



ANNUAL REPORT
2023-2024





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 12 companies, the Group now stands proud as a diversified conglomerate with a market capitalization of LKR 21.4 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 2024.

//

Dear Shareholders,

It is with great responsibility and optimism that I present to you the Annual Report and financial statements of Hunas Holdings PLC for the financial year ending March 31, 2024.

SRI LANKA: A PATH TOWARDS STABILITY

The year 2023 marked a critical juncture for Sri Lanka as the nation continued its recovery from unprecedented political and economic challenges. Though uncertainty remains, the country has shown promising signs of stability, driven by economic reforms and international financial aid. The International Monetary Fund (IMF) Extended Fund Facility, which granted Sri Lanka USD 2.9 billion in 2023, has played an essential role in stabilizing the economy, restoring some degree of macroeconomic order.

Foreign reserves have seen modest improvement, allowing for a slight easing of import restrictions on essential goods. Inflation, though lower than the peak levels of 2022, remains a challenge. The Sri Lankan Rupee, while more stable compared to the extreme fluctuations of 2022, continues to feel pressure from external factors. The success of Sri Lanka's ongoing recovery hinges on continued adherence to IMF-backed fiscal discipline and structural reforms, ensuring the groundwork is laid for long-term economic sustainability.

IMPACT ON HUNAS HOLDINGS

Despite the ongoing economic recovery, the year presented several hurdles for Hunas Holdings PLC. The lingering aftereffects of political instability and macroeconomic volatility have continued to influence our core sectors: Plantations, Power and Tourism.

Tourism—a key pillar of our business—has started to recover, thanks to increasing international travel and growing political stability. The return of global tourists to Sri Lanka brought with it a steady rise in occupancy rates across our hotels. This resurgence has allowed us to further invest in property improvements, focusing on guest personalization, sustainability, and targeted packages such as eco-tourism and adventure travel. Despite inflation and elevated operating costs, we remain encouraged by the positive momentum within this sector.

In the Plantations sector, challenges persisted with foreign exchange shortages and increased input costs continuing to disrupt operations. However, our strategic focus on crop diversification, sustainable agricultural practices, and the implementation of new technologies has helped mitigate these difficulties. Our investments in automation and modernization are beginning to show tangible benefits, and we remain cautiously optimistic about the sector's outlook despite volatile market conditions and supply chain disruptions.

In the Power sector, we faced ongoing issues with delayed payments from the Ceylon Electricity Board (CEB), which continues to affect cash flow. Nevertheless, the easing of Sri Lanka's energy crisis has brought some relief. We remain committed to working with government and industry stakeholders to resolve these delays, and we are actively exploring new renewable energy projects to diversify our energy portfolio and contribute to the nation's sustainability goals.

Through all these challenges, the unwavering dedication of our employees has been key to our continued resilience. We remain committed to safeguarding their job security and well-being, recognizing that they are the backbone of our success.

LOOKING AHEAD: OUR VISION FOR 2024

As Hunas Holdings PLC moves forward, we remain firmly focused on our long-term strategic objectives, grounded in resilience, sustainability, and innovation. While the broader economic recovery of Sri Lanka is key to our prospects, we are confident in our ability to adapt and thrive.

In the Power sector, we will continue to navigate tariff collection issues, while remaining committed to meeting Sri Lanka's energy demands, particularly in light of ongoing fuel shortages. Our focus on renewable energy projects aligns with the national goals for energy transition and sustainability.

In the Plantations sector, our emphasis will be on furthering sustainable practices and technological advancements. Crop diversification and automation will be critical in driving future growth, while we also explore opportunities to add value to our plantation products, opening up new markets and revenue streams.

In the Leisure sector, our partnership with luxury hotelier Mr. Adrian Zecha remains central to our strategy for expanding into high-end tourism. By transforming our existing properties into world-class destinations, we aim to capture the growing demand for luxury travel in Sri Lanka and beyond.

While challenges and uncertainties remain, we are confident in our ability to deliver consistent value to our stakeholders. Our adaptability, combined with the strong foundation we have built, ensures we are well-positioned for sustained growth and success in the years ahead.

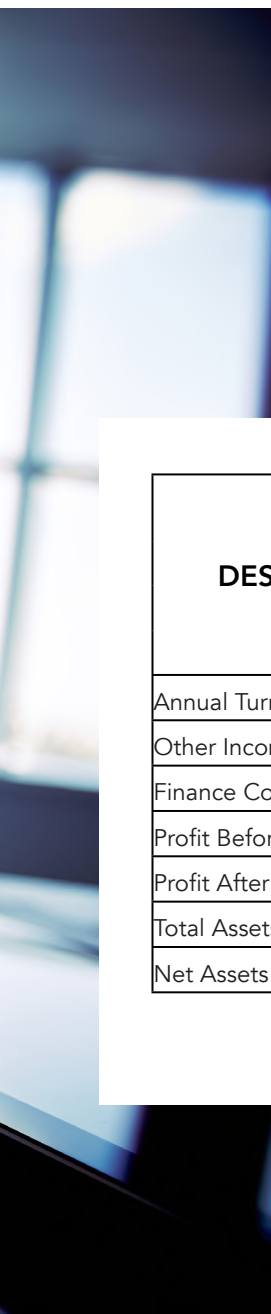
ACKNOWLEDGMENTS

I would like to extend my heartfelt gratitude to the Shareholders, Board members, management, partners, and every member of the Hunas team. Your steadfast support during this transformative period has been invaluable. Together, we will continue to drive progress and contribute to the prosperity of Hunas Holdings PLC and the recovery of Sri Lanka.



Chairman,
Hunas Holdings PLC
27th November 2024





FINANCIALS AT A GLANCE

DESCRIPTION	GROUP		COMPANY	
	2024	2023	2024	2023
Annual Turnover	799	906	99	86
Other Income	20	9	16	1
Finance Cost	-186	-137.1	-48.8	-0.4
Profit Before Tax (PBT)	-436	-398	-59	-61
Profit After Tax (PAT)	-474	-412	-40	-64
Total Assets	6	6	4	4
Net Assets Per Share	3.1	3.0	3.7	3.6

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 Former 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

In 2023, the global economy continued to navigate a challenging landscape shaped by persistent inflation, high-interest rates, and volatile geopolitical conditions. Growth slowed across advanced economies, with global economic expansion projected around 3.0%—a decrease from previous years. Major contributors to this included:

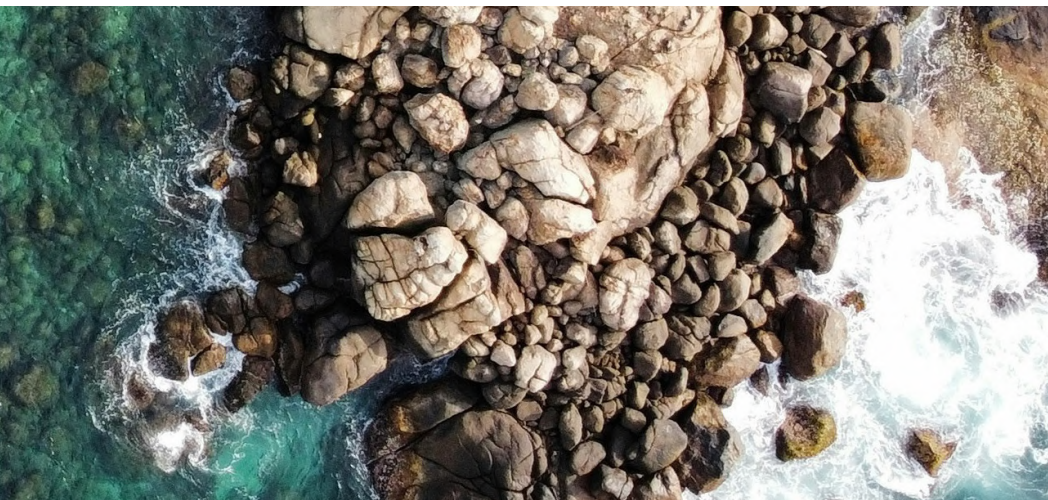
1. **Inflationary Pressures:** Inflation remained high in early 2023, particularly affecting advanced economies where consumer purchasing power continued to erode, though moderating in some regions as central banks tightened policy.
2. **Ongoing Monetary Policy Tightening:** Key central banks, including the Federal Reserve and the European Central Bank, sustained higher interest rates to curb inflation. While effective for controlling prices, this approach reduced consumer demand, tempering growth prospects.
3. **Geopolitical Tensions:** The Russia-Ukraine conflict continued to disrupt energy supplies, especially in Europe, leading to elevated energy costs that hampered production and consumption globally.
4. **China's Economic Transition:** China saw slower growth in 2023, impacted by structural economic shifts, debt concerns, and ongoing recovery efforts post-COVID. This affected global trade flows and demand for commodities, particularly from emerging markets reliant on China.
5. **Emerging Market Challenges:** Developing economies faced external pressures, with reduced consumer spending and high inflation contributing to slower growth. Countries dependent on commodity exports were particularly impacted by fluctuating global demand.

Global inflation is projected to ease gradually as demand slows and commodity prices stabilize. However, ongoing geopolitical risks, energy price volatility, and supply chain disruptions remain potential challenges into 2024.

SRI LANKAN ECONOMIC REVIEW

In 2023, Sri Lanka faced significant economic challenges as it aimed to stabilize following the severe contraction in 2022, when GDP shrank by 7.8%. Although initial conditions remained difficult, the nation began a gradual path to recovery. Major factors influencing the economy included:

1. **Energy and Supply Chain Recovery:** Improved foreign exchange reserves in early 2023 allowed for more consistent fuel and energy supplies, alleviating the shortages that had impacted supply chains and production in 2022.
2. **Inflation Control and Monetary Policy Adjustments:** Inflation remained elevated, though it moderated compared to 2022. The Central Bank of Sri Lanka implemented monetary tightening measures, stabilizing currency exchange rates and curbing inflation's effects on household purchasing power.
3. **IMF Support and Debt Restructuring:** Sri Lanka's debt restructuring process progressed under IMF guidance, aiming for long-term fiscal stability. These measures provided financial relief and helped restore international confidence in the economy.
4. **Tourism Recovery:** Tourist arrivals rebounded significantly, supported by relaxed travel restrictions and growing consumer confidence. Tourism's growth contributed to foreign exchange inflows, offering much-needed support to the economy.



GLOBAL TOURISM TRENDS

The global tourism industry continued its rebound into 2023, with international arrivals reaching nearly 80% of pre-pandemic levels. The United Nations World Tourism Organization (UNWTO) reported that total tourism receipts approached \$1.2 trillion, though pre-pandemic benchmarks remain a 2024 goal for most regions. Challenges included elevated travel costs and economic uncertainties, though strong demand and increased vaccination rates in key markets fueled optimism.

SRI LANKAN TOURISM OUTLOOK

Sri Lanka saw a strong tourism rebound, recording over 1 million arrivals by mid-2023, a substantial increase from previous years. Despite economic challenges, efforts to improve infrastructure and promotional initiatives contributed to this resurgence. Seasonal peaks and growth in key markets, including India and Europe, bolstered tourism revenue. Nonetheless, challenges from global economic conditions and internal economic adjustments persist, emphasizing the need for sustainable and diversified tourism offerings.

COMPANY OUTLOOK

In 2023, the Group's leisure and plantation sectors faced mixed outcomes. While tourism segments showed resilience, the plantation sector saw a decrease in tea production by nearly 16%, though revenue gains from improved tea prices offset some volume losses. Continued investments in renewable energy, including a new 3MW hydro plant, bolstered the Group's commitment to sustainable energy solutions, contributing 8.7 GWh to the national grid. Strategic training programs across hospitality operations enhanced service standards, enabling greater appeal to diverse markets. As economic complexities continue to evolve, the Group remains committed to sustainable growth, improved operational efficiencies, and proactive risk management, preparing for future resilience and sectoral growth.

SECTOR REVIEW



TOURISM SECTOR

OPERATING ENVIRONMENT

GLOBAL TOURISM

In 2023, the global economy demonstrated resilience, showing signs of recovery from multiple economic challenges, including the COVID-19 pandemic, Russia's invasion of Ukraine, and the ongoing cost-of-living crisis. Inflation has declined more rapidly than anticipated from its peak in 2022, exerting less impact on employment and economic activity than originally expected. This improvement is largely attributed to favorable supply-side adjustments and the effective tightening of monetary policy measures by central banks, which have successfully anchored inflation expectations.

The year 2023 has been pivotal for global tourism, with a significant rebound to near pre-pandemic levels. International tourist arrivals surged to an estimated 1.3 billion, representing a 34% increase over 2022 and recovering 88% of the sector's pre-pandemic levels. This resurgence has been fueled by pent-up demand, enhanced air connectivity, and the robust recovery of Asian markets.

The UNWTO anticipates a full recovery of international tourism by the end of 2024, with preliminary estimates suggesting a 2% growth above 2019 levels. However, this optimistic projection is tempered by uneven recovery rates in Asia and ongoing economic and geopolitical uncertainties. South Asia has demonstrated remarkable resilience,

recovering 87% of its pre-pandemic tourism levels, while North-East Asia lags at 55%.

The global tourism industry's growth has been further buoyed by an 18% increase in travel and tourism business activity, marking the highest point since the pandemic. Hotel bookings and travel businesses are expected to reach unprecedented levels, signaling a prosperous future for the sector.

SRI LANKAN TOURISM OUTLOOK

In 2023, Sri Lanka's tourism sector demonstrated exceptional resilience, with total arrivals reaching 1,487,303—more than double the figure recorded in 2022. This notable growth contributed to a substantial increase in tourism earnings, which rose to USD 2,068 million, compared to USD 1,136 million the previous year.

India emerged as the top source market, contributing 302,844 arrivals (20.3% of the total), reflecting a 146% year-on-year increase. Russia followed with 197,498 arrivals (13.27%), while the United Kingdom and Germany also made notable contributions. Notably, arrivals from Russia exceeded pre-pandemic levels.

The year 2023 marked a significant turnaround for Sri Lanka's tourism sector, which faced numerous challenges over the preceding four years, including the Easter Sunday attacks and the global pandemic. The industry achieved the highest influx of visitors since 2019, with nearly 1.5 million tourists, representing a 67.5% increase compared to 2022. This recovery trajectory saw the country reach 58% of pre-pandemic arrival levels, reflecting robust progress. India, the Russian Federation, the United Kingdom, Germany, and France were the top source markets, showcasing the broad appeal of Sri Lanka as a travel destination. These markets highlighted the nation's ability to attract diverse travelers seeking a range of experiences, from exploring ancient heritage sites and engaging in wildlife safaris to enjoying pristine beaches and wellness retreats.

The resurgence of Sri Lanka's tourism sector is attributed to the concerted efforts of both the government and the private sector. The Sri Lanka Tourism Development Authority (SLTDA) spearheaded various initiatives, including enhancing digital marketing strategies, streamlining visa processes, and improving accessibility to key tourist sites.

Additionally, sustainable tourism practices have been prioritized to preserve the country's natural and cultural assets for future generations. This strategic approach aligns with global trends favoring responsible travel and environmental stewardship. Looking ahead, the adaptability of Sri Lanka's tourism sector to evolving travel patterns and its strategic response to global challenges position it for sustained growth.

COMPANY OUTLOOK

The Group holds ownership in four unique leisure properties: Hunas Falls Hotel, Boulder Gardens, Rainforest Edge Hotel, and Aigburth Bungalow. Together, these properties offer a total occupancy capacity of 81 rooms and host approximately 100,000 guests annually.

The financial year presented significant challenges to the Group's leisure segment. Boulder Gardens Hotel and Rainforest Edge Hotel, both located in the Ratnapura District, continued to rely heavily on the domestic market. These properties also maintained their appeal among a niche segment of dedicated wildlife enthusiasts, who favor Boulder Gardens as their preferred accommodation amidst the jungle's serenity.

Following the political unrest, Hunas Falls Hotel successfully preserved its organic business by retaining its charm among romantic travelers and honeymooners. However, a noteworthy development was the hotel's expansion into the corporate market. This marked a shift from its traditional focus on honeymooners to a broader guest demographic, including corporate groups, families, and friends. The successful introduction of this previously untapped segment contributed to a more diversified revenue stream. Additionally, 2023 witnessed a resurgence in the tourism industry, with several months marking the highest prosperity since the global slowdown.

The leisure properties experienced a notable increase in foreign tourists, particularly from Russia, Malaysia, Singapore, and India. This growth highlights the effectiveness of targeted marketing efforts and the gradual revival of international travel.

To meet the demands of a more discerning and higher-end clientele, the management has implemented a series of staff training programs. These initiatives aim to elevate service standards and enhance the skills of the workforce, ensuring a superior guest experience.

SUSTAINABILITY INITIATIVES

Reduction of Single-Use Plastics: Glass bottles have been introduced in guest rooms across our properties to minimize plastic waste in hospitality. Additionally, the use of plastic straws has been eliminated.

Energy Efficiency Improvements: We have implemented energy-saving measures, including the installation of energy-efficient lighting systems across properties, with plans to expand these improvements to other locations.

Biodiversity and Environmental Stewardship: Our approach to sustainable tourism includes preserving natural landscapes by avoiding unnecessary tree cutting and endorsing responsible tourism practices that promote environmental protection.

Guest Participation in Sustainability: We have introduced "Save Environment" cards in rooms, encouraging guests staying two or more days to reuse towels and linens, thereby reducing water and energy consumption.

SOCIAL RESPONSIBILITY INITIATIVES

Partnerships with Local Suppliers: Strengthening procurement policies by sourcing locally produced, eco-friendly materials supports community-based enterprises, aligning with our commitment to community development.

HR Initiatives

Digital Literacy: Programs have been launched to enhance employees' digital skills, covering areas such as automation tools, data analytics, and cybersecurity basics.

Cross-Functional Training: We offer opportunities for employees to learn skills from different departments, fostering a well-rounded workforce.

Mentorship Program: Employees are paired with experienced mentors within the company to guide their career development and provide continuous feedback.

Soft Skills Workshops: Training sessions are conducted to develop soft skills like communication, problem-solving, and emotional intelligence, which are essential for future leaders and team collaboration.

Cross-Functional Teams: We are building cross-functional teams focused on cost reductions, cross-selling, up-selling, and implementing new initiatives by leveraging skills from diverse departments.

In-House Trainers Pool: Establishing a pool of in-house trainers promotes a culture of continuous learning and reduces reliance on external trainers.

Leadership Development Program: Training programs focus on strategic thinking, decision-making, and change management to prepare employees for management roles.

Employee Wellbeing: Initiatives include promoting ergonomic awareness, addressing office-related health issues, and offering stress management strategies. Yoga and meditation sessions are incorporated to support physical and mental well-being.

PLANTATION SECTOR

The plantation sector is perceived as a catalyst player in the Group, with ownership of Suriyakanda Plantations (Pvt) Ltd, Rainforest Tea Factory (Pvt) Ltd, and Mercantile Produce Brokers (Pvt) Ltd, now under Hunas Holdings PLC. These entities cover three areas: the Estate, Factories, and Brokerage company. The Estate includes a century-old tea garden in Suriyakanda that produces premium quality tea, uniquely located between the winds of Hambantota and the aromatic breeze of the Sinharaja Rainforest, with a total extent of 2,148 acres.

Notably, the tea production in Sri Lanka experienced a year-on-year increase of approximately 3%. Reflecting this trend, the company's tea production rose from 550,000 kilograms in the previous financial year to 720,000 kilograms, marking a 24% increase. The tea segment generated a combined revenue of Rs. 675 million at Suriyakanda Plantations (Pvt) Ltd and Rainforest Tea Factory (Pvt) Ltd.

Throughout the year, the company remained committed to enhancing productivity and tea quality. Various measures were implemented, including the timely application of foliar and ground fertilizers and the introduction of eco-friendly compost. These initiatives played a pivotal role in achieving improvements in productivity and tea quality, contributing to the robust performance in this segment.

Additionally, Suriyakanda Plantations implemented various social, developmental, and HR initiatives to promote sustainability and community engagement. Social responsibility initiatives included building a PlayStation for children in the village, enhancing the local community's recreational resources. Developmental efforts involved a strong program on Good Agricultural Practices (GAP) to improve the quality of tea plantations and harvesting processes, ensuring sustainability and product excellence. In line with environmental stewardship, the company initiated a bamboo plantation program on less fertile land within the estate, creating a sustainable source of fuelwood.

On the HR front, the company's commitment to staff growth and empowerment was evident with the launch of skill enhancement programs by the HR department, focusing on developing the team's competencies. Furthermore, the Group expanded ventures in packaging and retail business operations, which include private labeling and internal packaging solutions, highlighting its dedication to diversifying and strengthening its market presence.



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, registering growth rates of 0.7%, 11.20% and 21.02%, 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 commencing under Sustainable Energy Holdings (Pvt) Ltd. This newly operational 3 MW hydro plant further strengthens our renewable energy portfolio, contributing significantly to our sustainability objectives.

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 8.7 GWh to the national grid, representing a decrease from the 9.7 GWh generated in the 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	4/4
Ms.Misako Senda	4/4
Mr.Koji Sugimoto	4/4

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 2023/2024
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 19.
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 co-ordinated through the Company or the Board Secretary when requested.
4.	Company Board	A.1.4	Complied All Director s 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 2023/2024
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 10.				
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 2023/2024
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 2023/2024
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. G Vinothan Chairman Independent Non - Executive Director Ms. H A D Senaratne Member Independent Non - Executive Director Mr. Koji Sugimoto Member Independent Non - Executive Director
16.	Disclosure of New appointments	A.7.3	Complied
			A brief resume of the Directors, Nature of his/her experience and names of the companies he/she holds the directorship and the independency is informed to the Colombo Stock Exchange and disclose in the Annual Report on Pages 37 to 39.
A.9 APPRAISAL OF BOARD PERFORMANCE			
The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.			
17.	Annual performance evaluation of the Board and its Committees	A.9.1 & 9.2	Complied
			The Chairman and Remuneration Committee evaluate the performance of the Executive Directors Periodically. The Board undertakes an annual self-evaluation of its own performance and of its Committees. The Board evaluated its performance and effectiveness in the current year.
A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS			
Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.			
18.	Details in respect of Directors	A.10.1	Complied
			The following details pertaining to each Director are disclosed as follows : (a) Brief profile with expertise and experience - page 10-11 (b) Directors' Interest in Contracts - Page 90 (c) Detail of Board Meetings held during the year page 20

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2023/2024	
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 Mr. Koji Sugimoto – Member (Independent Non - Executive Director) Payment of remuneration to directors is disclosed in page 90 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 90 for the total Directors' remuneration

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/2024
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 40 to 43 for the reporting responsibility of Auditors."

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2023/2024
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 32.
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) Mr. Koji Sugimoto – 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 30 to 31.
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 30 to 31.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2023/2024	
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 32.
40.	Establishment of related party transaction review committee and composition.	D.4.2	Complied	Please refer Related Party Transaction review Committee Report on page 32.
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 32.
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 33.	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 90.	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 30 to 31.	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 30 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 re-view Committee report in page 32.	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 2023/2024.	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
Mr. Koji Sugimoto	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 Lead partner 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 Deloitte Partners 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 28.

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
27th November 2024

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.

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
27th November 2024

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
Mr.Koji Sugimoto	4/4


H A D Senaratne
Chairman
Remuneration Committee
27th November 2024

NOMINATION AND GOVERNANCE COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE AND ATTENDANCE

In compliance with the rules of Corporate Governance of the Colombo Stock Exchange, a Nominations and Governance Committee has been established at the Board Meeting held on 10th August 2024. No meeting was held during the Financial Year under review.

The Nominations and Governance Committee comprises of three Independent Non - Executive Directors.

Mr. G Vinothan Chairman
Independent Non - Executive Director

Ms. H A D Senaratne Member
Independent Non - Executive Director

Mr. Koji Sugimoto – Member
Independent Non - Executive Director

RESPONSIBILITIES OF THE COMMITTEE

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

Consider and recommend (or not recommend) the re-election of current directors considering the Board composition against pre-defined criteria on combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principle commitments.

Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re appoint Directors of the Company.

Establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.

Establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors and the Executive Director of the Company to ensure their responsibilities are satisfactorily discharged.

Consider if a Director is able to and has been adequately carrying out his duties as a Director, taking in to consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.

Develop succession plans for Board of Directors, Executive Director and Key Management Personnel.

Review and recommend the overall corporate governance framework of the Company considering the Listing Rules and other applicable regulatory requirements and industry best practices. Review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.

Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

POLICY ON NOMINATIONS COMMITTEE

Any major issues relating to the Company are updated to the Independent Directors by the Chairman. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.

Requirements as per the Listing Rules and applicable rules and regulations are informed to the New Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws. Non-Executive Directors have submitted declarations regarding their independence / non-independence. The Board has determined that Directors who have served on the Board for over 9 years are nevertheless independent, after taking into consideration the fact that they do not exert any control over the day-to-day activities of the Company and are capable of acting in an impartial and independent manner on matters deliberated by the Board.

Each Director provided a signed declaration on his/her fitness and propriety based on the assessment criteria stipulated in the Listing Rules of the Colombo Stock Exchange. The fitness and propriety of the Directors were examined by the Committee.

DECLARATION

The Committee will continuously focus to comply with the Rule 9.11 of the listing rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance.



G. Vinothan
Chairman
Nomination and Governance Committee

27th November 2024

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

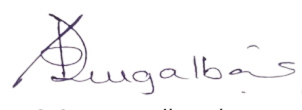
systems of internal control with a view to preventing and detecting fraud and other irregularities.

The External Auditors, Messrs Deloitte Partners, are deemed 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

27th November 2024
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 2024.

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 2024. 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 44 to 98 in the Annual Report.

AUDITOR'S REPORT

The Auditors' Report on the Financial Statements is given on pages 40 to 43 in the Annual Report.

ACCOUNTING POLICIES

The Accounting Policies adopted by the Company in the preparation of Financial Statements are given on pages 45-65 to 99 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 90.

DIRECTORS' REMUNERATION AND OTHER BENEFITS

The Directors' Remuneration in respect of the Company for the financial year ended 31st March 2024, amounted to nil.

DIRECTORS' SHAREHOLDINGS

The Directors of the Company as at 31st March 2024 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
Mr. Koji Sugimoto	Member
	Independent Non - Executive Director

Audit Committee appears on page 30-31.

REMUNERATION COMMITTEE

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

Remuneration Committee appears on page 32.

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 32.

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. 718,740/-. (2023 : Rs.226,390/-) 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 Atheeq	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 Deloitte Partners, Chartered Accountants are deemed re-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 General Meeting.

The Auditors fee for the Group amounted to Rs. 6,801,618/- .The fee for the Company amounted to Rs.3,178,540/- (2023: Group - Rs. 4,490,540/- , Company - Rs.522,500/-) 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.99,241,067 (2022/2023 - 86,194,601/-). The Group generate an amount of Rs. 799,407,223 (2022/2023 - Rs. 906,184,246/-)

TAXATION

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

PROPERTY, PLANT AND EQUIPMENT

The carrying value of property plant and equipment for the Company and the Group as at 31st March 2024 amounted to Rs. 18,410,965 and Rs. 4,503,346,469 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. 5,156,864 and Rs. 555,766,040 respectively.

Profit / (Losses)	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Net (Loss) for the Year after providing for all expenses known liabilities and depreciation of Fixed Assets	(474,064,500)	(411,853,220)	(39,755,277)	(64,489,616)
Accumulated Profit at End of the Year	(2,838,319,901)	(2,401,378,184)	(1,837,039,936)	(1,797,017,303)

STATED CAPITAL

The Stated Capital as at 31st March 2024 was Rs 4,468,573,000/= comprising 849,030,000 number of shares. (2022/2023- Rs 4,336,573,000/= Value/ Number of shares :843,750,000) fully paid Ordinary Shares.

EVENTS AFTER THE REPORTING PERIOD

Events occurring after the reporting date are given in the note 32 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 2024: 7.56% (2023 : 6.98%) of the issued capital of the Company was held by the public, comprising 2,298 (2023: 2,279) shareholders

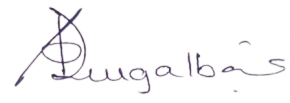
GOING CONCERN

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 reasonable 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.

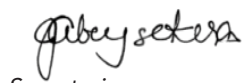
ANNUAL GENERAL MEETING

The Annual General Meeting is scheduled to be held on 18th of December 2024, at 11.00 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 Fifth Annual General Meeting is given on page 103 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
27th November 2024
Colombo

INDEPENDENT AUDITOR'S REPORT



Deloitte Partners
100 Braybrooke Place
Colombo 2
Sri Lanka

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TO THE SHAREHOLDERS OF THE HUNAS HOLDINGS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hunas Holdings PLC ("the Company") and the consolidated financial statement of the company and its subsidiary ("the Group") which comprise the statement of financial position as at 31 March 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements of the Company and Group give a true and fair view of the financial position of the Company and Group as of 31 March 2024, 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 Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Recoverability of investment in subsidiaries	How our audit addressed the key audit matter
Refer note 3.1.2 and note 17 to the financial statements for disclosures of related accounting policies, judgments, estimates and balances. As at 31 March 2024, the carrying value of investments in subsidiaries amounted to Rs.2,224 Mn in the company's statement of financial position. The Management performed an impairment assessment for investments made in subsidiaries where an indicator of impairment was identified. In determining the recoverability of the investments in subsidiaries management considered the impact of the current growth in economic conditions on the operational cash flows of the subsidiaries. During the year ended 31 March 2024, the Company has not recognised any additional provision for impairment of investments in subsidiaries as the recoverable amounts exceeded the carrying amounts. We considered the recoverability of investments made in subsidiaries as a key audit matter because the: - Carrying value of the investments in subsidiaries in the statement of financial position is significant; and - inherently subjective nature of determining the recoverable amounts due to the use of estimates and assumptions.	Our audit procedures included the following: - Obtained an understanding of the process and controls by which management evaluates the recoverability of investments in subsidiaries; - Evaluated management's assessment in determining whether there are any indicators that the carrying amount of investments in subsidiaries may not be recoverable; - Where impairment indicators were noted by management, satisfied ourselves that the final impairment calculations, including the assumptions used, were approved by senior management; - Assessed the valuation methodologies used, cash flow forecast prepared by the management against our own expectations based on our knowledge of the subsidiaries and experience of the industry in which it operates and obtained written management representations on future growth strategies. - We evaluated reasonableness of the management assumptions made by comparing them to historical results of subsidiaries and external market sources. We tested the mathematical accuracy of the underlying calculations in the discounted cash flow valuation model. - Where external valuer was engaged by the Management, assessed the competence, capability and objectivity of the external valuer. - We evaluated the external valuer's report and assessed the reasonableness of the methodology used, significant judgement and estimates. - Assessed the adequacy of the disclosures made in the financial statements.

The Group:

We have determined that in respect of the group there are no key audit matters to communicate in our audit opinion.

Other Matter

The financial statements of Hunas Holdings PLC ('the company') and the consolidated financial statement of the company and its subsidiary ('the group') for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 09 October 2023.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- 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 doubts on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3991.



Deloitte Partners
Chartered Accountants
Colombo

27 November 2024

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2024

FOR THE YEAR ENDED 31 MARCH	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	5	799,407,223	906,184,246	99,241,067	86,194,601
Cost of sales		(767,966,790)	(858,741,838)	(32,071,825)	(43,610,006)
Gross profit		31,440,433	47,442,408	67,169,242	42,584,595
Other income	6	92,425,870	8,719,416	15,747,119	1,178,830
Marketing and promotional expenses		(14,460,206)	(11,845,532)	(5,387,509)	(5,268,656)
Administrative expenses		(419,075,071)	(287,900,987)	(135,843,251)	(100,030,409)
Finance costs	7	(186,000,903)	(137,075,322)	(48,809,141)	(414,432)
Finance income	8	48,465,582	5,186,223	48,465,582	928,202
Share of profit / (loss) from associates	17.2	10,989,589	(22,857,619)	-	-
Loss before tax	9	(436,214,706)	(398,331,412)	(58,657,959)	(61,021,870)
Income tax reversal/(expense)	10	(37,849,794)	(13,521,807)	18,902,682	(3,467,745)
Loss for the year		(474,064,500)	(411,853,220)	(39,755,277)	(64,489,615)
Other comprehensive Income not to be reclassified to profit or loss in subsequent period :					
Actuarial gain/(loss) on defined benefit plans	27	20,856,956	381,048	(381,938)	381,048
Deferred tax impact on actuarial gain/(loss)		(6,142,505)	(114,314)	114,582	(114,314)
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)
		14,714,450	436,321,771	(267,357)	436,321,771
Net other comprehensive income/ (loss) not to be reclassified to Profit or Loss		14,714,450	436,321,771	(267,357)	436,321,771
Other comprehensive income / (loss) for the year, net of tax		14,714,450	436,321,771	(267,357)	436,321,771
Total comprehensive (loss) /income for the year, net of tax		(459,350,049)	24,468,551	(40,022,634)	371,832,156
Basis loss per share	11	(0.54)	(0.47)	(0.05)	(0.08)
Loss attributable to:					
Equity holders of the owners of the parent		(451,656,167)	(392,565,321)		
Non-controlling Interest		(22,408,333)	(19,287,899)		
		(474,064,500)	(411,853,220)		
Total comprehensive Income / (loss) attributable to:					
Equity holders of the owners of the parent		(436,941,717)	43,756,450		
Non-controlling interest		(22,408,333)	(19,287,899)		
		(459,350,049)	24,468,551		

The accounting policies and notes on pages 49 through 99 form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	12	4,503,346,469	3,545,973,298	18,410,965	974,903,560
Right of use assets	13	78,106,248	83,009,111	-	-
Intangible assets	14	25,851,149	26,071,483	-	-
Bearer biological assets	15.1	1,015,466,175	916,951,124	-	-
Consumable biological assets	15.2	276,535,716	276,535,716	-	-
Investment properties	16	1,927,097	2,149,002	955,207,020	-
Amounts due from related parties	20	40,000,000	40,000,000	40,000,000	40,000,000
Investment in subsidiaries	17.1	-	-	2,223,696,481	2,000,937,481
Investment in equity account investees	17.2	309,587,466	308,917,877	333,903,000	333,903,000
Investment in non-listed equity shares	17.3	-	90,759,000	-	90,759,000
Deferred tax asset	10	-	17,151,585	-	-
		6,250,820,320	5,307,518,197	3,571,217,466	3,440,503,041
Current assets					
Inventories	18	138,909,650	29,120,437	1,415,543	1,714,565
Trade and other receivables	19	50,034,412	16,865,285	7,362,946	6,165,656
Amounts due from related parties	20	57,725	116,518,236	239,231,118	116,473,924
Advance, deposits and prepayments	21	49,056,019	20,574,708	16,248,077	1,167,758
Tax recoverable		847,611	382,577	311,702	311,702
Short Term Investment	22	53,642,518	49,231,628	-	-
Cash and cash equivalents	23	19,620,845	9,823,222	8,155,981	6,369,697
		312,168,780	242,516,093	272,725,367	132,203,301
Total assets		6,562,989,100	5,550,034,290	3,843,942,833	3,572,706,343
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	24	4,468,573,000	4,336,573,000	4,468,573,000	4,336,573,000
Reserves	25	531,929,285	531,929,285	531,929,285	531,929,285
Retained earnings		(2,838,319,901)	(2,401,378,184)	(1,837,039,936)	(1,797,017,303)
Non controlling interest		418,859,930	33,300,455	-	-
Total equity		2,581,042,314	2,500,424,556	3,163,462,349	3,071,484,983
Non-current liabilities					
Interest bearing loans and borrowings	26	879,939,183	814,154,224	-	-
Deferred tax liability	10	344,807,531	279,652,221	227,427,579	246,444,843
Employee benefit liability	27	36,997,322	57,595,320	4,098,472	3,567,517
		1,261,744,036	1,151,401,764	231,526,051	250,012,361
Current liabilities					
Interest bearing loans and borrowings	26	552,700,278	262,252,058	405,313,866	119,957,596
Trade and other payables	28	628,957,868	138,267,221	40,502,592	49,598,890
Amounts due to related parties	20	1,535,406,629	1,493,170,098	-	77,133,919
Contract liabilities	29	3,137,975	4,518,594	3,137,975	4,518,594
		2,720,202,750	1,898,207,970	448,954,433	251,208,999
Total equity and liabilities		6,562,989,100	5,550,034,290	3,843,942,833	3,572,706,343

The accounting policies and notes on pages 49 through 99 form an integral part of the financial statements.

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

Head of Finance

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

Director

27th November 2024

Director

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2024

GROUP	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Non controlling interest Rs.	Total Rs.
Balance as at 01 April 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	-	-	266,734	-	266,734
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	(2,401,378,184)	33,300,455	2,500,424,556
Loss for the year	-	-	(451,656,167)	(22,408,333)	(474,064,500)
Acquisition of subsidiaries	-	-	-	407,967,807	407,967,807
Infusion of share capital (Note 17.1.1)	132,000,000	-	-	-	132,000,000
Deferred tax of actuarial gain on defined benefit obligation	-	-	(6,142,505)	-	(6,142,505)
Actuarial gain on defined benefit obligation	-	-	20,856,956	-	20,856,956
Balance as at 31 March 2024	4,468,573,000	531,929,285	(2,838,319,901)	418,859,929	2,581,042,314

Infusion of share capital consists the acquisition of equity interest in Kuruganga Hydro (Private) Limited during the year by way of a share swap and a private placement.

The accounting policies and notes on pages 49 through 99 form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY CONTD...

YEAR ENDED 31 MARCH 2024

COMPANY	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total Rs.
Balance as at 01 April 2022	4,336,573,000	95,874,248	(1,732,794,421)	2,699,652,827
Loss for the year	-	-	(64,489,615)	(64,489,615)
Surplus on revaluation of land and buildings	-	648,417,294	-	648,417,294
Deffered 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	(1,797,017,303)	3,071,484,982
Loss for the year	-	-	(39,755,277)	(39,755,277)
Deferred tax of actuarial gain on defined benefit obligation	-	-	114,582	114,582
Actuarial loss on defined benefit obligation	-	-	(381,938)	(381,938)
Infusion of share capital	132,000,000	-	-	132,000,000
Balance as at 31 March 2024	4,468,573,000	531,929,285	(1,837,039,936)	3,163,462,349
Infusion of share capital consists the acquisition of equity interest in Kuruganga Hydro (Private) Limited during the year by way of a share swap and a private placement.				

The accounting policies and notes on pages 49 through 99 form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2024

AS AT 31 MARCH 2024	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash flows from operating activities					
Loss before tax		(436,214,706)	(398,331,412)	(58,657,959)	(61,021,870)
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	12	54,743,483	68,702,941	8,775,988	17,297,312
Depreciation of right of use assets	13	4,902,863	4,902,863	-	-
Amortization of intangible assets	14	220,334	395,117	-	-
Depreciation of bearer biological assets	15	33,996,943	33,996,943	-	-
Depreciation of investment properties	16	221,905	221,905	-	-
Profit from disposal of property, plant & equipment		(3,000,000)	(139,500)	(3,000,000)	(139,500)
Finance costs	7	186,000,903	137,075,322	48,809,141	414,432
Finance income		(48,465,582)	(5,186,223)	(48,465,582)	(928,202)
Share of loss from associates		(10,989,589)	22,857,619	-	-
Provision for defined benefit obligation	27	3,502,428	13,588,777	1,150,666	1,023,418
Operating profit before working capital changes		(287,746,983)	(121,915,650)	(51,387,745)	(43,354,411)
Decrease in inventories		(109,598,483)	73,299,509	299,021	3,462,684
(Increase)/decrease in trade and other receivables		(24,741,469)	5,844,698	(1,197,290)	10,040,700
Decrease in amounts due from related parties		484,258,511	6,437,855	(122,757,194)	6,348,359
(Increase)/decrease in advance and prepayments		(28,628,955)	(6,386,118)	(15,080,319)	785,582
Increase in trade and other payables		435,095,511	11,319,473	(10,476,917)	9,122,014
Increase/(decrease) in amounts due to related parties		5,051,790	233,676,324	(77,133,919)	24,755,617
Cash flows from/ (used in) operations		473,689,923	202,276,090	(277,734,364)	11,160,545
Interest paid		(186,000,903)	(137,075,322)	(48,809,141)	(414,432)
Gratuity paid	27	(3,243,470)	(3,670,740)	(1,001,650)	(1,971,700)
Net cash flows from operating activities		284,445,549	61,530,028	(327,545,155)	8,774,413
Cash flows from/(used in) investing activities					
Acquisition of property, plant and equipment	12	(555,766,040)	(12,963,507)	(7,490,413)	(629,739)
Acquisition of intangible assets	14	-	(500,000)	-	-
Additions to biological assets	15	(132,511,993)	(33,000,000)	-	-
Proceeds from disposal of property, plant and equipment		3,000,000	139,500	3,000,000	139,500
Finance income received		48,465,582	5,186,223	48,465,582	928,202
Dividend received		10,320,000	-	-	-
Acquisition of subsidiaries		22,234	-	-	-
(Investments) fixed deposits	22	(4,410,890)	(27,174,329)	-	-
Net cash flows from/ (used in) investing activities		(630,881,106)	(68,312,113)	43,975,169	437,963
Cash flows from/(used in) financing activities					
Repayment of lease liabilities	26	(6,121,875)	(5,762,353)	-	-
Repayments of interest bearing loans and borrowings	26	(198,610,137)	(134,902,938)	283,550,076	(6,373,358)
Proceeds from interest bearing loans and borrowings	26	495,435,144	156,335,189	-	-
Net cash flows from/ (used in) financing activities		290,703,132	15,669,898	283,550,076	(6,373,358)
Net increase/(decrease) in cash and Cash equivalents		(55,732,425)	8,887,814	(19,910)	2,839,018
Cash and cash equivalents at the beginning of the year	23	(18,039,644)	(26,927,457)	2,862,026	23,007
Cash and cash equivalents at the end of the year	23	(73,772,068)	(18,039,644)	2,842,115	2,862,026

The accounting policies and notes on pages 49 through 99 form an integral part of the financial statements.

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 2024 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.

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.

1.3.3 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.

1.4 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 2024 were authorized for issue by the Directors on 27th November 2024.

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 recognized after the date of revaluation.

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

2.3 GOING CONCERN

The Company's and the Group's performances were impacted mainly by the unfavorable economic conditions in the country. The Company and the Group incurred net losses of Rs. 40Mn and Rs 474Mn, respectively, and the Group's current liabilities exceeded its current assets by Rs. 2,408Mn, and the Company's current liabilities exceeded its current assets by Rs176Mn. The current liabilities of the Group include related party loans and borrowings and amount due to related party totaling to Rs. 1,535Mn. Furthermore, the Company and Group remains dependent on continued financial support from its lenders, including existing credit facilities and additional funding required to meet operational and financing obligations.

Not with standing this, the Financial Statements has been prepared on the going concern basis due to reliance on a letter of support, dated 25 November 2024, provided by the Board of Directors of TAD Lanka Holdings (Pvt) Limited, the Ultimate Parent Company. Through this letter of support the Directors of TAD Lanka Holdings (Pvt) Limited:

- Acknowledges that there are no current plans for the payables to be called for a minimum period of 12 months from the date of signing the 31 March 2024 financial statements. However, should they be called within the 12 months period referred to above, payments will only be required to the extent that they do not impact the entity's ability to meet its financial obligations as and when they fall due and payable.

- Confirm to provide financial support to the Company and its subsidiaries to ensure it can pay its debts as and when they fall due and payable. This undertaking is provided for a minimum of 12 months period from the date of signing the Financial Statements for the period ended 31 March 2024. The company also successfully issued 5,280,000 ordinary shares to raise additional capital of LKR 132,000,000/- in March 2024, in exchange of acquiring a 22% stake of Kuruganga Hydro (Pvt) Limited by way of a share swap and a private placement. Further, the company and group obtains necessary short and long term funding from financial institutions when required. Moreover, the Board of Directors

have no plans to liquidate the Company or cease operations in the near future.

In view of the above, the Board of Directors have determined that there is no material uncertainty that casts significant doubt on the Company's and the Group's ability to continue as a going concern at least for a period of 12 months from the date of signing these financial statements. Therefore, the Board of Directors have concluded that the preparation of financial statements on a going concern basis is appropriate. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Company and Group will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

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 derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value. The subsidiaries and their controlling percentages of the Group, which have been consolidated, are as follows:

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 recognized at cost. The carrying amount of the investment is adjusted to recognize 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 recognized directly in the equity of the associate, The Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized 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 recognize 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 recognizes 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 recognizes 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 recognized in profit or loss. Associates of the Group/ Company are.

Company Name	2024	2023
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

organized 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 recognized 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 recognized in Statement of Profit or Loss. Tax charges and credit attributable to exchange differences on those monetary items are also recognized 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 recognized in OCI or Profit or Loss are also recognized 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 nonmonetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes 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 realized or intended to be sold or consumed in a normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized 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 recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognized 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 recognized 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 recognized 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 recognized in the Statement of Profit or Loss, in which case the increase is recognized in the Statement of Profit or Loss. A revaluation deficit is recognized in Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognized 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

3.5.4 SUBSEQUENT COSTS

Subsequent costs are included in the asset's carrying amount or recognized 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-recognized 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-recognized. 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-recognized.

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 recognizes 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 recognizes 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 recognized, 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 recognizes 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 recognized 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 recognized 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 amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized 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 amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization 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 amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function/nature of the intangible asset. Amortization was commenced when the assets were available for use.

Intangible assets with indefinite useful lives are not amortized 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 recognized 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 derecognized 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 recognized 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 fertilizing, 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 amortized 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 realizable 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 longterm 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 recognized as a separate asset 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 recognized 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 recognized 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 amortized 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.

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 THAT ARE EFFECTIVE FOR THE CURRENT YEAR.

The Group has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 April 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- I. Amendments to LKAS 1 Presentation of Financial Statements
- II. Amendments to LKAS 12 Income Taxes
- III. Amendments to LKAS 8 Accounting Policies

Amendments to LKAS 1 Presentation of Financial Statements

The amendments change the requirements in LKAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in LKAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Amendments to LKAS 12 Income Taxes

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax

law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to LKAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in LKAS 12. The Group did not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Amendments to LKAS 8 Accounting Policies

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

New and revised IFRS Accounting Standards in issue but not yet effective

The following standards and interpretations had been issued but not mandatory for annual reporting period ended 31 March 2024.

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

Amendments to LKAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a

covenant after the reporting period. However, if the entity/s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024.

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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

AS AT 31 MARCH	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
5. Revenue					
Revenue from contracts with customers	5.1	800,875,798	907,954,016	100,709,642	87,964,371
Tourism development levy		(1,013,708)	(890,127)	(1,013,708)	(890,127)
Turnover tax		(454,867)	(879,644)	(454,867)	(879,644)
		799,407,223	906,184,246	99,241,067	86,194,601
5.1 Revenue from contracts with customers over time/period of stay					
Room revenue		58,903,867	54,945,108	46,710,224	44,178,825
At a point of time					
Food and beverage income		63,187,912	46,545,931	53,999,418	43,785,546
Tea and coffee sales income		674,976,825	800,908,066	-	-
Spices sales income		1,245,250	5,554,911	-	-
Income from power generation		2,561,943	-	-	-
Total revenue		800,875,798	907,954,016	100,709,642	87,964,371

	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
6 Other income					
Other hotel related income		5,427,119	1,178,830	5,427,119	1,178,830
Rent income		3,360,907	1,986,338	-	-
Dividends		-	-	10,320,000	-
Other income		10,971,880	5,554,248	-	-
Bargaining Purchase	17	72,665,964	-	-	-
		92,425,870	8,719,416	15,747,119	1,178,830

	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
7 Finance cost					
Interest expense on bank overdrafts		63,610,843	26,204,514	48,809,141	414,432
Interest expense on leases		4,242,511	3,331,665	-	-
Interest expense on borrowings		118,024,769	107,442,489	-	-
Credit card commission		115,671	96,654	-	-
Foreign exchange loss		7,109	-	-	-
		186,000,903	137,075,322	48,809,141	414,432

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

AS AT 31 MARCH	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
8 Finance income					
Interest income		48,446,621	4,353,248	48,446,621	93,637
Foreign exchange gain on USD savings account		18,962	832,975	18,962	834,565
		48,465,582	5,186,223	48,465,582	928,202

AS AT 31 MARCH	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
9 Expenses by nature					
Included in cost of sales					
Employee benefits					
- Defined Contribution Plan costs - EPF & ETF		2,901,026	7,323,136	2,979,643	1,281,026
- Defined Benefit Plan costs - Gratuity		97,031	361,867	455,166	361,867
Included in administrative expenses					
Employee benefits					
- Defined Benefit Plan costs - Gratuity		3,405,397	13,061,908	695,500	496,550
- Defined Contribution Plan costs - EPF & ETF		6,965,707	3,544,149	1,979,356	2,329,049
Depreciation		28,556,721	68,702,941	8,775,990	17,297,310
Management fees		60,880,000	23,700,000	5,200,000	8,700,000
Audit and professional fees		6,801,618	2,787,554	3,178,540	2,675,000
Included in marketing and promotional expenses					
Marketing and sales promotions		3,070,079	3,423,213	4,394,583	2,929,863

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

AS AT 31 MARCH	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
10	Income tax expense				
	Statement of profit and loss				
	Current Income Tax				
	Current income tax charge	10.1	-	-	-
	Adjustments in respect of current income tax of previous year		(70,875)	-	-
			(70,875)	-	-
	Deferred Tax				
	Relating to origination and reversal of temporary differences	10.2	37,849,794	13,592,682	(18,902,682)
	Charge due to change in tax rates				
	Income tax expense reported in the statement of profit or loss		37,849,794	13,521,807	(18,902,682)
	Other comprehensive income				
	Deferred tax related to items recognised in OCI during in year;				
	On actuarial gains and losses		(6,142,505)	(114,314)	114,582
	Deferred tax impact on revaluation gain		-	212,476,572	-
	Deferred tax charged to OCI		(6,142,505)	212,362,258	114,582
	Total income tax expense reported in statement of profit or loss and other comprehensive income		31,707,289	225,884,065	(18,788,100)
				215,830,003	

AS AT 31 MARCH	Note	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
10.1	A reconciliation of tax expense and the accounting profit multiplied by the statutory tax rate is as follows :				
	Accounting loss before income tax expense	(436,214,706)	(398,331,412)	(58,657,959)	(61,021,871)
	Share of loss of equity accounted investees	(10,989,589)	22,857,619	-	-
	Intra-group adjustments	(177,217,835)	60,560,867	-	-
	Non deductible expenses for income tax purposes	98,148,854	195,627,800	10,601,730	18,521,617
	Deductible expenses for income tax purposes	(209,872,700)	(67,051,638)	(60,521,475)	(8,414,590)
	Other income categories	-	(2,068,159)	-	(233,137)
	Business income	(736,145,977)	(188,404,925)	(108,577,704)	(51,147,981)
	Tax losses utilized				
	Tax losses brought forward	983,998,447	815,834,935	144,566,178	93,418,197
	Adjustments to tax loss	(9,438,744)	(20,241,413)	-	-
	Loss incurred during the year	736,145,977	188,404,925	108,577,704	51,147,981
	Tax losses carried forward	1,710,705,679	983,998,447	253,143,882	144,566,178

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

10 Income tax expense (Contd...)

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

AS AT 31 MARCH	2024		2023	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
	Rs.	Rs.	Rs.	Rs.
Deferred tax liability				
Property, plant and equipment excluding revaluation	399,459,247	199,837,774	314,816,800	94,445,040
Revaluation of property, plant and equipment	1,005,553,198	301,665,959	759,898,978	227,969,693
	1,405,012,445	421,503,733	1,074,715,778	322,414,733
Deferred tax assets				
Employee benefit liability	(49,657,106)	(14,897,132)	(55,147,481)	(16,544,244)
Carried forward tax losses	(205,996,900)	(61,799,070)	(144,566,178)	(43,369,853)
	(255,654,006)	(76,696,202)	(199,713,660)	(59,914,098)
	1,149,358,438	344,807,531	875,002,119	262,500,636

AS AT 31 MARCH	Group	
	2024	2023
	Rs.	Rs.
Deferred Tax (assets) / liabilities		
Balance as at 01 April	262,500,636	36,431,381
Acquisition through business combinations	38,314,597	-
Deferred tax charge - statement of profit or loss	27,849,794	13,592,682
Deferred tax charge - statement of other comprehensive income	6,142,505	212,476,572
Balance as at 31 March	344,807,531	262,500,636
Included in :		
Deferred tax asset	-	(17,151,585)
Deferred tax liability	344,807,531	279,652,221
	344,807,531	262,500,636

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

10 Income tax expense (Contd...)

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

AS AT 31 MARCH	2024		2023	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
	Rs.	Rs.	Rs.	Rs.
Deferred tax liability				
Property, plant and equipment excluding land and Buildings	12,980,284	3,984,085	209,717,529	62,915,259
Revaluation of land and Buildings	955,207,020	286,562,106	759,898,978	227,969,693
	968,187,304	290,456,191	969,616,507	290,884,952
Deferred tax assets				
Employee benefit liability	(4,098,472)	(1,229,542)	(3,567,517)	(1,070,255)
Carried forward tax losses	(205,996,900)	(61,799,070)	(144,566,178)	(43,369,853)
	(210,095,372)	(63,028,612)	(148,133,696)	(44,440,109)
	758,091,932	227,427,579	821,482,811	246,444,843

AS AT 31 MARCH	Company	
	2024	2023
	Rs.	Rs.
Deferred Tax (assets) / liabilities		
Balance as at 01 April	246,444,843	30,500,527
Deferred tax (reversal) /charge - Statement of profit or loss	(18,902,682)	3,467,745
Deferred tax (reversal) /charge- Statement of other comprehensive income	(114,582)	212,476,572
Balance as at 31 March	227,427,579	246,444,843

11 (Loss) / earnings per share

11.1 Basic loss per share is calculated by dividing the net 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.

AS AT 31 MARCH	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Amount used as the numerator:				
Loss attributable to ordinary shareholders for basic loss per share	(451,656,167)	(392,565,321)	(39,755,277)	(64,489,615)

	2024	2023	2024	2023
Number of ordinary shares used as denominator:	Number	Number	Number	Number
Weighted average number of ordinary shares in issue	843,750,000	843,750,000	843,750,000	843,750,000
Loss per share	(0.54)	(0.47)	(0.05)	(0.08)

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

12 Property, plant and equipment - Group

	Balance as at 01.04.2023	Additions	Disposals	Transfer to PPE	Acquisition through business combination	Balance as at 31.03.2024
Gross carrying amounts	Rs.	Rs.	Rs.		Rs.	Rs.
At cost/valuation						
Lands	859,587,827	-	-	-	-	859,587,827
Buildings and building integrals	1,242,497,205	1,299,851,772	-	-	437,639,792	2,979,988,768
Plant and equipment	350,065,235	254,958,540	-	-	132,545,462	737,569,237
Water Supply and Sanitation	2,013,722	-	-	-	-	2,013,722
Field and Factory Equipment	2,799,760	311,000	-	-	136,150	3,246,910
Kitchen, hotel, sport and laundry equipment	20,018,228	118,512	-	-	-	20,136,740
Electrical equipment	10,662,927	2,635,934	-	-	-	13,298,861
Office equipment	5,770,504	349,300	-	-	118,000	6,237,804
Computer equipment and software	18,106,032	834,000	-	-	-	18,940,032
Furniture and fittings	40,646,278	1,876,560	-	-	33,308	42,556,146
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	-	(23,211,607)	-	-	22,489,836
Linen	9,063,716	148,500	-	-	-	9,212,216
Kitchen utensils	1,105,949	-	-	-	-	1,105,949
Cutlery and crockery	3,415,845	10,326	-	-	-	3,426,171
Road network	6,301,003	-	-	-	-	6,301,003
Total value of depreciable assets	2,643,126,131	1,561,094,444	(23,211,607)		570,472,712	4,751,481,680
Construction in progress						
Buildings	1,221,762,275	489,206,435		(1,494,534,839)	-	216,433,871
	1,221,762,275	489,206,435		(1,494,534,839)	-	216,433,871
Total	3,864,888,406	2,050,300,879	(23,211,607)	(1,494,534,839)	570,472,712	4,967,915,551

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

12 Property, plant and equipment - Group (Contd..)

Depreciation	Balance as at 01.04.2023	Charge for the year	Disposals	Acquisition through business combination	Balance as at 31.03.2024
	Rs.	Rs.	Rs.	Rs.	Rs.
At cost/valuation	(Restated)				
Buildings and building integrals	48,065,339	23,402,057	-	87,431,644	158,899,040
Plant and equipment	119,936,936	16,103,182	-	26,509,167	162,549,285
Water Supply and Sanitation	2,013,722	-	-	-	2,013,722
Field and Factory Equipment	2,669,091	376,128	-	30,250	3,075,469
Kitchen, hotel, sport and laundry equipment	15,233,285	2,175,943	-	-	17,409,227
Electrical equipment	4,641,058	1,006,928	-	-	5,647,987
Office equipment	3,122,674	276,051	-	118,000	3,516,725
Computer equipment and software	17,453,757	442,109	-	-	17,895,866
Furniture and fittings	32,968,679	3,342,659	-	33,037	36,344,375
Swimming pool	15,992,245	735,216	-	-	16,727,461
Satellite TV system	3,431,109	14,690	-	-	3,445,799
Sewerage treatment plant	2,920,222	262,583	-	-	3,182,806
Motor vehicles	34,158,427	6,193,813	(23,211,607)	-	17,140,632
Linen	9,063,716	59,065	-	-	9,122,781
Kitchen utensils	1,006,098	37,511	-	-	1,043,610
Cutlery and crockery	3,415,845	521	-	-	3,416,366
Road network	2,822,905	315,026	-	-	3,137,932
Total depreciation	318,915,109	54,743,483	(23,211,607)	114,122,098	464,569,083

Net book values	2024	2023
At cost/valuation		
Freehold land	859,587,827	859,587,827
Buildings and building integrals	2,821,089,728	1,194,431,866
Plant and equipment	575,019,952	230,128,299
Field and Factory Equipment	171,441	130,669
Kitchen, hotel, sport and laundry equipment	2,727,512	4,784,943
Electrical equipment	7,650,874	6,021,868
Office equipment	2,721,079	2,647,830
Computer equipment & software	1,044,166	652,275
Furniture and fittings	6,211,770	7,677,599
Swimming pool	624,715	1,359,931
Satellite TV system	-	14,690
Sewerage treatment plant	1,389,680	1,652,263
Motor vehicles	5,349,203	11,543,016
Kitchen utensils	62,339	99,851
Cutlery and crockery	9,805	-
Road network	3,163,071	3,478,098
Total carrying amount of property, plant and equipment	4,286,912,598	2,324,211,023
Construction in progress		
Buildings	216,433,871	1,221,762,275
	216,433,871	1,221,762,275
	4,503,346,469	3,545,973,298

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

12 Property, plant and equipment - Group

12.1 During the financial year, the Company acquired Property, plant and equipment to the aggregate value of Rs. 555,766,040/- (2023 - Rs. 12,963,507/-), 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. Land and buildings acquired at acquisition of subsidiaries (during the year ended 31st March 2022) are stated at fair value at the acquisition date.

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:

	2024 Rs.	2023 Rs.
Land	584,285,807	584,285,807
Buildings	2,705,260,591	967,769,028
	3,289,546,398	1,552,054,835
(-) Accumulated depreciation	(239,418,624)	(146,452,436)
Net book value as at 31 March	3,050,127,775	1,405,602,398

Fair value measurement hierarchy for assets as at 31 March 2024:

	Effective date of valuation Rs.	Total Rs. '000	Quoted prices in active markets (Level 1) Rs. '000	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
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Assets measured at fair value:

As at 31 March 2024

Non financial assets

Lands	31 March 2023	859,587,827	-	-	859,587,827
Buildings	31 March 2023	2,821,089,728	-	-	2,821,089,728
Non financial assets as at 31 March 2024		3,680,677,555	-	-	3,680,677,555

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

12 Property, plant and equipment - Company

	Balance as at 01.04.2023	Additions	Disposals	Transfer to investment property	Balance as at 31.03.2024
Gross carrying amounts	Rs.	Rs.	Rs.	Rs.	Rs.
At cost/valuation					
Freehold land	389,827,020	-	-	(389,827,020)	-
Buildings and building integrals	565,380,000	-	-	(565,380,000)	-
Plant and equipment	31,997,537	129,510	-	-	32,127,048
Kitchen, hotel, sport and laundry equipment	16,509,241	91,023	-	-	16,600,263
Electrical equipment	3,777,623	2,007,371	-	-	5,784,994
Office equipment	1,065,218	119,900	-	-	1,185,118
Computer equipment and software	16,635,163	834,000	-	-	17,469,163
Furniture and fittings	33,908,244	1,826,560	-	-	35,734,804
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	-	(2,611,607)	-	1,470,707
Linen	7,472,416	148,500	-	-	7,620,916
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	1,106,433,888	5,156,864	(2,611,607)	(955,207,020)	153,772,125

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12 Property, plant and equipment - Company

Depreciation	Balance as at 01.04.2023	Charge for the year	Disposals	Balance as at 31.03.2024
	Rs.	Rs.	Rs.	Rs.
At cost/valuation				
Plant and equipment	27,079,609	2,422,608	-	29,502,218
Kitchen, hotel, sport and laundry equipment	13,800,224	1,311,661	-	15,111,885
Electrical equipment	3,257,783	522,036	-	3,779,819
Office equipment	941,241	91,113	-	1,032,354
Computer equipment & software	16,555,101	337,805	-	16,892,906
Furniture and fittings	29,167,361	2,666,673	-	31,834,034
Swimming pool	15,992,246	735,216	-	16,727,462
Satellite TV system	3,431,109	14,690	-	3,445,799
Sewerage treatment plant	2,920,222	262,583	-	3,182,805
Motor vehicles	4,082,314	-	(2,611,607)	1,470,707
Linen	7,472,416	59,065	-	7,531,481
Kitchen utensils	1,006,098	37,511	-	1,043,610
Cutlery and crockery	3,001,700	-	-	3,001,700
Road network	2,822,904	315,026	-	3,137,930
Total depreciation	131,530,328	8,775,988	(2,611,607)	137,694,709

Net book values	2024	2023
	Rs.	Rs.
At cost/valuation		
Freehold land	-	389,827,020
Buildings and building integrals	-	565,380,000
Plant and equipment	2,624,830	4,917,928
Kitchen, hotel, sport and laundry equipment	1,488,378	2,709,017
Electrical equipment	2,005,175	519,839
Office equipment	152,764	123,977
Computer equipment & software	576,257	80,062
Furniture and fittings	3,900,770	4,740,883
Swimming pool	624,715	1,359,931
Satellite TV system	-	14,690
Sewerage treatment plant	1,389,680	1,652,263
Kitchen utensils	62,339	99,851
Road network	3,163,073	3,478,099
Total carrying amount of property, plant and equipment	16,077,416	974,903,560
Construction in progress		
Buildings	2,333,549	-
	2,333,549	-
Total carrying amount of property, plant and equipment	18,410,965	974,903,560

During the financial year, the Company acquired Property, plant and equipment to the aggregate value of Rs. 7,490,413/- (2023 - Rs.629,739/-), whereas full consideration was settled in cash during the same period.

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AS AT 31 MARCH	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
13 Right of Use Assets					
Cost					
Balance as at 01 of April		99,302,504	99,302,504	-	-
Addition during the year		-	-	-	-
Balance as at 31 March		99,302,504	99,302,504	-	-
Depreciation					
Balance as at 01 of April		16,293,393	11,390,530	-	-
Amortization for the year		4,902,863	4,902,863	-	-
Balance as at 31 March		21,196,256	16,293,393	-	-
Net book value		78,106,248	83,009,111	-	-

13.1	Nature of the property	Company	Lessor	Lease Term	Annual rental
	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 Rs.	Motor Vehicles Rs.	Total Rs.
As at 01 April 2023	83,009,111	10,303,211	93,312,322
Depreciation expenses	1,563,400	3,339,463	4,902,864
As at 31 March 2024	84,572,511	13,642,674	98,215,186

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

	2024 Rs.	2023 Rs.
Depreciation expense of right-of-use assets	4,902,863	1,205,466
Interest expense on lease liabilities	4,228,138	534,041
Total amount recognized in profit or loss	9,131,001	1,739,507

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14 Intangible assets - Group

	Software	License	2024	2023
	Rs.	Rs.	Rs.	Rs.
Cost				
Balance as at 01 of April	2,111,000	25,000,000	27,111,000	26,611,000
Additions	-	-	-	500,000
Balance as at 31 March	2,111,000	25,000,000	27,111,000	27,111,000
Amortization				
Balance as at 01 of April	1,039,517	-	1,039,517	644,400
Charge for the year	220,334	-	220,334	395,117
Balance as at 31 March	1,259,851	-	1,259,851	1,039,517
Net book value	851,149	25,000,000	25,851,149	26,071,483

15 Biological assets

15.1 Bearer biological assets

	Group		Company	
AS AT 31 MARCH 2024	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 of April	916,951,124	917,948,067	-	-
Additions	132,511,993	33,000,000	-	-
Amortization	(33,996,943)	(33,996,943)	-	-
Balance as at 31 March	1,015,466,175	916,951,124	-	-
15.2 Consumable biological assets				
Balance as at 01 of April	276,535,716	276,535,716	-	-
Balance as at 31 March	276,535,716	276,535,716	-	-
Total biological assets	1,292,001,891	1,193,486,841	-	-

15.3 Consumable biological assets include agarwood trees which is highly valued for its distinctive fragrance, which is a result of the dark, aromatic resin formed when the tree undergoes a natural infection, often by fungi or other pathogens. This resin acts as the tree's defense mechanism, and its production significantly contributes to the market value of agarwood. In a commercial production, inoculation is a technique used to artificially induce resin formation. This process involves introducing specific fungi or agents into the tree to stimulate the production of resin, enhancing both the quantity and quality of the resin. Timing of harvest of trees can generally be only after 2 to 3 years of artificial inoculation, indicated by black patches in the bark that signal resin formation. Without inoculation, the natural resin production may be insufficient for commercial purposes, leading to lower yields and less desirable quality.

As at the reporting date, the inoculation process has not commenced and hence the agarwood trees are not in its harvesting / mature state. As a result the resin quality and yield remains uncertain. Considering this, the consumable biological assets are continued to be measured at its acquisition cost determined at the time of acquisition of the Subsidiary on 31 January 2022.

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16. Investment Properties

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 01 of April	2,149,002	2,370,907	-	-
During the period additions	-	-	955,207,020	-
Acquisition through business combinations	-	-	-	-
Charge for the year	(221,905)	(221,905)	-	-
Balance as at 31 March	1,927,097	2,149,002	955,207,020	-
Rental income	3,360,907	1,986,338	-	-
	3,360,907	1,986,338	-	-

16.1 During the year the company transferred its land and buildings from property, plant & equipment to investment property pursuant to the company entering into a 99 year old lease with its subsidiary, Hunas Falls Hotels (Pvt) Limited. The lease commenced with effect from 1st April 2023 and the preliminary agreed monthly rental amounted to LKR 100,000/- with a grace period of two years. The management has determined that the carrying value of the assets approximate the fair value as at 31 March 2024.

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

16.3 Information on freehold land & buildings - company

Property	Valuer	Valuation Techniques	Effective date of Valuation	Value	Significant Unobservable Inputs
Land and Buildings	Senanayake Bandara	Open market value method	31-March - 23	860,270,020	5.75Mn per Acre & Rate per Sqft
Land	Mr.K R N Jayawardene		31-March - 23	95,000,000	3.5Mn per Acre

17 Investments

17.1 Investment in subsidiaries

NON-QUOTED	Holding %	Amount	Amount
		Rs. 2024	Rs. 2023
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	1,000
Kuruganga Hydro (Private) Limited	42%	222,759,000	-
As at 31 March		4,052,171,000	3,829,412,000
(-) Provision for impairment		(1,828,474,519)	(1,828,474,519)
		2,223,696,481	2,000,937,481

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

17.1.1 Acquisitions in 2023/2024

The Company acquired further 23% of the equity interest of Kuruganga Hydro (Private) Limited on 31 March 2024 which was classified under investment in non quoted shares previously. As a result of this acquisition Hunas Holdings PLC has obtained the control of the investee having and recorded as investment in subsidiary in the financial statement as at 31 March 2024. The parent company Hunas Holdings PLC infused share capital to acquire the equity interest in Kuruganga Hydro (Private) Limited during the year by way of a share swap and a private placement. 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, the final allocation of purchase price will be finalized within a period of twelve month s following the acquisition date. The provisional fair value of the identifiable assets and liabilities as at the date of acquisition were :

	Value recognised on acquisition Rs.
Assets	
Property, plant and equipment	456,350,614
Inventories	190,730
Trade and other receivables	8,427,658
Other current assets	368,115,390
Cash and cash equivalents	78,524
Liabilities	
Other non current liabilities	(38,314,597)
Trade and other payables	(54,214,517)
Other current liabilities	(37,184,741)
Bank overdraft	(56,290)
Net identifiable assets and liabilities	703,392,771
Non-controlling interest	407,967,807
Gain on bargain purchase	(72,665,964)
Purchase consideration transferred	222,759,000
Net cash acquired with the subsidiary	
Net cash flow on acquisition	22,234
	22,234

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17. Investments (Cont.)

17.2 Investment in equity account investees

	Holding % 2024	Amount (Rs.) 2024	Holding % 2023	Amount (Rs.) 2023
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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current Assets	39,669,384	34,758,246	5,003,079,057	4,898,796,981	33,269,941	49,126,176
Non-current Assets	37,474,351	45,049,918	948,821,501	994,806,263	181,231,635	193,510,249
Current Liabilities	(7,586,701)	(8,683,336)	(4,951,462,436)	(4,877,361,052)	(15,911,970)	(21,180,976)
Non-current Liabilities	(15,735,257)	(17,621,791)	(215,244,738)	(277,974,290)	(38,232,232)	(31,833,897)
Equity	(53,821,777)	(53,503,037)	(785,193,383)	(738,267,903)	(160,357,374)	(189,621,552)
Group's share in equity – 20%, 20% and 30%	(2,915,631)	(2,979,379)	(2,043,010)	(11,428,105)	(19,356,893)	(10,577,639)
Revenue from contracts with customers	16,740,674	20,097,516	425,017,728	562,775,137	31,661,282	30,848,094
Profit after tax	318,740	4,645,900	46,925,474	(85,187,088)	5,135,822	1,007,054
Total comprehensive income	-	-	-	(35,257,487)	-	-
	318,740	4,645,900	46,925,474	(120,444,575)	5,135,822	1,007,054
Group's share of profit for the year	63,748.04	929,180	9,385,094.77	(24,088,915)	1,540,746.60	302,116
Dividends	-	-	-	-	(10,320,000)	-

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

	Weswin Power Galaha (Private) Limited		Mercantile Produce Brokers (Private) Limited		Eratne Power Company (Private) Limited		Total	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 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	(2,915,631)	(2,979,379)	(2,043,010)	(11,428,105)	(19,356,893)	(10,577,639)	(24,315,534)	(24,985,123)
	12,894,369	12,830,621	279,043,990	269,658,895	17,649,107	26,428,361	309,587,466	308,917,877

17.3 Investment in non- listed equity shares

	Holding % 2024	Amount (Rs.) 2024	Holding % 2023	Amount (Rs.) 2023
Kuruganga Hydro (Private) Limited				
	0%	-	19%	90,759,000
		-		90,759,000

The investement has been used to aquire the equity share of Kuruganga Hydro (Pvt) Limited on 31 March 2024

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18. Inventories

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Food and beverages	1,317,282	7,173,668	920,863	993,137
Growing crop nursery	3,394,622	3,233,622	-	-
Produced inventories	69,577,109	9,527,952	-	-
General inventories	7,338,367	7,792,519	494,680	721,428
Processed tea	54,726,596	-	-	-
Firewoods	1,039,003	755,517	-	-
Packing materials	851,265	605,033	-	-
Other	665,406	32,126	-	-
	138,909,650	29,120,437	1,415,543	1,714,565

19. Trade and other receivables

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Receivable - Related parties	-	2,574,157	-	2,574,157
Trade Receivable - Others	40,489,348	9,271,343	2,534,835	372,131
	40,489,348	11,845,500	2,534,835	2,946,288
Deposits	724,322	469,778	394,778	369,778
Dividend Receivable	3,120,000	-	3,120,000	-
WHT Receivable	1,080,000	-	1,080,000	-
Other receivables	4,102,410	4,533,007	-	2,849,590
Staff loans	518,333	17,000	233,333	-
	50,034,412	16,865,285	7,362,946	6,165,656

AS AT 31 MARCH	Total	Neither Past due nor impaired	Past due but not impaired			
			31-60 days	61-90 days	91-120 days	120 < days
Group						
2024	40,489,348	23,524,651	4,755,514	5,173,164	396,395	6,639,623
2023	11,845,500	4,650,475	1,844,441	1,601,362	1,278,614	2,470,608

AS AT 31 MARCH	Total	Neither Past due nor impaired	Past due but not impaired			
			31-60 days	61-90 days	91-120 days	120 < days
Company						
2024	2,534,835	1,256,039	-	52,000	182,000	1,044,796
2023	2,946,288	54,000	60,000	83,400	337,080	2,411,808

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

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20. Related party transactions

20.1	Amounts due to related parties - Current	Relationship	Group		Company	
			2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
	Serenity Lake Leisure (Private) Limited	Parent	-	116,449,924	-	116,449,924
	TAD Lanka Holdings (Private) Limited	Ultimate parent	-	-	239,207,118	-
	Mercantile Leisure (Private) Limited	Affiliate Company	57,625	68,212	-	-
	Hunas Falls Hotels (Pvt) Ltd	Subsidiary	-	-	24,000	24,000
	Samantha Bandara Dodanwala	Director	100	100	-	-
			57,725	116,518,236	239,231,118	116,473,924
	Amounts due from related parties - Non Current					
	Serenity Lake Leisure (Private) Limited	Parent	40,000,000	40,000,000	40,000,000	40,000,000
			40,000,000	40,000,000	40,000,000	40,000,000

20.2 Amounts due to related parties

AS AT 31 MARCH	Relationship	Group		Company		
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	
	TAD Lanka Holdings (Private) Limited	Ultimate parent	1,067,107,173	1,057,472,764	-	77,133,919
	TAD Lanka Power (Private) Limited	Affiliate Company	30,672,915	16,970	-	-
	Mercantile Produce Brokers (Private) Limited	Associate	380,393,914	401,903,912	-	-
	TAD Lanka Plantations (Private) Limited	Affiliate Company	39,314,206	15,879,456	-	-
	TAD Lanka Investments (Private) Limited	Affiliate Company	16,309,421	16,287,996	-	-
	Ms. Sujivie Irugalbandara	Director	1,609,000	1,609,000	-	-
			1,535,406,629	1,493,170,098	-	77,133,919

21. Advance, Deposits and Prepayments

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Pre Payment	13,062,980	2,707,557	1,549,027	893,905
Project Advance Receivable	27,502,250	9,244,258	14,538,513	-
Supplier Advance	637,020	3,845,454	160,537	273,852
Staff loan and advance	2,405,553	2,751,221	-	-
Refundable Deposits	1,190,500	258,500	-	-
Other	4,257,716	1,767,717	-	-
	49,056,019	20,574,708	16,248,077	1,167,758

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22. Current financial assets

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Investments in fixed deposits	53,642,518	49,231,628	-	-
	53,642,518	49,231,628	-	-
23. Cash and cash equivalents				
Components of cash and cash equivalents				
23.1 Favourable cash and cash equivalents				
Cash at bank and in hand	19,620,845	9,823,222	8,155,981	6,369,697
	19,620,845	9,823,222	8,155,981	6,369,697
23.2 Unfavourable cash and cash equivalents				
Bank overdraft	(93,392,912)	(27,862,866)	(5,313,866)	(3,507,672)
Total cash and cash equivalents for the purpose of statement of cash flows	(73,772,068)	(18,039,644)	2,842,115	2,862,026

24. Stated capital

AS AT 31 MARCH	2024		2023	
	Number	Rs.	Number	Rs.
24.1 Fully paid ordinary shares	843,750,000	4,336,573,000	843,750,000	4,336,573,000
Infusion of share capital	5,280,000	132,000,000	-	-
Split of shares	-	-	-	-
	849,030,000	4,468,573,000	843,750,000	4,336,573,000

25. Reserves

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
25.1 As at 01 April	531,929,285	95,874,248	531,929,285	95,874,248
Revaluation gain on 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)
As at 31 March	531,929,285	531,929,285	531,929,285	531,929,285

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26. Interest bearing loans and borrowings

	Note	2024 Rs.	2023 Rs.
26.1 Group			
Current interest bearing loans and borrowings			
Bank loans	(Note 26.1.1)	453,025,693	229,315,664
Lease liabilities	(Note 26.1.2)	6,281,673	5,073,528
Bank overdrafts		93,392,912	27,862,866
		552,700,278	262,252,058
Non current interest bearing loans and borrowings			
Bank loans	(Note 26.1.1)	816,588,252	743,473,274
Lease liabilities	(Note 26.1.2)	63,350,931	70,680,950
		879,939,183	814,154,224
		1,432,639,461	1,076,406,282

26.1.1 Bank Loans

	Note	2024 Rs.	2023 Rs.
Balance as at 01 April		972,788,938	951,356,687
Loan obtained/ interest capitalized		495,435,144	156,335,189
Repayments		(198,610,137)	(134,902,938)
Balance as at 31 March		1,269,613,945	972,788,938
Current		453,025,693	229,315,664
Non-current		816,588,252	743,473,274
		1,269,613,945	972,788,938

26.1.2 Lease liabilities

	Motor vehicle Rs.	Land Rs.	2024 Rs.	2023 Rs.
Balance as at 01 April	4,489,248	71,265,230	75,754,478	81,516,831
Capital payments	(1,398,088)	(4,723,787)	(6,121,875)	(5,762,353)
Balance as at 31 March	3,091,160	66,541,443	69,632,603	75,754,478
Lease payments				
Gross payments	1,837,596	8,512,417	10,350,013	9,094,019
Interest expense recognized as finance expense	(439,508)	(3,788,630)	(4,228,138)	(3,331,666)
Capital payments	1,398,088	4,723,787	6,121,875	5,762,353
Current	1,557,886	4,723,787	6,281,673	5,073,528
Non-current	1,533,274	61,817,656	63,350,931	70,680,950
	3,091,160	66,541,443	69,632,603	75,754,478

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YEAR ENDED 31 MARCH 2024

26.1.3 Maturity analysis

	Current - within 1 year	Non-Current - between 1 and 5 years	Non-Current - more than 5 years	Total	Total
	Rs.	Rs.	Rs.	2024 Rs.	2023 Rs.
Gross lease liability	10,193,201	48,190,320	481,685,472	540,068,993	545,272,010
Interest in suspense	(5,119,673)	(31,013,578)	(434,303,139)	(470,436,390)	(469,517,532)
Net lease liability	5,073,528	17,176,742	47,382,333	69,632,603	75,754,478
Bank financing	453,025,693	816,588,252	-	1,269,613,945	972,788,938
Bank overdrafts	93,392,912	-	-	93,392,912	27,862,866
	556,565,661	850,941,737	94,764,667	1,502,272,064	1,152,160,760

26. Interest bearing loans and borrowings (Contd...)

	Note	2024 Rs.	2023 Rs.
26.2 Company			
Current interest bearing loans and borrowings			
Bank overdrafts		5,313,866	3,507,672
Bank loans	26.2.1	400,000,000	116,449,924
		405,313,866	119,957,596
26.2.1 Bank Loans			
Balance as at 01 April		116,449,924	122,823,282
New loan obtained/interest capitalized		400,000,000	18,626,642
Repayments		(116,449,924)	(25,000,000)
Balance as at 31 March		400,000,000	116,449,924

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YEAR ENDED 31 MARCH 2024

26.3	Terms and conditions of the loans					
	Company	Lending Institution	2024 Rs.	Interest rate	Repayment terms	Security
	Hunas Holdings PLC	Merchant Bank of Sri Lanka & Finance PLC	400,000,000	14.5% per annum	Repayment in 12 months from the date of loan Granted	Land and Buildings of Hunas Holdings PLC
		Sampath Bank PLC	121,138,000	15.5% per annum	Repayment in 54 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
		Sampath Bank PLC	2,103,834	15.5% per annum	Repayment in 60 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
	Rainforest Tea Factory (Private) Limited					
		Sampath Bank PLC	6,070,418	5.8% per annum	Repayment in 54 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
		Sampath Bank PLC - Moratorium loans	31,571,114	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	690,000,000	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
	Suriyakanda Plantations (Private) Limited	DFCC Bank PLC	18,732,038	AWPLR+4.75% per annum	Repayment in 48 Equal monthly installments	Corporate guarantee from TAD Lanka Holdings (Pvt) Ltd

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27. Employee benefit liability

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
27.1 Defined benefit obligation				
Changes in the present value of the defined benefit obligation are as follows:				
Balance as at 1 April	57,595,320	48,058,331	3,567,517	4,896,848
Current service cost	(5,460,418)	12,903,218	508,513	337,860
Interest cost	8,962,846	685,559	642,153	685,559
Actuarial (gain)/ loss	(20,856,956)	(381,048)	381,938	(381,048)
Benefit paid	(3,243,470)	(3,670,740)	(1,001,650)	(1,971,700)
Balance as at 31 March	36,997,322	57,595,320	4,098,472	3,567,517
The expenses are recognized in the following line items in the statement of profit and loss and other comprehensive income				
Cost of sales	97,031	361,867	455,166	361,867
Administrative expenses	3,405,397	13,226,910	695,500	496,550
Other comprehensive income	(20,856,956)	(381,048)	381,938	(381,048)
	(17,354,528)	13,207,729	1,532,605	477,369

27.2 Messrs.. Actuarial & Management Consultants (Pvt) Ltd, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2024. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

27.3 Principal actuarial assumptions

The principal financial assumptions underlying the above valuation are as follows;

AS AT 31 MARCH	Group		Company	
	2024	2023	2024	2023
Discount rate	12% p.a	14% - 15% p.a	12% p.a	14% p.a
Salary increment rate	9% p.a	12% p.a	9% p.a	12% p.a
Average remaining working life (Years)	8.5 - 4	9.5 - 3	4	3

27.4 Sensitivity of the principal assumptions used

AS AT 31 MARCH	Expected Future Salaries		Discount Rate	
	1% increase Rs.	1% decrease Rs.	1% increase Rs.	1% decrease 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

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27.5 Maturity analysis of the payments

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Within the next 12 months	7,897,741	9,024,480	1,010,512	946,567
Between 1 to 5 years	10,191,864	17,648,223	1,887,581	1,953,259
Between 5 to 10 years	18,907,717	30,922,617	1,200,379	667,691
	36,997,322	57,595,320	4,098,472	3,567,517

28. Trade and other payables

AS AT 31 MARCH	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade payables		238,059,846	26,226,704	21,193,129	11,189,298
Other payables		41,926,820	53,559,857	5,690	4,562,975
Unclaimed dividends		281,805	281,805	281,805	281,805
Dividends payable		34,261,365	-	-	-
Income tax payable		19,598,728	-	-	-
Sundry creditors including accrued expenses		294,829,304	58,198,854	19,021,968	33,564,812
		628,957,868	138,267,221	40,502,592	49,598,890

29. Contract liabilities

Reservation advances	29.1	3,137,975	4,518,594	3,137,975	4,518,594
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29.1 Reservation advances

	Note	2024 Rs.	2023 Rs.
Opening balance		4,518,594	8,147,489
Advance received during the year		58,917,118	49,285,983
Setoff against the receivables		(60,297,736)	(52,914,878)
Closing balance		3,137,975	4,518,594

30. Commitments and contingencies

30.1 Capital expenditure commitments

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. Nil/- (2023 - Rs. Nil)

30.2 Contingent liabilities

There are no significant contingencies as at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

31. Assets pledged

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

	Company	Nature of assets pledged	Nature of liability	Carrying amount of pledged assets (Rs.)	Included under
	Hunas Holdings PLC	Land and buildings	Refer Note 26.3	955,207,020	Property, plant & equipment
	Rainforest Tea Factory (Private) Limited	Land and buildings	Refer Note 26.3	452,569,662	Property, plant & equipment
	Sustainable Energy Holdings (Private) Limited	Land and buildings including plant, machinery and other equipment	Refer Note 26.3	1,204,280,000	Property, plant & equipment

32 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.

33 Related party disclosures

The Group and Company carries out transactions in the ordinary course of business with the parties who are defined as related parties in Sri Lanka Accounting Standard – LKAS 24 (Related Party Disclosures), the details of which are reported below.

33.1 Transactions with Key Management Personnel of the Company and Parent

There are no short term employment benefits, long-term employment benefits, post -employment benefits or termination benefits paid to the Key Management Personnel during the year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

33.2 Related party disclosures (Contd..)

	Ultimate parent company		Parent company		Affiliate companies		Total	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Group								
As at 01 April	(1,057,472,764)	(875,119,600)	156,449,924	162,823,282	(434,020,022)	(382,632,365)	(1,347,642,861)	(1,094,928,682)
Loan capitalize and interest payable	-	-	(116,449,924)	(6,373,358)	-	-	(116,449,924)	(6,373,358)
Interest Charge	48,390,323	-	-	-	-	-	48,390,323	-
Management Fee	(34,600,000)	(11,100,000)	-	-	(26,280,000)	(12,600,000)	(60,880,000)	(23,700,000)
Net fund transfers	(23,424,732)	(171,253,164)	-	-	(32,612,709)	(51,387,657)	(56,037,441)	(222,640,821)
As at 31 March	(1,067,107,173)	(1,057,472,764)	40,000,000	156,449,924	(492,912,731)	(434,020,022)	(1,532,619,904)	(1,347,642,861)
Included in:								
Amounts due from related parties - non current	-	-	40,000,000	40,000,000	-	-	40,000,000	40,000,000
Amounts due from related parties - current	-	-	-	116,449,924	57,725	68,312	57,725	116,518,236
Amounts due to related parties	(1,067,107,173)	(1,057,472,764)	-	-	(466,690,456)	(434,088,334)	(1,533,797,629)	(1,491,561,098)
	(1,067,107,173)	(1,057,472,764)	40,000,000	156,449,924	(466,632,731)	(434,020,022)	(1,493,739,904)	(1,335,042,862)

33.3 Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of business with the related entities. All related party transactions are conducted at commercial terms agreed by the management. All related party outstanding balances at year-end are unsecured.

33.4 Related party transactions exceeding 10% of the equity or 5% of the total assets of the entity as per audited financial statements, whichever is lower.

Company	Relationship	Value of the Related Party Transactions entered into during the financial year (Rs.)	Value of Related Party Transactions as a % of Equity
TAD Lanka Holdings (Pvt) Limited	Ultimate parent company	400,000,000	16%

During the year the company had obtained a loan from Merchant Bank of Sri Lanka and Finance PLC amounting to LKR 400,000,000/-. As per the arrangement with TAD Lanka Holdings (Pvt) Ltd (Ultimate Parent entity of Hunas Holdings PLC) and the loan proceeds were utilised by TAD Lanka Holdings (Pvt) Ltd. All the loan servicing including capital and interest payments are borne by TAD Lanka Holdings (Pvt) Ltd.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

33 Related party disclosures (Contd..)

33.5 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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at 01 April	(77,133,919)	(52,378,302)	156,449,924	162,823,282	24,000	-	79,340,005	110,444,980
Loan capitalize and interest Payable	400,000,000	-	(116,449,924)	(6,373,358)	-	-	283,550,076	(6,373,358)
Interest Charged	48,390,323	-	-	-	-	-	48,390,323	-
Management Fee	(5,200,000)	(8,700,000)	-	-	-	-	(5,200,000)	(8,700,000)
Net fund transfers	(126,849,285)	(16,055,617)	-	-	-	24,000	(126,849,285)	(16,031,617)
As at 31 March	239,207,118	(77,133,919)	40,000,000	156,449,924	24,000	24,000	279,231,118	79,340,005
Included in:								
Amounts due from related parties - non current	-	-	40,000,000	40,000,000	-	-	40,000,000	40,000,000
Amounts due from related parties - current	400,000,000	-	-	116,449,924	24,000	24,000	400,024,000	116,473,924
Amounts due to related parties	(160,792,882)	(77,133,919)	-	-	-	-	(160,792,882)	(77,133,919)
	239,207,118	(77,133,919)	40,000,000	156,449,924	24,000	24,000	279,231,118	79,340,005

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 Plan-tations (Private) Limited, TAD Lanka Investments (Private) Limited and Hunas Falls Hotels (Private) Limited.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

34. 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. ed 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.

34.1 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 2023 and 2024.

34.1.1 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
2024	+/- 200	21,391,171	3,366,148
2023	+/- 200	11,877,303	366,912

34.1.2 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
2024	+/- 5%	21,810,735	1,987,764
2023	+/- 5%	3,849,175	1,769,908

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34. Financial risk management objectives and policies (Contd...)

34.2 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.

AS AT 31 MARCH	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade and other receivables	50,034,412	16,865,285	7,362,946	6,165,656
Amounts due from related parties	57,725	116,518,236	239,231,118	116,473,924
Cash and bank balances	19,620,845	9,823,222	8,155,981	6,369,697
	69,712,982	143,206,743	254,750,045	129,009,277

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.

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.

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

YEAR ENDED 31 MARCH	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	After one year Rs.	Total Rs.
Group					
Long term loans	-	-	453,025,693	816,588,252	1,269,613,945
Lease liabilities	-	459,425	5,822,247	63,350,931	69,632,603
Trade and other payables	-	238,059,846	390,898,022	-	628,957,868
Bank overdraft	93,392,912	-	-	-	93,392,912
	93,392,912	238,519,271	849,745,963	879,939,183	2,061,597,329

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YEAR ENDED 31 MARCH 2024

34. Financial risk management objectives and policies (Contd...)

YEAR ENDED 31 MARCH	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	After one year Rs.	Total Rs.
Group					
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

YEAR ENDED 31 MARCH	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	After one year Rs.	Total Rs.
Company					
Long term loans	-	-	400,000,000	-	400,000,000
Trade and other payables	-	21,193,129	19,309,463	-	40,502,592
Bank overdraft	5,313,866	-	-	-	5,313,866
	5,313,866	21,193,129	419,309,463	-	445,816,458

	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	After one year Rs.	Total Rs.
Company					
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

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 2024.

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

34. Financial risk management objectives and policies (Contd...)					
AS AT 31 MARCH	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest bearing loans and borrowings	26	1,432,639,461	1,076,406,282	405,313,866	119,957,596
Trade and other payables	28	628,957,868	138,267,222	40,502,592	49,598,892
Less: Cash and cash equivalents	23	(19,620,845)	(9,823,222)	(8,155,981)	(6,369,697)
Net debt		2,041,976,484	1,204,850,282	437,660,477	163,186,791
Equity		2,581,042,314	2,500,424,555	3,163,462,349	3,071,484,981
Total capital		2,581,042,314	2,500,424,555	3,163,462,349	3,071,484,981
Capital and net debt		4,623,018,798	3,705,274,836	3,601,122,826	3,234,671,772
Gearing ratio		44%	33%	12%	5%

35 Segment Information

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

	2024				2023					
	Mini hydro power Rs.	Plantation Rs.	Real estate Rs.	Leisure Rs.	Total	Mini hydro power Rs.	Plantation Rs.	Real estate Rs.	Leisure Rs.	Total
Property, plant and equipment	2,304,001,826	1,097,378,630	104,598,153	701,987,859	3,937,966,469	1,237,354,181	741,109,414	102,310,625	1,465,199,079	3,545,973,299
Intangible assets	25,000,000	851,149	-	-	25,851,149	25,000,000	1,071,483	-	-	26,071,483
Right of use assets	-	78,106,247	-	-	78,106,247	-	83,009,111	-	-	83,009,111
Biological assets	-	1,292,001,892	-	-	1,292,001,892	-	1,193,486,841	-	-	1,193,486,841
Investment property	-	1,927,097	-	565,380,000	567,307,097	-	2,149,002	-	-	2,149,002
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-
Investment in associates	-	-	-	-	309,587,466	-	-	-	-	331,775,496
Other non current assets	-	-	-	40,000,000	40,000,000	-	17,151,585	-	40,000,000	57,151,585
Investment in non-listed equity shares	-	-	-	-	-	-	-	-	-	90,759,000
Total non-current assets					6,250,820,320					5,330,375,816
Inventories	190,730	136,906,958	-	1,811,963	138,909,651	-	27,122,140	-	1,998,298	29,120,437
Advances & Deposits	9,774,057	19,296,490	-	19,985,472	49,056,019	1,453,150	12,773,270	-	6,348,288	20,574,708
Trade and other receivables	11,070,801	28,182,095	81,199	10,700,318	50,034,412	-	8,626,918	-	8,238,367	16,865,285
Other current assets	27,757,414	26,421,113	-	369,327	54,547,854	24,916,889	24,385,713	-	116,829,839	166,132,441
Cash and cash equivalents	99,490	10,921,299	73,300	8,526,755	19,620,845	650,914	2,353,800	96,922	6,721,587	9,823,222
Total current assets					312,168,781					242,516,093
Deferred Tax	72,170,684	39,069,046	-	233,567,801	344,807,531	8,488	28,355,971	-	251,287,762	279,652,221
Interest bearing loans and borrowings	690,000,000	189,939,182	-	-	879,939,182	614,564,856	199,589,368	-	-	814,154,224
Retirement Benefit Obligations	-	32,610,100	-	4,387,222	36,997,322	-	54,027,802	-	3,567,517	57,595,320
Total non-current liabilities					1,261,744,035					1,151,401,764
Trade and other payables	324,322,405	102,604,117	220,191	201,811,154	628,957,867	13,212,693	72,832,363	-	52,222,166	138,267,222
Other current liabilities	87,123,668	1,338,087,332	95,206,980	18,126,625	1,538,544,605	412,909,535	731,123,844	92,757,980	260,897,336	1,497,688,696
Interest bearing Loans and Borrowings	56,365,144	90,546,867	-	405,788,267	552,700,278	994,945	140,356,560	-	120,900,553	262,252,058
Total current liabilities					2,720,202,750					1,898,207,975
Total segment assets	2,107,894,318	2,691,992,970	104,752,652	1,348,761,694	6,562,989,101	1,289,375,134	2,113,239,276	102,407,547	1,645,335,457	5,572,891,909
Total segment liabilities	1,229,981,901	1,792,857,644	95,427,171	863,681,070	3,981,946,786	1,041,690,517	1,226,285,908	92,757,980	688,875,334	3,049,609,740

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2024

35 Segment Information (Contd..)

Inter company investments made by the Group of companies have not been considered for the calculation of segment assets.

Inter segment receivable and payable balances are eliminated on consolidation.

	2024					2023				
	Mini hydro power Rs.	Plantation Rs.	Real estate Rs.	Leisure Rs.	Total	Mini hydro power Rs.	Plantation Rs.	Real estate Rs.	Leisure Rs.	Total
Revenue	2,561,943	676,222,075	-	120,623,204	799,407,223	-	806,462,977	-	99,721,269	906,184,246
Cost of sales	-	(727,867,105)	-	(40,099,685)	(767,966,790)	-	(807,937,433)	-	(50,804,405)	(858,741,838)
Other income	4,295,023	8,597,989	-	6,866,894	19,759,906	-	5,402,216	-	3,317,200	8,719,416
Advertising and marketing expenses	-	(8,882,112)	-	(5,578,094)	(14,460,206)	-	(6,504,276)	-	(5,341,256)	(11,845,532)
Administrative expenses	(6,895,418)	(221,539,229)	(196,092)	(190,444,333)	(419,075,071)	(2,943,504)	(161,432,581)	(224,401)	(123,300,500)	(287,900,987)
Finance cost	(553,715)	(136,515,267)	-	(48,931,921)	(186,000,903)	(45,096)	(136,473,881)	-	(556,345)	(137,075,322)
Finance income	-	-	-	75,259	75,259	1,960,105	2,299,256	-	926,862	5,186,223
Gain on bargain Purchase	-	-	-	-	72,665,964	-	-	-	-	-
Share of profit of associations	-	-	-	-	(10,989,589)	-	-	-	-	(22,857,619)
Adjustment on provisional values of investment in subsidiaries	-	-	-	-	-	-	-	-	-	-
(Loss)/profit before tax	(592,167)	(409,983,649)	(196,092)	(109,098,352)	(436,214,706)	(1,028,495)	(298,183,722)	(224,401)	(76,037,175)	(398,331,412)
Income tax reversal/(expenses)	(33,847,599)	(21,607,575)	-	17,605,380	(37,849,794)	(566)	(8,020,144)	-	(5,501,098)	(13,521,808)
(Loss)/profit for the year	(34,439,766)	(431,591,224)	(196,092)	(91,492,972)	(546,730,464)	(1,029,061)	(306,203,866)	(224,401)	(81,538,273)	(411,853,220)
Inter-segment revenues are eliminated on consolidation.										

INFORMATION OF SHAREHOLDERS AND INVESTORS

Ordinary Shareholders as at 31st March 2024

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	986	422,734	0.05	1	150	0	987	422,884	0.05
1001-10000	379	1,592,925	0.19	1	5,168	0	380	1,598,093	0.19
10001-100000	859	28,060,271	3.3	5	255,000	0.03	864	28,315,271	3.33
100001-1000000	60	15,943,768	1.88	1	277,500	0.03	61	16,221,268	1.91
Over 1,000,000	6	793,398,734	93.45	3	9,073,750	1.07	9	802,472,484	94.52
	2290	839,418,432	98.87	11	9,611,568	1.13	2,301	849,030,000	100
Category									
Individuals				2236	55,285,033				
Institutions				65	793,967,744				
				2301	849,030,000				

Name of Shareholder	No. of Shares as at 31st March 2024	%
1 Cargills Bank Limited/ Serenity Lake Leisure (Pvt) Ltd	558,573,000	65.79
2 National Development Bank PLC/ Serenity Lake Leisure (Pvt) Ltd	170,000,000	20.02
3 Serenity Lake Leisure (Private) Limited	56,273,550	6.63
4 My Room CO.LTD	5,280,000	0.62
5 Mr. K.D.A. Perera	5,176,650	0.61
6 Mr. Y. Watanabe	1,993,750	0.23
7 Gain Focus Limited	1,800,000	0.21
8 Mr. S.A. Obeysekere	1,787,600	0.21
9 Mr. S.S. Abeyasinghe	1,587,934	0.19
10 Mr. P.D. Dassanayake	880,635	0.1
11 Mrs. D.P.K. Panamaldeniya	750,000	0.09
12 Mr. R.E. Rambukwelle	660,600	0.08
13 Tangerine Tours (Pvt) Limited	660,000	0.08
14 Mr. A. Kumarasinghe	554,250	0.07
15 Mr. R.S.A.W. Wickramasuriya	550,000	0.06
16 Mr. L.S. Goonetilleke	547,900	0.06
17 Mr. W.T.L. Weeraratne	535,723	0.06
18 Mr. A.A.M.N.A. Weerasinghe	500,458	0.06
19 Mr. H.V.M.S. De Silva	454,300	0.05
20 Mr. E. Sivasubramaniam	427,371	0.05
TOTAL	812,359,584	95.67
The closing market price per share for the period ended 31 st March 2024, as quoted by the Colombo Stock Exchange was Rs. 26.90.		

The highest and lowest values recorded during the quarter were Rs. 28.40 and Rs. 21.20 respectively.

The highest and lowest values recorded during the year were Rs. 32.00 and Rs. 21.20 respectively.

FIVE YEAR SUMMARY

Year ended 31 March		Group		Company				
		2024	2023	2024	2023	2022 - Restated	2021	2020
Operating Results								
Turnover	Rs. 000s	799,407	906,184	99,241	86,195	59,525	24,705	101,449
Profit / (Loss) before Taxation	Rs. 000s	(436,215)	(398,331)	(58,658)	(61,022)	(1,870,175)	(56,498)	(33,000)
Taxation expense / (Reversal)	Rs. 000s	(37,850)	(13,522)	18,903	(3,468)	6,302	6,997	4,977
Profit / (Loss) after Taxation	Rs. 000s	(474,064)	(411,853)	(39,755)	(64,490)	(1,863,873)	(49,501)	(28,023)
Balance Sheet								
Share Capital	Rs. 000s	4,468,573	4,336,573	4,468,573	4,336,573	4,336,573	82,500	82,500
Capital Reserve	Rs. 000s	531,929	531,929	531,929	531,929	95,874	95,874	95,874
Revenue Reserves	Rs. 000s	(2,838,320)	(2,401,378)	(1,837,040)	(1,797,017)	(1,732,794)	129,667	179,028
Non controlling interest	Rs. 000s	418,860	33,300	-	-	-	-	-
Share Holder's Fund	Rs. 000s	2,581,042	2,500,425	3,163,462	3,071,485	2,699,653	308,041	357,402
Non-Current Assets	Rs. 000s	6,250,820	5,307,518	3,571,217	3,440,503	2,891,576	473,253	375,905
Current Assets	Rs. 000s	312,169	242,516	272,725	132,203	70,949	49,998	160,340
Current Liabilities (Net of Borrowings)	Rs. 000s	(2,167,502)	(1,635,956)	(43,641)	(131,251)	(97,374)	(54,810)	(28,915)
Borrowings	Rs. 000s	(1,432,639)	(1,076,406)	(405,314)	(119,958)	(130,101)	(115,946)	(99,410)
Provisions / Subsidies	Rs. 000s	(381,805)	(337,248)	(231,526)	(250,012)	(35,397)	(44,454)	(50,518)
Net Assets	Rs. 000s	2,581,042	2,500,425	3,163,462	3,071,485	2,699,653	308,041	357,402
Key Indicators								
Earning / (Loss) per Share	Rs.	(0.54)	(0.47)	(0.05)	(0.08)	(2.21)	(8.80)	(4.98)
Market price per 31st March	Rs.	26.90	30	26.90	30	1,950	152	141
Highest Market Price	Rs.	32	1,900	32	1,900	3,050	199	225
Lowest Market Price	Rs.	21.20	21	21.20	21	150	120.10	122
Return / (Loss) on Equity	%	(18.37)	(16.47)	(1.26)	(2.10)	(69)	(16)	(7.84)
Price Earning Ratio	No. of Times	-	-	-	-	-	-	-
Interest Cover	No. of Times	(1.35)	(1.91)	(0.20)	(146.24)	(5,447.59)	-	(182.30)
Gearing Ratio	%	44%	33%	12%	5%	0%	31	25.52
Current Ratio	No. of Times	0.1148	0.128	0.6075	0.526	0.571	0.91	5.55
Net Assets Per share	Rs.	3.059013112	2.963	3.74928871	3.640	3.200	54.76	63.54

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 FIFTH ANNUAL GENERAL MEETING, OF HUNAS HOLDINGS PLC, WILL BE HELD ON 18TH OF DECEMBER 2024 AT 11.00 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 2024 with the Report of the Auditors thereon.
3. To re-elect Mr. Wijewardana Samarasinghe Lekham Arachchige Dhanuka Ranjith Samarasinghe as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
4. To re-elect Mr. Gajan Vinothan as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
5. To re-elect Ms. Genevieve Sujivie Madhuni Irugalbandara as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
6. To re-appoint Messrs. Deloitte Partners, Chartered Accountants, until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.
7. 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: 27TH NOVEMBER 2024

FORM OF PROXY

HUNAS HOLDINGS PLC – PQ 72
ANNUAL GENERAL MEETING

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 Fifth Annual General Meeting of the Company to be held On 18th of December 2024 at 11.00 A.M at Bandaranaike Memorial International Conference Hall, Baudddhaloka 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.

		FOR	AGAINST
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 2024 with the Report of the Auditors thereon.	☐	☐
3.	To re-elect Mr. Wijewardana Samarasinghe Lekham Arachchige Dhanuka Ranjith Samarasinghe as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.	☐	☐
4.	To re-elect Mr.Gajan Vinothan as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.	☐	☐
5.	To re-elect Ms.Genevieve Sujivie Madhuni Irugalbandara as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.	☐	☐
6.	To re-appoint, Messrs. Deloitte Partners, Chartered Accountants, until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.	☐	☐
7.	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 of2024

.....
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 Ms. H.A.D. Senaratne Mr.Koji Sugimoto
SECRETARIES	S S P Corporate Services (Pvt) Ltd No: 101, Inner Flower Road, Colombo 03. Phone: +94 11 2573894
AUDITORS	Messrs Deloitte's Partner Chartered Accountants 100 Braybrooke Place Colombo 02
REGISTERED OFFICE	No: 23, Alfred Place, Colombo 03
BANKERS	Sampath Bank PLC Commercial Bank of Ceylon PLC Nations Trust Bank PLC

