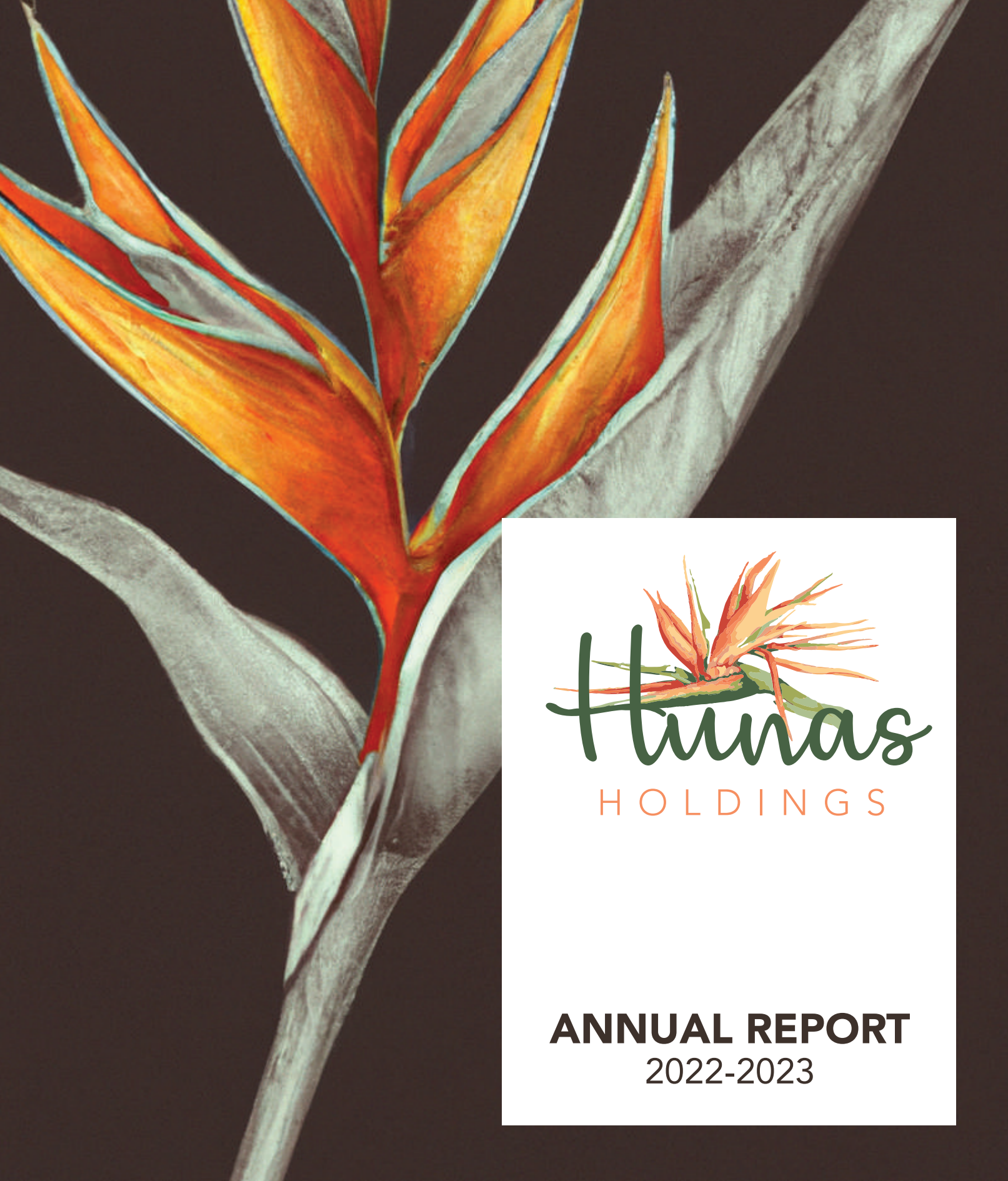




ANNUAL REPORT
2022-2023





VISION & MISSION

“Hunas Holdings PLC aims to invest and form a portfolio of sustainable investments, driven by established goals to build shareholder value, while being mindful of its social, environmental and economic responsibilities, as it remains to be committed to integrity, morality & fairness in all dealings with its stakeholders.”



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STRATEGY

FUTURE-ORIENTED

Hunas moves in only one direction: Forward. We invest and operate in industries of the future that can help transform a nation. Hunas also acts as a catalyst to rejuvenate old industries through creative innovation.

LASTING PARTNERSHIPS

Hunas understands that the key to business success is relationships. We place a premium on building long-term relationships with our clients. Our equity stake in projects make us a local partner rather than a mere project coordinator

SOCIALLY RESPONSIBLE INVESTING (S.R.I)

We think long-term, Hunas invests in projects that are sustainable. The projects are environmentally friendly and provide a sustainable rate of return for the investor.

SYNERGIES THROUGH DIVERSIFICATION

Hunas is a conglomerate that operates across various industries. This allows us to pool our extensive resources and combine knowledge to create unique value propositions.

Hunas Holding PLC formally known as Hunas Falls Hotels PLC has been in operations in the Tourism and Hospitality industry for over 30 years and has been listed since 1993. Following the consolidation of 11 companies, the Group now stands proud as a diversified conglomerate with a market capitalization of LKR 27 Billion. Having its ventures across

key sustainable industries, which include Hospitality and tourism, Renewable Energy, Real Estate, and Agriculture (Tea Plantations, Factories & Brokerage) the mission of the Group, is to be a trailblazer in sustainable and ethical business in Sri Lanka by following innovative sustainable practices whilst preserving the integrity and morality of the company.

CHAIRMAN'S REVIEW

On behalf of the Board, I am pleased to present the Annual Report and the financial statements of Hunas Holdings PLC for the year ended 31st March 2023.

Dear Shareholders,

On behalf of the Board, I am pleased to present Hunas Holdings PLC's Annual Report and financial statements for the year ending March 31, 2023.

SRI LANKA: NAVIGATING TURBULENCE

The year 2022 was marked by significant political and economic uncertainties that rippled through our nation's highest offices. The Presidency, Prime Ministership, and Central Bank Governorship all saw changes against a backdrop of instability.

During the initial months of 2022, from January to April, the Sri Lankan Rupee (LKR) experienced a sharp depreciation against the US Dollar, plummeting from approximately LKR 200 to LKR 340. This underscored the unsustainable nature of the LKR's artificial pegging. The scarcity of foreign currency led to shortages in essential commodities, including food, medicine, and fuel. In April 2022, Sri Lanka formally defaulted on its debt obligations.

The repercussions were profound. Drastic increases in interest rates, direct and indirect taxes, and the prices of

essential commodities such as cooking gas, fuel, and electricity resulted in soaring inflation, peaking at a staggering 73.7% in September 2022.

Amid these challenges, there was a glimmer of hope as Sri Lanka secured approval for an Extended Funded Facility from the International Monetary Fund (IMF) in March 2023, amounting to USD 2.9 billion to be disbursed over four years. This marked a significant milestone on our journey back to economic health. However, adherence to the stringent austerity and reform program outlined in our IMF agreement remains crucial for our path to recovery.

ECONOMIC IMPACT ON OUR COMPANY

The fiscal year 2022/23 proved to be one of the most challenging periods for our company. Political instability and extreme macroeconomic volatility posed significant challenges, notably affecting three key sectors: Plantations, Hydro, and Tourism.

The Tourism sector, which was gradually recovering from the global pandemic, faced setbacks due to international travel advisories, political instability, and economic turmoil. Consequently, our hotels experienced a decline in guest arrivals. Our management responded with innovative approaches, including cost optimization and property enhancements.

In addition, we undertook soft refurbishments across our properties, elevating the guest experience in preparation for a return to normal industry conditions. To attract a diverse range of guests, we introduced various packages tailored to interests such as trekking and bird watching. Encouragingly, we observed growth in tourism arrivals in the latter part of the financial year.

The Plantations sector grappled with import restrictions and foreign currency shortages, affecting the procurement of essential supplies. Rising raw material costs and supply chain disruptions impacted our operations and productivity.

Challenges in the Hydro sector arose from delays in payments from the Ceylon Electricity Board, straining cash flows and resulting in a significant drop in investment income. Despite favorable interest rates, the turbulent economic environment had an undeniable impact.

Throughout these challenges, our commitment to providing job security for our employees remained unwavering, recognizing their invaluable contributions to our success.

FUTURE OUTLOOK

Our company has successfully evolved into a conglomerate, even during the nation's economic turmoil. Looking ahead, our commitment to contributing to key industries and working collectively as a united group remains unwavering.

In the Power sector, tariff collection challenges persist, but our commitment to generating and supplying power to the nation is resolute. We are ready to contribute to the nation's energy needs, particularly given ongoing power shortages due to fuel scarcity.

The Plantations sector, despite challenges, is determined to implement sustainable practices to enhance production and bolster performance.

Positive signs in macroeconomic conditions offer hope. In the upcoming year, our focus will include crop diversification, increased employee productivity, and technological enhancements, including automation and mechanization.

In the Leisure sector, our partnership with renowned hotelier Mr. Adrian Zecha aims to convert existing leisure properties into high-end destinations, expanding our presence in luxury tourism.

Despite inherent uncertainties, our company is well-prepared to consistently deliver value to stakeholders. Forward-thinking visions, responsive strategies, and resilience in the face of challenges will ensure our long-term sustainability.

As we forge ahead, our commitment to innovation, sustainability, and excellence remains unwavering. We are confident that our collective efforts, alongside our dedicated team and the support of stakeholders, will lead us to new heights of success and prosperity.

CHANGE OF DIRECTORATE

We are delighted to introduce esteemed additions, Mr. Toshiaki Tanaka, Mrs. Misako Tanaka, and Mr. Koji Sugimoto, to our Board of Directors. Their international exposure and financial expertise promise to bring substantial value and strength to our group. Their global perspective positions our group for sustained growth and enhanced global engagement.

Their presence uniquely positions our group on the global stage, enhancing our brand exposure and international credibility. We anticipate a promising future characterized by prosperity, not only for our group but for our entire country.

ACKNOWLEDGMENTS

I extend my gratitude to the Board, management, shareholders, partners, and our entire Hunas ecosystem for their unwavering support during this challenging year.

Sincerely,



Chairman, Hunas Holdings PLC

A photograph of an elderly man with grey hair, smiling broadly. He is wearing a white button-down shirt and is seated in a white armchair. He is holding a pair of glasses in his right hand. The background is a bright, slightly hazy blue sky. A semi-transparent light blue rectangular box is overlaid on the right side of the image, containing the text.

UNVEILING SRI LANKA'S LUXE REVOLUTION:

A SERIES OF UNIQUE HOTEL
PROJECTS NOMINATED BY
ADRIAN ZECHA

Hunas Holdings PLC, in collaboration with Adrian Zecha and AZOTELS, is embarking on a distinctive journey through Sri Lanka by developing luxury boutique resorts and hotels in iconic destinations across the island.

Adrian Zecha is globally recognized as one of the foremost visionaries in the hospitality industry. With a career spanning more than 50 years, he conceptualized and developed over 100 hotels and several hotel companies, including the benchmark Aman Resorts.

Mr. Zecha entered the hospitality industry in the 1970s when he co-founded Regent International Hotels. In 1988, he inaugurated the first Aman Resort and continued to create resorts in unique destinations under the Aman brand over the next 25 years. Most recently, Zecha launched AZOTELS.

"My passion for discovery and hospitality is undiminished. I continue to travel the world in search of places where people who appreciate rich culture and meticulous attention to detail can discover new inspiration," said Zecha.

"After visiting numerous unique destinations over the years, I firmly believe that Sri Lanka ranks among the top three islands globally and is poised for rejuvenation. I have consistently been captivated by its diverse landscapes, rich culture, and the warm hospitality of its people. Its attractions are enduring, and the prospects for sensitively developing its many special sites are both inspiring and exciting."

The journey commences with the historic Hunas Falls Hotel, a property with a storied past, now ready for transformation into a luxurious boutique-style haven.

Zecha and his team view this as a test, an opportunity to witness an exhilarating team rise to the challenge of rejuvenating this dated property, attracting a coveted clientele to the island.

Zecha is currently engaged in the design and development of the property with the aim of launching the new Hunas Falls resort in 2025 under Azotels management.

Plans for phase II of the development of Azotels-branded villas are in discussion. The villa development will be situated on an additional 70 acres of land adjacent to the Hunas Falls hotel property.

A significant project in the pipeline is the development of a landmark 4-acre site in the heart of Colombo, presently known as Visumpaya and originally the 19th-century Ceylon Rifle Regiment's Officers' Mess, Acland House. The site's colonial mansion will undergo meticulous renovation, preserving its character and historical value while restoring the lush tropical gardens.

Amidst local and global challenges, Zecha commends the unwavering momentum of the Hunas Holdings team, showcasing their resilience and ability to rise above adversity. He firmly believes that, once the dust settles, their strategic partnerships will yield impressive results.

Other projects planned as part of the Azotels journey will focus on the renowned attractions of the island's south coast, including the UNESCO World Heritage Site of Galle Fort.

Today, Zecha's focus is firmly set on Sri Lanka, where he aspires to leave a lasting legacy. His vision promises to redefine luxury tourism in this tropical paradise, setting the stage for a new era of hospitality excellence.



FINANCIAL HIGHLIGHTS

FINANCIALS AT A GLANCE

DESCRIPTION	GROUP		COMPANY	
	2023	2022	2023	2022
		(Restated)		(Restated)
Annual Turnover	906	226	86	60
Other Income	9	14	1	13
Finance Cost	-137.1	-10.8	-0.4	-0.3
Profit Before Tax (PBT)	-398	-2142	-61	-1870
Profit After Tax (PAT)	-412	-2142	-64	-1864
Total Assets	6	5	4	3
Net Assets Per Share	3.0	2.9	3.6	3.2

PROFILES OF THE BOARD OF DIRECTORS



MR. DHANUKA SAMARASINGHE - CHAIRMAN

Mr. Samarasinghe is a strategist; who has been in the Board of Hotel Development PLC since 2015 and whose academic roots come from Strategic Business Management.

Upon the completion of his studies at Deakin University, Australia, Dhanuka joined his family businesses that were mainly engaged in Plantations and Rubber.

Dhanuka is one of the proud co-founders of the TAD Group of Companies, a fast-growing diversified conglomerate. The group holds over 30 subsidiaries, headed by Dhanuka as the Chairman, playing an instrumental role as a strategist on the overall operations of the Group.

Dhanuka also serves as the Chairman of the Board at Mercantile Produce Brokers, currently the 4th Largest Tea Brokering Company in Sri Lanka and as a Director of Hotel Developers (Lanka) PLC - a publicly listed company at the Colombo Stock Exchange, owning Hilton, Colombo.

MR. ATHEEQ ANSAR - EXECUTIVE DIRECTOR

Mr. Ansar serves as the Managing Director for the TAD Group of companies adding unsurpassed value to the group through his envisioned and far-sighted business personality as well as his passion for business.

He is a specialist in finance with a keen interest in promoting sustainable businesses while discharging social, environmental and economic responsibilities towards all stakeholders involved in businesses headed by him.

Being a proud co-founder of TAD, his own business venture, Atheeq holds over 10 years of corporate experience in the field of finance, having served for internationally acclaimed corporate setups such as Price Waterhouse Coopers and Moody's Analytics.

MS. SUJIVIE IRUGALBANDARA - EXECUTIVE DIRECTOR

Ms. Irugalbandara holds the Finance Directorship of the TAD Group of Companies, adding immense value as an outstanding feminine representation in the board. She is a strong believer of women empowerment and equality and takes pride in accepting challenges in life and facing them successfully enlivened by her profile of talents and charisma.

She has been heading the overall Finance and Tax Functions and involved in strategic planning, in several leading corporates in Sri Lanka over the years. An Alumni of KPMG, Ms. Irugalbandara counts over 28 years of experience in the field of finance and also holds corporate Directorship at Sierra Cables PLC.

She holds a Master of Business Administration in Finance, from the University of South Queensland reflecting the scholarly insight in her area of expertise.

MS. PRAVINI WICKRAMANAYAKE – EXECUTIVE DIRECTOR

Ms. Wickramanayake manages the Investor Relations Division at TAD Group and also functions in the capacity of the Board Secretary. Having a background in Accounting and Finance, she obtained her BBA (Specialised) in Accounting and Finance from the Ritsumeikan Asia Pacific University in Japan.

MR. GAJAN VINOOTHAN – INDEPENDENT NON - EXECUTIVE DIRECTOR

Mr. Vinothan is a Management Accountant by Profession, a CIMA Passed finalist and Trained Financial Analyst. He has over seven years of experience working at PricewaterhouseCoopers and Moody's Analytics.

Presently, he is also the Director and CEO of Stripes & Checks (Pvt) Ltd, the company behind the Menswear brand Stripes & Checks Inc which he Co-Founded in 2014.

MR. TOSHIAKI TANAKA – EXECUTIVE DIRECTOR

Mr. Tanaka is a versatile and highly sought after professional, concurrently part of the top-management of several leading conglomerates in Japan, Sri Lanka, Malaysia, Maldives and Singapore. Tanaka previously worked at the Nippon Credit Bank, Patnum Investment Tokyo and Fidelity International Tokyo as well as Gartmore Asset Management in London. He is a Chartered Member of the Securities Analysts Association of Japan (CMA) and has read for a B.A. in Economics at the Keio University.

MR. KOJI SUGIMOTO – INDEPENDENT NON - EXECUTIVE DIRECTOR

Mr. Sugimoto actively serves as an investment advisor to a number of companies in Japan. With ample experience from his time at a well-known Japanese Securities firm, he started his own management consulting firm and presently serves as an advisor for listed & unlisted companies on fundraising, mergers & acquisitions. He is also a director of Mars Company Ltd Co, which is proactively involved in non-thermal energy related products, promoting the importance of minimizing food waste.

MS. ANUSHI SENARATNE – INDEPENDENT NON-EXECUTIVE DIRECTOR

With over 18 years of professional work experience in the Corporate sector, Ms Anushi is a qualified associate member of CIMA UK, since 2006. She also holds a Bsc (Hon) in applied accounting from Oxford Brookes University (UK) and an MBA in Human Resource Management from the University of Colombo, Sri Lanka.

Having worked as the Deputy General Manager of Human Resources at MAS Intimates (Pvt) Ltd, she also served at Heineken Lanka Ltd. Presently Ms. Anushi is serving as the HR director at Hela Clothing (Pvt) Ltd. Throughout her working career, she also has held the positions of Finance Manager, Group Management Accountant & Management accountant.

MRS. MISAKO TANAKA – EXECUTIVE DIRECTOR

Mrs. Tanaka is a Director and Shareholder of a number of companies in Sri Lanka, Malaysia and Singapore including; A Minute by Tuk Tuk, Entomo (Formally KPISOFT) and Telen Pte Ltd to name a few, to which she has rendered her valuable service. She is also a member of the Board of Directors of the TAD Group of Companies contributing to the success of the group. Mrs. Tanaka is also a prolific Sommelier of the Japan Sommelier Association (JSA).

MANAGEMENT DISCUSSION ANALYSIS



OPERATING ENVIRONMENT

GLOBAL ECONOMIC REVIEW

The global economy faced a complex and challenging landscape in 2022, characterized by significant fluctuations and uncertainties. In contrast to the positive economic trends observed in 2021, global economic growth experienced a significant decline in 2022. This decline was primarily attributed to a deterioration in economic conditions in advanced economies. Several factors contributed to this decline:

1. **Inflationary Pressures:** High inflation rates eroded household purchasing power and undermined consumer confidence in advanced economies. The rapid rise in prices affected the affordability of goods and services, impacting overall demand.
2. **Monetary Policy Tightening:** Central banks in many advanced economies initiated rapid monetary policy tightening to counter inflationary pressures. While necessary to control inflation, this tightening also reduced demand, affecting economic growth.
3. **Russia-Ukraine Conflict:** The conflict in Russia and Ukraine had global repercussions, including severe energy supply disruptions in the Euro area. This, in turn, led to higher energy prices and increased costs for some food items. These price increases hampered production and consumption, fueling uncertainty.
4. **Economic Slowdown in China:** China, a critical player in the global economy, experienced economic slowdowns in 2022 due to repeated COVID-19 outbreaks and associated lockdowns. This slowdown had ripple effects on global trade and economic activity.

5. **Emerging Market and Developing Economies:** These economies also faced challenges in 2022. Tight global financial conditions, high inflation, reduced consumer spending, and spillover effects from the Russia-Ukraine conflict contributed to a sharp deceleration in economic growth.

Global inflation reached its peak in 2022, posing challenges for policymakers worldwide. According to the IMF's World Economic Update in January 2023, consumer prices worldwide rose by 8.8% in 2022, compared to 4.7% in 2021. In response to these inflationary pressures, many banks around the world initiated key policy rate increases in 2022. These rate hikes were a gradual rollback of pandemic-related stimuli, driven by the need to address rising inflation and unfavorable inflation expectations.

OUTLOOK FOR 2023

Looking ahead, the global economy is expected to undergo a period of transition. Inflation is projected to ease in 2023 as demand weakens and commodity prices stabilize. However, the path to recovery may still be challenging, with uncertainties stemming from ongoing geopolitical conflicts, fluctuations in energy prices, and supply chain disruptions.

SRI LANKAN ECONOMY

The Sri Lankan economy underwent a tumultuous period during the year under review, marked by significant challenges that tested its resilience. The year 2022 proved to be a challenging one for the Sri Lankan economy. It witnessed a contraction in GDP by 7.8%, a stark contrast to the 3.5% growth observed in 2021. Several factors contributed to this economic downturn:



1. **Fuel Shortages and Disrupted Supply Chains:** The scarcity of foreign exchange led to fuel shortages, disrupting supply chains and causing prolonged power outages. Import compression and a surge in production costs further hampered economic activities.
2. **Utility Price Revisions and Inflation:** The Sri Lankan government implemented significant upward revisions in major utility prices in response to soaring global energy prices. This, coupled with the depreciation of the exchange rate, accelerated inflation and reduced household disposable income.
3. **Debt Standstill and IMF Assistance:** In response to the economic crisis, the Sri Lankan government sought assistance from the International Monetary Fund (IMF) for a funding arrangement. Additionally, a debt standstill was announced as an interim measure while negotiations on debt restructuring with bilateral and commercial creditors commenced.
4. **Decline in Per Capita GDP:** The overall size of Sri Lanka's economy in US dollar terms contracted, primarily due to the large depreciation of the exchange rate. Per capita GDP also declined during this period.

INFLATION AND MONETARY POLICY

During the nine months ending September 2022, Sri Lanka experienced rapid inflation, driven by price pressures from multiple fronts, including food, energy, and transport sectors. The Central Bank of Sri Lanka took decisive action by raising key monetary policy rates to curb inflation. Despite these challenges, the stability of the banking sector was maintained throughout 2022.

SIGNS OF RECOVERY

The first quarter of 2023 has brought a glimmer of hope for Sri Lanka's economy. The Central Bank of Sri Lanka reported a GDP growth of 3.6% in Q1 2023, compared to the same period the previous year. Several factors have contributed to this positive growth:

1. **Increased Industrial Production:** The industrial sector experienced significant growth, with production increasing by 6.9% in the first quarter of 2023.
2. **Strong Agriculture Performance:** Exports of key agricultural products like tea and rubber witnessed substantial increases.
3. **Tourism Recovery:** The tourism industry showed signs of recovery, with a 29% increase in tourist arrivals in Q1 2023 compared to the previous year.

The Sri Lankan economy faced unprecedented challenges in 2022, but the signs of recovery observed in the first quarter of 2023 offer hope for a brighter future. As the nation continues to navigate these economic complexities, it is essential to focus on sustainable growth, fiscal discipline, and structural reforms to ensure long-term stability and prosperity. The resilience displayed during these trying times underscores the potential for a robust and revitalized Sri Lankan economy in the years to come.

SECTOR REVIEW



TOURISM SECTOR

OPERATING ENVIRONMENT

GLOBAL TOURISM

The global tourism industry experienced a remarkable journey of resurgence and transformation in 2022 and continued to adapt to new realities in 2023. The year 2022 witnessed a remarkable recovery for the international tourism industry, fueled by pent-up demand and the relaxation of travel restrictions in most feeder markets. This resurgence was evident in the substantial increase in international tourist arrivals, which surged to an astounding 917 million tourists worldwide. This figure starkly contrasted with the 455 million arrivals in 2021, marking an impressive 102% increase over the previous year's figures.

One of the most encouraging aspects of this recovery was the industry's resilience, with international tourism rebounding to 63% of the pre-pandemic levels of 2019, as reported by the United Nations World Tourism Organization (UNWTO). These statistics underscored the industry's determination to bounce back even in the face of challenges, including the emergence of the Omicron COVID-19 variant, the Russian-Ukrainian conflict, and a complex economic environment.

In terms of financial performance, international tourism receipts surpassed USD 1 trillion in 2022, a substantial increase from USD 626.8 billion in 2021. However, this figure still fell short of the pre-pandemic value of USD 1.5 trillion, highlighting the industry's ongoing challenges.

Looking ahead to 2023, a survey conducted by the UNWTO Panel of Experts in January 2023 reveals a cautiously optimistic sentiment. Approximately 72% of tourism professionals anticipate improved performance in 2023 compared to 2022. However, it's important to note that 65% of respondents believe that international tourism will not fully return to 2019 levels until 2024 or later. This indicates that while the industry is on a path to recovery, it still faces significant hurdles in achieving pre-pandemic levels.

SRI LANKAN TOURISM OUTLOOK

The tourism sector in Sri Lanka experienced a dynamic year in 2022, marked by significant growth, setbacks, and a renewed sense of optimism. Sri Lankan tourism showcased remarkable resilience and growth in 2022, particularly in the latter part of the year. Tourist arrivals reached a peak in March 2022, but this growth was impeded by elevated social tensions, fuel shortages, and power outages that began to affect the country in March, leading to major source markets issuing travel advisories. However, as ground conditions began to normalize, tourist arrivals started to pick up again from October 2022 onwards, continuing to show steady growth momentum through the first three months of 2023.

In total, Sri Lanka welcomed 719,978 tourists in 2022, a significant improvement compared to the 194,495 arrivals in 2021. This marked a growth rate of 270.2%, showcasing a substantial recovery from the previous year. Despite fluctuations throughout the year, this growth was driven by several factors, including advances in global vaccination efforts, streamlined travel procedures, the easing of restrictions, and an increase in consumer confidence.

While Sri Lanka's tourism sector demonstrated impressive growth in 2022, it also grappled with challenges. The emergence and rapid spread of the Omicron variant, along with geopolitical developments such as the Russian intervention in Ukraine, posed ongoing challenges. Additionally, Sri Lanka faced economic complexities, including elevated inflation rates and stagflation, which had implications for tourist inflow.

As the country moves forward, it remains crucial for Sri Lanka's tourism industry to continue focusing on safety, sustainability, and diversification of offerings. While the industry has made significant strides in recovery, there is still work to be done to reach pre-pandemic levels and remain competitive on the global stage.

Despite the challenges faced in 2022, Sri Lanka's tourism sector has demonstrated its ability to bounce back, and with continued efforts to address issues and seize opportunities, the industry is poised for a brighter future. The ongoing

commitment to fostering a conducive environment for travel and tourism will be instrumental in achieving sustained growth in the years ahead.

COMPANY OUTLOOK

The Group holds ownership in four leisure properties which are Hunas Falls Hotel, Boulder Gardens, Rainforest Edge Hotel and Aigburth Bungalow. Possessing a total occupancy capacity of 81 rooms, the segment entertains approximately 100,000 guests annually.

This year presented significant challenge to the Groups' leisure sector. During this time, Boulder Gardens Hotel and Rainforest Edge Hotel located at the Ratnapura District relied primarily on the domestic market and a select group of dedicated wildlife enthusiasts who have consistently favored Boulder Gardens as their preferred accommodation within the jungle setting.

In the aftermath of political unrest in 2022, the Hunas Falls Hotel preserved its organic business, maintaining its appeal to the romantic segment of guests, welcoming and enchanting honeymooners. However, a notable shift occurred with the introduction of a previously untapped market segment to the corporate sector. Hunas Falls Hotel successfully accommodated and attracted corporate clientele, marking a significant transition from predominantly honeymooners to an expanded guest demographic that now included friends and family, as well as corporate groups.

Furthermore, the Middle Eastern market remained a steady presence, largely due to the proximity of Sembuwatta Lake, which is conveniently located just 35 minutes away from the hotel. Notably, December 2022 witnessed a positive turnaround in the tourism industry, marking one of the most prosperous months in the year.

The management has initiated a series of training programs aimed at elevating service standards throughout the department and enhancing the skills of our staff. These efforts are geared towards meeting the demands of a more discerning, higher-end market.

During this challenging period, the company has reaffirmed its commitment to job security for all staff members. Furthermore, as we carefully manage our resources, we are proactively developing new strategies to address potential risks and challenges that may arise in the midst of the ongoing economic crisis facing our country. Our dedication to enhancing service quality and ensuring the well-being of our staff remains unwavering as we navigate these dynamic circumstances.

PLANTATION SECTOR



The plantation sector is perceived as a catalyst player in the Group with the ownership of Suriyakanda Plantations (PVT) Ltd, Rainforest Tea Factory (PVT) Ltd & Mercantile Produce Brokers (PVT) Ltd, now under Hunas Holdings PLC. The above companies can be segregated into three areas; the Estate, Factories & Brokerage company. The Estate is of a century old tea garden in Suriyakanda that produces premium quality tea. It is uniquely located in between the winds of Hambanthota and the aroma and breeze of the Sinharaja Rainforest setting, with a total extent of 2,148 acres.

Notably, the tea production in Sri Lanka experienced a year-on-year decline of approximately 16.0%. In alignment with this trend, the company's tea production also decreased, falling from 985,000 kilograms in the previous financial year to 550,000 kilograms. Despite this reduction in production volume, the tea segment generated a revenue of Rs. 358 million, marking a substantial 37% growth at Suriyakanda Plantations (Pvt) Ltd compared to the preceding year's revenue of Rs. 262 million and a growth of 8% at Rainforest Tea Factory (Pvt) Ltd with a revenue of 447 million.

This positive shift can be attributed to improved tea prices, which contributed to higher revenue in the tea segment despite the decline in production. The limiting factors discussed elsewhere in this report are attributable to the dip in production from a wider perspective.

Throughout the year, the company remained committed to enhancing productivity and the quality of its tea. Various measures were implemented, including the timely application of foliar and ground fertilizers, as well as the introduction of eco-friendly compost. These initiatives played a pivotal role in achieving the desired improvements in both productivity and tea quality.

RENEWABLE ENERGY SECTOR



Currently, the Group oversees the operation of three mini-hydro power plants, strategically located in two distinct regions of the country. These facilities include Eratne Power (PVT) Ltd, Kuruganga Hydro Power (PVT) Ltd, and Weswin Power Galaha (Pvt) Ltd. Notably, these plants experienced a remarkable increase in power generation, registering growth rates of 63.85%, 18%, and 18.18%, respectively, attributed to an unusual rise in rainfall in these areas.

However, amidst the backdrop of an ongoing economic crisis, maintenance expenses have escalated, and employee wages were adjusted to align with the economic situation in the country. Despite these adversities, this segment demonstrated exceptional resilience, achieving its most outstanding year on record in terms of power generation, financial performance, and developmental initiatives. Our commitment to supporting the national initiative to expand renewable energy resources in Sri Lanka remains unwavering. To this end, we have successfully completed the construction of our fourth mini-hydro power plant, boasting a capacity of 3MW, with operations slated to commence by the end of 2023. Currently, our Group manages three mini hydro power plants with a combined capacity of 3MW, all of which are equipped with cutting-edge electromechanical equipment and a highly skilled and experienced workforce. These assets enable us to operate at peak efficiency.

Moreover, our projects are distinguished by their state-of-the-art electromechanical equipment and the expertise of our workforce, enabling optimal energy generation processes. While hydro power remains at the core of our growth strategy, we consistently explore opportunities in other renewable energy sources, including solar power, wind power, and biomass. Throughout our expansion, we remain cognizant of the paramount importance of sustainability, and our commitment to people and the environment is an integral part of our operations, ensuring that our carbon impact remains minimal.

As we advance our endeavors, we maintain a steadfast commitment to sustainability and environmental responsibility, ensuring that our carbon footprint remains minimal. During the fiscal year under review, our collective efforts contributed a noteworthy 9.7 GWh to the national grid, representing a decrease from the 11.6 GWh generated in previous financial year due to the low rainfall in the country.

GOVERNANCE



CORPORATE GOVERNANCE

The Group's framework has its own set of internal benchmarks, processes and structures towards meeting accepted best practice, in addition to the 'triggers' which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practice, evolving regulations, and dynamic stakeholder needs, while maintaining its foundational principles of accountability, participation and transparency.

- Companies Act No.7 of 2007
- The Listing Rules of the Colombo Stock Exchange

The recommendations of the code of Best Practice on Governance issued jointly by the securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka (Joint Code) to the extent that they are practicable.

Hunas Holdings PLC, through a process of continuous review, is committed to maintaining the highest standards of business integrity, ethical values and professionalism in all of its activities and relationships, nurturing the trust placed in it by all its stakeholders by greater value creation, year-on-year.

This philosophy has been ingrained at all levels in the company through a strong set of corporate values and a code of conduct which staff at all levels and the Board of Directors are required to follow in the performance of their official duties and in circumstances that are publicly profiled. These values are reinforced through the Company's recognition schemes which insist, as a minimum, that all nominees have modeled the values.

CODE OF CONDUCT

- Allegiance to the Company
- Compliance with rules and regulations applicable in the territories in which the Company operates
- Conduct of business in an ethical manner at all times and in keeping with acceptable business practices
- Exercise of professionalism and integrity in all business and 'public' personal transactions

The Company believes that the core values that underlie its corporate activities are the main source of its competitive advantage which is rewarded by the trust placed in it by stakeholders.

The Chairman of the Board affirms that there has not been any material violation of any of the provisions of the code of conduct. In instances where violations did take place, they were investigated and handled through well established procedures.

BOARD MEETINGS & ATTENDANCE

The Board of Hunas Holdings PLC met once every quarter. Ad hoc meetings are held as and when necessary. The Director's attendance is shown in the table below.

NAME OF DIRECTOR	MEETINGS ATTENDED
Mr. W.S.L.D.R. Samarasinghe	4/4
Mr. M.A.A. Atheeq	4/4
Mrs. G.S.M Irugalbandara	4/4
Ms. P. Wickramanayake	4/4
Mr. G. Vinothan	4/4
Ms. H.A.D. Senaratne	4/4
Mr.Toshiaki Tanaka	1/4
Ms.Misako Senda	1/4
Mr.Koji Sugimoto	1/4

SECTION 1: CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA (SEC) AND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CASL)				
Corporate Governance Principles		Reference of Code	Compliance	The Company’s Extent of Compliance in 2022/2023
A. DIRECTORS				
A.1 THE BOARD				
The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Law, Economics, Marketing and Business Leaders. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board’s composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on pages 12-13.				
1.	Board Meetings	A.1.1	Complied	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met 04 times during the year under review. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 21.
2.	Board Responsibilities	A.1.2	Complied	The Board is responsible to the shareholders for creating and delivering long- term sustainable shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team led by the Chairman with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. The Board ensures that the Company’s values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulation.
3.	Compliance with Laws and access to independent professional advice	A.1.3	Complied	The Board collectively, and Directors individually must act in accordance with the laws as applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company’s expense. This will be coordinated through the Company or the Board Secretary when requested.
4.	Company Board	A.1.4	Complied	All Directors have access to the advice and services of the Company Secretary as required. The Company Secretary keeps the Board informed of new laws and revisions, and regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.
5.	Independent judgment	A.1.5	Complied	All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.

CORPORATE GOVERNANCE (CONTD...).

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2022/2023
6.	Dedication of adequate time and effort by the Board and Board Committees	A.1.6	Complied	All Directors of the Company dedicate adequate time and effort to fulfill their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.
A.3 CHAIRMAN'S ROLE				
The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions. The profile of the Chairman is given on page 12.				
7.	Role of the Chairman	A.3.1	Complied	The Chairman is as an outstanding business leader, provides leadership to the Board, controls and preserves order at Board meeting and provides the Board with strategic direction and guidance in managing the affairs of the Company. The Chairman is also responsible for: • Ensuring the new Board members are given an appropriate induction, covering terms of appointment, • The effective participation of both Executive and Non-Executive Directors; • All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company; • A balance of power between Executive and Non-Executive Directors is maintained; • The views of Directors on issues under consideration are ascertained:
A.4 FINANCIAL ACUMEN				
The Code requires that the Board comprises of members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as as the member of the audit committee is a qualified accountant having professional qualifications and equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.				
8.	Financial acumen and knowledge	A.4	Complied	The Board comprises one CIMA qualified accountant who serves as member of the Audit Committee. This Director add substantial value and independent judgment on the decision-making of the Board on matters concerning finance and investment.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2022/2023
A.5 BOARD BALANCE				
The Code requires that a balance is maintained between the Executive and Non- Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making. The Board consists of Six (6) Executive Directors and Three (3) Non-Executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.				
9.	Presence of Non - Executive Directors	A.5.1	Complied	Three (3) out of Nine (9) Directors are Non-Executive Directors, which is well above the minimum number prescribed by this Code.
10.	Criteria to evaluate Independence of Non- Executive Directors	A.5.3	Complied	Refer Section A 5.5 below. The Board considers Non- Executive Director's independence on an annual basis. For a Director to be deemed 'independent', such a Director should be independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
11.	Signed declaration of independence by the Non-Executive Directors	A.5.4	Complied	Every Non-Executive Director of the Company has made a written submission as to their independence against the specified criteria.
12.	Determination of independence of the Board	A.5.5	Complied	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are: Mr. G Vinothan Ms. H A D Senaratne Mr. K Sugimoto
A.6 SUPPLY OF INFORMATION				
Management should provide time-bound information in a format that is appropriate and enables the Board to discharge its duties. Financial and non- financial information is analysed and presented to the Board to make informed and accurate decisions.				
13.	Obligation of the Management to provide appropriate and timely information to the Board	A.6.1	Complied	The Board was provided with timely and appropriate information by the management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
14.	Adequate time for effective Board meetings	A.6.2	Complied	The minutes, agenda and papers required for Board meeting are provided in advance to facilitate its effective conduct.

CORPORATE GOVERNANCE (CONTD...)

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2022/2023	
A.7 APPOINTMENTS TO THE BOARD				
The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.				
15.	Nomination Committee	A.7.1	Complied	The Nomination Committee of the Company makes recommendations to the Board on all new Board appointments. The Nomination committee consists of following members Mr. W S L D R Samarasinghe Chairman Executive Director Mr. G Vinothan

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2022/2023	
B. DIRECTORS' REMUNERATION				
B.1 REMUNERATION PROCEDURE				
This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective remuneration policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.				
19.	Establishment of remuneration committee	B.1.1, B.1.2, B.1.3, B.1.4 & B.1.5	Complied	The Remuneration Committee of the Company and recommends the remuneration payable to the Director(s) and sets guidelines for the remuneration of management staff within the Company. The Board makes the final determination after considering such recommendation. The Remuneration Committee comprise of following members Ms. H A D Senaratne - Chairman Independent Non - Executive Director Mr. G Vinothan - Member Independent Non - Executive Director Payment of remuneration to directors is disclosed in page 94 of this report. No director is involved in deciding his own remuneration.
B.2 THE 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.				
20.	Level of remuneration	B.2.1, B.2.2, B.2.3 & B.2.4	Complied	The Remuneration Committee structures the remuneration package to attract, retain and motivate the directors needed to run the company successfully but avoid paying more than is necessary for this purpose. The remuneration levels relative to other companies and performance of the directors are taken in to account when considering the remuneration levels of the directors.
21.	Levels of Remuneration of Non-Executive Directors	B.2.10	Complied	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices.
B.3 DISCLOSURE OF REMUNERATION				
The Code requires the Company to disclose in its Annual Report the details of the remuneration paid and the Remuneration Policy.				
22.	Disclosure of Remuneration	B.3.1	Complied	Please refer page 94 for the total Directors' remuneration

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2022/2023
C. RELATIONS WITH SHAREHOLDERS				
C.1 CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS				
The Code requires the Board to use the AGM which is a major event in the Company's calendar to communicate with shareholders and encourage their active participation. In this regard, all shareholders of the Company receive the Notice of Meeting within the statutory due dates.				
23.	Use of proxy votes	C.1.1	Complied	The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.
C.2 COMMUNICATION WITH SHAREHOLDERS				
The Code Requires the board should implement effective communication with shareholders.				
24.	Channel to reach all shareholders	C.2.1	Complied	The main mode of communication between the Company and the shareholders is the Annual General Meeting. Shareholders are provided with the information prior to the AGM. Further, financial and other announcements are promptly submitted to CSE to publish in the CSE website.
25.	Policy methodology for communication with shareholders.	C.2.2.	Complied	An open door policy is in place, which enables shareholders to keep in constant touch, visit and obtain information from the Company Secretary and engage in dialogue Contact details are published in all annual and quarterly financial reporting.
26.	Implementation of the policy and methodology for communication with shareholders.	C.2.3 C.2.7	Complied	Please refer C.2.4 and C.2.5 for the implementation of the policy and methodology
27.	Contact person for communication	C.2.4 & C.2.6	Complied	Details of contact persons are disclosed in the back inner cover of the Annual Report and Quarterly Financial Statements.
28.	Process to make directors aware of major issues and concerns of shareholders	C.2.5	Complied	The company secretary maintain a record of all correspondence about all major issues and concerns of the shareholders.
29.	Process for responding shareholder matters	C.2.7	Complied	Covered under the section C.2
D. ACCOUNTABILITY AND AUDIT				
D.1 FINANCIAL AND BUSINESS REPORTING (THE ANNUAL REPORT)				
The Board should present a balanced and understandable assessment of the company's financial position, performance and prospects.				
30.	Board's responsibility for Statutory and Regulatory Reporting	D.1.1	Complied	The Board has recognized the responsibility to present regulatory and statutory reporting in a balanced and understandable manner. When preparing Quarterly and Annual Financial Statements, the Company complied with the requirements of the Companies Act No. 07 of 2007 and prepared and presented them in accordance with Sri Lanka Accounting Standards. The Company has complied with the reporting requirements prescribed by the Colombo Stock Exchange.
31.	Declaration by Directors' report in the Annual Report	D.1.4	Complied	Complied The Directors have made all required declarations in the 'Annual Report of the Board of Directors and appears on pages 37 to 39.
32.	Statement of Directors' and Auditor's responsibility for Financial Reporting	D.1.5	Complied	"The 'Statement of Directors' Responsibility' is given on page 36. See the 'Auditors' Report' on pages 32 to 33 for the reporting responsibility of Auditors."

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2022/2023
D.2 RISK MANAGEMENT AND INTERNAL CONTROL				
The Board should have a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.				
33.	Disclosure of related party transactions	D.1.8	Complied	Refer the Related Party transaction Review committee report on page 34.
34.	Annual evaluation of the internal controls system and Risk Management	D.2.1	Complied	"The Board is responsible for the Company internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time.
35.	Review of the process and effectiveness of risk management and internal controls.	D.2.4	Complied	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.
D.3 AUDIT COMMITTEE				
The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor.				
36.	Composition of the Audit Committee	D.3.1	Complied	The Audit Committee was consists of Two independent Non Executive Directors and one Non - Executive Director of the Company Mr. G Vinothan -Chairman (Independent Non - Executive Director) Ms. H A D Senaratne - Member (Independent Non - Executive Director) The Company Secretary Serves as its Secretary. and Chief Accountant invited to attend meetings as required. The input of the statutory Auditors will be obtained where necessary. The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.
37.	Terms of reference of the Audit Committee	D.3.2	Complied	Terms of Reference of the Board Audit Committee is clearly defined in the Charter of the Audit Committee approved by the Board of Directors. This clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee. The Committee is required mainly to deal with the matters pertaining to statutory and regulatory compliance in financial reporting, matters with regard to the External Auditors and Risk Management procedures of the Company. Refer audit committee report on pages 32 to 33.
38.	Disclosures of the Audit Committee	D.3.3	Complied	The names of the members of the Audit Committee are given under section D.3.1 of this Code. Refer the Audit Committee report on pages 32 to 33.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2022/2023	
D.4 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE				
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.				
39.	A related party and related party transactions will be as defined in LKAS 24.	D.4.1	Complied	Please refer Related Party Transaction review Committee Report on page 34.
40.	Establishment of related party transaction review committee and composition.	D.4.2	Complied	Please refer Related Party Transaction review Committee Report on page 34.
41.	Written terms of reference of related party transaction review committee.	D.4.3	Complied	Please refer Related Party Transaction review Committee Report on page 34.
D.5 CODE OF BUSINESS CONDUCTED AND ETHICS				
The Company should develop a Code of Business Conduct and Ethics for Directors and members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or others.				
42.	Code of Business Conduct and Ethics	D.5.1	Complied	The Company has developed a Code of Conduct for its employees. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behavior, etc.
D.6 CORPORATE GOVERNANCE DISCLOSURE				
Directors of the Company disclose annually the Company's adherence to the 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.				
43.	Disclosure of corporate governance	D.6.1	Complied	This requirement is met through the presentation of this report.
E. INSTITUTIONAL INVESTORS				
E.1 SHAREHOLDERS' VOTING				
Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.				
44.	Communication with shareholders	E.1.1	Complied	In order to avoid conflicts of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at general meetings. In this regard, the AGM of the Company plays a critical role. Voting by the shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the Company.

SECTION 2 : COLOMBO STOCK EXCHANGE LISTING RULES				
Statement of Compliance				
This section covers Hunas Holdings PLC's extent of adherence to the requirements of the Continuing Listing Requirements of Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange.				
Rule No.	Subject	Hunas Extent of Adoption	Compliance Status	Reference in this Report
7.10.1(a)	Non-Executive Directors (NED)	Three (3) of the Nine (9) Directors were Non-Executive Directors	Complied	Corporate Governance
7.10.1(b)	Basis of Calculation of Total Number of Non-Executive Directors	Based on the number as at the conclusion of the immediately preceding AGM	Complied	Corporate Governance
7.10.2 (a)	Independent Directors (ID)	Three (3) of the Three (3) Non-Executive Directors were Independent	Complied	Corporate Governance
7.10.2 (b)	Independent Directors	All Non-Executive Directors have submitted their confirmation of independence as per the criteria set by the CSE rules, which is in line with the regulatory requirements.	Complied	Corporate Governance
7.10.3 (a)	Disclosure relating to Directors	The Board assessed the independence declared by the Directors and determined the Directors who are independent and disclosed same in item A.5.5 of the CASL Code table.	Complied	Corporate Governance
7.10.3 (b)	Disclosure relating to Directors	The Board has determined that Three (3) Non-Executive Directors satisfy the criteria for "independence" set in the Listing Rules as in item A.5.5 of the CASL code table.	Complied	Corporate Governance
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the Director's areas of expertise.	Complied	Profile of the Board in the Annual Report
7.10.3 (d)	Disclosure relating to Directors	New director appointments	Complied	Corporate Governance
7.10.5	Remuneration Committee	Remuneration Committee functions are stated in the corporate governance page at 35.	Complied	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee	The Remuneration Committee consists Two (2) Independent Non - Executive Directors.	Complied	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Executive Directors.	Complied	Annual report of Board of Directors
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	Names of Remuneration Committee members are given in section B.1.3 of the CASL code. The Remuneration paid to Directors is given in the Note 31 to the Financial Statement on page 93.	Complied	Annual report of the Board of Directors and Corporate Governance
7.10.6 (a)	Composition of Audit Committee	Shall comprise of NEDs, a majority of whom will be independent.	Complied	The Audit Committee Reports and Corporate Governance
7.10.6 (b)	Audit Committee Functions	Audit Committee functions are stated in the Audit Committee Report - Page 32 to 33.	Complied	Corporate Governance and the Audit Committee Reports
7.10.6 (c)	Disclosure in Annual Report relating to Audit Committee	The names of the Audit Committee members given on page 32 The basis of determination of the independence of the Auditor is also given in section D.3.4 of the CASL code.	Complied	Corporate Governance and the Audit Committee Reports
7.6.(vii)	Employees and Industrial relations	There is no dispute are on Industrial relations	Complied	Corporate Governance
7.13.1	Minimum Public Holding	The Company does not comply with option 5 of the Listing rules 7.13.1(a) which requires a 20% minimum Public Holding.	Non Complied	Share and Investor Information

This section covers Hunas Holdings PLC's extent of adherence to the requirements of the Code of Best practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange:

Rule No.	Subject	Hunas Extent of Adoption	Compliance Status	Reference in this Report
9.2.1 & 9.2.3	Related Party Transactions Review Committee (RPTRC)	The functions of the committee are stated in Related Party Transactions review Committee report in page 34.	Complied	Annual report of the Board of Directors and Related Party Transactions Review Committee Report
9.2.2	Composition of the Related Party Transactions Review Committee	The RPTRC was consists of following directors Mr. G Vinothan Chairman Independent Non - Executive Director Ms. H A D Senaratne Member Independent Non - Executive Director Ms. M A A Atheeq Member Executive Director	Complied	Annual report of the Board of Directors and Related Party Transactions Review Committee Report
9.2.4	Related Party Transactions Re-view Committee-Meetings	The committee met 04 times during the financial year of 2022/2023.	Complied	Related Party Transactions Review Committee Report

AUDIT COMMITTEE REPORT



The Audit Committee is comprised of two Independent Non-Executive Directors.

Mr. G Vinothan	Chairman Independent Non - Executive Director
Ms. H A D Senaratne	Member Independent Non - Executive Director

The Board Secretary functions as the Secretary to the Audit Committee.

The Audit committee has a written Terms of Reference dealing clearly with its authority and duties. This is established for the purpose of assisting the Board in fulfilling their oversight responsibilities regarding the integrity of the financial statements, risk management, internal control, and compliance with legal and regulatory requirements, review of External Auditors' performances, independence and the internal audit functions.

MEETINGS

The Audit Committee held four meetings during the financial year.

Name of the Director	Total
Mr. G Vinothan	4/4
Ms. H A D Senaratne	4/4

FUNCTIONS OF THE AUDIT COMMITTEE

FINANCIAL REPORTING

As part of its responsibility to oversee the Company's financial reporting process on behalf of the Board of Directors, the Committee has reviewed and discussed with the Management, the annual and the quarterly Financial Statements prior to their issuance, including the extent of compliance with the Sri Lanka Accounting Standards and the Companies Act No. 07 of 2007. Matters of special interest in the current environment and the process that supports certifications of the Financial Statements by the Company's Managing Director, Chief Financial Officer and Accountant were also brought up for discussion.

RISK AND CONTROLS

The Committee have taken reasonable measures to safeguard the assets of the Company and, in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

EXTERNAL AUDIT

The Committee met with the External Auditor during the year to discuss their audit approach and procedures, including matters relating to the scope of the audit. In addition, the annual evaluation of the independence and objectivity of the External Auditor and the effectiveness of the audit process was also undertaken. The external auditor is required to be rotated every five years, in order to ensure the independence of the Auditor.

The Non-Audit Services provided by the External Auditor were also reviewed and the committee was of the view that such services did not impair their independence and were not within the category of services identified as restricted under the Guidelines for Listed Companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.

The appointment of the External Auditor, M/s PricewaterhouseCoopers has been recommended to the Board of Directors and the Committee has also fixed the Auditor's remuneration, for approval by the shareholders at the Annual General Meeting.

INTERNAL AUDIT

During the year, the Audit Committee reviewed the performance of the internal audit function, the findings of the audit function, and the findings of the audits completed, which covered the operational and financial aspects of the Group. The Committee, with special reference to the internal controls regarding Group operations, and the department's resource requirements, including succession planning, also approved the internal audit plan.

REGULATORY COMPLIANCE

The Accounts has submitted to the Audit Committee, a report on the extent to which the company was in compliance with the mandatory and statutory requirements. The Committee reviewed the procedures established by Management for compliance with the requirements of regulatory bodies and also ensured full compliance with the Colombo Stock Exchange Rule No.7.10 on corporate Governance disclosure requirements, which is given on page 30.

COMMITTEE EVALUATION

The annual evaluation of the committee was conducted by the Chairman, Chief Financial Officer, Internal Auditor and the External Auditor in accordance with international best practices and was deemed to be satisfactory.



G. Vinothan
Chairman
Audit Committee
09th October 2023

RELATED PARTY TRANSACTION REVIEW COMMITTEE REPORT

The Related Party Transaction Review Committee of Hunas Holdings PLC, the Company in terms of the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange.

COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee consists of Two (02) Independent Non - Executive Director and one Executive Director.

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member
	Independent Non - Executive Director
Mr. M A A Atheeq	Member
	Executive Director

THE DUTIES OF THE COMMITTEE

The duties of the Related Party Transactions Committee are to:

Review in advance all proposed related party transactions of the Company, either prior to the transaction being entered into or, if the transaction is expressed to be conditional, upon such review that finds that the stipulated conditions have been met, prior to the completion of the transaction.

Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.

Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.

Recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.

Monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.

Monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.

Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.

Review the transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Review the economic and commercial substance of both recurrent/non recurrent related party transactions.

Monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.

TASK OF THE COMMITTEE

The Committee reviewed all related party transactions of Hunas Holdings PLC with regard to compliance as described above and communicated their findings to the Board.

The Committee, in its review process, recognized the adequate nature of the content and quality of the information forwarded to its members by the management.

ATTENDANCE

The Committee held meetings 04 times during the year under review. The attendance of the meetings was as follows:

Name of the Director	Total
Mr. G Vinothan	4/4
Ms. H A D Senaratne	4/4
Mr. M A A Atheeq	4/4



G. Vinothan
Chairman
Related Party Transaction Committee
09th October 2023



REMUNERATION COMMITTEE REPORT

The objectives of the Remuneration Committee are to review and approve overall remuneration philosophy, strategy policies and practices including performance-based pay schemes and benefits. The policy is to prepare compensation packages to attract and retain a highly qualified, experienced workforce and reward performance, bearing in mind the business performance and long-term shareholder returns. The committee comprises two Non-executive Directors, as shown as in the below table. The members of the committee met on a quarterly basis throughout the year under review.

The Remuneration Committee was comprised of two Non-Executive Directors.

Ms. H A D Senaratne	Chairman Independent Non - Executive Director
Mr. G Vinothan	Member Independent Non - Executive Director

MEETINGS

The committee held 04 meetings during the year of which the attendance details are as below

Name of the Director	Total
Ms. H A D Senaratne	4/4
Mr. G Vinothan	4/4



H A D Senaratne
Chairman
Remuneration Committee
09th October 2023

FINANCIAL STATEMENTS



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible, under Sections 150 and 151 of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for the financial year. The Directors are also responsible, under Section 148 for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Financial Reporting Standards/ Sri Lanka Accounting Standards (SLFRS/LKAS). The Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange. The Directors have taken reasonable measures to safeguard the assets of the Group, and in that context, have instituted appropriate

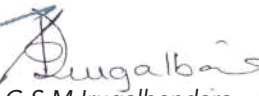
systems of internal control with a view to preventing and detecting fraud and other irregularities.

The External Auditors, Messrs Ernst & Young, are deemed to be newly appointed in terms of Section 158 of the Companies Act No. 07 of 2007 and were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on page 40 sets out their responsibilities in relation to the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the end of financial year have been paid or where relevant, provided for.


W S L D R Samarasinghe
Chairman


G S M Irugalbandara
Director

09th October 2023
Colombo

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

The Board of Directors are pleased to present their report and the Audited financial statement of the Company for the Year ended 31st March 2023.

The details set out herein provide the pertinent information required to be disclosed by the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

REVIEW OF THE YEAR

The Chairman's statement on page no 6 to 7 reviews the affairs of the Company for the financial year ended 31st March 2023. These reports form and integrate the part of the annual report of the Board of Directors of the year under review.

PRINCIPAL ACTIVITY

Hunas Holding PLC formally known as Hunas Falls Hotels PLC, has its ventures in several key industries, which include Hospitality and tourism, Renewable Energy, Real Estate, and Agriculture (Tea Plantations, Factories & Brokerage).

FINANCIAL STATEMENTS

The Audited Financial Statements of the Company are given on pages 36 to 101 in the Annual Report.

AUDITOR'S REPORT

The Auditors' Report on the Financial Statements is given on pages 40 to 44 in the Annual Report.

ACCOUNTING POLICIES

The Accounting Policies adopted by the Company in the preparation of Financial Statements are given on pages 50 to 66 in the Annual Report. The Accounting Policies adopted are consistent with those of the previous financial year.

INTERESTS REGISTER

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

DIRECTORS' INTEREST IN TRANSACTIONS

The Directors of the Company have made the general disclosures provided for in Section 192 (2) of the Companies Act No. 07 of 2007. The related party disclosures and the

Directors of each of these related parties are given on page 94.

DIRECTORS' REMUNERATION AND OTHER BENEFITS

The Directors' Remuneration in respect of the Company for the financial year ended 31st March 2023, amounted to nil.

DIRECTORS' SHAREHOLDINGS

The Directors of the Company as at 31st March 2023 did not hold any shares in the Company.

BOARD SUB - COMMITTEES

AUDIT COMMITTEE

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member
	Independent Non - Executive Director

Audit Committee appears on page 32.

REMUNERATION COMMITTEE

Ms. H A D Senaratne	Chairman
	Independent Non - Executive Director
Mr. G Vinothan	Member
	Independent Non - Executive Director

Remuneration Committee appears on page 35.

RELATED PARTY TRANSACTION REVIEW COMMITTEE

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member
	Independent Non - Executive Director
Mr. M A A Atheeq	Member
	Executive Director

The report of the Related Party Transaction Review Committee appears on page no 34.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY (CONT...)

DONATIONS

At the last Annual General Meeting shareholders approved a sum not exceeding Rs. 50,000/- in respect of donations. The donations given during the year amounted to Rs.226,390/-. (2022 : Rs. 20,000) No donations were made for political purposes.

DIRECTORATE

The Directors of the Company

Mr. W S L D R Samarasinghe	Chairman
Mr. M A A Atheeque	Executive Director
Ms. G S M Irugalbandara	Executive Director
Ms. P Wickremanayake	Executive Director
Mr.T.Tanaka	Executive Director
Mrs.M.Tanaka	Executive Director
Mr. G Vinothan	Independent Non - Executive Director
Mr. K Sugimoto	Independent Non - Executive Director
Ms. H A D Senaratne	Independent Non - Executive Director

AUDITORS

Messrs Ernst & Young, Chartered Accountants are deemed be newly appointed as auditors in terms of Section 158 of the Companies Act No. 07 of 2007.

A resolution proposing the Directors be authorized to determine their remuneration will be submitted at the Annual Gen-

eral Meeting.

The Auditors fee for the Group amounted to Rs. 4,490,540/- . (2022: Rs.3,883,563/-) The fee for the Company amounted to Rs.522,500/- (2022: Rs. 475,000/-) as audit fees by the Group. As far as the Directors are aware, the Auditor does not have any relationship (other than that of an auditor) with the Group other than those disclosed above. The Auditors also do not have any interests in the Group.

TURNOVER

The turnover (Net) by the Company for the year was Rs.86,194,600.72 (2021/2022 - 59,525,388.76/-). The Group generate an amount of Rs.906,184,245.72/- (2021/2022 - 225,748,672.45/-).

TAXATION

The Company is liable to pay income tax at the rate of 30% on income from operations. Other income is taxed at 24%.

PROPERTY, PLANT AND EQUIPMENT

The carrying value of property plant and equipment for the Company and the Group as at 31st March 2023 amounted to Rs. 974,903,560 and Rs. 3,545,973,298 respectively. The total expenditure on the acquisition of property, plant and equipment during the year in respect of new assets acquired by the Company and the Group amounted to Rs. 649,047,033 and Rs.661,380,801 respectively.

Profit / (Losses)	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Net (Loss) for the Year after providing for all expenses known liabilities and depreciation of Fixed Assets	(411,853,220)	(2,142,049,250)	(64,489,616)	(1,863,872,685)
Accumulated Profit at End of the Year	(2,401,378,184.65)	(2,009,079,596.99)	(1,797,017,303.79)	(1,732,794, 421.46)

STATED CAPITAL

The Stated Capital as at 31st March 2023 was Rs 4,336,573,000/= comprising 843,750,000 (following the share split 1:150) (2021/2022- Rs 4,336,573,000/= Value/ Number of shares :843,750,000) fully paid Ordinary Shares.

POST BALANCE SHEET EVENTS

Events occurring after the reporting date are given in the note 31 to the Financial Statements.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge all taxes and dues payable by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and all other known statutory dues as were due as at the balance Sheet date have been paid or provided.

PUBLIC SHAREHOLDING

As at 31st March 2023: 6.98% (2022 : 6.53%) of the issued capital of the Company was held by the public, comprising 2,279 (2022:1,967) shareholders

GOING CONCERN

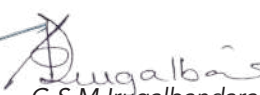
The Directors, after making necessary inquiries and reviews for the year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities have a reason-

able expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

ANNUAL GENERAL MEETING

The Annual General Meeting is scheduled to be held on 6th of December 2023, at 10.30 a.m, at Tulip Conference Room, Bandaranaike Memorial International Conference Hall, Baud-dhaloka Mawatha, Colombo 07, Sri Lanka. Notice of meeting relating to the Thirty Fourth Annual General Meeting is given on page 105 of this Annual Report.


W S L D R Samarasinghe
Chairman


G S M Irugalbandara
Director

For and Behalf of Hunas Holdings PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED


Secretaries
09th October 2023
Colombo

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
Chartered Accountants
201, De Saram Place
P.O Box 101,
Colombo 10
Sri Lanka
Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF THE HUNAS HOLDINGS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of The Hunas Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2023, 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 significant accounting policies.

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 31 March 2023, 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 issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Accounting for business combination The Group acquired a controlling interest in 08 companies during the previous year. The acquisition was made for a consideration of Rs. 3,829 million and identifiable net assets were recognized at provisionally determined values in the consolidated financial statements in the previous year. As disclosed in Note 17 to the financial statements, the Group finalized its purchase price allocation within 12 months from the acquisition date and restated provisional amounts recognized for identifiable net assets and accounted for the resulting adjustment of goodwill in accordance with its accounting policy as disclosed in Note 03 to the financial statements. We have determined the related accounting for business combination to be a key audit matter due to; • The amounts involved being material to the consolidated financial statements. Significant management judgments, assumptions and estimates involved in finalizing purchase price allocation that was carried out with the support of an External Valuer and determining adjustments required to restate provisional amounts, as disclosed in Note 17 to the financial statements.	Our audit procedures included the following: • Read the shareholder resolutions and disclosures made in the Colombo Stock Exchange and obtained an understanding of the key contractual terms relevant to accounting of the business combination. • Obtained an understanding of the finalized valuation. We also assessed the reasonableness of management's process relating to the identification and fair value measurement of assets acquired, liabilities assumed and measurement and adjustment of goodwill. • Assessed the competence, capability and objectivity of the External Valuer engaged by the Group. • Read the External Valuer's report and assessed the reasonableness of the methodology used, significant judgments, estimates and assumptions involved in finalizing purchase price allocation and determining adjustments required to restate provisional amounts recognized, as disclosed in Note 17 to the financial statements. • Assessed the adequacy of the related disclosures in Note 3 and 17 to the financial statements.

OTHER INFORMATION INCLUDED IN THE 2023 ANNUAL REPORT

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

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

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

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

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 internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

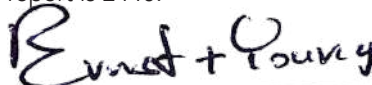
We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.



09th October 2023
Colombo

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

Year ended 31 March 2023		Group		Company	
		2023	2022	2023	2022
	Note	Rs.	Rs.	Rs.	Rs.
			(Restated)		(Restated)
Revenue	5	906,184,246	225,748,672	86,194,601	59,525,389
Cost of sales		(858,741,838)	(190,312,701)	(43,610,006)	(30,095,753)
Gross profit		47,442,408	35,435,972	42,584,595	29,429,636
Other income	6	8,719,416	14,123,686	1,178,830	13,065,343
Marketing and promotional expenses		(11,845,532)	(7,622,455)	(5,268,657)	(3,108,677)
Administrative expenses		(287,900,987)	(105,870,835)	(100,030,409)	(81,830,518)
Impact of adjustment of goodwill and other assets/ Impact of adjustment of related investments in subsidiaries	17	-	(2,065,739,862)	-	(1,828,474,519)
Finance costs	7	(137,075,322)	(10,814,025)	(414,432)	(343,240)
Finance income	8	5,186,223	750,365	928,202	1,087,023
Share of loss from associates	17.2	(22,857,619)	(2,127,504)	-	-
Loss before tax	9	(398,331,412)	(2,141,864,659)	(61,021,871)	(1,870,174,953)
Income tax reversal/(expense)	10	(13,521,807)	(184,591)	(3,467,745)	6,302,268
Loss for the year		(411,853,220)	(2,142,049,250)	(64,489,616)	(1,863,872,685)
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent period :					
Actuarial gain/(loss) on defined benefit plans	26	381,048	1,641,188	381,048	1,641,188
Deferred tax impact on actuarial gain/(loss)		(114,314)	(229,766)	(114,314)	(229,766)
Surplus on revaluation of land and buildings		648,417,294	-	648,417,294	-
Deferred tax impact on revaluation gain		(194,525,188)	-	(194,525,188)	-
Effect of income tax rate change on revaluation reserve		(17,837,069)	-	(17,837,069)	-
		436,321,770	1,411,421	436,321,770	1,411,421
Net Other Comprehensive Income/ (Loss) not to be reclassified to Profit or Loss in subsequent periods		436,321,770	1,411,421	436,321,770	1,411,421
Other Comprehensive Income / (Loss) for the year, net of tax		436,321,770	1,411,421	436,321,770	1,411,421
Total Comprehensive loss for the year, net of tax		24,468,550	(2,140,637,828)	371,832,153	(1,862,461,263)
Basic loss per share	11	(0.47)	(2.54)	(2.21)	(2.21)
Loss attributable to:					
Equity Holders of the owners of the parent		(392,565,321)	(2,140,157,860)		
Non-Controlling Interest		(19,287,899)	(1,891,389)		
		(411,853,220)	(2,142,049,250)		
Total Comprehensive Income/(Loss) attributable to:					
Equity Holders of the owners of the parent		43,756,449	(2,138,746,439)		
Non-Controlling Interest		(19,287,899)	(1,891,389)		
		24,468,550	(2,140,637,828)		

The accounting policies and notes on pages 50 through 101 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
		2023	2022	2023	2022
	Note	RS.	RS.	RS.	RS.
ASSETS		(RESTATED)		(RESTATED)	
Non-Current Assets					
Property, plant and equipment	12	3,545,973,298	2,953,295,438	974,903,560	343,153,841
Right of use assets	13	83,009,111	87,911,974	-	-
Intangible assets	14	26,071,483	25,966,600	-	-
Bearer Biological Assets	15.1	916,951,124	917,948,067	-	-
Consumable Biological Assets	15.2	276,535,716	276,535,716	-	-
Investment Properties	16	2,149,002	2,370,907	-	-
Amounts due from related parties	20	40,000,000	122,823,282	40,000,000	122,823,282
Investment in subsidiaries	17.1	-	-	2,000,937,481	2,000,936,481
Investment in equity account investees	17.2	308,917,877	331,775,496	333,903,000	333,903,000
Investment in non-listed equity shares	17.3	90,759,000	90,759,000	90,759,000	90,759,000
Deferred tax asset	10	17,151,585	10,489,373	-	-
		5,307,518,197	4,819,875,853	3,440,503,041	2,891,575,604
Current Assets					
Inventories	18	29,120,437	102,419,946	1,714,565	5,177,249
Trade and other receivables	19	16,865,285	22,709,983	6,165,656	16,206,356
Amounts due from related parties	20	116,518,236	40,132,809	116,473,924	40,000,000
Advance, deposits and prepayments		20,574,708	13,901,322	1,167,758	1,953,340
Tax recoverable		382,577	598,970	311,702	311,702
Current financial assets	21	49,231,628	22,057,299	-	-
Cash and cash equivalents	22	9,823,222	44,184,279	6,369,697	7,300,370
		242,516,093	246,004,607	132,203,301	70,949,016
Total Assets		5,550,034,290	5,065,880,460	3,572,706,343	2,962,524,620
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	23	4,336,573,000	4,336,573,000	4,336,573,000	4,336,573,000
Reserves	24	531,929,285	95,874,248	531,929,285	95,874,248
Retained earnings		(2,401,378,185)	(2,009,079,597)	(1,797,017,304)	(1,732,794,421)
Non controlling interest		33,300,455	52,588,354	-	-
Total Equity		2,500,424,555	2,475,956,005	3,071,484,981	2,699,652,827

Non-Current Liabilities					
Interest bearing loans and borrowings	25	814,154,224	860,301,183	-	103,304,526
Deferred tax liability	10	279,652,221	46,920,754	246,444,843	30,500,527
Employee benefit liability	26	57,595,320	48,058,331	3,567,517	4,896,848
		1,151,401,764	955,280,267	250,012,361	138,701,900
Current Liabilities					
Interest bearing loans and borrowings	25	262,252,058	243,684,072	119,957,596	26,796,119
Trade and other payables	27	138,267,222	123,318,854	49,598,892	36,847,983
Amounts due to related parties	20	1,493,170,098	1,259,493,774	77,133,919	52,378,302
Contract liabilities	28	4,518,594	8,147,489	4,518,594	8,147,489
		1,898,207,971	1,634,644,188	251,209,001	124,169,893
Total Equity and Liabilities		5,550,034,290	5,065,880,460	3,572,706,343	2,962,524,620

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

.....

Finance Manager

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:

.....
Director

.....
Director

The accounting policies and notes on pages 50 through 101 form an integral part of the financial statements.

09th October 2023
Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2023	Stated capital	Revaluation reserve	Retained earnings	Non controlling interest	Total
GROUP					
	Rs.	Rs.	Rs.	Rs.	Rs.
			(Restated)	(Restated)	
Balance as at 01 April 2021	82,500,000	95,874,248	129,666,842	-	308,041,090
Loss for the year	-	-	(2,140,157,860)	(1,891,389)	(2,142,049,250)
Acquisition of subsidiaries	-	-	-	54,479,743	54,479,743
Infusion of share capital	4,254,073,000	-	-	-	4,254,073,000
Actuarial gain on defined benefit obligation - net of tax	-	-	1,411,421	-	1,411,421
Balance as at 31 March 2022	4,336,573,000	95,874,248	(2,009,079,597)	52,588,354	2,475,956,005
Loss for the year	-	-	(392,565,321)	(19,287,899)	(411,853,220)
Actuarial gain on defined benefit obligation - net of tax	-	-	266,733	-	266,733
Surplus on revaluation of land and buildings	-	648,417,294	-	-	648,417,294
Deferred tax impact on revaluation gain	-	(194,525,188)	-	-	(194,525,188)
Effect of income tax rate change on revaluation reserve	-	(17,837,069)	-	-	(17,837,069)
Balance as at 31 March 2023	4,336,573,000	531,929,285	(2,401,378,185)	33,300,455	2,500,424,555

COMPANY	Stated capital	Revaluation reserve	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2021	82,500,000	95,874,248	129,666,842	308,041,091
Loss for the year	-	-	(1,863,872,685)	(1,863,872,685)
Infusion of share capital	4,254,073,000	-	-	4,254,073,000
Actuarial gain on defined benefit obligation - net of tax	-	-	1,411,421	1,411,421
Balance as at 31 March 2022	4,336,573,000	95,874,248	(1,732,794,421)	2,699,652,828
Loss for the year	-	-	(64,489,616)	(64,489,616)
Surplus on revaluation of land and buildings	-	648,417,294	-	648,417,294
Deferred tax impact on revaluation gain	-	(194,525,188)	-	(194,525,188)
Effect of income tax rate change on revaluation reserve	-	(17,837,069)	-	(17,837,069)
Actuarial gain on defined benefit obligation - net of tax	-	-	266,733	266,733
Balance as at 31 March 2023	4,336,573,000	531,929,285	(1,797,017,304)	3,071,484,981

The accounting policies and notes on pages 50 through 101 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
		2023	2022	2023	2022
	NOTE	RS.	RS.	RS.	RS.
			(RESTATED)		(RESTATED)
Cash Flows From Operating Activities					
Loss before tax		(398,331,412)	(2,141,864,659)	(61,021,871)	(1,870,174,953)
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	12	68,702,941	26,678,168	17,297,312	16,457,727
Depreciation of right of use assets	13	4,902,863	1,205,466	-	-
Amortization of intangible assets	14	395,117	-	-	-
Depreciation of bearer biological assets	15	33,996,943	7,149,749	-	-
Depreciation of investment properties	16	221,905	-	-	-
Profit from disposal of property, plant & equipment		(139,500)	-	(139,500)	-
Finance costs	7	137,075,322	10,814,025	414,432	343,240
Finance income		(5,186,223)	(750,365)	(928,202)	(1,087,023)
Share of loss from associates		22,857,619	2,127,504	-	-
Impact of adjustment of goodwill and other assets/ Impact of adjustment of related investments in subsidiaries	17	-	2,065,739,862	-	1,828,474,519
Provision for defined benefit obligation	26	13,588,777	4,109,945	1,023,418	1,218,578
Operating profit before working capital changes		(121,915,650)	(24,790,305)	(43,354,411)	(24,767,911)
Decrease in inventories		73,299,509	15,382,445	3,462,684	(2,140,315)
(Increase)/Decrease in trade and other receivables		5,844,698	(15,698,694)	10,040,700	(14,767,352)
Decrease in amounts due from related parties		6,437,855	149,081,819	6,348,359	3,253,123
(Increase)/Decrease in advance and prepayments		(6,386,118)	(865,907)	785,582	(511,277)
Increase in Trade and other payables		11,319,473	17,247,379	9,122,014	29,568,563
Increase/(Decrease) in amounts due to related parties		233,676,324	(116,086,465)	24,755,617	26,928,022
Cash flows from/ (used in) operations		202,276,090	24,270,273	11,160,545	17,562,853
Interest paid		(137,075,322)	(10,814,025)	(414,432)	(343,240)
Gratuity paid	26	(3,670,740)	(2,164,800)	(1,971,700)	(2,164,800)
Net Cash flows from Operating Activities		61,530,028	11,291,448	8,774,413	15,054,813
Cash flows from/(used in) Investing Activities					
Acquisition of property, plant and equipment	12	(12,963,507)	(32,608,766)	(629,739)	(2,304,704)
Acquisition of intangible assets	14	(500,000)	-	-	-
Additions to biological assets	15	(33,000,000)	-	-	-
Proceeds from disposal of property, plant and equipment		139,500	-	139,500	-
Finance income received		5,186,223	750,365	928,202	1,087,023
Acquisition through business combinations		-	(39,998,222)	-	-
(Investments)/Withdrawals in/from fixed deposits	21	(27,174,329)	24,247,914	-	-
Net cash flows from/ (used in) Investing Activities		(68,312,113)	(47,608,709)	437,963	(1,217,681)
Cash flows from/(used in) Financing Activities					
Repayment of lease liabilities	25	(5,762,353)	(498,537)	-	-
Repayments of interest bearing loans and borrowings	25	(134,902,938)	(3,386,457)	(6,373,358)	(3,253,123)
Proceeds from interest bearing loans and borrowings	25	156,335,189	23,835,799	-	-
Net cash flows from/ (used in) financing activities		15,669,898	19,950,805	(6,373,358)	(3,253,123)
Net increase/(decrease) in Cash and Cash Equivalents		8,887,814	(16,366,457)	2,839,018	10,584,008
Cash and cash equivalents at the beginning of the year	22	(26,927,457)	(10,561,001)	23,007	(10,561,001)
Cash and cash equivalents at the end of the year	22	(18,039,644)	(26,927,458)	2,862,026	23,007

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

1.1 REPORTING ENTITY

Hunas Holdings PLC (previously known as Hunas Falls Hotels PLC) is a 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 23, Alfred Place, Colombo 03, and the principal place of the business is situated at Elkaduwa, Kandy. During the year the parent entity infused capital through equity in the form of shares which parent entity owns in other companies to the company with the intention of augment the asset position of the company.

1.2 CONSOLIDATED FINANCIAL STATEMENTS

The Financial Statements for the year ended 31 March 2023 comprise "the Company" referring to Hunas Holdings PLC as the holding Company and the "Group" referring to companies that have been consolidated therein together with the group's Interests in Equity Accounted Investees.

1.3 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

Descriptions of the nature of operations and principal activities of the Company, its Subsidiaries, associates and investment in equity shares were as follows,

1.3.1 PARENT COMPANY

HUNAS HOLDINGS PLC

The Company owns and operates Hunas Falls Hotels, which is targeted at the up market leisure travellers.

1.3.2 SUBSIDIARIES

AMUNUMULLA SUHADA ELECTRICITY GENERATION COMPANY (PRIVATE) LIMITED

The principal activity of the company is to carry on the business as consultants, designers, generators, decorators, contractors, builders, promoters, suppliers, merchants, generation transmission and distribution electrical energy. The company has not yet commenced the commercial operations.

BOULDER GARDENS (PRIVATE) LIMITED

The principal activity of the company is to carry on the business in hospitality and tourism projects related activities.

HUNAS PROPERTIES (PRIVATE) LIMITED

The principal activity of the company is to carry on the real estate operations. The company has not yet commenced the commercial operations.

RAINFOREST HOTELS (PRIVATE) LIMITED

The principal activity of the company is to carry on the business in hospitality and tourism projects related activities. The company has not yet commenced the commercial operations.

RAINFOREST TEA FACTORY (PRIVATE) LIMITED

The principal activity of the company is carrying on manufacturing and sale of tea and other agricultural produce.

SUSTAINABLE ENERGY HOLDINGS (PRIVATE) LIMITED

The principal activity of the company is to carry on the business of operate a mini hydro power plant to generate and supply of electricity to the national grid. The company has not yet commenced the commercial operations.

SURIYAKANDA PLANTATIONS (PRIVATE) LIMITED

The principal activity of the company is carrying on the cultivation, manufacturing and sale of tea and other agricultural produce.

TAD CINNAMON (PRIVATE) LIMITED

The principal activity of the company is to carry on the business of cultivating, processing, packing and exporting cinnamon and products made out of cinnamon. The company has not yet commenced the commercial operations.

HUNAS FALLS HOTELS (PRIVATE) LIMITED

The principal activity of the company is to carry on the business in hospitality and tourism projects related activities. The company has not yet commenced the commercial operations.

1.3.3 ASSOCIATES

ERATNE POWER COMPANY (PRIVATE) LIMITED

The principal activity of the company is to carry on the business of operation of mini hydro power plant, generate and supply of electricity to the national grid.

WESWIN POWER GALAHA (PRIVATE) LIMITED

The principal activity of the company is to carry on the business of power generation and supply it to the Ceylon Electricity Board.

MERCANTILE PRODUCE BROKERS (PRIVATE) LIMITED

The principal activity of the company is providing tea brokering services.

1.3.4 INVESTMENT IN EQUITY SHARES KURUGANGA HYDRO (PRIVATE) LIMITED

The principal activity of the company is to carry on the business of operate a mini hydro power plant to

1.3.4 INVESTMENT IN EQUITY SHARES KURUGANGA HYDRO (PRIVATE) LIMITED

The principal activity of the company is to carry on the business of operate a mini hydro power plant to generate and supply of electricity to the national grid.

1.4 PARENT ENTERPRISE AND ULTIMATE PARENT ENTERPRISE

In the opinion of the directors, the Company's immediate parent is Serenity Lake Leisure (Pvt) Ltd, whereas the ultimate parent undertaking and controlling party is TAD Lanka Holdings (Pvt) Ltd. Both companies are incorporated & domiciled in Sri Lanka.

1.5 DIRECTOR'S RESPONSIBILITY STATEMENT

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report in the Annual Report.

1.6 DATE OF AUTHORIZATION FOR ISSUE

The Consolidated Financial Statements of Hunas Holdings PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2023 were authorised for issue by the Directors on 09th October 2023.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The Financial Statements of the Company and the Group, which comprise the statement of financial position, statement 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 have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in

compliance with the Companies Act No. 7 of 2007.

2.2 BASIS OF MEASUREMENT

The Financial Statements have been prepared on a historical cost basis except for lands which are measured at cost at the time of the acquisition and subsequently carried at fair value less accumulated impairment losses recognised after the date of revaluation.

No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

2.3 GOING CONCERN

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The assessment includes the existing and anticipated effects from the current economic crisis and the circumstances of the external environment on significant assumptions that are sensitive or susceptible to change, or are inconsistent with historical trends. As the economic effects continue to evolve, the management has considered a range of scenarios to determine the potential impact on the underlying performance and future funding requirements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.4 FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in Sri Lanka Rupees (Rs), which is the Company's functional and presentation currency. All values are rounded to the nearest rupee except when otherwise indicated.

2.5 MATERIALITY AND AGGREGATION

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.6 COMPARATIVE INFORMATION

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect

of previous period in the Financial Statements. The presentation and classification of the Financial Statement of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.7 OFFSETTING

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF CONSOLIDATION

The Consolidated Financial Statements encompass the Company, its subsidiaries (together referred to as the “Group”) and the Group’s interest in equity accounted investees (Associates). Subsidiaries and equity accounted investees are disclosed in Note 17 to the Financial Statements.

3.1.1 SUBSIDIARIES

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting right

The Group re-assesses whether or not it controls an investee

if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The subsidiaries and their controlling percentages of the Group, which have been consolidated, are as follows:

Company Name	2023	2022
Amunumulla Suhada Electricity Generation Company (private) Limited	100%	100%
Boulder Gardens (Private) Limited	90%	90%
Hunas Properties (Private) Limited	100%	100%
Rainforest hotels (Private) Limited	100%	100%
Rainforest Tea Factory (Private) Limited	90%	90%
Sustainable Energy Holdings (Private) limited	100%	100%
Suriyakanda Plantations (Private) limited	100%	100%
TAD Cinnamon (Private) Limited	100%	100%
Hunas Falls Hotels (Private) Limited	100%	-

3.1.2 ACQUISITION OF SUBSIDIARIES

The assets and liabilities as at the acquisition date are stated

at their provisional fair values and may be amended in accordance with SLFRS 3 - Business Combination.

Investment subsidiaries are carried at cost less impairments (if any) in the separate financial statements.

3.1.3 EQUITY ACCOUNTED INVESTEEES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in its associates are accounted at cost in the Company financial statements.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate,

The Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associates are shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value, and then recognises the loss as 'Share of profit of an associates' in the statement of profit or loss.

Upon loss of significant influence over the associates, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Associates of the Group/Company are;

Company Name	2023	2022
Eratne Power Company (Private) Limited	30%	30%
Mercantile Produce Brokers (Private) Limited	20%	20%
Weswin Power Galaha (Private) Limited	20%	20%

3.2 BUSINESS COMBINATION AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measures the non- controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and

is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of Profit or Loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, is disclosed separately under the heading "Non-controlling Interest".

3.3 FOREIGN CURRENCY

3.3.1 TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss. Tax charges and credit attributable to exchange differences on those monetary items are also recognised in Other Comprehensive Income.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognised in OCI or Profit or Loss are also recognised in OCI or Profit or Loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

3.4 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being

exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.5 PROPERTY, PLANT AND EQUIPMENT

3.5.1 AT INITIAL RECOGNITION

All property, plant and equipment are initially stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

3.5.2 AT SUBSEQUENT MEASUREMENT

Property, plant and equipment other than land and buildings are stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria is met. Land and Buildings are subsequently measured at fair value less accumulated depreciation and such valuations are carried out by external independent valuers. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognised in Other Comprehensive Income and credited to the revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

3.5.3 DEPRECIATION

Depreciation is calculated on a straight-line basis over the useful life of assets or components. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Asset category	Years
Buildings and building integrals (Note 3.5..1)	5 to 45 Years
Plant and equipment	5 to 20 Years
Kitchen, hotel, sport and laundry equipment	4 to 18 Years
Water Supply and Sanitation	7 years
Field and Factory Equipment	8 Years
Electrical equipment	10 to 18 Years
Office equipment	10 to 14 Years
Computer equipment & software	04 to 09 Years
Furniture and fittings	04 to 19 Years
Swimming pool	10 Years
Satellite TV system	02 to 10 Years
Sewerage treatment plant	10 to 20 Years
Motor vehicles	05 Years
Kitchen utensils	04 Years
Cutlery and crockery	02 Years
Linen	02 Years
Road network	20 Years

3.5.3.1 COMPONENT INCLUDED IN BUILDING & BUILDING INTEGRALS

	Years
Buildings	45 years

Asbestos and aluminium roof	05 years
Bathrooms & toilet blocks	05 years

3.5.4 SUBSEQUENT COSTS

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

3.5.6 DE-RECOGNITION

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is de-recognised. The revaluation surplus included in the equity in respect of an item of property, plant and equipment is transferred directly to equity when the assets are de-recognised.

3.6 RIGHT OF USE ASSETS AND LEASE LIABILITIES

LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.6.1 GROUP AS A LESSEE

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.6.2 BASIS OF RECOGNITION

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Properties – 27 Years

Motor vehicles – 5 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

3.6.3 LEASE LIABILITIES

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest bearing loans and borrowings.

3.6.4 SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions during the year for any lease contracts.

3.7 INTANGIBLE ASSETS

Basis of recognition of an intangible asset is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred. The useful life of intangible asset is assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

The useful life of intangible asset is as follows:

Software 05 years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function/nature of the intangible asset. Amortisation was commenced when the assets were available for use.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognized.

3.8 INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair values of investment properties are included in the Statement of Profit or Loss in the year in which they arise, including the corresponding tax effect. Fair values are evaluated annually by an accredited external, independent valuer.

Investment properties are derecognised either when they have been disposed of, or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amounts of the asset is recognised in Statement of Profit or Loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner occupied property the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.9 BIOLOGICAL ASSETS

Biological assets are classified as either mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea and other plantations are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological assets include tea and other plantations, being biological assets that are not intended to be sold or harvested, but are used to grow for purpose of harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

3.9.1 BEARER BIOLOGICAL ASSETS

Bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant &

Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets which comes into bearing during the year, is transferred to mature plantations.

3.9.2 CONSUMABLE BIOLOGICAL ASSET

Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial.

The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in Statement of Profit or Loss for the period in which it arises.

Permanent impairments to biological asset are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

3.10 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

3.10.1 FINANCIAL ASSETS

3.10.1.1 INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow

characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3.10.1.2 SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loan to an employees included under other non-current financial assets.

3.10.1.3 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OCI (EQUITY INSTRUMENTS)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

3.10.1.4 DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e: removed from the Group's consolidated financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash

flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

3.10.1.5 IMPAIRMENT OF FINANCIAL ASSETS

Further disclosures relating to impairment of financial assets are also provided in the following notes:

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivable the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. For this purpose, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted, if any; for forward-looking factors specific to each debtor and the economic characteristics. Company is making a 100% provision

for all the debtors aged more than 180 days.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.10.2 FINANCIAL LIABILITIES

3.10.2.1 INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

3.10.2.2 SUBSEQUENT MEASUREMENT

The measurement of financial liabilities depends on their classification as described below:

3.10.2.3 LOANS AND BORROWINGS

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

3.10.2.4 DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3.10.3 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if There is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.10.4 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

3.11 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials: Purchase cost on a weighted average basis.

Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual

asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to

goodwill cannot be reversed in future periods.

3.13 CASH AND CASH EQUIVALENTS

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

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.14 PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

3.15 EMPLOYEE BENEFITS

3.15.1 DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in Statement of Profit or Loss in the periods during which services are rendered by employees

The Company contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively

3.15.2 DEFINED BENEFIT PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the

terms of the related liability.

Current service cost interest cost are recognized in the statement of profit or loss while any actuarial gains or losses arising are recognized in other comprehensive income.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 23. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded.

3.16 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The specific recognition criteria described below must also be met before revenue is recognised.

3.16.1 ROOM, FOOD AND BEVERAGE REVENUE

Room revenue is recognized on the rooms occupied on a daily basis and food and beverage and other hotel related sales are accounted for at the point of sales.

3.16.2 INTEREST INCOME

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

3.16.3 GAINS AND LOSSES

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net

sales proceeds with the carrying amounts of property, plant & equipment and are recognized net within "other income" in profit or loss.

3.16.4 OTHERS

Other income is recognised on an accrual basis.

3.17 EXPENSES

Expenses are recognized in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to Statement of Profit or Loss in the year in which the expenditure is incurred.

3.17.1 FINANCE COSTS

Finance costs comprise interest expense on borrowings and exchange loss on foreign currency transactions which have been recognized in the Statement of Profit or Loss when arriving at the profit for the year.

3.18 TAX EXPENSE

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognised directly in Equity or in Other Comprehensive Income.

3.18.1 CURRENT TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.18.2 DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that

date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the Statement of Profit or Loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax on dividend income from subsidiaries is recognised as an expense in the Consolidated Statement of Profit or Loss at the same time as the liability to pay the related dividend is recognised.

3.18.3 SALES TAX

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognised as a part of the cost of the asset or part of the expense items as applicable and receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4 GENERAL

4.1 EVENTS OCCURRING AFTER THE REPORTING DATE

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

4.2 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company 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.

4.3 SEGMENT REPORTING

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 Chairman and the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4.4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Management has assessed that the application of these standards and amendments do not have material impact on the financial statements of the Company and Group.

4.4.1 SLFRS 17 INSURANCE CONTRACTS

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2025, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

4.4.2 AMENDMENTS TO LKAS 8 - DEFINITION OF ACCOUNTING ESTIMATES

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

4.4.3 AMENDMENTS TO LKAS 12 - DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

4.4.4 AMENDMENTS TO LKAS 1 AND IFRS PRACTICE STATEMENT 2 - DISCLOSURE OF ACCOUNTING POLICIES

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

4.4.5 AMENDMENTS TO LKAS 1 - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify –

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

4.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements in conformity with SLFRS/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

4.5.1 PROVISION FOR EXPECTED CREDIT LOSSES OF TRADE RECEIVABLES

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

4.5.2 REVALUATION OF LAND AND BUILDINGS

The Group measures lands and buildings which are recognised as property, plant & equipment at revalued amount with change in value being recognised in the Statement of Other comprehensive income. The valuer has used valuation techniques such as open market value. Further details on Revaluation of land and buildings are disclosed in Note 12.2 to the Financial Statements.

4.5.3 FAIR VALUATION OF CONSUMABLE BIOLOGICAL ASSETS

The fair value of managed timber depends on number of factors that are determined on a discounted method using various financial and nonfinancial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets.

4.5.4 BEARER BIOLOGICAL ASSETS

A mature plantation is an area of land developed with crops such as tea and other crops which has been brought into bearing ready for commercial harvesting. Hence, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting which depends on growth of plants, weather patterns and soil condition. Therefore, immature to mature transfer require significant management judgment in determining the point at which a plant is deemed ready for commercial harvesting.

4.5.5 MEASUREMENT OF THE DEFINED BENEFIT OBLIGATIONS

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 26. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

4.5.6 TAXES

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.6 FAIR VALUE MEASUREMENT

The Group measures lands and buildings at fair value. Fair value related disclosures for financial and non-financial assets that are measured at fair value are summarized in the following notes:

- Lands and buildings under revaluation model - Note 12.2

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability
Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at a fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for recurring fair value measurement, such as land and buildings.

External valuers are involved for valuation of Lands and buildings. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

		Group		Company	
Year ended 31 March 2023		2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
		Rs.	Rs.	Rs.	Rs.
5	REVENUE				
	Revenue from contracts with customers	Note (5.1)	907,954,016	227,087,051	87,964,371
	Tourism development levy		(890,127)	(614,273)	(890,127)
	Turnover tax		(879,644)	(724,106)	(879,644)
			906,184,246	225,748,672	86,194,601
					59,525,389
5.1	Revenue from contracts with customers				
	Over time/period of stay				
	Room Revenue		54,945,108	35,488,192	44,178,825
					33,743,481
	At a point of time				
	Food and beverage income		46,545,931	27,407,749	43,785,546
	Tea and coffee sales income		800,908,066	164,191,111	-
	Spices sales income		5,554,911	-	-
	Total revenue		907,954,016	227,087,051	87,964,371
					60,863,768
Contract liabilities and its movement is disclosed in Note 28 to the financial statements.					
6	OTHER INCOME				
	Other hotel related income		1,178,830	627,343	1,178,830
	Rent income		1,986,338	418,587	-
	Dividends		-	12,438,000	-
	Other income		5,554,248	639,755	-
			8,719,416	14,123,686	1,178,830
					13,065,343
7	FINANCE COST				
	Interest expense on bank overdrafts		26,204,514	2,806,837	414,432
	Interest expense on leases		3,331,665	534,041	-
	Interest expense on borrowings		107,442,489	7,455,161	-
	Credit card commission		96,654	17,986	-
			137,075,322	10,814,025	414,432
					343,240
8	FINANCE INCOME				
	Interest income		4,353,248	750,365	93,637
	Foreign exchange gain on USD savings account		832,975	-	834,565
			5,186,223	750,365	928,202
					1,087,024

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

		Group		Company	
9	LOSS BEFORE TAX	2023	2022	2023	2022
	Stated after charging:	Rs.	Rs.	Rs.	Rs.
	Included in Cost of sales				
	Employee benefits				
	- Defined Contribution Plan costs - EPF & ETF	7,323,136	3,373,753	1,281,026	1,221,676
	- Defined Benefit Plan costs - Gratuity	361,867	629,000	361,867	629,000
	Included in Administrative expenses				
	Employee benefits				
	- Defined Benefit Plan costs - Gratuity	13,061,908	3,108,012	496,550	589,579
	- Defined Contribution Plan costs - EPF & ETF	3,544,149	2,632,986	2,329,049	1,918,629
	Depreciation	68,702,941	31,776,274	17,297,310	16,457,727
	Management fees	23,700,000	9,650,000	8,700,000	7,150,000
	Audit and Professional Fees	2,787,554	3,765,021	2,675,000	2,675,000
	Included in Marketing and Promotional expenses				
	Marketing and sales promotions	3,423,213	1,823,577	2,929,863	1,803,879

10	INCOME TAX EXPENSE	Group		Company	
	Statement of Profit & Loss	2023	2022	2023	2022
	Current Income Tax	Rs.	Rs.	Rs.	Rs.
	Current income tax charge (Note 10.1)	-	-	-	-
	Adjustments in respect of current income tax of previous year	(70,875)	-	-	-
	Written off of Economic Service Charge	-	396,373	-	396,373
		(70,875)	396,373	-	396,373
	Deferred Tax				
	Relating to origination and reversal of temporary differences (Note 10.2)	13,592,682	(211,782)	3,467,745	(6,698,641)
	Income Tax Expense reported in the statement of profit or loss	13,521,807	184,591	3,467,745	(6,302,268)
	Other Comprehensive Income				
	Deferred Tax related to items recognised in OCI during in year;				
	On actuarial gains and losses	114,314	229,766	114,314	229,766
	Deferred tax impact on revaluation gain	212,476,572		212,476,572	
	Deferred tax charged to OCI	212,590,886	229,766	212,590,886	229,766
	Total income tax expense reported in Statement of Profit or Loss and Other Comprehensive Income	226,112,694	414,357	216,058,631	(6,072,502)

10.1 A reconciliation of tax expense and the accounting profit multiplied by the statutory tax rate is as follows :

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Accounting loss before income tax expense	(398,331,412)	(76,798,918)	(61,021,871)	(41,700,434)
Accounting loss before acquisition through business combinations	-	(178,544,642)	-	-
Share of loss of equity accounted investees	22,857,619	2,127,504	-	-
Intra-group adjustments	60,560,867	43,798,535	-	-
Non deductible expenses for income tax purposes	195,627,800	66,627,651	18,521,617	18,092,678
Deductible expenses for income tax purposes	(67,051,638)	(82,502,201)	(8,414,590)	(9,439,897)
Other income categories	(2,068,159)	(2,398,707)	(233,137)	(1,087,024)
Business income	(188,404,925)	(227,690,778)	(51,147,981)	(34,134,677)
Tax losses utilized	-	-	-	-
Tax losses brought forward	815,834,935	59,281,469	93,418,197	59,281,469
Acquisition through business combinations	-	535,703,903	-	-
Adjustments to tax loss	(20,241,413)	2,051	-	2,051
Loss incurred during the year	188,404,925	220,847,511	51,147,981	34,134,677
Tax losses carried forward	938,998,447	815,834,935	144,566,178	93,418,197

10.2 Deferred tax assets and liabilities relates to the followings - Group

	2023		2022	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
Deferred tax liability				
Property, plant and equipment excluding revaluation	314,816,800	94,445,040	287,328,977	47,207,222
Revaluation of property, plant and equipment	759,898,978	227,969,693	111,481,684	15,607,436
	1,074,715,778	322,414,733	398,810,661	62,814,658
Deferred tax assets				
Employee benefit liability	(55,147,481)	(16,544,244)	(49,552,936)	(11,507,918)
Carried forward tax losses	(144,566,178)	(43,369,853)	(106,252,570)	(14,875,360)
	(199,713,660)	(59,914,098)	(155,805,505)	(26,383,278)
	875,002,119	262,500,636	243,005,155	36,431,381

A deferred tax asset amounting to Rs. 251,829,681/- has not been recognised in respect of tax losses amounting to Rs. 839,432,269/- which has resulted deferred tax asset as it is anticipated that the deferred tax asset will not realise in the foreseeable future.

Deferred Tax (Assets) / Liabilities	2023	2022
	Rs.	Rs.
Balance as at 01 April	36,431,381	36,969,401
Acquisition through business combinations	-	(556,004)
Deferred tax charge/ (reversal) - Statement of Profit or Loss	13,592,682	(211,782)
Deferred tax charge/ (reversal) - Statement of Other Comprehensive Income	212,476,572	229,766
Balance as at 31 March	262,500,636	36,431,381
Included in :		
Deferred tax asset	(17,151,585)	(10,489,373)
Deferred tax liability	279,652,221	46,920,754
	262,500,636	36,431,381

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

10.3 Deferred tax assets and liabilities relates to the followings - Company

	2023		2022	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
Deferred tax liability				
Property, plant and equipment excluding revaluation	209,717,529	62,915,259	217,528,638	30,454,009
Revaluation of property, plant and equipment	759,898,978	227,969,693	111,481,684	15,607,436
	969,616,507	290,884,952	329,010,322	46,061,445
Deferred tax assets				
Employee benefit liability	(3,567,517)	(1,070,255)	(4,896,848)	(685,559)
Carried forward tax losses	(144,566,178)	(43,369,853)	(106,252,570)	(14,875,360)
	(148,133,696)	(44,440,109)	(111,149,417)	(15,560,918)
	821,482,811	246,444,843	217,860,904	30,500,527
Deferred Tax (Assets) / Liabilities			2023	2022
			RS.	RS.
Balance as at 01 April			30,500,527	36,969,401
Deferred tax charge/ (reversal) - Statement of Profit or Loss			3,467,745	(6,698,641)
Deferred tax charge/ (reversal) - Statement of Other Comprehensive Income			212,476,572	229,766
Balance as at 31 March			246,444,843	30,500,527

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

11 EARNINGS/(LOSS) PER SHARE

11.1

Basic Earnings/(loss) Per Share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

11.2 The following reflects the income and share data used in the Basic Earnings/(Loss) Per Share computation.

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
		(Restated)		(Restated)
Amount Used as the Numerator:				
Loss attributable to Ordinary Shareholders for Basic Loss Per Share	(392,565,321)	(2,140,157,860)	(64,489,616)	(1,863,872,685)
	2023	2022	2023	2022
	Number	Number	Number	Number
Number of Ordinary Shares Used as Denominator:				
Weighted Average number of Ordinary Shares in issue	843,750,000	843,750,000	843,750,000	843,750,000
Loss Per Share	(0.47)	(2.54)	(0.08)	(2.21)

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

12	PROPERTY, PLANT AND EQUIPMENT - GROUP				
	Balance as at 01.04.2022	Additions	Disposals	Adjustment on revaluation	Balance as at 31.03.2023
Gross carrying amounts	Rs.	Rs.	Rs.	Rs.	Rs.
(Restated)					
At cost/valuation					
Lands	584,285,807	275,302,020	-	-	859,587,827
Buildings and building integrals	967,769,028	373,115,274	-	(98,387,098)	1,242,497,205
Plant and equipment	348,242,134	1,823,101	-	-	350,065,235
Water Supply and Sanitation	2,013,722	-	-	-	2,013,722
Field and Factory Equipment	2,799,760	-	-	-	2,799,760
Kitchen, hotel, sport and laundry equipment	19,870,243	147,985	-	-	20,018,228
Electrical equipment	10,653,677	9,250	-	-	10,662,927
Office equipment	5,770,504	-	-	-	5,770,504
Computer equipment & software	18,141,532	229,500	(265,000)	-	18,106,032
Furniture and fittings	40,108,478	537,800	-	-	40,646,278
Swimming pool	17,352,176	-	-	-	17,352,176
Satellite TV system	3,445,799	-	-	-	3,445,799
Sewerage treatment plant	4,572,485	-	-	-	4,572,485
Motor vehicles	45,701,443	-	-	-	45,701,443
Linen	9,063,716	-	-	-	9,063,716
Kitchen utensils	1,105,949	-	-	-	1,105,949
Cutlery and crockery	3,415,845	-	-	-	3,415,845
Road network	6,301,003	-	-	-	6,301,003
Total value of depreciable assets	2,090,613,298	651,164,930	(265,000)	(98,387,098)	2,643,126,131
Construction in progress					
Buildings	1,211,546,404	10,215,871	-	-	1,221,762,275
	1,211,546,404	10,215,871	-	-	1,221,762,275
Total	3,302,159,702	661,380,801	(265,000)	(98,387,098)	3,864,888,406

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

Depreciation	Balance as at 01.04.2022	Charge for the year	Disposals	Adjustment on revaluation	Balance as at 31.03.2023
	Rs.	Rs.	Rs.	Rs.	Rs.
(Restated)					
At cost/valuation					
Buildings and building integrals	116,732,408	29,720,028	-	(98,387,098)	48,065,339
Plant and equipment	98,335,717	21,601,219	-	-	119,936,936
Water Supply and Sanitation	2,000,505	13,217	-	-	2,013,722
Field and Factory Equipment	2,319,122	349,969	-	-	2,669,091
Kitchen, hotel, sport and laundry equipment	13,737,050	1,496,235	-	-	15,233,285
Electrical equipment	3,802,430	838,628	-	-	4,641,058
Office equipment	2,541,018	581,656	-	-	3,122,674
Computer equipment & software	17,211,753	507,004	(265,000)	-	17,453,757
Furniture and fittings	29,313,668	3,655,012	-	-	32,968,679
Swimming pool	15,257,028	735,218	-	-	15,992,245
Satellite TV system	2,678,334	752,775	-	-	3,431,109
Sewerage treatment plant	2,657,632	262,590	-	-	2,920,222
Motor vehicles	26,464,618	7,693,808	-	-	34,158,427
Linen	9,063,716	-	-	-	9,063,716
Kitchen utensils	968,587	37,511	-	-	1,006,098
Cutlery and crockery	3,272,826	143,019	-	-	3,415,845
Road network	2,507,854	315,052	-	-	2,822,905
Total depreciation	348,864,266	68,702,941	(265,000)	(98,387,098)	318,915,109

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

12	PROPERTY, PLANT AND EQUIPMENT - GROUP - (Contd.../-)	2023	2022
	Net book values	Rs.	Rs.
			(Restated)
	At cost/valuation		
	Freehold land	859,587,827	584,285,807
	Buildings and building integrals	1,194,431,866	851,036,620
	Plant and equipment	230,128,299	249,906,416
	Water supply and sanitation	-	13,217
	Field and Factory Equipment	130,669	480,638
	Kitchen, hotel, sport and laundry equipment	4,784,943	6,133,193
	Electrical equipment	6,021,868	6,851,246
	Office equipment	2,647,830	3,229,486
	Computer equipment & software	652,275	929,779
	Furniture and fittings	7,677,599	10,794,810
	Swimming pool	1,359,931	2,095,149
	Satellite TV system	14,690	767,465
	Sewerage treatment plant	1,652,263	1,914,853
	Motor vehicles	11,543,016	19,236,825
	Kitchen utensils	99,851	137,362
	Cutlery and crockery	-	143,019
	Road network	3,478,098	3793,149
	Total carrying amount of property, plant and equipment	2,324,211,023	1,741,749,034
	Construction in progress		
	Buildings	1,221,762,275	1,211,546,404
		1,221,762,275	1,211,546,404
	Total carrying amount of property, plant and equipment	3,545,973,298	2,953,295,438
12.1	During the financial year, the Company acquired Property, plant and equipment to the aggregate value of Rs. 12,963,507/- (2022 - Rs. 32,608,766/-), whereas full consideration was settled in cash during the same period.		
12.2	The fair value of freehold lands and buildings was determined by means of a revaluation for the financial year 2022/2023 by Mr. J. M. Senanayake Bandara and Mr. K. R. N. Jayawardena, Chartered Valuation Surveyors. The results of such revaluation were incorporated in these financial statements from its effective date which is 31 March 2023. The valuer has made reference to values based on market based evidence and income approach. Land and buildings acquired at acquisition of subsidiaries are stated at fair value at the acquisition date. Management has determine that the carrying value of the assets approximate the fair value as at 31 March 2023.		

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

12.2 Information on freehold land and buildings

Property	Valuer	Valuation Technique	Effective date of valuation	Value	Significant unobservable inputs
Land and buildings	Mr. J. M. Senanayake Bandara	Income method	31 March 2023	860,207,020	Occupancy ratio 60% - 70%, Tenant's share 30%
Land	Mr. K. R. N. Jayawardena	Open market value method	31 March 2023	95,000,000	Rs. 3.5Mn per Acre

The carrying amount of revalued assets that would have been included in the financial statements of the Company had the assets been carried at cost less depreciation is as follows:

	2023	2022
	RS.	RS.
Land	584,285,807	584,285,807
Buildings	967,769,028	967,769,028
	1,552,054,835	1,552,054,835
(-) Accumulated depreciation	(146,452,436)	(116,732,408)
Net book value as at 31 March 2023:	1,405,602,398	1,435,322,427

Fair value measurement hierarchy for assets as at 31 March 2023:

	Date of valuation	Total Rs. '000	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			Rs. '000	Rs. '000	Rs. '000
Assets measured at fair value:					
As at 31 March 2023					
Non Financial Assets					
Lands	31 March 2023	859,587,827	-	-	859,587,827
Buildings	31 March 2023	1,194,431,866	-	-	1,194,431,866
Non Financial assets as at 31 March 2023		2,054,019,693	-	-	2,054,019,693
As at 31 March 2022					
Non Financial Assets					
Lands	31 March 2019	584,285,807	-	-	584,285,807
Non Financial assets as at 31 March 2022		584,285,807	-	-	584,285,807

NOTES TO THE FINANCIAL STATEMENTS (CONTD....)

12 PROPERTY, PLANT AND EQUIPMENT - COMPANY - (Contd.../-)

Gross carrying amounts	Balance as at 01.04.2022	Additions/ Reval- uation	Disposal	Adjustment on reval- uation	Balance as at 31.03.2023
	Rs.	Rs.	Rs.	Rs.	Rs.
At cost/valuation					
Freehold land	114,525,000	275,302,020	-	-	389,827,020
Buildings and building integrals	290,651,823	373,115,274	-	(98,387,098)	565,380,000
Plant and equipment	31,997,537	-	-	-	31,997,537
Kitchen, hotel, sport and laundry equipment	16,417,852	91,389	-	-	16,509,241
Electrical equipment	3,777,073	550	-	-	3,777,623
Office equipment	1,065,218	-	-	-	1,065,218
Computer equipment & software	16,900,163	-	(265,000)	-	16,635,163
Furniture and fittings	33,370,444	537,800	-	-	33,908,244
Swimming pool	17,352,176	-	-	-	17,352,176
Satellite TV system	3,445,799	-	-	-	3,445,799
Sewerage treatment plant	4,572,485	-	-	-	4,572,485
Motor vehicles	4,082,314	-	-	-	4,082,314
Linen	7,472,416	-	-	-	7,472,416
Kitchen utensils	1,105,949	-	-	-	1,105,949
Cutlery and crockery	3,001,700	-	-	-	3,001,700
Road network	6,301,003	-	-	-	6,301,003
Total value of depreciable assets	556,038,952	649,047,033	(265,000)	(98,387,098)	1,106,433,888

Depreciation	Balance as at 01.04.2022	Charge for the year	Disposals	Adjustment on revaluation	Balance as at 31.03.2023
	Rs.	Rs.	Rs.	Rs.	Rs.
At cost/valuation					
Buildings and building integrals	92,646,378	5,740,720	-	(98,387,098)	-
Plant and equipment	24,491,441	2,588,168	-	-	27,079,609
Kitchen, hotel, sport and laundry equipment	12,380,467	1,419,757	-	-	13,800,224
Electrical equipment	2,895,161	362,622	-	-	3,257,783
Office equipment	856,365	84,876	-	-	941,241
Computer equipment & software	16,444,537	375,564	(265,000)	-	16,555,101
Furniture and fittings	26,187,916	2,979,445	-	-	29,167,361
Swimming pool	15,257,028	735,218	-	-	15,992,246
Satellite TV system	2,678,334	752,775	-	-	3,431,109
Sewerage treatment plant	2,657,632	262,590	-	-	2,920,222
Motor vehicles	2,582,316	1,499,998	-	-	4,082,314
Linen	7,472,416	-	-	-	7,472,416
Kitchen utensils	968,587	37,511	-	-	1,006,098
Cutlery and crockery	2,858,682	143,017	-	-	3,001,699
Road network	2,507,853	315,051	-	-	2,822,904
Total depreciation	212,885,113	17,297,312	(265,000)	(98,387,098)	131,530,327

NOTES TO THE FINANCIAL STATEMENTS (CONTD....)

12	PROPERTY, PLANT AND EQUIPMENT - COMPANY - (Contd.../-)	2023	2022
	Net book values	Rs.	Rs.
	At cost/valuation		
	Freehold land	389,827,020	114,525,000
	Buildings and building integrals	565,380,000	198,075,445
	Plant and equipment	4,917,928	7,506,096
	Kitchen, hotel, sport and laundry equipment	2,709,017	4,037,385
	Electrical equipment	519,839	881,911
	Office equipment	123,977	208,853
	Computer equipment & software	80,062	455,626
	Furniture and fittings	4,740,883	7,112,528
	Swimming pool	1,359,931	2,095,149
	Satellite TV system	14,690	767,465
	Sewerage treatment plant	1,652,263	1,914,853
	Motor vehicles	-	1,499,998
	Kitchen utensils	99,851	137,362
	Cutlery and crockery	-	143,018
	Road network	3,478,099	3,793,150
	Total carrying amount of property, plant and equipment	974,903,560	343,153,840

During the financial year, the Company acquired Property, plant and equipment to the aggregate value of Rs. 629,739/- (2022 - Rs.2,304,704/-), whereas full consideration was settled in cash during the same period.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

		Group		Company	
13	RIGHT OF USE ASSETS	2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
	Cost				
	Balance as at 01 of April	99,302,504	-	-	-
	Acquisition through business combinations	-	110,802,504	-	-
	Transferred to property, plant and equipment	-	(11,500,000)	-	-
	Balance as at 31 March	99,302,504	99,302,504	-	-
	Depreciation				
	Balance as at 01 of April	11,390,530	-	-	-
	Acquisition through business combinations	-	21,685,064	-	-
	Charge for the year	4,902,863	1,205,466	-	-
	Transferred to property, plant and equipment	-	(11,500,000)	-	-
	Balance as at 31 March	16,293,393	11,390,530	-	-
	Net book value	83,009,111	87,911,974	-	-

The Group has lease contracts with Hapugasthanna Plantations PLC and AMW Capital Leasing and Finance PLC for leased lands and motor vehicles.

13.1	Nature of the property	Company	Lessor	Lease Term	Annual rental
					2022
					Rs.
	Land	Suriyakanda Plantations (Private) Limited	Hapugasthanna Plantations PLC	2020 - 2046	2,000,000
	Motor vehicles	Suriyakanda Plantations (Private) Limited	AMW Capital Leasing and Finance PLC	2021 - 2026	153,142

13.2 Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	Lands	Motor Vehicles	Total
	Rs.	Rs.	Rs.
As at 01 April 2022	82,153,692	6,963,748	89,117,440
Depreciation expenses	1,563,400	3,339,463	4,902,863
As at 31 March 2023	83,717,092	10,303,211	94,020,303

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

13.3	The following are the amounts recognized in profit or loss in respect of ROU Assets:	2023	2022
		Rs.	Rs.
	Depreciation expense of right-of-use assets	4,902,863	1,205,466
	Interest expense on lease liabilities	3,331,666	534,041
	Total amount recognized in profit or loss	8,234,529	1,739,507

The Group had total cash outflows for leases of Rs. 9,094,019/- (2022 - Rs. 1,032,578/-) during the period. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 33.

ROU Assets are depreciated straight line basis over the remaining lease period of the assets.

14	INTANGIBLE ASSETS - GROUP	Software	License	2023	2022
		Rs.	Rs.	Rs.	Rs.
					(Restated)
Cost					
	Balance as at 01 of April	1,611,000	25,000,000	26,611,000	-
	Acquisition through business combinations	-	-	-	2,092,350,862
	(-) Adjustments to goodwill				(2,065,739,862)
	Additions	500,000	-	500,000	-
	Balance as at 31 March	2,111,000	25,000,000	27,111,000	26,611,000
Amortization					
	Balance as at 01 of April	644,400	-	644,400	-
	Acquisition through business combinations	-	-	-	644,400
	Charge for the year	395,117	-	395,117	-
	Balance as at 31 March	1,039,517	-	1,039,517	644,400
	Net book value	1,071,483	25,000,000	26,071,483	25,966,600

Goodwill is restated and does not correspond to the figure in 2021/2022 financial statements since adjustments to the final valuation of acquisition were made as detailed in note 17.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

		Group		Company	
15	BIOLOGICAL ASSETS	2023	2022	2023	2022
15.1	Bearer Biological Assets	Rs.	Rs.	Rs.	Rs.
	Balance as at 01st of April	917,948,067			
	Acquisition through business combinations	-	925,097,817	-	-
	Additions	33,000,000	-	-	-
	Amortization	(33,996,943)	(7,149,750)	-	-
	Balance as at 31 March	916,951,124	917,948,067	-	-
15.2	Consumable Biological Assets				
	Balance as at 01 of April	276,535,716	-	-	-
	Acquisition through business combinations	-	276,535,716	-	-
	Balance as at 31 March	276,535,716	276,535,716	-	-
	Total biological assets	1,193,486,841	1,194,483,783	-	-

Consumable biological assets are at fair values measured at acquisition of subsidiaries on 31 January 2022. Management has determined that the carrying value of the assets approximate the fair value as at 31 March 2023.

16	INVESTMENT PROPERTIES	Group		Company	
		2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
	Balance as at 01 of April	2,370,907	-	-	-
	Acquisition through business combinations	-	2,370,907	-	-
	Charge for the year	(221,905)	-	-	-
	Balance as at 31 March	2,149,002	2,370,907	-	-
	Rental income	1,986,338	418,587		
		1,986,338	418,587	-	-

The property is the estate superintendent's bungalow of Suriyakanda Plantations (Private) Limited which has been converted to a holiday villa and hire for leisure operations.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

17 INVESTMENTS

17.1 Investment in Subsidiaries

	Holding	Amount	Amount
Non-quoted	%	Rs.	Rs.
		2023	2022
Amunumulla Suhada Electricity Generation Company (private) Limited	100%	35,000,000	35,000,000
Boulder Gardens (Private) Limited	90%	766,244,000	766,244,000
Hunas Properties (Private) Limited	100%	162,500,000	162,500,000
Rainforest Hotels (Private) Limited	90%	135,000,000	135,000,000
Rainforest Tea Factory (Private) Limited	90%	730,358,000	730,358,000
Sustainable Energy Holdings (Private) limited	100%	322,108,000	322,108,000
Suriyakanda Plantations (Private) Limited	100%	1,678,201,000	1,678,201,000
Hunas Falls Hotels (Private) Limited	100%	1,000	-
		3,829,412,000	3,829,411,000
(-) Impact of adjustments		(1,828,474,519)	(1,828,474,519)
		2,000,937,481	2,000,936,481

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, Investments in subsidiaries are carried at cost less any accumulated impairment losses.

17.1.1. Acquisitions in 2021/2022

On 31 January 2022, the Company acquired 100% of the equity interest of Suriyakanda Plantations (Private) Limited, Hunas Properties (Private) Limited, Amunumulla Suhada Electricity Generation Company (private) Limited, Sustainable Energy Holdings (Private) Limited and 90% of the equity interest of Rainforest Tea Factory (Private) Limited, Boulder Gardens (Private) Limited and Rainforest Hotels (Private) Limited. The parent company of Hunas Holdings PLC infused capital through equity in the form of shares which parent company owns in other companies to the company with the intention of augment the asset position of the company.

The Group elected to measure the non-controlling interest at fair value.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

The fair value of the identifiable assets and liabilities as at the date of acquisition were:

	Fair value recognised on acquisition
	Rs.
Assets	
Property, plant and equipment	3,763,358,632
Intangible assets	60,966,600
Right of Use Assets	82,153,692
Bearer Biological Assets	1,400,801,032
Consumable Biological Assets	431,698,853
Investment Property	2,592,812
Other non current assets	29,680,369
Inventories	117,689,173
Trade and other receivables	5,572,283
Other current assets	188,165,448
Cash and cash equivalents	10,953,670
Liabilities	
Interest bearing loans and borrowings	(886,846,308)
Other non current liabilities	(12,085,378)
Retirement Benefit Obligations	(40,270,116)
Trade and other payables	(86,772,197)
Other current liabilities	(1,368,927,009)
Bank Overdraft	(52,105,158)
Net identifiable assets and liabilities	3,646,626,400
Non-controlling interest measured at fair value	
Goodwill arising on acquisition	148,599,737
Gain on bargain purchase	340,380,817
	(8,995,480)
Purchase consideration transferred	3,829,412,000
Net cash acquired with the subsidiary	
Net cash flow on acquisition	(39,998,222)
	(39,998,222)

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

17 INVESTMENTS - (Contd.../-)

The net assets recognised in the 31 March 2022 financial statements were based on a provisional assessment of their fair value in accordance with SLFRS 3. Final allocation of purchase price was not finalized by the date the 2021/2022 financial statements were approved for issue by the Board of Directors.

In January 2023 allocation of purchase price was completed and the acquisition date fair values of assets are as follows.

	Provisional Valuation	Finalized valuation	Impact of adjustmet for finalized valuation
	Rs.	Rs.	Rs.
Lands	840,000,000	445,978,567	394,021,433
Intangible assets	60,000,000	25,000,000	35,000,000
Buildings	1,184,139,389	653,922,246	530,217,143
Biological assets	1,860,935,787	1,230,069,435	630,866,352
Motor vehicles	41,125,000	18,769,129	22,355,871
Plant & machinery	381,975,159	235,880,289	146,094,870
Property, plant & equipment - work in progress	1,274,198,849	1,204,280,000	69,918,849
			1,828,474,519

The 2021/2022 comparative information was restated to reflect the adjustment to the provisional amounts in accordance with the valuation report obtained from Mr. J. M. Senanayake Bandara, Chartered Valuation Surveyor adopted by the board of directors on 30 May 2023. As a result, there was an decrease in the non-controlling interest of Rs. 93,610,184/-. There was also a corresponding reduction in goodwill of Rs. 2,065,739,862/-. The decreased depreciation charge on the assets from the acquisition date to 31 March 2022 was Rs. 9,669,601/-.

From the date of acquisition, subsidiaries contributed Rs. 1,072Mn of revenue and Rs. 320Mn of loss before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year 2021/2022, the Group's revenue from continuing operations would have been Rs. 1,591Mn and the loss before tax from continuing operations would have been Rs. 428Mn.

Impairment of Investment in Subsidiary

Based on the final valuation, it was evident to adjust an amount of Rs. 1,828,474,519/- against investments in Suriyakanda Plantations (Private) Limited, Hunas Properties (Private) Limited, Amunumulla Suhada Electricity Generation Company (private) Limited, Sustainable Energy Holdings (Private) Limited, Rainforest Tea Factory (Private) Limited, Rainforest Hotels (Private) Limited and Boulder Gardens (Private) Limited.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

17.2 Investment in equity account investees	Holding %	Amount (Rs.)	Holding %	Amount (Rs.)
	2023	2023	2022	2022
Weswin Power Galaha (Private) Limited	20%	15,810,000	20%	15,810,000
Mercantile Produce Brokers (Private) Limited	20%	281,087,000	20%	281,087,000
Eratne Power Company (Private) Limited	30%	37,006,000	30%	37,006,000
		333,903,000		333,903,000

17.2.1 Summarised financial information of equity accounted investees which has not been adjusted for the Group's share:

	Weswin Power Galaha (Private) Limited		Mercantile Produce Brokers (Private) Limited		Eratne Power Company (Private) Limited	
	2023	2022	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Current Assets	34,758,246	36,128,495	4,898,796,981	4,513,479,747	49,126,176	49,368,886
Non-current Assets	45,049,918	52,625,484	994,806,263	957,330,075	193,510,249	205,788,862
Current Liabilities	(8,683,336)	(22,579,754)	(4,877,361,052)	(979,205,757)	(21,180,976)	(41,570,180)
Non-current Liabilities	(17,621,791)	(17,317,089)	(277,974,290)	(3,632,891,581)	(31,833,897)	(24,973,070)
Equity	(53,503,037)	(48,857,136)	(738,267,903)	(858,712,484)	(189,621,552)	(188,614,498)
Group's share in equity – 20%, 20% and 30%	(2,979,379)	(3,908,559)	(11,428,105)	12,660,810	(10,577,639)	(10,879,756)
Revenue from contracts with customers	20,097,516	(33,377,670)	562,775,137	68,413,404	30,848,094	1,251,539
Profit after tax	4,645,900	(5,352,796)	(85,187,088)	(7,194,115)	1,007,054	(4,265,852)
Total comprehensive income	-	-	(35,257,487)	70,498,167	-	-
	4,645,900	(5,352,796)	(120,444,575)	63,304,052	1,007,054	(4,265,852)
Group's share of profit for the year	929,180	(1,070,559)	(24,088,915)	12,660,810	302,116	(1,279,756)
Dividends	-	(2,838,000)	-	-	-	(9,600,000)

The Company has neither contingent liabilities nor capital commitments in respect of it's equity accounted investees

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

	Weswin Power Galaha (Private) Limited		Mercantile Produce Brokers (Private) Limited		Eratne Power Company (Private) Limited		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Investment in equity account investees	15,810,000	15,810,000	281,087,000	281,087,000	37,006,000	37,006,000	333,903,000	333,903,000
Group's share in equity	(2,979,379)	(3,908,559)	(11,428,105)	12,660,810	(10,577,639)	(10,879,756)	(24,985,123)	(2,127,504)
	12,830,621	11,901,441	269,658,895	293,747,810	26,428,361	26,126,244	308,917,877	331,775,496

17.3 Investment in non- listed equity shares	Holding %	Amount (Rs.)	Holding %	Amount (Rs.)
	2023	2023	2022	2022
Kuruganga Hydro (Private) Limited	19%	90,759,000	19%	90,759,000
		90,759,000		90,759,000

The value are at fair value measured at the acquired date. There were no gains or losses recognised in profit or loss or in OCI.

18 INVENTORIES	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Food and beverages	7,173,668	3,443,269	993,137	3,443,269
Growing crop nursery	3,233,622	2,834,622	-	-
Produced inventories	9,527,952	29,637,491	-	-
General inventories	7,792,519	8,504,641	721,428	1,733,979
Processed tea	-	57,691,570	-	-
Firewoods	755,517	248,856	-	-
Packing materials	605,033	59,497	-	-
Other	32,126	-	-	-
	29,120,437	102,419,946	1,714,565	5,177,248

19 TRADE AND OTHER RECEIVABLES	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Trade Receivable - Related parties	2,574,157	-	2,574,157	-
- Others	9,271,343	8,282,360	372,131	3,398,578
	11,845,500	8,282,360	2,946,288	3,398,578
Deposits	469,778	369,778	369,778	369,778
Other receivables	4,533,007	14,042,845	2,849,590	12,438,000
Staff loans	17,000	15,000	-	-
	16,865,285	22,709,983	6,165,656	16,206,356

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

Group	Total	Neither Past due nor im-paired	Past due but not impaired			
			31-60 days	61-90 days	91-120 days	120 < days
2023	11,845,500	4,650,475	1,844,441	1,601,362	1,278,614	2,470,608
2022	8,282,360	1,529,199	616,342	191,886	525,893	5,419,040

Company	Total	Neither Past due nor im-paired	Past due but not impaired			
			31-60 days	61-90 days	91-120 days	120 < days
2023	2,946,288	54,000	60,000	83,400	337,080	2,411,808
2022	3,398,578	1,978,351	318,404	100,000	350,419	651,403

Trade and other receivables are non-interest bearing and are generally on terms of 30 days.

20 RELATED PARTY TRANSACTIONS

		Group		Company	
20.1	Amounts due from related parties- Current	2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
	Relationship				
	Serenity Lake Leisure (Private) Limited Parent	116,449,924	40,000,000	116,449,924	40,000,000
	Mercantile Leisure (Private) Limited Affiliate Company	68,212	132,809	-	-
	Hunas Falls Hotels (Pvt) Ltd Subsidiary	-	-	24,000	-
	Samantha Bandara Dodanwala Director	100	-	-	-
		116,518,236	40,132,809	116,473,924	40,000,000
20.2	Amounts due to related parties				
	Relationship				
	TAD Lanka Holdings (Private) Limited Ultimate parent	1,057,472,764	880,941,272	77,133,919	52,378,302
	TAD Lanka Power (Private) Limited Affiliate Company	16,970	16,970	-	-
	Mercantile Produce Brokers (Private) Limited Associate	401,903,912	354,796,707	-	-
	TAD Lanka Plantations (Private) Limited Affiliate Company	15,879,456	5,929,456	-	-
	TAD Lanka Investments (Private) Limited Affiliate Company	16,287,996	16,200,369	-	-
	Ms. Sujivie Irugalbandara Director	1,609,000	1,609,000	-	-
		1,493,170,098	1,259,493,774	77,133,919	52,378,302

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

		Group		Company	
		2023	2022	2023	2022
21	CURRENT FINANCIAL ASSETS	Rs.	Rs.	Rs.	Rs.
	Investments in fixed deposits	49,231,628	22,057,299	-	-
		49,231,628	22,057,299	-	-
22	CASH AND CASH EQUIVALENTS				
	Components of cash and Cash equivalents				
22.1	Favourable Cash & Cash Equivalents				
	Cash at bank and in hand	9,823,222	44,184,279	6,369,697	7,300,370
		9,823,222	44,184,279	6,369,697	7,300,370
22.2	Unfavourable Cash & Cash Equivalents				
	Cash at bank	(27,862,866)	(71,111,737)	(3,507,672)	(7,277,363)
	Total Cash and cash equivalents for the purpose of Statement of Cash Flows	(18,039,644)	(26,927,458)	2,862,026	23,007
23	STATED CAPITAL	2023		2022	
		Number	Rs.	Number	Rs.
23.1	Fully paid Ordinary Shares	843,750,000	4,336,573,000	5,625,000	82,500,000
	Infusion of share capital	-	-	-	4,254,073,000
	Split of shares	-	-	838,125,000	-
		843,750,000	4,336,573,000	843,750,000	4,336,573,000
24	RESERVES	Group		Company	
		2023	2022	2023	2022
24.1	Revaluation Reserve	Rs.	Rs.	Rs.	Rs.
	As at 01 April	95,874,248	95,874,248	95,874,248	95,874,248
	Deferred tax impact on revaluation gain	648,417,294	-	648,417,294	-
	Deferred tax impact on revaluation gain	(194,525,188)	-	(194,525,188)	-
	Effect of income tax rate change on revaluation reserve	(17,837,069)	-	(17,837,069)	-
	As at 31 March	531,929,285	95,874,248	531,929,285	95,874,248

24.2 The above revaluation surplus consists of net surplus resulting from the revaluation of Land and buildings as described in Note 12.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

25	INTEREST BEARING LOANS AND BORROWINGS		2023	2022	
25.1	GROUP		Rs.	Rs.	
	Current interest bearing loans and borrowings				
	Bank Loans	(Note 25.1.1)	229,315,664	166,807,305	
	Lease Liabilities	(Note 25.1.2)	5,073,528	5,765,030	
	Bank Overdrafts		27,862,866	71,111,737	
			262,252,058	243,684,072	
	Non current interest bearing loans and borrowings				
	Bank Loans	(Note 25.1.1)	743,473,274	784,549,382	
	Lease Liabilities	(Note 25.1.2)	70,680,950	75,751,801	
			814,154,224	860,301,183	
			1,076,406,282	1,103,985,255	
25.1.1	Bank Loans				
	Balance as at 01 April		951,356,687	115,946,448	
	Acquisition through business combinations		-	804,830,940	
	Loan obtained/ Interest capitalized		156,335,189	30,712,633	
	Repayments		(134,902,938)	(133,334)	
	Balance as at 31 March		972,788,938	951,356,687	
	Current		229,315,664	166,807,305	
	Non-Current		743,473,274	784,549,382	
			972,788,938	951,356,687	
25.1.2	Lease Liabilities	Motor vehicle	Land	2023	2022
		Rs.	Rs.	Rs.	Rs.
	Balance as at 01 April	5,721,580	75,795,251	81,516,831	-
	Acquisition through business combinations	-	-	-	82,015,368
	Capital Payments	(1,232,332)	(4,530,021)	(5,762,353)	(498,537)
	Balance as at 31 March	4,489,248	71,265,230	75,754,478	81,516,831
	Lease Payments				
	Gross Payments	1,837,801	7,256,218	9,094,019	1,032,578
	Interest expense recognized as finance expense	(605,469)	(2,726,197)	(3,331,666)	(534,041)
	Capital Payments	1,232,332	4,530,021	5,762,353	498,537
	Current	743,063	4,330,465	5,073,528	5,765,030
	Non-Current	3,746,185	66,934,765	70,680,950	75,751,801
		4,489,248	71,265,230	75,754,478	81,516,831

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

25.1.3	Maturity analysis	Current - within 1 year	Non-Current - between 1 and 5 years	Non-Current - more than 5 years	Total	Total
					2023	2022
		Rs.	Rs.	Rs.	Rs.	Rs.
	Gross lease liability	9,641,340	42,093,253	493,537,416	545,272,010	554,366,028
	Interest in suspense	(3,923,791)	(23,088,418)	(442,505,323)	(469,517,532)	(472,849,197)
	Net lease liability	5,717,548	19,004,836	51,032,094	75,754,478	81,516,831
	Bank financing	112,865,740	859,923,198	-	972,788,938	951,356,687
	Bank overdrafts	27,862,866	-	-	27,862,866	71,111,737
		152,163,703	897,932,869	102,064,188	1,152,160,760	1,185,502,086

25.2	COMPANY	2023	2022
		Rs.	Rs.
	Current interest bearing loans and borrowings		
	Bank Overdrafts	3,507,672	7,277,363
	Bank Loans (Note 25.2.1)	116,449,924	19,518,756
		119,957,596	26,796,119
	Non current interest bearing loans and borrowings		
	Bank Loans (Note 25.2.1)	-	103,304,526
		-	103,304,526
25.2.1	Bank Loans		
	Balance as at 01 April	122,823,282	115,946,448
	New loan obtained/Interest capitalized	18,626,642	10,129,957
	Repayments	(25,000,000)	(3,253,123)
	Balance as at 31 March	116,449,924	122,823,282
	Current	116,449,924	19,518,756
	Non-Current	-	103,304,526
		116,449,924	122,823,282

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

25.3 Terms and Conditions of the Loans

Company	Lending Institution	2023 Rs.	Interest rate	Repayment terms	Security
Hunas Holdings PLC	Merchant Bank of Sri Lanka & Finance PLC	116,449,924	14.5% per annum	Repayment in 18 months with 06 months grace period	Land and Buildings of Hunas Holdings PLC
Rainforest Tea Factory (Private) Limited	Sampath Bank PLC	122,188,000	15.5% per annum	Repayment in 54 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
	Sampath Bank PLC	2,270,000	15.5% per annum	Repayment in 60 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
	Sampath Bank PLC	6,430,418	5.8% per annum	Repayment in 54 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
	Sampath Bank PLC - Moratorium loans	108,435,771	5.8% per annum	Repayment in 23 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
Sustainable Energy Holdings (Private) Limited	Bank of Ceylon	614,564,856	AWPLR+2.5% per annum	Repayment in 113 months inclusive grace period of 30 months from the date of first disbursement	Land and Buildings of Sustainable Energy Holdings (Private) Limited including plant, machinery and other equipment

As per the agreement entered in to with TAD Lanka Holdings (Pvt) Ltd. (Ultimate Parent entity of Hunas Holdings PLC), the loan proceeds obtained by Hunas Holdings PLC has been directly received by cash to Serenity Lake Leisure (Pvt) Ltd and has been utilized by the same party for overall working capital management of the Group. Accordingly, all the loan servicing including capital and interest payments are born by Serenity Lake Leisure (Pvt) Ltd.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

26	EMPLOYEE BENEFIT LIABILITY	Group		Company	
		2023	2022	2023	2022
26.1	Defined Benefit Obligation	Rs.	Rs.	Rs.	Rs.
Changes in the present value of the defined benefit obligation are as follows:					
	Balance as at 1 April	48,058,331	7,484,258	4,896,848	7,484,258
	Acquisition through business combinations	-	40,270,116	-	-
	Current service cost	12,903,218	3,511,204	337,860	619,837
	Interest cost	685,559	598,740	685,559	598,740
	Actuarial (gain)/ loss	(381,048)	(1,641,188)	(381,048)	(1,641,188)
	Benefit paid	(3,670,740)	(2,164,800)	(1,971,700)	(2,164,800)
	Balance as at 31 March	57,595,320	48,058,331	3,567,517	4,896,848
The expenses are recognized in the following line items in the statement of profit and loss and other comprehensive income					
	Cost of Sales	361,867	629,000	361,867	629,000
	Administrative Expenses	13,226,910	3,480,945	496,550	589,579
	Other Comprehensive Income	(381,048)	(1,641,188)	(381,048)	(1,641,188)
		13,207,729	2,468,757	477,369	(422,609)
26.2	Messrs. Acturial & Management Consultants (Pvt) Ltd, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2023. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:				
26.3	Principal actuarial assumptions				
—————The principal financial assumptions underlying the above valuation are as follows;					
		Group		Company	
		2023	2022	2023	2022
	Discount rate	18% p.a	14% - 15% p.a	18% p.a	14% p.a
	Salary increment rate	15% p.a	12% p.a	15% p.a	12% p.a
	Average remaining working life (Years)	12 - 3	9.5 - 3	3	3

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

26.4	Sensitivity of the principal assumptions used	Expected Future Salaries		Discount Rate	
		1% increase	1% decrease	1% increase	1% decrease
		Rs.	Rs.	Rs.	Rs.
Group					
	Change in Present Value of Defined Benefit Obligation	3,133,497	(2,867,802)	(2,578,207)	2,856,561
Company					
	Change in Present Value of Defined Benefit Obligation	120,512	(115,116)	(96,618)	102,618
		Group		Company	
26.5	Maturity analysis of the payments	2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
	Within the next 12 months	9,024,480	11,096,781	946,567	1,294,060
	Between 1 to 5 years	17,648,223	15,620,688	1,953,259	3,128,761
	Between 5 to 10 years	30,922,617	21,340,861	667,691	474,025
		57,595,320	48,058,331	3,567,517	4,896,847
		Group		Company	
27	TRADE AND OTHER PAYABLES	2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
	Trade payables	26,226,704	71,659,829	11,189,298	24,974,864
	Other payables	53,559,858	21,343,857	4,562,977	500,715
	Unclaimed dividends	281,805	253,749	281,805	253,749
	Sundry creditors including accrued expenses	58,198,854	30,061,419	33,564,812	11,118,655
		138,267,222	123,318,854	49,598,892	36,847,983
28	CONTRACT LIABILITIES				
	Reservation advances (Note 28.1)	4,518,594	8,147,489	4,518,594	8,147,489
28.1	Reservation advances			2023	2022
				Rs.	Rs.
	Opening balance			8,147,489	4,016,943
	Advance received during the year			49,285,983	32,113,300
	Setoff against the receivables			(52,914,878)	(27,982,754)
	Closing balance			4,518,594	8,147,489

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

29 COMMITMENTS AND CONTINGENCIES

29.1 Capital Expenditure Commitments

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. Nil/- (2022 - Rs. Nil).

29.2 Contingent Liabilities

There are no significant contingencies as at the reporting date.

30 ASSETS PLEDGED

The following assets have been pledged as securities as at reporting date.

Company	Nature of assets pledged	Nature of liability	Carrying amount pledged (Rs.)	Included under
Hunas Holdings PLC	Land and buildings	Refer Note 25.3	955,207,020	Property, plant & equipment
Rainforest Tea Factory (Private) Limited	Land and buildings	Refer Note 25.3	452,596,662	Property, plant & equipment
Sustainable Energy Holdings (Private) Limited	Land and buildings including including plant, machinery and other equipment	Refer Note 25.3	1,204,280,000	Property, plant & equipment

31 EVENTS OCCURRING AFTER THE REPORTING DATE

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

32 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

32.1 Transactions with Key Management Personnel of the Company and Parent

The key management personnel of the Company are the members of its Board of Directors and that of its parent.

a) Key Management Personnel Compensation	2023		2023		2022	
	Rs.		Rs.		Rs.	
Director emoluments						
- Group	Ultimate parent company		Ultimate parent company		Total	
	2023	2022	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April	(875,119,600)	(23,528,607)	162,823,282	155,946,448	(1,921,672)	(1,094,928,682)
Acquisition through business combinations	-	(984,187,993)	-	-	(228,527,084)	-
Loan Capitalize & interest Payable	-	-	(6,373,358)	6,876,834	-	(6,373,358)
Net fund transfers	(182,253,164)	132,597,000	-	-	(51,387,657)	(152,183,609)
As at 31 March	(1,057,472,764)	(875,119,600)	156,449,924	162,823,282	(382,632,365)	(1,335,042,862)
Included in:						
Amounts due from related parties - non current	-	-	40,000,000	122,823,282	-	116,449,924
Amounts due from related parties - current	-	-	116,449,924	40,000,000	68,312	132,809
Amounts due to related parties	(1,057,472,764)	(875,119,600)	-	-	(434,088,334)	(382,765,174)
	(1,057,472,764)	(875,119,600)	156,449,924	162,823,282	(382,632,365)	(1,335,042,862)

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

32 RELATED PARTY DISCLOSURES

32.2 Other Related Party disclosures

Transactions with ultimate parent, Parent and other related companies are as follows;

- Company	Ultimate parent company		Parent company		Affiliate companies		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April	(52,378,302)	(23,528,607)	162,823,282	155,946,448	-	-	110,444,981	132,417,841
Loan Capitalize & interest Payable	-	-	(6,373,358)	6,876,834	-	-	(6,373,358)	6,876,834
Net fund transfers	(24,755,617)	(28,849,694)	-	-	24,000	-	(24,731,617)	(28,849,694)
As at 31 March	(77,133,919)	(52,378,302)	156,449,924	162,823,282	24,000	-	79,340,006	110,444,981
Included in:								
Amounts due from related parties - non current	-	-	40,000,000	122,823,282	-	-	40,000,000	122,823,282
Amounts due from related parties - current	-	-	116,449,924	40,000,000	24,000	-	116,473,924	40,000,000
Amounts due to related parties	(77,133,919)	(52,378,302)	-	-	-	-	(77,133,919)	(52,378,302)
	(77,133,919)	(52,378,302)	156,449,924	162,823,282	24,000	-	79,340,006	110,444,981

No other material transactions have taken place during the year with the parties/entities in which Key Management Personnel or their Close Family Members have control, joint control or significant influence, which require to disclosure in these Financial Statements other than those disclosed above.

Ultimate parent company: TAD Lanka Holdings (Pvt) Ltd

Parent company: Serenity Lake Leisure (Pvt) Ltd

Affiliate companies: Mercantile Leisure (Private) Limited, TAD Lanka Power (Private) Limited, Mercantile Produce Brokers (Private) Limited, TAD Lanka Plantations (Private) Limited and TAD Lanka Investments (Private) Limited, Hunas Falls Hotels (Private) Limited.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of trade and other payables, bank overdrafts and borrowings. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables and cash and cash equivalents as financial assets that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by the senior management of the parent entity that advises on financial risks and the appropriate financial risk governance framework for the Group who provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

33.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market prices mainly comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include bank overdrafts.

The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 2023.

33.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is minimal as the Group's external borrowings are limited to bank overdrafts and borrowings.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings, With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Change basis points	Effect on Profit before tax	
		Group	Company
2023	+/- 200	16,866,248	28,582
2022	+/- 200	11,877,303	366,912

33.1.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

Foreign currency sensitivity:

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on Profit before tax	
		Group	Company
2023	+/- 5%	19,916,571	3,224,481
2022	+/- 5%	3,849,175	1,769,908

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

33.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk mainly from its operating activities (primarily for trade receivables).

Credit risk exposure:

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions of the Group.

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Trade and other receivables	16,865,285	22,709,983	6,165,656	16,206,356
Amounts due from related parties	116,518,236	40,132,809	116,473,924	40,000,000
Cash and bank balances	9,823,222	44,184,279	6,369,697	7,300,370
	143,206,743	107,027,071	129,009,277	63,506,726

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix (simplified approach) to measure expected credit losses. The Group has received all the dues within agreed credit period in the past without any delays. The management also considered the local and global economic indicators and the results of negotiations and subsequent cash receipts in determining the provision for impairment.

Amounts due from/to related parties

The Group's amounts due from/to related parties mainly consist of the balances from affiliate companies and parent.

Cash and cash equivalents

In order to mitigate settlement and operational risks related to cash and cash equivalents, the Group uses several banks with acceptable ratings. The Group does not hold any short term deposits in banks.

33.3 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and profitability through the use equity funds and borrowings. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (Contd.../-)

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Group	On demand	Less than 3 months	3 to 12 months	After one year	Total
Year ended 31 March 2023	Rs.	Rs.	Rs.	Rs.	Rs.
Long term loans	-	-	229,315,664	743,473,274	972,788,938
Lease liabilities	-	1,268,382	3,805,146	70,680,950	75,754,478
Trade and other payables	-	26,226,704	112,040,518	-	138,267,222
Bank overdraft	27,862,866	-	-	-	27,862,866
	27,862,866	27,495,086	345,161,328	814,154,224	1,214,673,504
Group	On demand	Less than 3 months	3 to 12 months	After one year	Total
Year ended 31 March 2022	Rs.	Rs.	Rs.	Rs.	Rs.
Long term loans	-	-	166,807,305	784,549,382	951,356,687
Lease liabilities	-	-	5,765,030	75,751,801	81,516,831
Trade and other payables	-	71,659,829	51,659,026	-	123,318,855
Bank overdraft	71,111,737	-	-	-	71,111,737
	71,111,737	71,659,829	224,231,361	860,301,183	1,227,304,110
Company	On demand	Less than 3 months	3 to 12 months	After one year	Total
Year ended 31 March 2023	Rs.	Rs.	Rs.	Rs.	Rs.
Long term loans	-	-	116,449,924	-	116,449,924
Trade and other payables	-	11,189,298	38,409,594	-	49,598,892
Bank overdraft	3,507,672	-	-	-	3,507,672
	3,507,672	11,189,298	154,859,518	-	169,556,488
Year ended 31 March 2022	On demand	Less than 3 months	3 to 12 months	After one year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Long term loans	-	-	-	122,823,282	122,823,282
Trade and other payables	-	24,974,864	11,873,119	-	36,847,983
Bank overdraft	7,277,363	-	-	-	7,277,363
	7,277,363	24,974,864	11,873,119	122,823,282	166,948,629

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (Contd.../-)

Capital Management

Capital includes equity attributable to the equity holders.

The primary objective of the Group capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio at a minimum level. Net debt comprised of interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

		Group		Company	
		2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
Interest bearing loans and borrowings	(Note 33)	1,076,406,282	1,103,985,255	119,957,596	130,100,645
Trade and other payables	(Note 33)	138,267,222	123,318,855	49,598,892	36,847,983
Less: Cash and cash equivalents	(Note 33)	(9,823,222)	(44,184,279)	(6,369,697)	(7,300,370)
Net debt		1,204,850,282	1,183,119,831	163,186,791	159,648,258
Equity		2,500,424,555	2,475,956,005	3,071,484,981	2,699,652,827
Total capital		2,500,424,555	2,475,956,005	3,071,484,981	2,699,652,827
Capital and net debt		3,705,274,836	3,659,075,836	3,234,671,772	2,859,301,085
Gearing ratio		33%	32%	5%	6%

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

34	SEGMENT INFORMATION	2023						2022					
		Mini hydro power	Plantation	Real estate	Leisure	Total		Mini hydro power	Plantation	Real estate	Leisure	Total	
		Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Property, plant and equipment	1,237,354,181	741,109,414	102,310,625	1,465,199,079	3,545,973,299		1,228,560,289	780,733,953	102,310,625	841,990,570	2,953,295,437	
	Intangible assets	25,000,000	1,071,483	-	-	26,071,483		25,000,000	966,600	-	-	25,966,600	
	Right of use assets	-	83,009,111	-	-	83,009,111		-	87,911,974	-	-	87,911,974	
	Biological assets	-	1,193,486,841	-	-	1,193,486,841		-	1,194,483,783	-	-	1,194,483,783	
	Investment property	-	2,149,002	-	-	2,149,002		-	2,370,907	-	-	2,370,907	
	Investment in associates	-	-	-	-	308,917,877		-	-	-	-	331,775,496	
	Other non-current assets	-	17,151,585	-	40,000,000	57,151,585		-	10,489,373	-	122,823,282	133,312,655	
	Investment in non-listed equity shares	-	-	-	-	90,759,000		-	-	-	-	90,759,000	
	Total non-current assets					5,307,518,197						4,819,875,853	
	Inventories	-	27,122,140	-	1,998,298	29,120,437		-	97,069,635	-	5,350,311	102,419,947	
	Advances & Deposits	1,453,150	12,773,270	-	6,348,288	20,574,708		695,264	6,287,634	200	6,918,224	13,901,322	
	Trade and other receivables	-	8,626,918	-	8,238,367	16,865,285		-	5,122,286	-	17,587,697	22,709,983	
	Other current assets	24,916,889	24,385,713	-	116,829,839	166,132,441		-	13,134,115	-	49,654,961	62,789,076	
	Cash and cash equivalents	650,914	2,353,800	96,922	6,721,587	9,823,222		24,375,284	11,676,135	71,250	8,061,610	44,184,279	
	Total current assets					242,516,093						246,004,607	
	Deferred Tax	8,488	28,355,971	-	251,287,762	279,652,221		7,922	13,602,738	-	33,310,093	46,920,754	
	Interest bearing loans and borrowings	614,564,856	199,589,368	-	-	814,154,224		614,564,856	142,431,801	-	103,304,526	860,301,183	
	Retirement Benefit Obligations	-	54,027,802	-	3,567,517	57,595,320		-	43,161,483	-	4,896,848	48,058,331	
	Total non-current liabilities					1,151,401,764						955,280,267	
	Trade and other payables	13,212,693	72,832,363	-	52,222,166	138,267,222		12,665,416	71,795,861	140,000	38,717,577	123,318,854	
	Other current liabilities	412,909,535	731,123,844	92,757,980	260,897,336	1,497,688,692		402,181,414	529,572,097	92,496,101	243,391,650	1,267,641,262	
	Interest bearing Loans and Borrowings	994,945	140,356,560	-	120,900,553	262,252,058		197,551	216,175,051	-	27,311,470	243,684,072	
	Total current liabilities					1,898,207,971						1,634,644,188	
	Total segment assets	1,289,375,134	2,113,239,276	102,407,547	1,645,335,457	5,550,034,291		1,278,330,837	2,210,246,396	102,382,075	1,052,386,656	5,065,880,400	
	Total segment liabilities	1,041,690,517	1,226,285,908	92,757,980	688,875,334	3,049,609,736		1,029,617,159	1,016,739,031	92,636,101	450,932,164	2,589,924,456	

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

	2022									
	2023					2022				
	Mini hydro power		Plantation		Real estate	Leisure	Total	Mini hydro power		Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	-	806,462,977	-	-	99,721,269	-	906,184,246	-	164,191,111	61,557,561
Cost of sales	-	(807,937,433)	-	-	(50,804,405)	-	(858,741,838)	-	(159,521,763)	(30,790,937)
Other income	-	5,402,216	-	-	3,317,200	-	8,719,416	-	818,773	13,304,913
Advertising and marketing expenses	-	(6,504,276)	-	-	(5,341,256)	-	(11,845,532)	-	(4,494,074)	(3,128,380)
Administrative expenses	(2,943,504)	(161,432,581)	(224,401)	(123,300,500)	(287,900,987)	(364,992)	(19,855,558)	(50,000)	(85,600,286)	(105,870,835)
Finance cost	(45,096)	(136,473,881)	-	-	(556,345)	(11,087)	(137,075,322)	-	(375,104)	(10,814,025)
Finance income	1,960,105	2,299,256	-	-	926,862	-	5,186,223	-	1,087,121	750,363
Share of profit of associations	-	-	-	-	-	-	(22,857,619)	-	-	(2,127,504)
Adjustment on provisional values of investment in subsidiaries	-	-	-	-	-	-	-	-	-	(2,065,739,862)
(Loss)/Profit before tax	(1,028,495)	(298,183,722)	(224,401)	(76,037,175)	(398,331,412)	(376,079)	(29,626,103)	(50,000)	(43,945,112)	(2,141,864,660)
Income tax reversal/(expenses)	(566)	(8,020,144)	-	-	(5,501,098)	57,598	(4,718,994)	-	4,476,807	(184,589)
(Loss)/Profit for the year	(1,029,061)	(306,203,866)	(224,401)	(81,538,273)	(411,853,220)	(318,481)	(34,345,097)	(50,000)	(39,468,306)	(2,142,049,250)
Inter-segment revenues are eliminated on consolidation										

INFORMATION OF SHAREHOLDERS AND INVESTORS

Ordinary Shareholders as at 31st March 2023

No. of Shares Held	Residents			Non-residents			Total		
	No. of Shareholders	No. of Share	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1-1000	934	426,980	0.05	2	350	0	936	427,330	0.05
1001-10000	393	1,585,610	0.19	1	5,168	0	394	1,590,778	0.19
10001-100000	876	28,714,294	3.41	6	282,500	0.03	882	28,996,794	3.44
100001-1000000	61	15,264,263	1.81	1	277,500	0.03	62	15,541,763	1.84
Over 1,000,000	6	793,399,585	94.03	2	3,793,750	0.06	8	797,193,335	94.48
	2,270	839,390,732	99.49	12	4,359,268		2,282	843,750,000	100
Category									
Individuals				2,218	55,159,030				
Institutions				64	788,590,970				
				2,282	843,750,000				

Name of Shareholder	No. of Shares as at 31st March 2023	%
1 Cargills Bank Limited/Serenity Lake Leisure (Pvt) Ltd	558,573,000	66.2
2 National Development Bank/Serenity Lake Leisure (Pvt) Ltd	170,000,000	20.15
3 Serenity Lake Leisure (Pvt) Ltd	56,273,550	6.67
4 Mr. K. D. A. Perera	5,176,650	0.61
5 Mr. Y. Watanabe	1,993,750	0.24
6 Mr. S. A. Obeyesekere	1,819,650	0.22
7 Gain Focus Limited	1,800,000	0.21
8 Mr. S. S. Abeysinghe	1,556,735	0.18
9 Mrs. D. P. K. Panamaldeniya	750,000	0.09
10 Mr. R. E. Rambukwelle	660,600	0.08
11 Tangerine Tours (Pvt) Ltd	660,000	0.08
12 Mr. A. Kumarasinghe	554,250	0.07
13 Mr. L. S. Goonetilleke	547,900	0.06
14 Mr. P.D. Dassanayake	500,410	0.06
15 Mr. A. A. M. N. A. Weerasinghe	477,000	0.06
16 Mr. H. V. M. S. De Silva	454,300	0.05
17 Mr. E. Sivasubramaniam	435,000	0.05
18 Est of Mr. Rajan Joint Mr. G. S. N. Peiris	413,700	0.05
19 Mr. M. A. T. J. Fernando (Deceased)	405,000	0.05
20 Mr. W. T. L. Weeratne	384,474	0.05
TOTAL	803,435,969	95.22

The closing market price per share for the period ended 31st March 2023, as quoted by the Colombo Stock Exchange was Rs. 30.30.

The highest and lowest values recorded during the quarter were Rs. 35.00 and Rs. 21.00 respectively.

The highest and lowest values recorded during the year were Rs. 1900.00 and Rs. 5.20 respectively.

FIVE YEAR SUMMARY

Year ended 31 March		Group		Company				
		2023	2022 - Restated	2023	2022 - Restated	2021	2020	2019
Operating Results								
Turnover	Rs. 000s	906,184	225,749	86,195	59,525	24,705	101,449	142,148
Profit / (Loss) before Taxation	Rs. 000s	(398,331)	(2,141,865)	(61,022)	(1,870,175)	(56,498)	(33,000)	2,337
Taxation expense / (Reversal)	Rs. 000s	(13,522)	(185)	(3,468)	6,302	6,997	4,977	(1,104)
Profit / (Loss) after Taxation	Rs. 000s	(411,853)	(2,142,049)	(64,490)	(1,863,873)	(49,501)	(28,023)	1,233
Balance Sheet								
Share Capital	Rs. 000s	4,336,573	4,336,573	4,336,573	4,336,573	82,500	82,500	82,500
Capital Reserve	Rs. 000s	531,929	95,874	531,929	95,874	95,874	95,874	95,874
Revenue Reserves	Rs. 000s	(2,401,378)	(2,009,080)	(1,797,017)	(1,732,794)	129,667	179,028	207,365
Non controlling interest	Rs. 000s	33,300	52,588		-	-	-	-
Share Holder's Fund	Rs. 000s	2,500,425	2,475,956	3,071,485	2,699,653	308,041	357,402	385,740
Non-Current Assets	Rs. 000s	5,307,518	4,819,876	3,440,503	2,891,576	473,253	375,905	390,066
Current Assets	Rs. 000s	242,516	246,005	132,203	70,949	49,998	160,340	76,526
Current Liabilities (Net of Borrowings)	Rs. 000s	(1,635,956)	(1,390,960)	(131,251)	(97,374)	(54,810)	(28,915)	(26,983)
Borrowings	Rs. 000s	(1,076,406)	(1,103,985)	(119,958)	(130,101)	(115,946)	(99,410)	-
Provisions / Subsidies	Rs. 000s	(337,248)	(94,979)	(250,012)	(35,397)	(44,454)	(50,518)	(53,869)
Net Assets	Rs. 000s	2,500,425	2,475,956	3,071,485	2,699,653	308,041	357,402	385,740
Key Indicators								
Earning / (Loss) per Share	Rs.	(0.47)	(2.54)	(2.21)	(2.21)	(8.80)	(4.98)	0.22
Market price per 31st March	Rs.	30	1,950	30	1,950	152	141	180
Highest Market Price	Rs.	1,900	3,050	1,900	3,050	199	225	208
Lowest Market Price	Rs.	21	150	21	150	120.10	122	62.00
Return / (Loss) on Equity	%	(16.47)	(86.51)	(2.10)	(69.04)	(16)	(7.84)	0.32
Price Earning Ratio	No. of Times	-	-	-	-	-	-	818.18
Interest Cover	No. of Times	(1.91)	(197.06)	(146.24)	(5,447.59)	-	(182.30)	-
Gearing Ratio	%	33%	32%	5%	6%	31	25.52	3.83
Current Ratio	No. of Times	0.128	0.150	0.526	0.571	0.91	5.55	2.84
Net Assets Per share	Rs.	2.963	2.934	3.640	3.200	54.76	63.54	68.58

GLOSSARY OF FINANCIAL TERMS

ACCOUNTING POLICIES

The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

ACCRUAL BASIS

Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

CAPITAL EMPLOYED

Total assets less current liabilities.

CONTINGENT LIABILITIES

Conditions or situations at the balance sheet date, the financial effect of which are to be determined by the future events which may or may not occur.

CURRENT RATIO

Current assets divided by current liabilities.

CAPITAL RESERVES

Reserves identified for specific purposes and considered not available for distribution.

CAPITAL EXPENDITURE

The total additions to Property, Plant and Equipment.

DEBT/EQUITY RATIO

Debt as a percentage of shareholders' funds and minority interest.

DEFERRED TAX

Sum set aside in the financial statements for taxation that may become payable in a financial year other than the current financial year.

EARNINGS PER SHARE (EPS)

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

FAIR VALUE

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

INTEREST COVER

Consolidated profit before interest and tax over finance expenses.

MARKET VALUE PER SHARE

The price at which an ordinary share can be purchased in the stock market.

MARKET CAPITALIZATION

Number of shares in issue at the end of period multiplied by the market price at end of period.

NET ASSETS

Total assets minus current liabilities minus long term liabilities minus minority interest. Net assets per share Shareholders' funds divided by the weighted average number of ordinary shares in shares. Pre-Tax Return on capital employed consolidated profit before interest and tax as a percentage of average capital employed at year end.

PRICE EARNINGS RATIO

Market price per share over Earnings Per Share.

RETURN ON EQUITY

Profit attributable to shareholders as a percentage of average shareholders' funds.

SHAREHOLDERS' FUNDS

Shareholders' funds consist of stated capital plus capital and revenue reserves.

TOTAL DEBT

Long-term loans plus short-term loans and overdrafts.

TOTAL VALUE ADDED

The difference between net revenue (including other income) and expenses, cost of materials and services purchased from external sources.

NOTICE OF MEETING

HUNAS HOLDINGS PLC – PQ 72

NOTICE IS HEREBY GIVEN THAT THE THIRTY FOURTH ANNUAL GENERAL MEETING, OF HUNAS HOLDINGS PLC, WILL BE HELD ON, 6TH OF DECEMBER 2023 AT 10.30 A.M, AT BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL, BAUDDHALOKA MAWATHA, COLOMBO 07, SRI LANKA IN TULIP CONFERENCE ROOM IN BLOCK 2 FOR THE FOLLOWING PURPOSES:-

AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company.
2. To receive and consider the Statement of Audited Accounts for the year ended 31st March 2023 with the Report of the Auditors thereon.
3. To re-elect Mr. Toshiaki Tanaka as a Director of the Company in terms of Article 26 (2) of the Company's Articles of Association.
4. To re-elect Ms. Misako Tanaka as a Director of the Company in terms of Article 26 (2) of the Company's Articles of Association
5. To re-elect Mr. Koji Sugimoto as a Director of the Company in terms of Article 26 (2) of the Company's Articles of Association
6. To re-elect Ms. P. Wickramanayake as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
7. To appoint Messrs. PricewaterhouseCoopers, Chartered Accountants, until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.
8. To authorize the Directors to determine contributions to charities and other donations for the year 2023/2024.
Colombo Stock Exchange: (<https://www.cse.lk/home/market>)

BY ORDER OF THE BOARD OF DIRECTORS OF
HUNAS HOLDINGS PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED



SECRETARIES

Date: 09th October 2023



NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

HUNAS HOLDINGS PLC – PQ 72

Annual General Meeting

FORM OF PROXY

I/We,.....(NICNo.....)of.....
.....being a member/members of Hunas Holdings PLC hereby appoint Mr/Mrs/Ms
.....(NIC No.....) of.....
.....failing him / her,

Mr. W. S. L. A. D. R. Samarasinghe of Pittakotte	failing him
Ms. G. S. M. Irugalbandara of Kaduwela	failing her
Mr. M. A. A. Atheeq of Colombo 04	failing him
Ms. P. Wickramanayake of Mahawewa	failing her
Mr. G. Vinothan of Colombo 04	failing him
Ms. H.A. D. Senaratne of Nawala	failing her
Mr. Toshiaki Tanaka of Colombo 03	failing him
Ms Misako Tanaka of Colombo 03	failing her
Mr Koji Sugimoto of Colombo 03	

as my /our Proxy to represent me/us and vote and speak for me/us on my/our behalf at the Thirty Fourth Annual General Meeting of the Company to be held On **06th Of December 2023 At 10.30 A.M**, At **Bandaranaike Memorial International Conference Hall, Bauddhaloka Mawatha, Colombo 07, Sri Lanka In Tulip Conference Room In Block 2** and at any adjournment thereof and to vote at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a “X” against the Resolution Number.

	<u>FOR</u>	<u>AGAINST</u>
1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company.	☐	☐
2. To receive and consider the Statement of Audited Accounts for the year ended 31 st March 2023 with the Report of the Auditors thereon.	☐	☐
3. To re-elect Mr. Toshiaki Tanaka as a Director of the Company, in terms of Article 26 (2) of the Company’s Articles of Association.	☐	☐

- | | | |
|--|--------------------------|--------------------------|
| 4. To re-elect Ms. Misako Tanaka as a Director of the Company, in terms of Article 26 (2) of the Company’s Articles of Association | ☐ | ☐ |
| 5. To re-elect Mr. Koji Sugimoto as a Director of the Company, in terms of Article 26 (2) of the Company’s Articles of Association. | ☐ | ☐ |
| 6. To re-elect Ms. P. Wickramanayake as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company’s Articles of Association. | ☐ | ☐ |
| 7. To appoint, Messrs. Pricewaterhouse Coopers, Chartered Accountants, until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration. | ☐ | ☐ |
| 8. To authorize the Directors to determine contributions to charities and other donations for the year 2023/24. | ☐ | ☐ |

Colombo Stock Exchange: (<https://www.cse.lk/home/market>)



As witness my/our hand/s thisday of2023

.....
NIC Number / Reg. No

.....
(Signatures)

HUNAS HOLDINGS PLC – PQ 72

INSTRUCTIONS FOR COMPLETION OF THE FORM OF PROXY

1. Please complete the Form of Proxy after filling in legibly your full name, NIC number and address and by signing in the space provided.
2. If you wish to appoint a person other than the Chairman (or failing him any one of the Directors) as your Proxy, please insert the relevant details in the space provided.
3. If the shareholder is a Company or body corporate, a form of Corporate Representation executed under its Common Seal in Accordance with its Articles of Association or Constitution should be submitted.
4. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy
5. Please indicate clearly with an “x” in the space provided, how your Proxy is to vote on the Resolutions. If no indication is given, the Proxy in his/her discretion may vote as he/she thinks fit.
6. To be valid, this Form of Proxy must be deposited at the Registered Office of the Company, Hunas Holdings PLC, No.23, Alfred Place, Colombo 03 not less than 48 hours before the time appointed for holding the meeting.

CORPORATE INFORMATION

NAME OF COMPANY	Hunas Holdings PLC
COMPANY NUMBER	PQ 72
LEGAL FORM	A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1989
BOARD OF DIRECTORS	Mr. W.S.L.A.D.R. Samarasinghe Chairman Mr. M.A.A. Atheeq Ms. G.S.M. Irugalbandara Ms. P. Wicramanayake Mr. T. Tanaka Ms. M. Tanaka Mr. G. Vinothan Mr. K. Sugimoto Ms. H.A.D. Senaratne
SECRETARIES	S S P Corporate Services (Pvt) Ltd No: 101, Inner Flower Road, Colombo 03. Phone: +94 11 2573894
AUDITORS	Messrs. Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10
REGISTERED OFFICE	No: 23, Alfred Place, Colombo 03
BANKERS	Sampath Bank PLC Commercial Bank of Ceylon PLC Nations Trust Bank PLC

