-	(14,851)	(13,748)	-	(27,233)	(55,832)								
Revaluation Surplus	-	88,467	-	-	-	-	-	88,467								
Accumulated Depreciation Transferred	-	(19,409)	-	-	-	-	-	(19,409)								
Balance as at 31st March 2024	231,900	320,671	207,450	4,887	10,436	2,448	76,674	854,466								
Balance as at 1st April 2024	231,900	320,671	207,450	4,887	10,436	2,448	76,674	854,466								
Transferred during the year	-	-	-	-	(2,921)	-	-	(2,921)								
Additions during the year	-	-	357	485	3,887	-	11,753	16,482								
Disposal during the year	-	-	-	-	-	-	(6,873)	(6,873)								
Revaluation Surplus	34,785	-	-	-	-	-	-	34,785								
Balance as at 31st March 2025	266,685	320,671	207,807	5,372	11,402	2,448	81,554	895,939								
Accumulated depreciation																
Balance as at 1st April 2023	-	9,631	19,505	15,211	14,453	2,448	100,104	161,352								
Charge for the year	-	9,778	19,849	748	2,579	-	2,382	35,336								
Write-offs during the year	-	-	-	(14,851)	(13,748)	-	(27,233)	(55,832)								
Accumulated Depreciation Transferred	-	(19,409)	-	-	-	-	-	(19,409)								
Balance as at 31st March 2024	-	-	39,354	1,108	3,284	2,448	75,253	121,447								
Balance as at 1st April 2024	-	-	39,354	1,108	3,284	2,448	75,253	121,447								
Transferred during the year	-	-	-	-	(145)	-	-	(145)								
Charge for the year	-	7,288	21,129	484	1,656	-	1,885	32,442								
Disposal during the year	-	-	-	-	-	-	(6,162)	(6,162)								
Balance as at 31st March 2025	-	7,288	60,483	1,592	4,795	2,448	70,976	147,582								
Net carrying value																
As at 31st March 2024	231,900	320,671	168,096	3,779	7,152	-	1,421	733,019								
As at 31st March 2025	266,685	313,383	147,324	3,780	6,607	-	10,578	748,357								

NOTES TO THE FINANCIAL STATEMENTS

11.3 Fully depreciated Property Plant & Equipment still in use

As at 31st March	Group		Company	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Furniture and fittings	32,048	33,368	29,111	29,111
Motor vehicles	2,446	2,446	2,446	2,446
Computer & Accessories	28,498	27,096	27,350	25,830
Plant & Machinery	-	11,351	-	7,529
Cylinders	104,881	143,504	74,988	68,840
Factory Equipment	1,378	-	-	-
Office Equipment	1,287	-	-	-
Lab Equipment	2,384	-	-	-
	172,922	217,765	133,895	133,756

11.4 Revaluation of Property Plant & Equipment

The Land of ACME Printing and Packaging PLC was revalued as at 31st March 2025 by Messrs. Wathsala Wickramanayake - (F.R.I.C.S) an independent valuer. The Building & Plant and Machinery were revalued as at 31st March 2024 and 31st March 2022 respectively by Messrs Guruge & Messrs P.P.T Mohideen-F.I.V (Sri Lanka)/ F.R.I.C.S (UK) an independent valuers. The surplus on revaluation relating to Land & Buildings and Plant & Machinery were incorporated in the financial statements. Such assets were valued on an open market value for existing use basis. The surplus arising from the revaluation was transferred to the revaluation reserve.

The following are revalued and recorded under Land, Building and Plant & Machinery. Fair value measurement disclosure and its fair value hierarchy is disclosed in Note 35.

1. Land
2. Building
3. Machinery

Valuation Technique

Market Comparable Method

This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market of prices of similar assets, making appropriate adjustments for any differences in the nature, size, location or condition of the specific property.

Depreciated Replacement Cost Method

The Depreciated Replacement Cost ("DRC method") has been used as the fair value of buildings. The cost approach is based on the assumption that an informed buyer will pay no more for a property than the cost of building a brand - new property with similar utility. In determining the DRC, the current condition of the buildings and future usability have been considered. This approach involves the analysis of transactions relating to direct comparable where available. Where evidence of direct comparison is not available, consideration is given to properties in locations further afield making appropriate allowances for configuration, permitted use, size, etc.

The Directors of the Company are of the view that the fair value of the Buildings and Machineries as at 31st March 2025 has not been changed significantly since its last valuation performed.

The table below sets out the significant unobservable inputs used in measuring Land, Building and Machinery categorized as Level 3 in the fair value hierarchy as at 31 March 2025.

Asset Category	Company	Location	Extent	Fair Value as at 31st March 2025 Rs'000	Carrying Value as at 31st March 2025 Rs'000	Revaluation Surplus / (Loss) Rs'000	Significant Unobservable Inputs (Level 03)	Date of Valuation	Sensitivity of fair value to significant unobservable inputs
Land	ACME Printing and Packaging PLC	Piliyandala	463.8 perches	266,685	231,900	34,785	Rs. 500,000 per perch	31st March 2025	Positively Correlated
Building	ACME Printing and Packaging PLC	Piliyandala	74,549 sq ft	320,672	232,205	88,467	Ranging from Rs. 1,000-7,500 per square feet	31st March 2024	Positively Correlated
Building	ACME Packaging Solutions (Private) Limited	Pannala	30,648 sq ft	152,614	107,088	45,526	Ranging from Rs. 1,750-6,750 per square feet	31st March 2024	Positively Correlated
Plant & Machinery	ACME Printing and Packaging PLC	Piliyandala	-	194,676	191,710	2,966	Fair value of a new machine - Depreciated percentage	31st March 2022	Positively Correlated
Plant & Machinery	ACME Packaging Solutions (Private) Limited	Pannala	-	155,878	110,110	45,768	Fair value of a new machine - Depreciated percentage	31st March 2022	Positively Correlated
Total				1,090,525	873,013	217,512			

11.5 Carrying amount of revalued assets had those were carried at cost of less accumulated depreciation are as follows.

	Group				Company			
	2025		2024		2025		2024	
	Cost Rs '000	Carrying Value Rs '000	Cost Rs '000	Carrying Value Rs '000	Cost Rs '000	Carrying Value Rs '000	Cost Rs '000	Carrying Value Rs '000
Land	13,944	13,944	13,944	13,944	13,944	13,944	13,944	13,944
Building	262,220	148,286	262,220	154,246	152,654	78,126	152,654	81,595
Plant & Machinery	551,245	12,935	535,311	41,859	273,635	321	273,278	13,008

11.6 Buildings of ACME Printing and Packaging PLC are constructed on a freehold land whereas the buildings of ACME Packaging Solutions (Private) Limited are constructed on land which is on a 50 years lease period obtained from the Government of Sri Lanka.

11.7 Properties pledged as security

Property, Plant and Equipment pledged as securities as at the reporting date are given below.

Properties	Company	Name of the Bank	Security
No. 318, Gonamadittha Road, Piliyandala	ACME Printing and Packaging PLC	Hatton National Bank	Primary floating mortgage bond.
Katugampola industrial Estate, Makandura, Gonawila	ACME Packaging Solutions (Pvt) Ltd	Sampath Bank	Primary floating mortgage bond.

NOTES TO THE FINANCIAL STATEMENTS

11.8 Title restriction on Property, Plant and Equipment

There are no restrictions that existed on the title of the Property, Plant and Equipment of the Group and the Company as at the reporting date.

11.9 Assessment of impairment

The Board of Directors has assessed for impairment if any over Property, Plant & Equipment as at 31st March 2025. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of property, plant & equipment.

12. INTANGIBLE ASSETS

As at 31st March	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
Cost / Valuation				
Balance as at 1st April 2024	-	-	-	-
Transferred from PPE	3,158	-	2,921	-
Additions during the year	6,765	-	6,765	-
Balance as at 31st March 2025	9,923	-	9,686	-
Accumulated Depreciation				
Balance as at 1st April 2024	-	-	-	-
Transferred from PPE	382	-	145	-
Charge for the year	1,792	-	1,792	-
Balance as at 31st March 2025	2,174	-	1,937	-
Carrying value as at 31st March 2025	7,749	-	7,749	-

13. RIGHT-OF-USE ASSETS

Group

	Land Rs.000	Motor Vehicles Rs.000	Machinery Rs.000	Total Rs.000
Cost				
Balance as at 1st April 2024	2,379	5,267	15,945	23,591
Remeasurement during the year	218	-	-	218
Balance as at 31st March 2025	2,597	5,267	15,945	23,809
Accumulated Amortization				
Balance as at 1st April 2024	298	5,267	11,958	17,523
Amortization during the year	125	-	2,929	3,054
Balance as at 31st March 2025	423	5,267	14,887	20,577
Carrying Value as at 31st March 2024	2,081	-	3,987	6,068
Carrying Value as at 31st March 2025	2,174	-	1,058	3,232

14. INVESTMENT IN SUBSIDIARY

As at 31st March	% of holding	No of shares		Company	
		2025	2024	2025 Rs.'000	2024 Rs.'000
ACME Packaging Solutions (Private) Limited					
Investment in ordinary shares	100%	6,757,874	6,757,874	94,610	94,610
Deemed Investment		-	-	12,800	12,800
Less: Provision for impairment of investment in subsidiary		-	-	(107,410)	(107,410)
		6,757,874	6,757,874	-	-

15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31st March	% of holding	No of shares		Company / Group	
		2025	2024	2025 Rs.'000	2024 Rs.'000
Unquoted Investments					
Ingrin Institute of Printing & Graphics Sri Lanka Limited	0.05%	25,000	25,000	25	25
		25,000	25,000	25	25

The Group designated the investment shown above as equity securities as at FVOCI because these equity securities represents investment that the Group intends to hold for the long term strategic purpose.

No strategic investments were disposed during the year and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Company has carried out a valuation of the investment in Ingrin Institute of Printing & Graphics Sri Lanka Using the net assets basis. The fair valuation has been classified as level 3 as per the fair value measurement principles.

16. INVENTORIES

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Raw materials	209,532	288,545	112,913	215,208
Work-in-progress	61,632	614	12,860	466
Machinery spares	43,951	57,925	31,055	36,969
Finished goods	43,054	75,715	10,476	26,760
Goods in transit	13,121	24,436	13,121	23,972
	371,290	447,235	180,425	303,375
Provision for slow moving Inventories (16.1)	(67,405)	(28,449)	(48,098)	(21,863)
	303,885	418,786	132,327	281,512

NOTES TO THE FINANCIAL STATEMENTS

16.1 Provision for slow moving Inventories

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	28,449	27,298	21,863	20,059
Provision for the year	38,956	1,151	26,235	1,804
Balance as at 31st March	67,405	28,449	48,098	21,863

17. TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade receivables	370,269	372,858	117,083	120,239
Provision for impairment of trade receivables (Note 17.1)	(45,838)	(16,879)	(16,349)	(7,288)
	324,431	355,979	100,734	112,951
Deposits and prepayments	94,552	79,109	70,267	48,995
Nation Building Tax receivable	-	812	-	590
Withholding Tax receivable	12	17,498	12	16,734
Provision for impairment on other receivables (Note 17.2)	(1,256)	(18,310)	-	(17,324)
	417,739	435,088	171,013	161,946

17.1 Provision for Impairment of Trade Receivables

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	16,879	16,134	7,288	11,350
Written-off during the year	-	(4,560)	-	(2,927)
Provision / (Reversal) for impairment of trade receivables	28,959	5,305	9,061	(1,135)
Balance as at 31st March	45,838	16,879	16,349	7,288

17.2 Provision for Impairment of Other Receivables

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	18,310	3,314	17,324	3,314
Charged for the year	-	14,996	-	14,010
Written-off during the year	(17,054)	-	(17,324)	-
Balance as at 31st March	1,256	18,310	-	17,324

18. RELATED PARTY RECEIVABLES

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
ACME Packaging Solutions (Pvt) Ltd.	-	-	614,759	607,226
C.W. Mackie PLC	9,754	16,761	-	-
Candy Delights Limited	1,837	-	1,837	-
Lankem Ceylon PLC	15,160	-	10,188	-
Colombo Fort Group Services (Pvt) Ltd	1,167	-	1,167	-
J. F. Packaging Limited	4	-	4	-
E.B. Creasy - Logistics Limited	1,326	-	1,326	-
Sunagro Lifescience Limited	2,344	-	2,344	-
	31,592	16,761	631,625	607,226
Provision for impairment (Note 18.1)	(198)	-	(67,377)	(70,490)
	31,394	16,761	564,248	536,736

18.1 Provision for Impairment of Related Party Receivables

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	-	-	70,490	29,888
Provision charged / (Reversal) for the year	198	-	(3,113)	40,602
Balance as at 31st March	198	-	67,377	70,490

19. CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash in hand	1,420	2,112	1,028	1,526
Cash at bank	12,872	35,504	11,876	20,207
Cash and Cash Equivalents	14,292	37,616	12,904	21,733
Bank overdraft	(37,132)	(13,828)	(37,132)	(13,828)
Cash and Cash equivalents in the Statement of Cash Flows	(22,840)	23,788	(24,228)	7,905

20. STATED CAPITAL

As at 31st March	No. of shares		Company	
	2025 Nos.'000	2024 Nos.'000	2025 Rs.'000	2024 Rs.'000
Issued and fully paid - ordinary shares				
At the beginning of the year	95,000	95,000	835,085	835,085
At the end of the year	95,000	95,000	835,085	835,085

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per individual at meetings of the shareholders or one vote per share in the case of a poll.

NOTES TO THE FINANCIAL STATEMENTS

21. REVALUATION RESERVE

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	631,921	538,125	496,363	434,436
Revaluation Surplus	34,785	133,994	34,785	88,467
Tax effect on revaluation surplus	(10,436)	(40,198)	(10,436)	(26,540)
Transferred to retained earnings	(180)	-	-	-
Balance as at 31st March	656,090	631,921	520,712	496,363

Revaluation reserve comprise of the gain from revaluation of land, buildings and machinery of the Group. This reserve is realized upon the derecognition of the revalued property.

22. INTEREST BEARING BORROWINGS

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Payable after one year				
Term loans (Note 22.1)	262,385	112,590	97,358	71,963
	262,385	112,590	97,358	71,963
Payable within one year				
Term loans (Note 22.1)	58,518	200,793	33,251	68,168
Short Term Loans (Note 22.2)	678,876	646,510	581,775	534,842
Loans Payable to Related Parties (Note 22.3)	303,463	293,463	303,463	293,463
Interest Payable	356,452	277,127	220,299	171,702
	1,397,309	1,417,893	1,138,788	1,068,175
Total Interest Bearing Borrowings	1,659,694	1,530,483	1,236,146	1,140,138

22.1 Term loans

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	313,383	391,314	140,131	180,287
Loans obtained during the year	54,929	-	25,000	-
	368,312	391,314	165,131	180,287
Repayments made during the year	(47,409)	(77,931)	(34,522)	(40,156)
Balance as at 31st March	320,903	313,383	130,609	140,131
Payable within one year	58,518	200,793	33,251	68,168
Payable after one year	262,385	112,590	97,358	71,963
	320,903	313,383	130,609	140,131

22.2 Short Term Loans

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	646,510	387,422	534,842	279,739
Opening Balance Adjustment	374	-	374	-
Loans obtained during the year	734,439	399,979	733,481	395,994
	1,381,323	787,401	1,268,697	675,733
Repayments made during the year	(702,447)	(140,891)	(686,922)	(140,891)
Balance as at 31st March	678,876	646,510	581,775	534,842

22.3 Loans Payable to Related Parties

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	293,463	232,088	293,463	232,088
Loans obtained during the year	20,000	95,000	20,000	95,000
	313,463	327,088	313,463	327,088
Repayments made during the year	(10,000)	(33,625)	(10,000)	(33,625)
Balance as at 31st March	303,463	293,463	303,463	293,463
Loans payable to related parties are as follows:				
Lankem Ceylon PLC	159,375	159,375	159,375	159,375
E.B. Creasy & Company PLC	134,088	134,088	134,088	134,088
Agarapathana Plantation PLC	10,000	-	10,000	-
	303,463	293,463	303,463	293,463

22.4 Assets pledged as security against interest bearing borrowings

Company	Rate of Interest (P.A)	Balance as at 31st March		Terms of Repayment	Security Pledged
		2025 Rs'000	2024 Rs'000		
ACME Printing and Packaging PLC	NATIONAL DEVELOPMENT BANK PLC - 62.1MN (AWPLR+2.0%)	39,100	52,900	Repayable in 54 equal monthly installements commencing from May 2023	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
	NATIONAL DEVELOPMENT BANK PLC - 50.0 MN (AWPLR+2.0%)	31,482	42,218	Repayable in 53 equal monthly installements commencing from May 2023	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
	NATIONAL DEVELOPMENT BANK PLC - 28.0 MN (AWPLR+2.0%)	-	15,556	Repayable in 17 equal monthly installements commencing from May 2023	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
	SOFTLOGIC FINANCE PLC - 33.7MN (AWPLR+2.0%)	39,197	29,457	Repayable in 60 monthly installements commencing from May 2023.	N/A
	SEYLAN BANK PLC 25MN (AWPLR+2.5%)	20,830	-	Repayable in 36 monthly installements commencing from Oct 2024	Monthly transfer of Rs. 0.15Mn to Savings Account.
		130,609	140,131		

NOTES TO THE FINANCIAL STATEMENTS

Company	Rate of Interest (P.A)	Balance as at 31st March		Terms of Repayment	Security Pledged
		2025	2024		
		Rs'000	Rs'000		
ACME Packaging Solutions (Pvt) Ltd.	SAMPATH BANK PLC - 75 Mn (AWPLR+2.5%)	36,250	36,250	Repayable in 60 equal monthly installments commencing from December 2018	Primary mortgage bond for Rs. 90 Mn over leasehold property inclusive of machineries installed therein situated at Pannala and monthly transfer of Rs. 0.1 Mn to savings account.
	SAMPATH BANK PLC - 15 Mn (AWPLR+2.5%)	6,642	7,000	Repayable in 60 equal monthly installments commencing from December 2018	Primary mortgage bond for Rs. 90 Mn over leasehold property inclusive of machineries installed therein situated at Pannala.
	NATIONAL DEVELOPMENT BANK PLC 32.7MN (AWPLR+2.0%)	20,589	26,643	Repayable in 53 equal monthly installments commencing from May 2023	Primary Mortgage Bond over borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
	NATIONAL DEVELOPMENT BANK PLC 14.3MN (AWPLR+2.0%)	-	6,475	Repayable in 17 equal monthly installments commencing from May 2023	Primary Mortgage Bond over borrowers and monthly transfer of Rs. 0.1 Mn to savings account
	SOFTLOGIC FINANCE PLC 108.6MN (AWPLR+2.0%)	126,813	96,884	Repayable in 60 monthly installments commencing from May 2023	N/A
		190,294	173,252		
	Total Term Loans	320,903	313,383		
ACME Packaging Solutions (Pvt) Ltd.	SAMPATH BANK PLC 160MN (AWPLR+2.5%)	97,101	108,957	Repayable in 180 days	Primary mortgage bond for Rs. 90 Mn over leasehold property inclusive machineries installed therein situated at Pannala and monthly transfer of Rs. 0.1 Mn to savings account.
	NATIONAL DEVELOPMENT BANK PLC - (AWPLR+2.0%)	-	2,711	Repayable in 180 days	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
		97,101	111,668		
ACME Printing and Packaging PLC	DFCC BANK PLC- 210Mn (AWPLR+3.0%)	218,340	209,407	Repayable within 180 days	Mortgage for Rs.200 Mn over stocks kept at 318,Gonamaditta Road,Pliyandala and book debts of the Company with an insurance policy over stocks assigned in favour of the bank
	PEOPLE'S BANK 150.0 MN (AWPLR+2.5%)	149,189	149,998	Repayable within 180 days	Documents of title to goods shipped indemnity of the borrower letter of set-off import trust receipt covering goods control under borrower
	HATTON NATIONAL BANK PLC -150 MN (AWPLR + 3.0%)	199,880	146,147	Repayable within 180 days	Primary floating mortgage bond for Rs.99 Mn. Over immovable property situated at Gonamaditta road with buildings and every thing standing thereon
	SEYLAN BANK PLC- 25MN (AWPLR+3.0%)	-	25,000	Repayable within 90 days	Monthly transfer of Rs.0.15 Mn to savings account facility agreement form

Company	Rate of Interest (P.A)	Balance as at 31st March		Terms of Repayment	Security Pledged
		2025	2024		
		Rs.'000	Rs.'000		
NATIONAL DEVELOPMENT BANK PLC - 50MN (AWPLR + 2.0%)		14,366	4,290	Repayable within 180 days	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs.0.1 Mn to savings accounts.
		581,775	534,842		
Total Short Term Loans		678,876	646,510		

22.5 Loans Payable to Related Companies

Company	Related company	Terms of Repayment	2025 Rs.'000	2024 Rs.'000	Interest Rate
ACME Printing and Packaging PLC	Lankem Ceylon PLC	On Demand	159,375	159,375	(AWPLR +2.0) %
	E.B.Creasy & Company PLC	On Demand	134,088	134,088	(AWPLR +2.0) %
	Agarapathana Plantation PLC	On Demand	10,000	-	FIXED-16%
			303,463	293,463	

23. LEASE LIABILITIES

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	8,852	11,535	-	-
Remeasurement during the year	218	-	-	-
Lease Interest During the Year	865	1,249	-	-
Lease rentals paid during the year	(5,645)	(3,932)	-	-
Balance as at 31st March	4,290	8,852	-	-
Due within one year	2,055	5,210	-	-
Due after one year	2,235	3,642	-	-
	4,290	8,852	-	-
Amounts recognized in Profit or Loss				
Interest charged during the year	865	1,249	-	-
Amortization on Right of Use Assets	3,054	11,855	-	-
Amounts recognized in Cash flows				
Cash flows from financing activities	(5,645)	(3,932)	-	-

NOTES TO THE FINANCIAL STATEMENTS

23.1 Maturity Analysis

As at 31st March	2025			2024		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Repayable - within one year	3,111	735	2,055	5,945	735	5,210
Repayable - 1 to 5 year	3,376	1,706	2,235	5,348	1,706	3,642
	6,487	2,441	4,290	11,293	2,441	8,852

23.2 Details of leases

Lessee	Location	Nature	Period
Government of Sri Lanka	Pannala	Land	4/1/2019 - 2/21/2058
Singer Finance (Lanka) PLC	Pannala	Slitter Machine	7/27/2020 - 7/5/2025

24. DEFERRED TAX LIABILITIES

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1st April	(267,447)	-	(192,953)	-
Impact due to error correction	-	5,441	-	-
Restated Balance as at 1st April	(267,447)	5,441	(192,953)	-
Reversed/(Recognised) in Statement of Profit or Loss	29,381	(232,464)	19,825	(165,858)
Recognised in Other Comprehensive Income	(6,984)	(40,424)	(7,679)	(27,095)
Balance as at 31st March	(245,050)	(267,447)	(180,807)	(192,953)

24.1 Recognised in statement of profit or loss

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Due to derecognition of previously recognised tax losses	-	(244,623)	-	(159,047)
Due to changes in temporary differences	29,381	12,159	19,825	(6,811)
	29,381	(232,464)	19,825	(165,858)

24.2 Recognised in other comprehensive income

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Due to changes in temporary differences	(6,984)	(40,424)	(7,679)	(27,095)
	(6,984)	(40,424)	(7,679)	(27,095)

24.3 Deferred tax assets and liabilities are attributable to the following:

	Group				Company			
	2025		2024		2025		2024	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Taxable Temporary differences								
Property, Plant & Equipment	(41,177)	(12,353)	(66,160)	(19,848)	39,886	11,967	14,001	4,200
Revaluation Reserve	(917,804)	(275,341)	(886,207)	(265,862)	(724,809)	(217,443)	(693,213)	(207,964)
Right of Use Assets	(3,232)	(970)	(6,068)	(1,820)	-	-	-	-
Retirement Benefit Plan Asset	(19,066)	(5,720)	(16,875)	(5,063)	(19,066)	(5,720)	(16,875)	(5,063)
	(981,279)	(294,384)	(975,310)	(292,593)	(703,979)	(211,196)	(696,087)	(208,826)
Deductible Temporary differences								
Retirement Benefit Obligation	45,659	13,697	29,640	8,892	36,848	11,055	23,759	7,128
Provision for Impairment on Trade and Other Receivables	47,094	14,128	16,879	5,064	16,349	4,905	7,288	2,186
Provision for slow moving inventories	67,405	20,222	28,449	8,534	48,098	14,429	21,863	6,559
Lease Liabilities	4,290	1,287	8,852	2,656	-	-	-	-
	164,448	49,334	83,820	25,146	101,297	30,389	52,910	15,873
		(245,050)		(267,447)		(180,807)		(192,953)

24.4 Deferred tax asset has not been recognised on accumulated tax losses of the Group and the Company due to the uncertainty regarding the availability of future taxable profits against which the deferred tax asset would be utilized. Therefore, the Group and the Company have not recognised deferred tax assets on the below accumulated tax losses.

As at 31st March	Group			
	2025		2024	
	Deductible Temporary Difference Rs.'000	Tax Effect Rs.'000	Deductible Temporary Difference Rs.'000	Tax Effect Rs.'000
On Accumulated Tax Losses	1,723,092	516,928	1,494,452	448,336

As at 31st March	Company			
	2025		2024	
	Deductible Temporary Difference Rs.'000	Tax Effect Rs.'000	Deductible Temporary Difference Rs.'000	Tax Effect Rs.'000
On Accumulated Tax Losses	1,112,643	333,793	938,725	281,618

NOTES TO THE FINANCIAL STATEMENTS

25. NET DEFINED BENEFITS OBLIGATIONS / PLAN ASSETS

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Present value of the Funded Obligation	36,848	23,759	36,848	23,759
Present value of the Unfunded Obligation	8,811	5,881	-	-
Present Value of the Obligations (Note 25.2)	45,659	29,640	36,848	23,759
Fair Value of Retirement Benefit Assets (Note 25.1)	(19,066)	(16,875)	(19,066)	(16,875)
Present Value of Net Obligation	26,593	12,765	17,782	6,884

25.1 Fair Value of Retirement Benefit Assets

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Fair Value of Plan assets at the beginning of the year	16,875	10,652	16,875	10,652
Expected Return on Plan Assets	2,023	2,078	2,023	2,078
Actuarial Gain	168	4,145	168	4,145
	19,066	16,875	19,066	16,875

25.2 Present Value of the Obligations

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the year	29,640	26,175	23,759	21,443
Provision for the year	7,122	6,002	5,622	4,610
Gratuity paid during the year	(2,778)	(5,928)	(1,892)	(4,590)
Actuarial Loss	11,675	3,391	9,359	2,296
Present Value of the Obligations	45,659	29,640	36,848	23,759
Expenses Recognized in the Statement of Profit or Loss				
Current Service Cost	3,566	3,402	2,771	2,862
Interest Cost	3,556	2,600	2,851	1,748
	7,122	6,002	5,622	4,610
Expected Return on Plan Assets	(2,023)	(2,078)	(2,023)	(2,078)
Total expenses recognized in the Statement of Profit or Loss	5,099	3,924	3,599	2,532
Amount Recognised in the Other Comprehensive Income				
Actuarial Loss Recognised in Retirement Benefit Obligation	11,675	3,391	9,359	2,296
Actuarial Gain Recognised in Retirement Benefit Assets	(168)	(4,145)	(168)	(4,145)
Loss/(Gain) Recognized in OCI	11,507	(754)	9,191	(1,849)
Total expense recognized in the Statement of Other Comprehensive Income	11,507	(754)	9,191	(1,849)

An actuarial valuation was carried out by Mr. Poopalanathan (AIA) of Actuarial & Management Consultants (Pvt) Limited as at 31st March 2025. The valuation method used by the Actuary is the "Projected Unit Credit Method", the method recommended by Sri Lanka Accounting Standard 19 "Employee Benefits" (LKAS 19).

Plan asset of the Company are held by an approved external gratuity fund where it invests in an insurance scheme amounting to Rs. 20 Mn as at the reporting date.

25.3 Actuarial assumptions

LKAS 19 - 'Employee Benefit' requires to apply Project credit unit method to make a reliable estimate of the retirement benefit obligation in order to determine the present value of the retirement benefit obligation. These key assumptions were made in arriving at the retirement benefit obligation as at 31st March 2025.

	Group		Company	
	2025	2024	2025	2024
Discount rate as at 31st March	10.5%	12.0%	10.5%	12.0%
Expected return on Fund assets	12.0%	12.0%	12.0%	12.0%
Salary increment rate	10.0%	7.0%	10.0%	7.0%
Staff turnover	14.0%	14.0%	14.0%	14.0%
Average future working life time	5.7	5.66	5.7	5.66

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Maturity Analysis				
Within the next 12 months	5,910	5,385	3,709	4,074
Between 1-2years	11,507	6,701	8,690	4,986
Between 2-5 years	12,758	9,048	10,633	7,663
Between 5-10 years	11,780	5,987	10,510	4,885
Beyond 10 years	3,704	2,519	3,306	2,151
Total	45,659	29,640	36,848	23,759

Discount rate is determined based on the Treasury Bonds/Bills average market yield of weighted average duration.

25.4 Sensitivity analysis

If there is a change in the assumption by 1%, the following would be the impact on Retirement benefit obligation liability as at 31st March 2025.

	2025			
	Group		Company	
	Discount Rate Rs'000	Salary Increment Rs'000	Discount Rate Rs'000	Salary Increment Rs'000
Increase by 1%	(43,661)	47,767	(35,125)	38,672
Decrease by 1%	47,830	(26,597)	38,722	(35,140)

	2024			
	Group		Company	
	Discount Rate Rs'000	Salary Increment Rs'000	Discount Rate Rs'000	Salary Increment Rs'000
Increase by 1%	(28,548)	30,930	(22,875)	24,822
Decrease by 1%	30,919	(28,429)	24,812	(22,761)

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
As at 31st March				
Trade payables	107,365	127,371	58,970	63,448
Advance receipt from Trade Debtors	3,436	6,214	3,434	754
Tax related payables	98,419	17,336	67,649	9,201
Other payables	152,876	89,607	36,037	59,564
	362,096	240,528	166,090	132,967

NOTES TO THE FINANCIAL STATEMENTS

27. AMOUNT DUE TO RELATED COMPANIES

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Lankem Ceylon PLC	20,836	13,926	9,364	6,572
E B Creasy Logistics Limited	1,151	3,476	1,151	3,476
J.F.Packaging Ltd	99	-	45	-
Ceylon Tapes (Pvt) Ltd	316	-	149	-
Colombo Fort Group Services (Pvt) Ltd	4,244	-	3,786	-
Lankem Mineral Ltd	20,000	-	20,000	-
	46,646	17,402	34,495	10,048

28. RELATED PARTY TRANSACTIONS

28.1 Transactions with Key Management Personnel (KMP)

According to LKAS 24 - 'Related Party Disclosures' Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, Key Management Personnel include the members of the Board of Directors of ACME Printing and Packaging PLC and its subsidiary company.

a. Loans granted to Key Management Personnel

No loans have been given to the Directors during the year.

b. Key Management Personnel Compensation

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Short term employee benefits	25,428	16,200	25,428	16,200
Post employment benefits	Nil	Nil	Nil	Nil

No other payments such as post employment benefits, termination benefits or share based payments have been paid to key management personnel during the year.

28.2 Transactions with related companies

28.2.1 Recurrent related party transactions

Except for the following transactions, there were no recurring related party transactions, the value of which exceeded 10% of gross revenue of the group during the year ended 31st March 2025.

Name of the Related Party	Relationship	Nature of the Transaction	Value of Related Party Transaction Rs '000	Value of Related Party Transaction as a % of Net Revenue	Terms and conditions
ACME Packaging Solution (Pvt) Ltd.	Subsidiary	Sale of Goods	419,575	48%	On arm's length basis - 5% to 10% GP margin

28.3 Transactions with related companies

Company name	Relationship	Nature of Transaction	Transaction Amount		Balance as at 31st March	
			2025 Rs'000	2024 Rs'000	2025 Rs'000	2024 Rs'000
Acme Packaging Solutions (Pvt) Ltd.	Subsidiary	Sale of goods	419,575	498,221	614,759	607,226
		Purchases of goods	(61,788)	(75,868)		
		Machinery Rent Income	21,240	18,000		
		Shared Salaries (inclusive of tax)	20,263	24,415		
		Settlements	(391,757)	(135,506)		
Lankem Ceylon PLC	Immediate Parent	Raw Material Purchases	(5,103)	(40,501)	(204,900)	(194,248)
		Repayment	1,959	47,269		
		Loan Granted	-	(95,000)		
		Loan Settled	-	33,625		
		Sales of Goods from ACME	12,026	7,701		
		Settlement	(2,221)	(7,737)		
		Administration Fee	736	(9,426)		
		Administration Fee Paid	-	142		
		Interest Charged	(18,049)	(28,300)		
E.B. Creasy PLC	Affiliate	Interest Charged	(15,124)	(36,247)	(196,606)	(181,482)
E.B. Creasy Logistics Limited	Affiliate	Shipment Clearance	(8,116)	(8,394)	175	3,476
		Repayment	4,815	8,394		
C.W. Mackie PLC	Affiliate	Sales of Goods - Incl. Taxes	-	66,268	-	16,761
		Settlement	-	(44,507)		
Lankem Minerals Ltd	Affiliate	Advance received	(20,000)	-	(20,000)	-
JF Packaging Pvt Ltd	Affiliate	Purchase	(939)	(2,406)	(41)	(669)
		Sales	1,066	6,288		
		Settlements	(1,236)	(4,551)		
		Set off	1,737	-		
Candy Delights Limited	Affiliate	Sales	34,175	-	1,837	2,998
		Settlements of dues	(35,336)	-		
Sunagro Lifescience Limited	Affiliate	Sales	10,630	-	2,344	-
		Settlements of dues	(8,286)	-		
Colombo Fort Group Services (Pvt) Ltd	Affiliate	Service Fee and Admin expenses	(13,507)	-	(2,618)	-
		Settlements	9,722	-		
		Reimbursement of Admin Fee	2,238	-		
		Settlements of dues	(1,071)	-		
Ceylon Tape Pvt Ltd	Affiliate	Purchases	(414)	(396)	(149)	-
		Settlements of dues	265	396		
Agarapathana Plantation PLC	Affiliate	Loan granted	(20,000)	-	(10,706)	-
		Settlements of dues	10,000	-		
		Interest Chged	(1,446)	-		
		Interest Settled	740	-		

The above mentioned transactions are recurring and were carried out at "arms length" basis.

29. CAPITAL COMMITMENTS

There were no capital commitments outstanding as at 31st March 2025.

NOTES TO THE FINANCIAL STATEMENTS

30. CONTINGENT LIABILITIES

There are no material contingent liabilities as at the reporting date which would require adjustment or disclosure in financial statements other than following;

D.C. Colombo Case No.DSP/0015/08

The Commercial and Industrial Worker's Union filed a case against ACME Printing and Packing PLC to make payment for all arrears in respect of Non-Recurring Cost of Living Gratuity (NRCOLG) allowances due to all members of Commercial and Industrial Worker's Union and thereafter continue to make such payments of the allowance in accordance to the formulas agreed upon in the collective agreement or as a part of the contract of employment.

ACME Printing and Packaging PLC has denied the Commercial and Industrial Worker's Union claim and pleaded inter alia that the said agreement was repudiated and as such, ACME Printing and Packaging PLC is not liable to pay the NRCOLG allowance.

The matter is set for next hearing on 12th December 2025.

The Board of Directors of the Company having consulted the legal council has determined that no provision is required for the below cases outstanding against the Group as at 31st March 2025.

31. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen that would require adjustments to/ or disclosure in the financial statements at the reporting date other than following;

→ On 27th September 2024, the Board of Directors of ACME Printing and Packaging PLC (ACME) resolved to issue 190,000,000 shares in the proportion of 02 new ordinary shares for every 01 existing ordinary share by way of a Rights Issue at a price per share of Rs 2.50. The proceeds of the Rights issue are to be utilized for working capital requirements of the Company and to settle intercompany liabilities. The Rights issue is subject to the approval of Colombo Stock Exchange and obtaining shareholder approval at an Extra Ordinary General Meeting (EGM).

→ Subsequent to the reporting date of 31st March 2025 and prior to the date of approval of these financial statements, there was a significant change in the shareholding structure of the Company.

During the months of April and May 2025, E. B. Creasy & Company PLC, a major shareholder of the Company (but not the parent entity), disposed of its shareholding in ACME Printing and Packaging PLC. These shares were acquired by Lankem Ceylon PLC, the parent company of ACME Printing and Packaging PLC, and Darley Butler & Company Limited.

As a result of these transactions, as at 30th June 2025, the revised shareholding structure of the Company is as follows:

- Lankem Ceylon PLC – 53.82%
- Darley Butler & Company Limited – 19.49%

This event does not affect the amounts recognised in the financial statements for the year ended 31st March 2025, but is disclosed herein in accordance with the requirements of LKAS 10 – Events After the Reporting Period, and the relevant provisions of the Companies Act No. 7 of 2007, as it represents a significant non-adjusting event that occurred after the reporting period but before the financial statements were authorised for issue.

32. GOING CONCERN

The Group and the Company incurred a net loss of Rs. 406 Mn (2024: Rs. 611 Mn) and Rs. 292 Mn (2024: Rs. 458 Mn) respectively during the year ended 31st March 2025 and as of that date the Group and the Company's current liabilities exceeded its current assets by Rs. 1,078 Mn (2024: Rs. 787 Mn) and Rs. 496 Mn (2024: Rs. 223 Mn) respectively and the Groups' and Company's total liabilities exceeded its total assets by Rs. 518 Mn (2024: Rs. 129 Mn) and Rs. 36 Mn respectively, resulting a negative equity. Further, the Group and the Company have reported accumulated losses amounting to Rs. 2,010 Mn (2024: Rs. 1,596 Mn) and Rs. 1,392 Mn (2024: Rs. 1,093 Mn) and as of that date, the Company's net assets are less than the half of the stated capital and faces a serious loss of capital situation.

Therefore, these events or conditions indicate that a material uncertainty exists that may cast substantial doubts on the Group's and Company's ability to continue as a going concern and therefore that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Notwithstanding this, the financial statements have been prepared on a going concern basis by the Management, due to reliance on the business plan and after performing comprehensive review of the Company's affairs including, but not limited to;

- The parent has acquired ACME Group of Companies with a strategic view to enhance the market presence in the packaging industry during the year 2022. Hence, the Board of Directors of the Parent does not have any intention to liquidate the ACME Printing and Packaging PLC or to cease the operations in the near future.
- ACME Group has identified a strategic priority in expanding its customer base within the agricultural industry, recognizing its potential to enhance profitability. In line with this objective, discussions are currently underway with the customers.
- The Management has initiated the production of biodegradable products and currently in the testing stage.
- The Management has initiated cost reduction strategies including reduction of ink consumption and overtime costs with production planning.
- The Directors of Lankem Ceylon PLC confirm that we undertake to provide financial assistance to the Subsidiary to ensure that it can pay its external debts as and when they fall due and payable for a period of at least 12 months from the date of signing these financial statements.

As a consequence, in view of the above, the Management continues to have a reasonable expectation that the Company has adequate resources to continue in operations for at least the next 12 months that the going concern basis of accounting remains appropriate. Management firmly believe that the Company will be able to continue as a going concern into the foreseeable future and, accordingly, the Financial Statements of the Company have been prepared on a going concern basis without making adjustments that may be required to the recorded assets and the classification of liabilities if the Company is unable to continue as a going concern.

33 COMPARATIVE INFORMATION

33.1 Reclassification of Prior Period Balance

Reclassifications mentioned below were made to the amounts reported previously as at 31st March 2024 in order to achieve better presentation. These reclassifications have not resulted in any changes to the net assets reported previously.

Statement of Financial Position (Company)

As at 31st March	Current Presentation		As Reported Previously
	2025 Rs'000	2024 Rs'000	2024 Rs'000
(i) Reclassification of Trade Debtor to Amount Due from Related Party			
Trade and Other Receivables	171,013	157,211	161,946
Amounts due from Related Companies	564,248	541,471	536,736
(ii) Reclassification of Trade Creditor to Amount Due to Related Party			
Trade and Other Payables	166,091	134,037	132,967
Amounts due to Related Companies	34,495	8,978	10,048

34. FINANCIAL RISK MANAGEMENT

34.1 Introduction and Overview

The Group has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk (including currency risk and interest rate risk)
4. Interest Rate risk
5. Operational risk.

This note presents information about the Group's exposure to each of the above risks, the Group's supervision, policies and processes for measuring and managing risk, and the Group's management of capital. Further, quantitative disclosures are included throughout this Financial Statements.

34.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. They are responsible for developing and monitoring the Group's risk management policies, and reports regularly to the Board of Directors on this activities.

34.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligation and arises principally from the Group receivables from customers and amounts due from related companies.

Exposure to credit risk

The maximum risk exposure of financial assets which are generally subject to credit risk are equal to their carrying amounts. The maximum exposure to credit risk at the reporting date was:

As at 31st March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade and Other Receivables	17	370,269	372,858	117,033	120,239
Amounts due from related parties	18	31,592	16,761	631,625	536,736
Cash at Bank	19	12,872	35,504	11,876	20,207
Total		414,733	425,123	760,534	677,182

NOTES TO THE FINANCIAL STATEMENTS

Trade and other receivables

The Group assesses its credit risk through expected credit loss on its trade receivables.

ECL is calculated based on the delinquency status and the actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect the differences between economic conditions during the period over which the historical data has been collected, Current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Impairment losses of Trade and other receivables, amount due from related companies.

As at 31st March	Group			Company		
	Gross carrying amount	Loss allowance 2025	Loss allowance 2024	Gross carrying amount	Loss allowance 2025	Loss allowance 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Less than 30 days	235,448	(337)	(1,212)	78,456	(126)	(377)
More than 30 days but less than 60 days	40,267	(191)	(1,305)	3,620	(48)	(604)
More than 60 days but less than 90 days	65,086	(92)	(3,873)	2,059	(65)	(354)
More than 90 days but less than 180 days	16,922	(1,163)	(2,096)	9,055	(751)	(1,218)
More than 180 days but less than 365 days	7,570	(8,582)	(3,417)	17,116	(8,582)	(3,014)
More than 365 days	4,976	(35,472)	(4,976)	6,777	(6,777)	(1,721)
Total Gross Trade receivable	370,269	(45,838)	(16,879)	117,083	(16,349)	(7,288)
Total Net Trade receivable		324,431			100,734	

The movements in the allowance for impairment in respect of trade and other receivable, amount due from related parties are disclosed in the respective notes to the Financial Statements.

Balances with Banks

The Group held balance with Banks of Rs. 12.9 Mn as at 31st March 2025.(Rs. 35.5 Mn as at 31st March 2024) Which represent its maximum credit exposure on these assets. Credit ratings of the financial institution where the Group have invested cash are as follow:

Institute	Credit Rating
1. NDB Bank	A(lka)/Stable
2. Commercial Bank PLC	A(lka)
3. Sampath Bank PLC	AA-(lka)
4. Seylan Bank PLC	A+(lka)
5. Peoples Bank	AA-(lka)
6. Nations Trust Bank	A(lka)
7. Softlogic Finance PLC	BB-(lka)/Stable

34.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or any other Financial asset. Insufficient liquidity resources could have an adverse impact on the Group's operations while impairing investor, customer and supplier confidence thereby weakening its competitive position.

The Group closely monitors cash inflows and outflows both at Consolidated and sector levels to ensure matching of cash flows wherever possible.

However, as disclosed in Note 32, the Group and the Company has experienced net current liability position as at the reporting date due to short term interest bearing borrowings.

The following are the remaining contractual maturity of financial liabilities at the reporting date. The amounts are gross and undiscounted and includes contractual interest payments.

Group	Carrying Value	Contractual cashflows	Less than one year	More than one year
Non Derivative financial liabilities	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31st March 2025				
Interest Bearing Borrowings	1,659,694	1,659,694	1,397,309	262,385
Lease Liabilities	4,290	6,487	3,111	3,376
Bank Overdraft	37,132	37,132	37,132	-
Trade Payables	107,365	107,365	107,365	-
Other Payables	152,876	152,876	152,876	-
Amounts due to Related Companies	46,646	46,646	46,646	-
	2,008,003	2,010,200	1,744,439	265,761

As at 31st March 2024				
Interest Bearing Borrowings	1,530,484	1,530,484	1,436,137	94,347
Lease Liabilities	8,852	11,293	5,945	5,348
Bank Overdraft	13,828	13,828	13,828	-
Trade Payables	127,371	127,371	127,371	-
Other Payables	89,607	89,607	89,607	-
Amounts due to Related Companies	17,402	17,402	17,402	-
	1,787,544	1,789,985	1,690,290	99,695

Company	Carrying Value	Contractual cashflows	Less than one year	More than one year
Non Derivative financial liabilities	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31st March 2025				
Interest Bearing Borrowings	1,236,146	1,236,146	1,138,788	97,358
Bank Overdraft	37,132	37,132	37,132	-
Trade Payables	58,970	58,970	58,970	-
Other Payables	36,037	36,037	36,037	-
Related Party Payables	34,495	34,495	34,495	-
	1,402,780	1,402,780	1,305,422	97,358

As at 31st March 2024				
Interest Bearing Borrowings	1,140,138	1,140,138	1,064,152	75,986
Bank Overdraft	13,828	13,828	13,828	-
Trade Payables	63,448	63,448	63,448	-
Other Payables	59,564	59,564	59,564	-
Related Party Payables	10,048	10,048	10,048	-
	1,287,026	1,287,026	1,211,040	75,986

34.5 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, etc. will effect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and confirm market risk exposure within acceptable parameters while optimizing the returns.

NOTES TO THE FINANCIAL STATEMENTS

34.5.1 Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows from overseas and foreign currency transactions which are affected by foreign exchange fluctuations.

Exposure to currency risk

The Group's exposure to foreign currency risk based on notional amounts were as follows:

As at 31st March	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Trade & Other payables	48,070	101,370	30,805	101,370

The following significant exchange rates were applicable during the year:

	Average Rate		Reporting Date Spot Rate	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
USD	296.35	301.18	300.58	301.18

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible changes in the USD/LKR exchange rate, with all other variables held constant. The calculation of sensitivity has been performed only on the assets and liabilities denominated in foreign currency as at 31st March 2025.

As at 31st March	GROUP			
	2025		2024	
	Effect on Profit Before Tax Rs. 000	Effect on Equity Rs. 000	Effect on Profit Before Tax Rs. 000	Effect on Equity Rs. 000
LKR Depreciated against USD by 15%	(2,167)	(2,167)	(4,580)	(4,580)
LKR appreciated against USD by 15%	2,167	2,167	4,580	4,580

34.5.2 Interest rate risk

Interest rate risk is the risk that the fair value of the cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises on interest bearing financial instruments recognised in the Statement of Financial Position.

The interest rate risk of the Company and the Group arises from financial instruments which are exposed to variable or fixed rate interest rates. Variable interest rates expose the Company and the Group to cash flow due to the impact on the quantum of interest payable. Financial instruments with fixed interest rates are subject to variations in fair values due to market interest movements.

The Group closely monitors market interest rate movements and implement appropriate strategies in order to minimise the interest rate risk associated with financial instruments with rates.

Profile

At the end of the reporting period the interest rate profile of the Company's interest bearing financial instruments were as follows,

As at 31st March	Group		Company	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Variable rate instruments				
Financial Asset				
- Cash at Bank	12,872	35,504	11,876	20,207
Financial liabilities				
- Interest bearing borrowings	1,356,231	1,237,021	932,683	846,675
- Bank Overdraft	37,132	13,828	37,132	13,828
- Interest bearing Related Party Borrowings	303,463	293,463	303,463	293,463
	1,696,826	1,544,312	1,273,278	1,153,966
Net Exposure	1,683,954	1,508,808	1,261,402	1,133,759

Interest Rate Sensitivity Analysis

At the reporting date the interest rate sensitivity profile of the Group's financial instruments were as follows,

Impact on Profit and Loss

As at 31st March	Group		Company	
	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
Decrease of 100 basis points in rupee interest rate	(16,968)	(15,088)	(12,733)	(11,338)
Increase of 100 basis points in rupee interest rate	16,968	15,088	12,733	11,338

34.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

35. DETERMINATION OF FAIR VALUES

This note explains the methodology for valuing our financial assets and liabilities, and provides an analysis of these according to a 'fair value hierarchy', determined by the market observability of valuation inputs.

35.1 fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position.

The different levels have been defined as follows ;

Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2 : Valuation techniques based on observable inputs, either directly or indirectly from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2025	Fair value hierarchy			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Group				
Financial assets not measured at fair value				
Trade & Other receivables	-	-	370,269	370,269
Amounts due from Related Companies	-	-	31,592	31,592
Cash & Cash Equivalents	-	14,292	-	14,292
	-	14,292	401,861	416,153
Financial assets measured at fair value				
Financial assets measured at fair value through OCI	-	-	25	25
	-	-	25	25
Financial liabilities not measured at fair value				
Interest Bearing Borrowings	-	1,356,231	303,463	1,659,694
Trade & Other Payables	-	-	260,241	260,241
Amounts due to Related Parties	-	-	46,646	46,646
Lease Liabilities	-	-	4,290	4,290
Bank Overdraft	-	37,132	-	37,132
	-	1,393,363	614,640	2,008,003

31st March 2024	Fair value hierarchy			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Group				
Financial assets not measured at fair value				
Trade & Other receivables	-	-	372,858	372,858
Amounts due from Related Parties	-	-	16,761	16,761
Cash & Cash Equivalents	-	37,616	-	37,616
	-	37,616	389,619	427,235
Financial assets measured at fair value				
Financial assets measured at fair value through OCI	-	-	25	25
	-	-	25	25
Financial liabilities not measured at fair value				
Interest Bearing Borrowings	-	1,237,021	293,463	1,530,484
Trade & Other Payables	-	-	216,977	216,977
Amounts due to Related Parties	-	-	17,402	17,402
Lease Liabilities	-	-	8,852	8,852
Bank Overdraft	-	13,828	-	13,828
	-	1,250,849	536,694	1,787,543

31st March 2025	Fair value hierarchy			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Company				
Financial assets not measured at fair value				
Trade & Other receivables	-	-	117,083	117,083
Amounts due from Related Parties	-	-	631,625	631,625
Cash & Cash Equivalents	-	12,904	-	12,904
	-	12,904	748,708	761,612
Financial assets measured at fair value				
Financial assets measured at fair value through OCI	-	-	25	25
	-	-	25	25
Financial liabilities not measured at fair value				
Interest Bearing Borrowings	-	932,683	303,463	1,236,146
Trade & Other Payables	-	-	95,007	95,007
Amounts due to Related Parties	-	-	34,495	34,495
Bank Overdraft	-	37,132	-	37,132
	-	969,815	432,965	1,402,780

31st March 2024	Fair value hierarchy			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Company				
Financial assets not measured at fair value				
Trade & Other receivables	-	-	120,239	120,239
Amounts due from Related Parties	-	-	607,226	607,226
Cash & Cash Equivalents	-	21,733	-	21,733
	-	21,733	727,465	749,198
Financial assets measured at fair value				
Financial assets measured at fair value through OCI	-	-	25	25
	-	-	25	25
Financial liabilities not measured at fair value				
Interest Bearing Borrowings	-	846,675	293,463	1,140,138
Trade & Other Payables	-	-	123,012	123,012
Amounts due to Related Parties	-	-	6,572	6,572
Bank Overdraft	-	13,828	-	13,828
	-	860,503	423,047	1,283,550

NOTES TO THE FINANCIAL STATEMENTS

35.2 Fair values of Financial Assets and Liabilities not carried at fair value

Set out below is a comparison of the carrying amounts and fair values of the financial instruments of the Group which are not measured at fair value in the Financial Statements. These tables do not include non-financial assets and liabilities.

As at 31st March	Group				Company			
	2025		2024		2025		2024	
	Fair Value Rs. 000	Carrying Value Rs. 000	Fair Value Rs. 000	Carrying Value Rs. 000	Fair Value Rs. 000	Carrying Value Rs. 000	Fair Value Rs. 000	Carrying Value Rs. 000
Financial Assets								
Trade & Other Receivables	370,269	370,269	372,858	372,858	117,083	117,083	120,239	120,239
Amount Due from Related Companies	31,592	31,592	16,761	16,761	631,625	631,625	607,226	607,226
Cash & Cash Equivalents	14,292	14,292	37,616	37,616	12,904	12,904	21,733	21,733
	416,153	416,153	427,235	427,235	761,612	761,612	749,198	749,198
Financial liabilities								
Trade & Other Payables	260,241	260,241	216,977	216,977	95,007	95,007	123,012	123,012
Amount Due to Related Companies	46,646	46,646	17,402	17,402	34,495	34,495	6,572	6,572
Interest Bearing Borrowings	1,659,694	1,659,694	1,530,484	1,530,484	1,236,146	1,236,146	1,140,138	1,140,138
Lease Liabilities	4,290	4,290	8,852	8,852	-	-	-	-
Bank Overdraft	37,132	37,132	13,828	13,828	37,132	37,132	13,828	13,828
	2,006,766	2,006,766	1,787,543	1,787,543	1,402,780	1,402,780	1,283,550	1,283,550

Cash and Cash Equivalents

The carrying amount of the Cash and Cash Equivalents approximate the fair value as they are short term in nature.

Trade and Other Receivables / Amount Due From Related Companies

Other Receivables / Amount due from Related Companies are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore, carrying amount approximates the fair value as at the reporting date.

Trade and Other Payables / Amount Due to Related Companies

Trade and Other Payables / Amount due to Related Companies are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore, carrying amount approximates the fair value as at the reporting date.

Interest bearing borrowings

Interest bearing borrowings are repriced monthly in line with the changes in the market rates. Hence carrying value of these borrowings approximate the fair value.

	Group			Company		
	Fair Value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
As at 31st March 2025						
Financial Assets						
Financial assets at fair value through OCI	-	-	25	-	-	25
Trade & Other receivables	-	370,269	-	-	117,083	-
Amounts due from Related Companies	-	31,592	-	-	631,625	-
Cash & Cash Equivalents	-	14,292	-	-	12,904	-
	-	416,153	25	-	761,612	25
Financial Liabilities						
Trade & Other payables	-	260,241	-	-	95,007	-
Amount due to related Companies	-	46,646	-	-	34,495	-
Interest bearing borrowings	-	1,659,694	-	-	1,236,146	-
Lease liabilities	-	4,290	-	-	-	-
Bank overdraft	-	37,132	-	-	37,132	-
	-	2,008,003	-	-	1,402,780	-
As at 31st March 2024						
Financial Assets						
Financial assets at fair value through OCI	-	-	25	-	-	25
Trade & Other receivables	-	372,858	-	-	120,239	-
Amounts due from Related Companies	-	16,761	-	-	607,226	-
Cash & Cash Equivalents	-	37,616	-	-	21,733	-
	-	427,235	25	-	749,198	25
Financial Liabilities						
Trade & Other payables	-	216,977	-	-	123,012	-
Amount due to related Companies	-	17,402	-	-	6,572	-
Interest bearing borrowings	-	1,530,484	-	-	1,140,138	-
Lease liabilities	-	8,852	-	-	-	-
Bank overdraft	-	13,828	-	-	13,828	-
	-	1,787,543	-	-	1,283,550	-

5 YEAR SUMMARY

Year Ended 31st March,	Company		Group				
	2025	2024	2025	2024	2023	2022	2021
Trading Results (Rs.'000)							
Revenue	868,468	888,296	1,196,433	1,105,785	991,359	1,189,150	1,245,902
Profit/(loss) before taxation	(311,723)	(292,177)	(435,304)	(378,152)	24,967	(183,009)	(121,546)
Taxation	19,825	(165,858)	29,381	(232,464)	94,466	3,618	9,914
Profit/(loss) after taxation	(291,897)	(458,035)	(405,923)	(610,616)	119,433	(179,391)	(111,632)
Statement of Financial Position (Rs.'000)							
Property, plant and equipment	748,357	733,019	1,084,711	1,048,116	949,551	869,348	956,682
Intangible assets	7,749	-	7,749	-	-	-	-
Right of Use Assets	-	-	3,232	6,068	17,923	6,711	-
Investments	25	25	25	25	25	25	25
Net current assets	(496,013)	(223,091)	(1,077,928)	(786,610)	(242,540)	(469,343)	(353,569)
Deferred liabilities and long term liabilities	295,947	271,800	536,263	396,444	335,468	129,640	153,909
Stated capital	835,085	835,085	835,085	835,085	835,085	592,813	592,813
Revaluation reserve	520,712	496,363	656,090	631,921	550,821	408,288	437,974
Revenue reserve	(1,391,626)	(1,093,295)	(2,009,649)	(1,595,851)	(985,763)	(722,005)	(573,928)
Key Indicators							
Net Profit / (Loss) Margin(%)	(33.61)	(51.56)	(33.93)	(55.22)	12.05	(15.09)	(8.96)
Return on average net assets(%)	(288.54)	(105.16)	125.42	(472.24)	32.46	(48.75)	(22.97)
Interest cover (Times covered)	(1.39)	(0.66)	(1.16)	(0.50)	(1.06)	0.26	(0.16)
Current ratio (Times)	0.64	0.82	0.42	0.54	0.76	0.28	0.62
Gearing Ratio (%)	103.00	83.00	145.00	109.00	44.39	23.12	14.92
Fixed assets to shareholders funds (%)	(2,088.72)	307.79	(209.21)	(813.47)	245.08	727.95	209.40
Profit / (Diluted) Loss per Share (Rs.)*	(3.07)	(4.82)	(4.27)	(6.43)	1.48	(4.36)	(2.71)
Net assets per share (Rs.)*	(0.38)	2.51	(5.46)	(1.36)	9.72	6.78	11.10
Price earnings ratio (Times)	-	-	-	-	-	-	-
Dividend paid (Rs.'000)	-	-	-	-	-	-	-

* Earnings and net assets per share is based on the number of weighted average shares in issue, at the end of the related year.

REAL ESTATE PORTFOLIO

Classification	Name of the Company	Location	Land Perches		No. of Buildings	Building in Sq.ft	Value Cost/ Valuation (Rs'000)
			Lease Hold	Free Hold			
Property, Plant & Equipments	ACME Printing and Packaging PLC	Piliyandala	-	463.8	7	74,549	587,357
Property, Plant & Equipments	Acme Packaging Solutions (Pvt) Ltd.	Pannala	478.7	-	7	30,648	152,614

SHAREHOLDERS' INFORMATION

1. GENERAL

Stated Capital	Rs. 835,084,629/-
Class of shares	Ordinary Shares
Voting rights	One vote per ordinary share

2. STOCK EXCHANGE LISTING

The issued ordinary shares of Acme Printing and Packaging PLC are listed with Colombo Stock Exchange of Sri Lanka. The audited Income Statement and Statement of Comprehensive Income for the year ended March 31, 2025, and the audited Statement of Financial Position of the Company as at that date have been submitted to the Colombo Stock Exchange.

3. DISTRIBUTION OF SHAREHOLDINGS AS AT 31ST MARCH 2025

No. of Share holdings	Number of Shareholders as at 31st March 2025 - 2,097 (31st March 2024 - 1,922)								
	Resident			Non-resident			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 to 1,000	1,365	308,650	0.32	12	4,687	0.00	1,377	313,337	0.32
1,001 to 10,000	476	1,760,596	1.85	3	7,316	0.01	479	1,767,912	1.86
10,001 to 100,000	205	7,140,153	7.52	1	31,999	0.03	206	7,172,152	7.55
100,001 to 1,000,000	30	9,759,408	10.27	-	-	0.00	30	9,759,408	10.27
Over 1,000,000	4	73,622,896	77.51	1	2,364,295	2.49	5	75,987,191	80.00
Total	2,080	92,591,703	97.47	17	2,408,297	2.53	2,097	95,000,000	100.00

Categories of Shareholders	31st March 2025		31st March 2024	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	16,590,040	2,003	15,373,738	1,835
Institutions	78,409,960	94	79,626,262	87
Total	95,000,000	2,097	95,000,000	1,922

4. SHARE VALUATION

The Market value of ACME Printing and Packaging PLC, (Last traded price of an ordinary share) as of March 31st, 2025 was Rs. 3.90 Per share. The highest and the lowest values recorded for the year ended March 31st, 2025 were Rs. 6.50 and Rs. 3.90 Respectively.

5. PUBLIC SHAREHOLDING

Public shareholding as at 31st March 2025 - 22.24% comprising of 2,091 shareholders

6. FLOAT ADJUSTED MARKET CAPITALIZATION

Float adjusted market capitalization as at 31st March 2025 was Rs. 82,399,200/-

TWENTY MAJOR SHAREHOLDERS AS AT

No	Name	31st March 2025		31st March 2024	
		Number of Shares	Percentage %	Number of Shares	Percentage %
1	AMANA BANK PLC/E.B. CREASY & COMPANY PLC	26,800,000	28.21	46,800,000	49.26
2	LANKEM CEYLON PLC	23,846,993	25.10	23,846,993	25.10
3	E.B. CREASY & COMPANY PLC	21,753,804	22.90	3,179,223	3.35
4	CLOVIS COMPANY LIMITED	2,364,295	2.49	2,364,295	2.49
5	MR. S. PARAMANATHAN	1,222,099	1.29	1,222,099	1.29
6	MRS. S. VASUDEVAN	984,751	1.04		
7	HATTON NATIONAL BANK PLC/SRI DHAMAN RAJENDRAM ARUDPRAGASAM	800,000	0.84	400,000	0.42
8	MR. C.N. PAKIANATHAN	681,535	0.72	681,535	0.72
9	SAMPATH BANK PLC/ANDARADENIYA ESTATE PRIVATE LIMITED	606,745	0.64		
10	MR. U.G.J. CHAMINDA	602,653	0.63	515,176	0.54
11	DR. H.S.D. SOYSA	598,150	0.63		
12	UNION COMMODITIES (PVT) LTD.	584,754	0.62	584,754	0.62
13	MR. M.H.A. KAMIL	494,416	0.52	494,416	0.52
14	MR. L.A. MALLAWARACHCHI	425,000	0.45	225,000	0.24
15	MR. P.D. JAYASINGHE	400,000	0.42	400,000	0.42
16	MS. J. THARSHANA	300,000	0.32		
17	MR. A.K. WIMALARATNA	289,088	0.30		
18	ACUITY PARTNERS (PVT) LIMITED/MR. SUBRAMANIAM VASUDEVAN	270,000	0.28	270,000	0.28
19	DR. S.P. JAYAWARDENA	259,804	0.27	259,804	0.27
20	COMMERCIAL BANK OF CEYLON PLC/S.A.GULAMHUSEIN	219,226	0.23	219,226	0.23
	SUB TOTAL	83,503,313	87.90	85,687,494	90.21
	OTHER	11,496,687	12.10	9,312,506	9.79
	ISSUED CAPITAL	95,000,000	100.00	95,000,000	100.00

FORM OF PROXY

I (NIC No.)
of being a member of
the above Company, hereby appoint: Mr/Mrs/Miss
(NIC No.) of
as my proxy to represent me and failing him

Mr. Ariyawansa Hettiarachchy	of Colombo or failing him
Mr. Sri Dhaman Rajendram Arudpragasam	of Colombo or failing him
Mr. Anushman Rajaratnam	of Colombo or failing him
Mr. Peter Suren Goonewardene	of Colombo or failing him
Mr. Harith Koshala Perera Jayasuriya	of Colombo or failing him
Mr. Kamal Gardiye Punchihewa	of Colombo or failing him
Mr. Asoka Indrasiri Piyadigama	of Colombo

to represent me and vote on my behalf at the Annual General Meeting of the Company to be held on 9th September 2025 and at 10:00 a.m. any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting and to VOTE as indicated below:

		FOR	AGAINST
1.	To receive and consider the Audited Financial Statements for the year ended 31st March 2025 together with the Annual Report of the Board of Directors and of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-elect as a Director Mr. K.G. Punchihewa, who retires in terms of Article 91 of the Articles of Association as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect as a Director Mr. A.I. Piyadigama, who retires in terms of Article 91 of the Articles of Association as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-elect as a Director Mr. A. Rajaratnam, who retires by rotation in terms of Article 84 and 85 of the Articles of Association as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
5.	To re-appoint Mr. A. Hettiarachchy, who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
6.	To re-appoint Mr. S.D.R. Arudpragasam, who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
7.	To authorize the Board of Directors to determine the Remuneration of the Auditors, Messrs KPMG, who are deemed to have been re-appointed as Auditors	<input type="checkbox"/>	<input type="checkbox"/>
8.	To authorize the Board of Directors to determine contributions to charities.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Twenty Five.

Signature:

* Please delete the inappropriate words.

Note:

- Instructions for completion of Form of Proxy are given overleaf.
- Every alteration or addition to the Form of Proxy must be fully authenticated by the full signature of the Shareholder signing the Form of Proxy. Such signature should as far as possible be placed in proximity to the alteration or addition intended to be authenticated.
- A proxy need not be a member of the Company.

FORM OF PROXY

INSTRUCTIONS FOR COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, and your instructions as to voting, by signing in the space provided and filling in the date of signature.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given or if there is any doubt as to how the Proxy should vote by reason of the manner in which the instructions are carried out, the proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 98, Sri Sangaraja Mawatha, Colombo 10, not less than 48 hours before the time appointed for holding the meeting.
4. If the Form of Proxy is signed by an attorney, the original power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.



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