CEYLON INCOME FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2025

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF CEYLON INCOME FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Income Fund ("the Fund"), which comprise the statement of financial position as at 31st December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to Unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31st December 2025, and of its financial performance and its 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 Fund 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.

Other Information

Management is responsible for the other information. These financial statements does not include the other information.

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 Funds'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE UNITHOLDERS OF CEYLON INCOME FUND (CONTINUED)

Report on the Audit of the Financial Statements (continued)

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 SLAuS, 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
30th April 2026

CEYLON INCOME FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December,

	Note	2025 Rs.	2024 Rs.
Investment income	5	**285,823,161**	232,969,104
Net gain on financial assets at fair value through profit or loss	6	**16,863,308**	16,863,307
Total investment income		**302,686,469**	249,832,412
Expenses			
Management fees	7	**(14,815,641)**	(6,061,575)
Trustee fees	8	**(5,379,217)**	(2,200,818)
Audit fees and reimbursement		**(558,066)**	(581,016)
Professional fees	9	**(116,600)**	(223,148)
Other expenses	10	**(741,862)**	(114,530)
Total expenses		**(21,611,386)**	(9,181,087)
Increase in net assets attributable to unit holders before tax		**281,075,083**	228,221,025
Income tax expense	11	-	-
Increase in net assets attributable to unit holders after tax		**281,075,083**	228,221,025
Increase in net assets attributable to unit holders		**281,075,083**	228,221,025

The notes form an integral part of these financial statements

Figures in brackets indicate deductions.

CEYLON INCOME FUND
STATEMENT OF FINANCIAL POSITION

As at 31st December,

	Note	2025 Rs.	2024 Rs.
Assets			
Cash and cash equivalents	**12**	**25,000**	25,000
Financial assets held at fair value through profit or loss	**13**	**584,685,852**	51,241,050
Financial assets held at ammortised cost	**14**	**2,850,527,774**	1,592,205,840
Other receivables	**16**	**90**	1,212,050
Total assets		**3,435,238,716**	1,644,683,940
Liabilities			
Accrued expenses and other payables	**17**	**3,215,110**	1,512,250
Total liabilities (excluding net assets attributable to unit holders)		**3,215,110**	1,512,250
Net assets attributable to unit holders		**3,432,023,606**	1,643,171,690
Total equity and liabilities		**3,435,238,716**	1,644,683,940

The notes form an integral part of these financial statements

The Manager is responsible for these Financial Statements and these Financial Statements were approved by the Manager.
Signed for and on behalf of the Manager by;

....	....	....
Director	Director	Trustee
Management Company	Management Company	
30th April 2026	30th April 2026	30th April 2026
Colombo, Sri Lanka	Colombo, Sri Lanka	Colombo, Sri Lanka

CEYLON INCOME FUND
STATEMENT OF CASH FLOWS

For the year ended 31st December,

	Note	2025 Rs.	2024 Rs.
Operating activities			
Interest income receieved		**240,786,848**	35,629,628
Management fees and trustee fees paid		**(19,162,689)**	(7,449,985)
Other expenses paid		**(745,838)**	(755,144)
Net investment in fixed deposits		**680,108,218**	(1,015,108,216)
Net investment from money market savings account		**77,175**	542,036
Net investment in debentures		**(184,400,000)**	-
Net investment in commercial papers		**(519,333,414)**	(195,496,842)
Net investment from/(in) treasury bills		**107,842,922**	(19,905,658)
Net investment in treasury bonds		**(324,750,052)**	(49,547,214)
Net investment from/(in) reverse repo		**(288,200,000)**	900,000
Net investment in trust certificate		**(1,200,000,000)**	-
Net cash flows generated used in operating activities		**(1,507,776,830)**	(1,251,191,395)
Financing activities			
Cash received on creation of units		**1,525,287,391**	1,251,993,000
Cash paid on redemption of units		**(17,510,561)**	(801,605)
Net cash from financing activities		**1,507,776,830**	1,251,191,395
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year	**12**	**25,000**	25,000
Cash and cash equivalents at the end of the year		**25,000**	25,000

The notes form an integral part of these financial statements

Figures in brackets indicate deductions.

3. Material accounting policies

3.1 Financial assets and financial liabilities

3.1.1 Recognition and initial measurement

The Fund initially recognizes regular-way transactions in financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

3.1.2 Classification and subsequent measurement

a. Classification of financial assets

On initial recognition, the Fund classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised 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 SPPI.

All other financial assets of the Fund are measured at FVTPL.

b. Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment 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 Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

3. Material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.2 Classification and subsequent measurement (Continued)

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 Fund's continuing recognition of the assets.

c. Assessment whether contractual cash flows are SPPI

For the purposes 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 costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund 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 Fund considers.

Contingent events that would change the amount or timing of cash flows;

- leverage features;
- prepayment and extension features;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features);and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

3.1.3 Subsequent measurement of financial assets

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognized in profit or loss in 'net gains (losses) from financial instruments at FVTPL' in the statement of profit or loss and other comprehensive income. Debt securities, equity investments, investments in unlisted open-ended investment funds, unlisted private equities and derivative financial instruments are included in this category.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognized in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognized in 'net foreign exchange loss' and impairment is recognized in 'impairment losses on financial instruments' in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is also recognized in profit or loss.

3. Material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.4 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities at FVTPL:

- Held for trading: securities sold short and derivative financial instruments.

Financial liabilities at amortised cost

- This includes audit fee payables, management fee payables, trustee fee payables, balance due to brokers.

3.1.5 Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. 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. The Fund measures instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

3. Material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.7 Impairment (Continued)

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

a. 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 Fund expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

b. Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

c. Presentation of allowance for ECLs 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.

d. Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

3.1.8 Derecognition

The Fund derecognises regular-way sales of financial assets using trade-date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Fund 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 Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received.

3. Material accounting policies (Continued)

3.1 Financial assets and financial liabilities (Continued)

3.1.8 Derecognition (Continued)

(including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognised on its statement of financial position, but

retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognized.

3.2 Recognition of income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognized.

(i) Interest income

Interest income is recognized in the Income Statement using the Effective Interest Rate (EIR) method, including interest income on financial assets measured at amortised cost (AC), calculated using the EIR method.

3 Material accounting policies (Continued)

3.2 Recognition of income (Continued)

(ii) Unrealised gains/(losses) on financial assets held at fair value through profit or loss

Unrealised gains/(losses) on financial assets held at fair value through profit or loss includes all gains and losses that arise from changes in fair value of financial assets held at fair value through profit or loss as at the reporting date.

(iii) Realised gains/(losses) on financial assets held at fair value through profit or loss

Realised gains/(losses) on financial assets held at fair value through profit or loss includes results of buying and selling of quoted equity securities.

3.3 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

3.4 Distributions

In accordance with the trust deed, the Fund distributes income, to unitholders by cash or reinvestment in units. The distributions are recorded in the statement of movement in unit holders' Funds.

3.5 Expenses

The management and trustee fees of the Fund as per the trust deed is as follows,

Management fee	-	1% p.a of net asset value of the Fund
Trustee fee	-	0.2% p.a of net asset value of the Fund

3.6 Unit holders' funds

Unit holders' Funds has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unit holders as at the reporting date.

Units can be issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the net assets of the Fund as described in the Trust Deed and directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue. Income not distributed is included in net assets attributable to unit holders.

4. New accounting standards issued but not yet effective as at the reporting date.

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/ improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards are allowed, but the Fund has not early adopted any of the new or amended standards in the preparation of these financial statements.

A. Classification and Measurement of Financial Instruments (Amendments to SLFRS 9 and SLFRS 7)

The requirements will be effective for annual reporting periods beginning on or after 01 January 2026, with early application permitted, and are related to:

- recognition and derecognition, including accounting for settlement of financial liabilities using an electronic payments system; and
- assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

B. SLFRS 18 Presentation and Disclosures in Financial Statements

SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and is applicable for annual reporting periods beginning on or after 01 January 2027. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.
- In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

For the year ended 31st December,

		2025	2024
5	**Investment Income**	**Rs.**	Rs.
	Interest income on financial assets at amortised cost (**Note 5.1**)	**215,459,745**	138,662,208
	Interest income on financial assets held at fair value through profit or loss (**Note 5.2**)	**70,363,416**	591,900
		285,823,161	139,254,108

5.1	**Interest income on financial assets at amortised cost**		
	Commercial papers	**75,719,783**	34,332,666
	Fixed deposits	**61,503,673**	93,874,895
	Trust certificate	**52,743,591**	-
	Money market savings deposits	**210,968**	128,006
	Reverse repo interest income	**19,235,045**	3,263,491
	Interest on lending	**110,466**	-
	Treasury bill interest income	**5,936,219**	7,063,150
		215,459,745	138,662,208

5.2	**Interest income on financial assets held at fair value through profit or loss**		
	Debenture interest income	**12,111,812**	-
	Treasury bond interest income	**58,251,604**	591,900
		70,363,416	591,900

6	**Net gain on financial assets held at fair value through profit or loss**		
	Listed debentures (**Note 6.1**)	**5,323,287**	-
	Treasury bonds (**Note 6.2**)	**11,540,021**	2,556,751
		16,863,308	2,556,751

6.1	**Net gain on listed debentures held at fair value through profit or loss**		
	Unrealized gain from listed debentures at FVTPL	**5,323,287**	-
		5,323,287	-

6.2	**Net gain/(loss) on treasury bonds held at fair value through profit or loss**		
	Realized gain from treasury bonds at FVTPL	**12,404,150**	1,005,784
	Unrealized (loss)/gain from treasury bonds at FVTPL	**(864,129)**	1,550,967
		11,540,021	2,556,751

7	**Management fees**		
	Management fees	**14,815,641**	6,061,575
		14,815,641	6,061,575

Management fees are charged by Ceylon Asset Management Company Limited, the Fund Manager, for investment management services provided to the Fund in accordance with the terms and conditions set out in the trust deed.

		2025	2024
8	**Trustee fees**	**Rs.**	Rs.
	Trustee fees	**5,379,217**	2,200,818
		5,379,217	2,200,818

Trustee fees are charged by Hatton National Bank PLC for trustee and custodial services provided to the Fund, in accordance with the terms of the trust deed.

		2025	2024
9	**Professional fees**	**Rs.**	Rs.
	Tax consultancy fee	**116,599**	223,148
		116,599	223,148

For the year ended 31st December,

		2025	2024
10	**Other expenses**	**Rs.**	Rs.
	Bank charges	**171,238**	114,530
	Other expenses	**570,624**	-
		741,862	114,530

11 Income tax expense

In accordance with Section 57 of the Inland Revenue Act, No. 24 of 2017 (as amended), the Fund has treated all income as having been passed through to its unit holders. Therefore, the Fund is not subject to income tax on such income under the provisions of the Inland Revenue Act and its subsequent amendments.

As at 31st December,

		2025	2024
12	**Cash and cash equivalents**	**Rs.**	Rs.
	Favorable cash and cash equivalents balances		
	Cash at bank	**25,000**	25,000
	Total cash and cash equivalents for the purpose of cash flow statement	**25,000**	25,000

		2025	2024
13	**Financial assets held at fair value through profit or loss**	**Rs.**	Rs.
	Listed debentures (**Note 13.1**)	**192,241,960**	-
	Treasury bonds	**392,443,892**	51,241,050
		584,685,852	51,241,050

13.1 Listed debentures

	2025		2024	
Company	**Carrying Value Rs.**	**Holding as a % of Net Asset Value**	Carrying Value Rs.	Holding as a % of Net Asset Value
HAYL-BD-14/05/30-C2569-11.15	**192,241,960**	**6%**	-	-
	192,241,960	**6%**	-	-

13.2 Treasury bonds

	2025		2024	
	Carrying Value Rs.	**Holding as a % of Net Asset Value**	Carrying Value Rs.	Holding as a % of Net Asset Value
Government treasury bonds	**392,443,892**	**11%**	51,241,050	3%
	392,443,892	**11%**	51,241,050	3%

		2025	2024
14	**Financial assets held at ammortised cost**	**Rs.**	Rs.
	Reverse repo transactions against Government securities (**Note 14.1**)	**309,918,658**	17,804,033
	Government treasury bills (**Note 14.2**)	-	112,603,590
	Money market savings (**Note 14.3**)	54,679	131,906
	Trust Certificate (**14.4**)	1,252,743,591	-
	Fixed deposits (**Note 14.5**)	434,505,240	1,175,122,540
	Commercial papers (**Note 14.6**)	853,305,606	286,543,771
		2,850,527,774	1,592,205,840

As at 31st December,

14.1 Reverse repo transactions against Government securities

Company	2025 Carrying Value Rs.	2025 Holding as a % of Net Asset Value	2024 Carrying Value Rs.	2024 Holding as a % of Net Asset Value
Wealth Trust Securities Ltd	**123,666,411**	**4%**	-	-
DFCC PLC	**186,252,247**	**5%**	17,804,033	1%
	309,918,658	**9%**	17,804,033	1%

14.2 Treasury bills

	2025 Carrying Value Rs.	2025 Holding as a % of Net Asset Value	2024 Carrying Value Rs.	2024 Holding as a % of Net Asset Value
Government treasury bills	-	-	112,603,590	7%
	-	-	112,603,590	7%

14.3 Money market savings

Company	2025 Carrying Value Rs.	2025 Holding as a % of Net Asset Value	2024 Carrying Value Rs.	2024 Holding as a % of Net Asset Value
Seylan Bank PLC	**12,415**	**0%**	14,100	0%
Hatton National Bank PLC	**42,264**	**0%**	117,806	0%
	54,679	**0%**	131,906	0%

14.4 Trust certificate

	2025 Carrying Value Rs.	2025 Holding as a % of Net Asset Value	2024 Carrying Value Rs.	2024 Holding as a % of Net Asset Value
Richard Pieris Fincnce LTD	**377,060,550**	**11%**	-	-
Sierra Cables PLC	**415,798,082**	**12%**	-	-
Commercial Credit & Finance PLC	**459,884,959**	**13%**	-	-
	1,252,743,591	**11%**	-	-

As at 31st December,

14 Financial assets held at amortised cost (continued)

14.5 Fixed deposits

Company	2025 Carrying Value Rs.	2025 Holding as a % of Net Asset Value	2024 Carrying Value Rs.	2024 Holding as a % of Net Asset Value
Asia Assets Finance PLC	-	-	126,618,744	8%
Mercantile Investments & Finance PLC	-	-	166,443,718	10%
Mahindra Ideal Finance Limited	-	-	84,181,224	5%
Alliance Finance Company PLC	-	-	244,095,369	15%
Commercial Credit & Finance PLC	-	-	315,014,340	19%
Abans Finance PLC	434,505,240	13%	-	-
Singer Finance (Lanka) PLC	-	-	238,769,145	15%
	434,505,240	13%	1,175,122,540	72%

14.6 Commercial papers

Company	2025 Carrying Value Rs.	2025 Holding as a % of Net Asset Value	2024 Carrying Value Rs.	2024 Holding as a % of Net Asset Value
LOLC Holdings PLC	512,849,699	15%	243,350,591	7%
Janashakthi Limited	340,455,907	10%	-	-
E.B Creasy & Compnay PLC	-	-	43,193,180	1%
	853,305,606	25%	286,543,771	8%

15 Financial assets and financial liabilities not carried at fair value

For financial assets and financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values.

Accordingly, the following is a list of financial instruments of which carrying amount is a reasonable approximation of fair value.

Assets	Liabilities
Cash and cash equivalents	Accrued expenses and other payables
Financial assets- debt instruments at amortised cost	

16 Other receivables

	2025 Rs.	2024 Rs.
Money market interest receivable	90	50
Treasury bond accrued interest receivable	-	1,212,000
	90	1,212,050

17 Accrued expenses and other payables

	2025	2024
Management fee payable	1,451,921	694,686
Trustee fee payable	527,158	252,224
Audit fee payable	546,193	474,950
Taxation fees payable	114,298	85,475
WHT Payable	570,622	
Other payable	3,918	3,915
Creation in advance	1,000	1,000
	3,215,110	1,512,250

As at 31st December,

18 Contingencies

There are no material contingencies existing as at the reporting date that require adjustments to or disclosure in the Financial Statements.

19 Events occurring after the reporting date

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

20 Capital commitments

There were no material capital and financial commitments as at the reporting date.

21 Units in issue and unit price

	2025 Rs.	2024 Rs.
Units in issue and deemed to be in issue as at 31st December	**96,375,282**	50,778,413
Unit creation price as at 31st December	**35.611**	32.360
Unit redemption price at at 31st December	**35.611**	32.360

22 Related party disclosure

22.1 Management company and trustee

The Mangement Company of the fund is Ceylon Asset Management Company Limited. Ceylon Asset Management Limited manages the following licensed unit trusts: Ceylon Index Fund, Ceylon Money Market Fund, Ceylon Financial Sector Fund, Ceylon Dollar Bond Fund, Ceylon IPO Fund, Ceylon Tourism Fund and Ceylon Treasury Income Fund. The Trustee of the fund is Hatton National Bank PLC.

22.2 Key management personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Fund – directly or indirectly.The definition of key management personnel includes directors (both executive and non-executive). In our view, the term also includes directors of any of the Fund's parents to the extent that they have authority and responsibility for planning, directing and controlling the Fund's

i) Directors

Mr. Rajeendra Shashika Ranasinghe - Chairman
Mr. Dulindra Thulsith Fernando - Managing Director
Dr. Ravindra Ajith Fernando - Director
Mrs. Manjula Cleone Senevirathne - Director
Mr.Thibiripolage Sevandhi Alfred Fernando- Director
Mr.Faisal Iqbal- Director
Mr.Thilanka Nuwan Geeganage- Director

ii) Other key management personnel

Other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

Mr. Thilina Withanage - Senior Consultant (Operations)
Mr.W J Chaminda De Alwis- Compliance Officer
Mrs. Shermila Perera- General Manager- Sales and Marketing.
Mr.Senitha Gunawardhana- General Manager- Finance

22.3 Key management personnel compensation

Key management personnel are paid by Ceylon Asset Management Company Limited. Payments made from the Fund to Ceylon Asset Management Company Limited do not include any amounts directly attributable to the compensation of key management personnel.

As at 31st December,

22 Related party disclosure (continued)

22.4 Other transactions within the Fund

Apart from those details disclosed in note 22.5, 22.6 and 22.7, key management personnel have not entered any other transactions involving the Fund during the financial year.

22.5 Related party unit holding and other transactions

The following are the related party unit holdings of Ceylon Income Fund.

Related party	Relationship	No. of Units	Value of units held	Total interest held based on NAV
			Rs.	%
As at 31st December 2025				
Mr. Thilina Withanage	**Senior Consultant (Operations)**	**34**	**1,225**	**0.000036%**
Sri Lanka Insurance Corporation Limited	**Shareholder of Management Company**	**95,872,689**	**3,414,125,757**	**99.478504%**
Mr.Thilanka Nuwan Geeganage	**Director**	**22,145**	**788,612**	**0.022978%**
Ceylon Financial Sector Fund	**Entities under common management**	**39,343**	**1,401,056**	**0.040823%**
As at 31st December 2024				
Mr. Thilina Withanage	Senior Consultant (Operations)	34	1,113	0.0001%
Sri Lanka Insurance Corporation Limited	Shareholder of Management Company	50,501,227	1,634,204,555	99.363%

22.6 Transactions with and amounts due to related parties

The fees were charged by the management company and trustee for services provided during the year and the balances outstanding from such dues as at year end are as disclosed below:

	Transactions for the year ended 31st December		Payable as at 31st December	
	2025	2024	**2025**	2024
	Rs.	Rs.	**Rs.**	Rs.
Management fees - Ceylon Asset Management Company Limited	**14,815,641**	6,061,575	**1,451,921**	694,686
Trustee fees - Hatton National Bank PLC	**5,379,217**	2,200,818	**527,158**	252,224
Redemptions paid - Ceylon Money Market Fund	**1,400,539**	-	-	-

22.7 Other transactions with related parties

Investments in the Fund's HNB Money Market Savings account has been made in the ordinary course of operations with following related parties. The resulting investment income and outstanding investment balances are given below.

	Investment income received during the year ended 31st December		Balance as at 31st December	
	2025	2024	**2025**	2024
	Rs.	Rs.	**Rs.**	Rs.
Investment in Money Market Saving with Hatton National Bank PLC (Trustee of the Fund)	**210,881**	128,255	**42,264**	117,806
The Bank balance held at Hatton National Bank PLC	-	-	**25,000**	25,000

As at 31st December,

23 Reconciliation between the net asset value as per the financial statements and the published net asset value

	2025 Rs.	2024 Rs.
Net asset value as per financial statements	**3,432,023,606**	1,643,171,690
Published net asset value	**3,432,023,606**	1,643,171,690
Number of units outstanding	**96,375,282**	50,778,412
Net asset value per unit	**35.6110**	32.3597

24 Reverse repurchase transactions in scripless treasury bonds and scripless treasury bills

The following additional information on reverse repurchase transactions are disclosed as required by the "Registered Stock and Securities Ordinance and Local Treasury Bills Ordinance Direction No. 01 of 2019", issued by the Central Bank of Sri Lanka (CBSL).

24.1 Value of securities allocated for reverse repurchase transactions

As at 31st December,	2025 Rs.	2024 Rs.
Market value of securities received for reverse repurchase transactions	**356,406,456**	18,981,000

24.2 Reverse repurchase transactions

The Fund engages in short-term reverse repurchase transactions with a 10% haircut on collateral. These transactions are conducted with approved counterparties, and collateral adequacy is continuously monitored.

25 Classification of financial assets and financial liabilities

31st December 2025	Financial assets mandatorily at FVTPL Rs.	Financial assets at amortised cost Rs.	Total Rs.
Assets			
Treasury bills	-	-	-
Treasury bonds	**392,443,892**	-	**392,443,892**
Listed debentures	**192,241,960**	-	**192,241,960**
Reverse repo transactions against Government securities	-	**309,918,658**	**309,918,658**
Money market savings	-	**54,679**	**54,679**
Fixed deposits		**434,505,240**	**434,505,240**
Commercial papers	-	**853,305,606**	**853,305,606**
Other receivable			
Trust certificate	-	**1,252,743,591**	**1,252,743,591**
Total financial assets	**584,685,852**	**2,850,552,774**	**3,435,238,625**

31st December 2024	Financial assets mandatorily at FVTPL Rs.	Financial assets at amortised cost Rs.	Total Rs.
Assets			
Treasury bills	-	112,603,590	112,603,590
Treasury bonds	51,241,050	-	51,241,050
Reverse repo transactions against Government securities	-	17,804,033	17,804,033
Money market savings	-	131,906	131,906
Fixed deposits	-	1,175,122,540	1,175,122,540
Commercial papers	-	286,543,771	286,543,771
Total Financial Assets	51,241,050	1,592,230,840	1,643,471,890

26 Financial risk management

Overview

The Fund has exposure to the following risk via financial instruments.

- Liquidity risk
- Credit risk
- Operational risk
- Market risk
    - (i) Interest rate risk
    - (ii) Price risk
    - (iii) Capital risk management

26.1 Risk management framework

The Management has the overall responsibility for the establishment and oversight of the The Fund's risk management framework.

The Fund actively trades financial instruments in line with its investment management strategy. Details of its investment portfolio as of the reporting date are disclosed in the schedule of investments. The Fund's investment activities expose it to various financial and market-related risks, with inherent risk concentrations being a natural part of its operations. The Trustee provides the Fund Manager with investment restrictions and guidelines while overseeing their activities to ensure compliance with the Fund's investment objectives, policies, and restrictions. The Trustee also reviews the Fund's investments and performance. Asset allocation is managed by the Fund Manager, who ensures the distribution of assets aligns with the Fund's investment objectives. Any deviations from target allocations and portfolio composition are closely monitored by both the Fund Manager and the Trustee.

The Fund's risk management policies are established to identify and analyse the risk confronted by the Fund, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and products and services offered.

26.1 (a) Liquidity risk

Liquidity risk is the risk that the Fund will not have adequate financial resources to meet the Fund's obligations as when they fall due. This risk arises from mismatches in the timing of cash flows.

Management of liquidity risk includes the following elements:

-Taking steps to ensure, as far as possible, that it will always have adequate financial resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

Maturity analysis of the financial assets and financial liabilities

	Carrying Amount Rs.	On Demand Rs.	Up to 3 Months Rs.	3 Months to 1 Year Rs.	Over 5 Years Rs.
Assets					
Cash at bank	**25,000**	**25,000**	-	-	-
Financial assets at fair value through profit or loss	**584,685,852**	-	-	-	**590,491,495**
Financial assets at amortised cost	**2,850,527,774**	**54,679**	**756,127,790**	**851,582,390**	**1,505,270,633**
Total As at 31st December 2025	**3,435,238,626**	**79,679**	**756,127,790**	**851,582,390**	**2,095,762,128**
Total As at 31st December 2024	1,643,471,890	699,817	18,867,008	257,494,131	-

26 Financial risk management (continued)

26.1 Risk management framework (continued)

26.1 (b) Credit risk

Credit risk is the risk of financial loss to the Fund if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Fund's advances to clients, investment in corporate debt securities and investment in reverse repo agreements.

Management of credit risk includes the following components:

- Formulating credit policies in consultation with business units covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.

- Establishing the authorisation structure for the approval and renewal of credit facilities.
- Limiting concentration of exposures to counterparties.

26.1 (b) i Credit risk exposure - cash at bank

Credit risk exposure of cash at bank is depicted in the below table using carrying values as at the Statement of Financial Position date.

	Rating	Rating Agency	2025 Rs.	2024 Rs.
Hatton National Bank PLC	AA-	Fitch	25,000	25,000
Total exposure to credit risk			**25,000**	25,000
Cash and cash equivalents			**25,000**	25,000

26.1 (b) ii Credit quality by class of financial assets

As at 31st December 2025	**Carrying amount**	**12 Month Expected Credit Loss**	**Life Time Expected Credit Losses Not Credit Impaired**	**Life Time Expected Credit Losses Credit Impaired**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Cash and cash equivalents					
Rated AA- to AA+	**25,000**	**25,000**	-	-	**25,000**
Total	**25,000**	**25,000**	-	-	**25,000**
Financial assets at FVTPL – Debt and other financial instruments					
Government securities (Risk free investments)	**392,443,892**	**392,443,892**	-	-	**392,443,892**
Rated AAA	**192,241,960**	**192,241,960**	-	-	**192,241,960**
Total	**584,685,852**	**584,685,852**	-	-	**584,685,852**
Financial assets at amortised cost – Debt and other financial instruments					
Rated A- to A+	**1,956,137,576**	**1,956,137,576**	-	-	**1,956,137,576**
Rated BBB - to BBB+	**894,390,198**	**894,390,198**	-	-	**894,390,198**
Total	**2,850,527,774**	**2,850,527,774**	-	-	**2,850,527,774**

As at 31st December 2024	Carrying amount	12 Month Expected Credit Loss	Life Time Expected Credit Losses Not Credit Impaired	Life Time Expected Credit Losses Credit Impaired	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents					
Rated AA- to AA+	25,000	25,000	-	-	25,000
Total	25,000	25,000	-	-	25,000
Financial assets at amortised cost – Debt and other financial instruments					
Government securities (Risk free investments)	112,603,590	112,603,590	-	-	112,603,590
Rated AA- to AA+	315,014,340	315,014,340	-	-	315,014,340
Rated A- to A+	669,853,499	669,853,499	-	-	669,853,499
Rated BBB - to BBB+	494,734,411	494,734,411	-	-	494,734,411
Total	1,592,205,840	1,592,205,840	-	-	1,479,602,250

26 Financial risk management (continued)

26.1 Risk management framework (continued)

26.1 (b) Credit risk (continued)

26.1 (b) iii Analysis of concentration risk

The following table shows the risk concentration by sector for the components of the Statement of Financial Position.

As at 31st December 2025	**Cash at Banks**	**Financial Investments at FVTPL**	**Financial Investments at Amortised Cost**	**Total Financial Assets**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Sector wise breakdown				
Government	-	**392,443,892**	-	**392,443,892**
Corporate	**25,000**	**192,241,960**	**2,850,527,774**	**3,042,794,734**
Total	**25,000**	**584,685,852**	**2,850,527,774**	**3,435,238,626**

As at 31st December 2024	Cash at Banks	Financial Investments at FVTPL	Financial Investments at Amortised Cost	Total Financial Assets
	Rs.	Rs.	Rs.	Rs.
Sector wise breakdown				
Government	-	51,241,050	112,603,590	163,844,640
Corporate	25,000	-	1,479,602,250	1,479,627,250
Total	25,000	51,241,050	1,592,205,840	1,643,471,890

26.1 (c) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's involvement with financial instruments, including 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 behaviour.

The Fund's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the business reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Fund's standards for the management of operational risk in the following areas:

-Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
-Requirements for the reconciliation and monitoring of the transaction.
-Compliance with regulatory and other legal requirements.
-Documentation of controls and procedures.
-Development of business contingency plans.
-Training and professional development.
-Ethical and business standards.
-Risk mitigation, including insurance where this is effective.

Compliance with the Fund's internal controls and procedures is supported by periodic reviews undertaken by management or external parties. The results of these reviews are discussed with the management of the business units, and summaries of the findings are presented to the relevant senior management oversight,

26.1 (d) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risk includes the following elements:

-The operational authority for managing market risk is vested with the Investment Committee.
-Interest rate risk is managed within the approved limits by the Investment Committee.

26 Financial risk management (continued)

26.1 Risk management framework (continued)

26.1 (d) Market risk (continued)

(i) Interest rate risk

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Fund's exposure arises primarily from its interest-bearing financial assets.

A summary of the Fund's interest rate gap position, analysed by the earlier of contractual re-pricing or maturity date, is as follows,

As at 31st December 2025	**Up to 3 months Rs.**	**3 to 12 months Rs.**	**1 to 3 years Rs.**	**3 to 5 years Rs.**	**Total Rs.**
Financial assets					
Financial assets at FVTPL	-	-	-	**584,685,852**	**584,685,852**
Financial assets at amortized cost	**745,612,456**	**642,755,794**	**1,462,159,524**	-	**2,850,527,774**
Total interest-bearing assets	**745,612,456**	**642,755,794**	**1,462,159,524**	**584,685,852**	**3,435,213,626**
Interest rate gap	**745,612,456**	**642,755,794**	**1,462,159,524**	**584,685,852**	**3,435,213,626**

As at 31st December 2024	Up to 3 months Rs.	3 to 12 months Rs.	1 to 3 years Rs.	3 to 5 years Rs.	Total Rs.
Financial assets					
Financial assets at FVTPL	-	51,241,050	-	-	51,241,050
Financial assets at amortized cost	61,129,120	-	1,531,076,720	-	1,592,205,840
Total interest-bearing assets	61,129,120	51,241,050	1,531,076,720	-	1,643,446,890
Interest rate gap	61,129,120	51,241,050	1,531,076,720	-	1,643,446,890

As at the reporting date, the Fund does not have any interest-bearing financial liabilities.Therefore, the interest rate gap represents the total interest-sensitive financial assets of the Fund.

Sensitivity Analysis

A reasonably possible change of 2% in interest rates at the reporting date would have increased or decreased the Fund's equity and profit or loss by the amounts shown in the table below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

The management of interest rate risk is supported by monitoring the sensitivity of the Fund's financial assets and liabilities to various interest rate scenarios.

Scenario	**Profit or loss**	**Equity, net of tax**
2% Decrease	(74,672,611)	(74,672,611)
2% Increase	74,672,611	74,672,611

(ii) Price risk

The Fund is exposed to price risk arising from its investments in fixed-rate debt instruments, including Treasury Bonds and listed debentures, which are measured at fair value through profit or loss (FVTPL). These instruments are not affected by equity or commodity price fluctuations; however, their fair values are sensitive to changes in market interest rates due to the inverse relationship between bond prices

Accordingly, the price risk in respect of these instruments arises exclusively from movements in market interest rates. A reasonably possible change of 2% in market interest rates at the reporting date would have impacted the fair value of Treasury Bonds and listed debentures, and consequently the Fund's profit or loss, as reflected in the interest rate sensitivity analysis.

26 Financial risk management (continued)

26.1 Risk management framework (continued)

(iii) Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Management Company Under the terms of the Unit Trust Code, the Management Company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unit holders.

Following being the disclosures of unit holders' funds;

The movement in the unit holder's funds as at 31st December 2025

I. In term of value

	Rs.
Unit holders' funds as at 01st January 2025	**1,643,171,690**
Creations during the year	1,525,287,395
Redemptions during the year	(17,510,562)
Increase in net assets attributable to Unit Holders	281,075,083
Unit holders' funds as at 31st December 2025	**3,432,023,606**

II. In term of number of units

Unit holders' funds as at 01st January 2025	**50,778,412**
Creations during the year	41,822,520
Redemptions during the year	(25,939)
Unit holders' funds as at 31st December 2025	**92,574,993**

As stipulated within the Trust Deed, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

27 Financial instruments- fair value measurement

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level - 1
Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2
Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

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.

27.1 Fair values versus the carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows;

	As at 31.12.2025		As at 31.12.2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
	Rs.	**Rs.**	Rs.	Rs.
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value	**584,685,852**	**584,685,852**	51,241,050	51,241,050.00
	584,685,852	**584,685,852**	51,241,050	51,241,050
Financial assets not measured at fair value				
Financial investments at amortised cost	**2,850,527,774**	**2,850,527,774**	1,592,205,840	1,592,205,840
	2,850,527,774	**2,850,527,774**	1,592,205,840	1,592,205,840
Total financial assets	**3,435,213,626**	**3,435,213,626**	1,643,446,890	1,643,446,890

27 Financial instruments- fair value measurement (continued)

27.2 Financial instruments- fair value

The following table shows an analysis of financial instruments at fair value and by level of fair value hierachy.

As at 31st December 2025	**Total Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Financial assets measured at fair value					
Financial assets recognised through profit or loss - measured at fair value					
Treasury bonds	**192,241,960**	**192,241,960**	-	-	**192,241,960**
Listed debentures	**392,443,892**	**-**	**392,443,892**	-	**392,443,892**
	584,685,852	**192,241,960**	**392,443,892**	-	**584,685,852**
Total financial assets	**584,685,852**	**192,241,960**	**392,443,892**	-	**584,685,852**

As at 31st December 2024	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value					
Financial assets recognised through profit or loss - measured at fair value					
Treasury bonds	51,241,050	-	51,241,050	-	51,241,050
	51,241,050	-	51,241,050	-	51,241,050
Total financial assets	51,241,050	-	51,241,050	-	51,241,050

27.3 Measurement of fair values

27.3 (a) Valuation techniques for specific instruments

(i) ***Corporate debentures***

The valuation model is based on Yield Curve of the Government Securities.Yields relating to Government Securities based on the remaining maturities of the respective debentures is interpolated in the valuation considering the investee companies' risk premiums.

(ii) ***Treasury bonds***

Valued using prevailing market yields at the reporting date, based on the government securities yield curve, reflecting the fair value of the instruments.