

ANNUAL REPORT
2023/24



Browns
A Heritage of Trust

BROWN AND COMPANY PLC

Contents

OUR VISION

To be a leading Sri Lankan conglomerate excelling through sunrise and sunshine industries with a global presence and cutting edge technology.

OUR MISSION

With generations of trust and reliability, our aim is to continuously enhance the value propositions to our stakeholders through innovative and customer-centric solutions.

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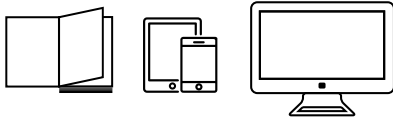
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Financial Highlights

31st March	Group	2024	2023	2022	2021	2020
Results for the Year						
Revenue [Gross]	Rs.Mn	80,609	72,652	50,304	29,391	20,439
EBIT	Rs.Mn	48,309	35,779	43,137	2,799	4,448
Profit/[Loss] before Tax	Rs.Mn	[6,509]	[11,108]	30,304	[2,783]	[970]
Profit/[Loss] after Tax	Rs.Mn	[8,531]	[12,528]	29,747	[3,344]	[1,515]
Group Profit/ [Loss] Attributable to Equity holders	Rs.Mn	2,382	[6,230]	21,589	[16]	3,620
Position at the Year end						
Shareholders' Funds	Rs.Mn	70,191	79,104	85,208	46,888	30,257
Total Assets	Rs.Mn	563,371	466,854	415,402	195,762	147,673
Market Capitalisation	Rs.Mn	23,389	25,409	28,385	33,006	8,930
Retained Earnings	Rs.Mn	33,838	36,572	43,154	19,985	16,520
Financial Ratios						
Gross Profit	%	23.03	28.55	23.33	24.84	24.37
Interest Cover	Times	0.88	0.76	3.36	0.50	0.82
Current Ratio	Times	0.33	0.39	0.47	0.46	0.51
Price/earnings [year-end]	Times	9.82	[4.08]	1.31	[2,057]	2.47
Debt to Equity	%	56.32	62.07	59.26	61.27	50.97
Return on Shareholders' funds	%	3.39	[7.88]	25.34	[0.03]	11.97
Per Share						
Earnings/ [Loss] per Share	[Rs.]	11.20	[29.30]	101.54	[0.08]	17.03
Market Price per Share	[Rs.]	110.00	119.52	133.52	155.25	42.00
Net Assets per Share [year-end]	[Rs.]	330.12	372.03	400.74	220.52	142.30

Rs. 81Bn

Revenue [Gross]

Rs. 48Bn

EBIT

11%

YoY Revenue Growth

Rs. 563Bn

Total Assets

Rs. 70Bn

Shareholders' Funds

Rs. 34Bn

Retained Earnings

Board of Directors

ISHARA NANAYAKKARA

Executive Chairman

Mr. Ishara Nanayakkara is a prominent entrepreneur serving on the boards of many corporations and conglomerates internationally. Coming from a strong business background and involvement in his family enterprises, he ventured into the financial services sector with a strategic investment in LOLC Holdings PLC, being appointed to the board in 2002. Within a span of two decades, he has navigated LOLC to become not only a financial conglomerate but also the most profitable conglomerate in the country, making a significant impact in the global financial arena as the first Sri Lankan company with a dynamic MSME platform worldwide.

Over the years, reputed financial institutions in Sri Lanka, Cambodia, Myanmar, Pakistan, Indonesia, the Philippines, India, Zambia, Nigeria, Egypt, Malawi, Tanzania, Zimbabwe, Kenya, Kyrgyzstan, Kazakhstan and Tajikistan have reaped the benefits of his extensive knowledge in the microfinance business and MSME markets. He was also instrumental in setting up life and general insurance businesses within the group and pioneered the concept of micro insurance in Sri Lanka and Cambodia providing a much needed safety net to the bottom of the pyramid population. His business acumen extends to key growth sectors of developing economies, with notable investments in leisure - holding one of the largest hotel portfolios in Sri Lanka, the Maldives, and Mauritius, plantations - being one of the largest producers of tea with plantations in Sri Lanka, Kenya, Tanzania and Rwanda, in addition to other key investments in construction, trading, manufacturing, and more recently, in uniquely innovative scientific initiatives.

Ishara continues to spearhead all strategic decisions of the LOLC Group, both in financial and non-financial sector investments, with his vision for LOLC being executed with precision and commitment to create long-term value for all stakeholders.

He has held many prestigious positions, including the Chairmanship of the Sri Lanka Institute of Nanotechnology, the national arm for advanced technological solutions based on nanotechnology. Known for his innovative spirit, the group has ventured into many

biotech businesses, including the conversion of pure graphite to graphene, incorporating technological advancements, creating value for the group's plantation portfolio of cinnamon, tea, sugarcane, rubber, and by-products. Investments in renewable energy in both Sri Lanka and Sierra Leone, with the largest sugar-based bioethanol and power plant in Africa, have added multidimensional know-how to his versatile business portfolio.

Ishara is a recognized businessman in the international community for his invaluable contributions to microfinance, acknowledged by independent international platforms such as INSEAD Business School. He won the prestigious 'Young Entrepreneur of the Year' Award at the Asia Pacific Entrepreneurship Awards (APEA) in 2012.

He is the Executive Deputy Chairman of LOLC Holdings PLC, Executive Chairman of Browns Investments PLC, and Brown & Company PLC. He also sits on several other boards of group companies both locally and overseas.

MRS. KALSHA AMARASINGHE

Non-Executive Director

Mrs. Kalsha Amarasinghe holds an Honours Degree in Economics and has an outstanding vision for investments.

Mrs. Amarasinghe serves on the Boards and subsidiaries of LOLC Holdings PLC and Brown & Company PLC including Palm Garden Hotels PLC, Eden Hotel Lanka PLC, Browns Investments PLC, Serendib Hotels PLC, Hotel Sigiriya PLC, Green Paradise [Pvt] Ltd, P L Resorts Ltd, Browns Holdings Ltd and Three Tips Ella [Pvt] Ltd.

W. D. K. JAYAWARDENA

Non – Executive Director

Considering his wealth of experience in local and international fields of Banking and Investment Banking, Mr. Kapila Jayawardena has earned a solid reputation as a captain of the industry and a dynamic leader who relishes challenges. He joined LOLC Holdings PLC in the year 2007 as the Managing Director/Group CEO and has since steered the Group from strength to strength, while implementing its ambitious expansion in 25 countries in Asia and Africa.

He is also the Chairman/Director of Group Companies including Eden Hotel Lanka PLC, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, LOLC Securities Limited and Palm Garden Hotels PLC. He also functions as Director of Brown & Company PLC, Browns Investments PLC, LOLC International (Private) Limited, LOLC Advanced Technologies (Private) Limited, LOLC Asia (Private) Limited (formerly LOLC Private Limited), LOLC Global (Private) Limited (Formerly LOLC Asia (Pvt) Ltd), Ceylon Graphene Technologies (Private) Limited, LOLC Africa Holdings (Private) Limited and Leapstitch Technologies (Private) Limited. He is also on many Boards of the subsidiaries of LOLC Group.

Prior to coming on-board the LOLC Group, Mr. Kapila Jayawardena served as Country Head and CEO (Sri Lanka and Maldives) of Citibank NA from 1998 to 2007, along with being tasked with short assignments for Citibank in New York and Manila (Philippines). In 2024, Mr. Jayawardena, was honoured with the esteemed CITI Distinguished Alumni Award for Leadership by CITI Group in New York, recognising his exceptional leadership and transformative achievements at LOLC Holdings PLC.

He has also served as Chairman of the Sri Lanka Banks' Association (SLBA) in 2003/04; President of the American Chamber of Commerce in Sri Lanka in 2006/07; Member of the Financial Sector Reforms Committee (FSRC); Member of the National Council of Economic Development (NCED) and as Board Member of the United States - Sri Lanka Fulbright Commission.

He holds an MBA in Financial Management and is a fellow member of the Institute of Bankers and an Associate Member of the Institute of Cost and Executive Accountants, London, UK.

TISSA BANDARANAYAKE

Independent Non – Executive Director

Joining the Board in 2014, Mr. Tissa Bandaranayake counts more than four decades of commercial and professional experience. He retired from Ernst & Young as a Senior Partner in 2009, where he served for 27 years, managing a large portfolio of clients both local and multinational, in various industries. Mr. Bandaranayake brings deep knowledge of audit and financial services together with strong leadership and strategic expertise. He is vested with the responsibility of chairing the Audit and Related Party Transactions Review Committees. Mr. Bandaranayake is a Fellow member of the Institute of Chartered Accountants of Sri Lanka and he holds a B.Sc. Degree from the University of Ceylon.

Mr. Bandaranayake is a Past Chairman of the Audit Faculty of the Institute and a Past President of the Practising Chartered Accountants Forum. He Chaired the Quality Assurance Board established by the Institute since its inception until 2021. He is also a Past President of the National Stroke Association of Sri Lanka, a past member of the Rotary International Finance Committee and the Rotary International District Governor for Sri Lanka in 1999-2000.

Mr. Bandaranayake was inducted to the Hall of Fame of the Institute of Chartered Accountants of Sri Lanka in recognition of his contribution to the development of the accounting profession, the business world and the country.

Other key appointments: Independent Non-Executive Director - Nawaloka Hospitals PLC, Samson International PLC, Overseas Realty (Ceylon) PLC, Renuka Holdings PLC and Harischandra Mills PLC, Consultant – Board of Noritake Lanka Porcelain (Pvt) Ltd.

JANAKA DE SILVA

Senior Interdependent Director (SID)

Janaka de Silva holds a B.Sc., (Ceylon) and an MBA (Sri Jayawardenapura). He is a Fellow of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), the Chartered Institute of Management Accountants and the Institute of Bankers of Sri Lanka. Mr. de Silva has served as the Senior Accountant at the State Engineering Corporation and as the Finance Manager at Building Material Corporation. He has also served as a Lecturer/Accountant at Indeco Ltd, Lusaka, Zambia. Mr. de Silva joined Bank of Ceylon as the Assistant General Manager/Controller and was elevated to the position of Corporate Advisor. He set up the IT function which grew to become the largest IT facility in the country by the end of 1985. He introduced computerised banking with central processing and multipoint access to Sri Lanka. He was the head of the Audit function, conducting the internal audits of over 200 branch offices throughout the country. Further he introduced new techniques such as statistical sampling. He was also a member of the Steering Committee appointed to set up the Automated Clearing House of Sri Lanka. In 1987, Mr. de Silva joined Sampath Bank as its first General Manager/CEO. He made the bank the most technologically advanced financial institution with all branches connected online for the first time in Sri Lanka. He was the first to introduce credit cards with a major international franchise and a multipoint ATM network. He pioneered many new innovations such as extended banking hours, interest on daily balance on Savings Accounts, and the use of UV lights for signature verification.

During 1992 to 1995, he served as the Director - Operations of American Express Bank, Colombo and was responsible for all operational activities and functioned as the Quality Coordinator of the Colombo Office. Mr. de Silva joined the Union Bank of Colombo Ltd as the General Manager/Chief Operations Officer and designed and implemented its information systems topology, pioneered web presence and internet banking amongst indigenous banks. Under his direction the Bank obtained ISO 9002 Quality Certification and became the first bank in Sri Lanka to connect ATMs to a major international network. Mr. de Silva was appointed Managing Director/CEO in 2002. Later he served as a Consultant to the National Development Bank during the period of 2003 - 2007 and advised the Bank on the integration of financial and accounting systems in the merger of National Development Bank with NDB Bank.

Board of Directors

DANESH ABEYRATHNE

Executive Director

Dynamic corporate professional Danesh Abeyrathne serves the LOLC Group as Director and Chief Executive Officer of LOLC Advanced Technologies, the Research and Innovation arm of the renowned LOLC Group. He is also, the former Chief Operating Officer and presently is the Executive Director of the Browns Group. The young professional, with his proven track record in the fields of Engineering, Manufacturing, Plantation, Agriculture, Marketing, and Research and Development, is also serving on some noteworthy foreign boards.

His extensive board affiliations extend to LOLC Advanced Technologies (Pvt) Ltd, LOLC Advanced Technologies Australia (Pvt) Ltd, Ceylon Graphene Technologies (Pvt) Ltd, Gal Oya Plantations (Pvt) Ltd, Gal Oya Holdings (Pvt) Ltd, AgStar PLC, Browns Agri Solutions (Pvt) Ltd, BI Commodities & Logistics (Pvt) Ltd, Browns Leisure (Pvt) Ltd, Browns Industrial Park (Pvt) Ltd, LOLC Geo Technologies, Grey Reach Investment Ltd, Sunbird Bioenergy Ltd (Sierra Leone), Tropical Island Commodities (Pvt) Ltd, Fortigrains (Pvt) Ltd, Urumaya Resources Zimbabwe, Sun Yield Bio Ingredients (Pvt) Ltd, and several other subsidiaries of the Group.

Mr. Abeyrathne holds a Bachelor of Science (Hons) degree in Engineering from the University of Ruhuna. He is an Associate Member of the Chartered Institute of Marketing (UK) and the Institute of Engineers (SL), as well as a Fellow Member of the Chartered Institute of Management Accountants (UK) and the Chartered Global Management Accountants (CGMA) (USA).

THAMOTHARAMPILLAI SANAKAN

Executive Director / Chief Executive Officer

Thamotharampillai Sanakan joined Browns Group in 2013 as the Chief Financial Officer and was tasked with an additional role of leading the operations in 2020 as the Chief Operating Officer. He counts for over 25 years of experience where he held many senior management positions in multiple industries such as Financial Services, Trading, Export, Manufacturing, Healthcare, Commodities and Consumer. Presently he serves as the Director/Chief Executive Officer of the Browns Group of Companies. Driving the Group towards new revenue streams with multifaceted local and regional expansions while maintaining sustainable growth in a challenging environment has been a key factor for Sanakan. He previously held the position of Chief Operating Officer at LOLC Securities Ltd in the LOLC Group.

He excels in the areas of digital transformation, change management, new business start-ups, business process re-engineering, project management and strategic business management. He served in the Board of Commercial Leasing & Finance PLC, the Boards of LOLC Development Finance PLC and Audit Committee Chairman for LOLC Development Finance PLC and is currently serving at Associated Battery Manufacturers (Ceylon) Ltd., BI Holdings (Pvt) Ltd and several other Group companies. He is an Associate Member of Chartered Institute of Management Accountants of UK and Chartered Global Management Accountants of USA.

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OUR WIDE-RANGING
PORTFOLIO OF
BUSINESS SECTORS
HAVE PERFORMED WITH
EXCELLENCE AND HAVE
ACHIEVED NOTABLE
MILESTONES IN THE YEAR
UNDER REVIEW.

OPERATING ENVIRONMENT

IN 2023/24, SRI LANKA'S ECONOMY HAS EXPERIENCED A TENTATIVE RECOVERY AMIDST PERSISTENT CHALLENGES, WITH A PARTICULAR FOCUS ON MONETARY POLICY AND INFLATION CONTROL.

GLOBAL ECONOMY

The global economic conditions in 2023/24 have been marked by a complex interplay of recovery, resilience, and challenges. Following the disruptions caused by the COVID-19 pandemic, economies worldwide have been navigating a path toward stabilisation and growth, albeit with varying degrees of success. The monetary landscape has been particularly dynamic, influenced by inflationary pressures, interest rate adjustments, and geopolitical uncertainties.

One of the defining features of the global economic environment in 2023/24 has been persistent inflation. Initially triggered by supply chain disruptions, rising energy costs, and increased demand post-pandemic, inflation has remained a significant concern. Central banks worldwide have responded with aggressive monetary tightening to rein in price levels.

In USA, the Federal Reserve continued its policy of incremental interest rate hikes, with the federal funds rate reaching levels not seen in over a decade. This tightening is aimed at curbing inflation, which has fluctuated but remains above the Fed's target.

In 2023/24, emerging markets have faced a dual challenge of managing inflation while ensuring economic stability. Central banks in countries like Brazil, India, and South Africa have raised interest rates to counteract inflation, though these measures have sometimes been tempered by concerns over slowing economic growth and capital outflows.

Monetary tightening in advanced economies led to significant currency volatility. The US dollar strengthened considerably, driven by higher interest rates and investor flight to safety amid global uncertainties. This appreciation placed pressure on currencies of emerging markets and developing economies, leading to challenges in managing foreign debt and maintaining import costs.

The Euro and the British pound have experienced fluctuations against the dollar, influenced by respective monetary policies and regional economic conditions. Meanwhile, the Japanese yen remained relatively weak, with the Bank of Japan maintaining a more accommodative stance compared to other major central banks.

Geopolitical tensions have added layers of complexity to the global economic landscape. The ongoing Russia-Ukraine conflict has had far-reaching implications, particularly for energy markets. Sanctions on Russia have disrupted oil and gas supplies, leading to higher energy prices and inflationary pressures, especially in Europe. The conflict has also strained global supply chains, impacting food security and commodity prices.

US-China relations have continued to influence global trade dynamics. Tariffs and trade restrictions have persisted, affecting supply chains and global trade flows. Efforts to diversify supply chains and reduce dependency on specific regions have been noticeable, though these shifts come with their own economic adjustments and costs.

Looking ahead, the global economic outlook remains cautiously optimistic but fraught with uncertainties. Central banks are expected to continue their vigilant stance on inflation, although the pace of monetary tightening might slow as inflationary pressures ease. The balance between curbing inflation and supporting economic growth will be delicate, requiring nuanced policy decisions. Fiscal policies will also play a crucial role in shaping economic outcomes. Governments may need to deploy targeted fiscal measures to support vulnerable sectors and populations, particularly in the face of high energy costs and ongoing geopolitical risks.

LOCAL MACRO-ECONOMIC CONDITIONS

In 2023/24, Sri Lanka's economy has experienced a tentative recovery amidst persistent challenges, with a particular focus on monetary policy and inflation control. The Central Bank of Sri Lanka [CBSL] focused on managing the high inflation rates that escalated due to various factors, including global supply chain disruptions, elevated commodity prices, and the depreciation of the Sri Lankan rupee. In response, the CBSL has adopted a tight monetary policy stance, implementing several interest rate hikes throughout the year. These measures aimed to contain inflation, which had reached double digits, and to stabilise the currency.

By raising policy rates, the CBSL intended to reduce excess liquidity in the market, curb consumer spending, and ultimately bring down inflation. The increased interest rates also aimed to attract foreign investment and boost foreign exchange reserves, which had been critically low. While these measures have had some success in tempering inflation, the high cost of borrowing has also posed challenges for businesses and consumers, potentially dampening economic activity in the short term.

Stabilising the Sri Lankan rupee was another critical focus during the period under review. The currency suffered significant depreciation, exacerbating inflation and increasing the cost of imports. To support the rupee, the CBSL intervened in the foreign exchange market, utilising its limited reserves to defend the currency. Additionally, Sri Lanka sought financial assistance from international organisations such as the International Monetary Fund (IMF), securing loans to bolster its foreign exchange reserves and provide a buffer against external shocks.

Efforts to stabilise the currency also included measures to enhance export performance and reduce the trade deficit. During the year, the Government promoted key export sectors such as textiles, tea, and tourism, aiming to increase foreign exchange earnings. Moreover, import restrictions on non-essential goods were maintained to conserve foreign currency.

On the fiscal front, the Government embarked on a series of adjustments and structural reforms to improve public finances. These included measures to increase tax revenue through enhanced tax administration and broadened tax bases. Expenditure rationalisation was a priority, with a focus on reducing the fiscal deficit and ensuring debt sustainability. Public sector efficiency initiatives and subsidy reforms were part of these efforts to achieve fiscal consolidation.

Despite the challenges, certain sectors of the economy showed resilience and growth. The Agriculture sector, particularly tea and rubber, benefited from favourable weather conditions and increased global demand. The Manufacturing sector has also seen a rebound, driven by improved export performance and a recovery in domestic demand. The Tourism sector, a vital source of foreign exchange, has started to recover as global travel restrictions ease, although it remains below pre-pandemic levels.

Moreover, high inflation and increased cost of living have adversely affected the population, particularly the lower-income groups. The Government has implemented social welfare programmes to mitigate the impact, including targeted cash transfers and food subsidies. Unemployment remains a concern, although there have been improvements in job creation in key sectors.

Looking ahead, the economic outlook for Sri Lanka remains cautiously optimistic. The successful implementation of monetary and fiscal reforms is crucial for sustaining the recovery. Continued support from international financial institutions and strategic partnerships will be vital in maintaining macroeconomic stability. Enhancing productivity, diversifying the economy, and fostering innovation will be key to achieving long-term growth and resilience.

AUTOMOTIVE & HARDWARE CLUSTER

BROWNS INTRODUCED THE BROWNS E-CARE APP TO FACILITATE THE ACTIVATION OF AUTOMOTIVE BATTERY WARRANTIES, REPLACING THE TRADITIONAL PRINTED WARRANTY CARD. THIS MARKS A MILESTONE IN THE IMPLEMENTATION OF THE FIRST-EVER PAPERLESS E-WARRANTY IN THE SRI LANKAN BATTERY SECTOR, THEREBY TRANSFORMING CUSTOMER EXPERIENCE FROM THIS POINT FORWARD.

BROWNS BATTERY SBU

During the period under review, the Browns Battery SBU continued to consolidate its market leadership and enhance product availability across Sri Lanka to meet increasing market demand. Browns Battery remains the exclusive distributor for Exide automotive batteries in Sri Lanka, with Browns Exide holding the distinction of being the best SLS-certified battery in the country. Along with Lucas and Dagenite battery brands, Browns Battery maintained a total market share of 67% in the year under review, with Exide, Lucas and Dagenite brands dominating the market.

Despite external challenges, Browns Battery SBU achieved a 3% growth in turnover for the fiscal year 2023/24 and recorded a notable 15% growth in terms of quantity within the automotive sector. In leveraging technology, the SBU has digitalised its warranty process

through the implementation of a warranty tracking system, aimed at minimising warranty costs and improving inventory management at dealer points.

Additionally, Browns introduced the Browns e-Care App to facilitate the activation of automotive battery warranties, replacing the traditional printed warranty card. This marks a milestone in the implementation of the first-ever paperless E-Warranty in the Sri Lankan battery sector, thereby transforming customer experience from this point forward. With this new innovation, customers can now disregard traditional printed warranty cards by opting for a paperless solution. Whether it's activating warranty in electronic format, checking validity, contacting the nearest dealer and more, the Exide Battery E-Warranty represents a significant leap, ushering in a new era of convenience, efficiency and customer satisfaction. This innovation

represents a significant step in the SBU's accelerated digitalisation strategy, aimed at providing a superior user experience.

Browns Battery SBU also manages Browns Hybrid Care, which is a facility that provides a unique and customer-centric solution to its customers by combining the best expertise with state-of-the-art technology. Browns Hybrid Care is at the forefront of hybrid vehicle care in the country, offering many revolutionised automobile care solutions.

Browns Tyres which is also under the Battery SBU aims to make perfect tyre selections available for local customer brands from renowned brands Aoteli & RoadX tyres. Aoteli and RoadX tyres are marketed across the island through a powerful dealer network of tyre suppliers and tyre wholesalers who make it easy for customers to access the right kind of radial tyres in Sri Lanka at the best value for their money.

The SBU's consistent excellence has been recognised through numerous national industry and corporate awards. Notably, the trained and professional workforce of the SBU received accolades at the SLIM NASCO Awards 2023, for sales excellence. Three employees of the SBU were honoured as winners in frontline categories, reflecting their dedication and outstanding performance.

GENERAL TRADING SBU

During the year under review, the Browns General Trading SBU achieved a top line exceeding Rs. 1.6 Bn. A significant highlight of the year was the revamp of the main service center at the Makita flagship store. This renovation incorporated state-of-the-art technology to provide elevated after-sales service to customers, reinforcing our commitment to quality and customer satisfaction. The SBU's presence at the Construct Exhibition was marked by winning the award for the best-displayed stall, showcasing its innovative approach and the high standards of its offerings.

In a strategic move to expand the distribution network for Browns offerings, the number of distributors and retail touch points were increased by appointing new dealers across the island. This expansion resulted in a significant increase in sales, reflecting the growing market demand and the SBU's enhanced distribution capabilities. Furthermore, a series of awareness programmes for electricians were conducted across the entire island. These training sessions targeted new entrants to the electrical industry, equipping them with the necessary skills, knowledge and qualifications to launch successful careers as qualified electricians. The Browns General Trading SBU remains dedicated to fostering growth, innovation, and customer satisfaction, as evidenced by these key achievements and initiatives during the year.

BROWNS THERMAL ENGINEERING SBU

Despite the challenging industry conditions, the SBU's factory operations continued uninterrupted, enabling it to meet market requirements effectively. Browns Thermal Engineering, the radiator manufacturing arm of Browns Group, maintains its market leadership in brass and copper radiators

and stands as the only large-scale radiator manufacturer in Sri Lanka. The SBU recorded a gross profit of Rs. 260 Mn. in 2023/24 and successfully maintained its market share by effectively managing raw material and finished goods inventory.

In the previous year, the SBU expanded its product line by venturing into the manufacturing of aluminium plastic radiators. This was made possible with the installation and commissioning of the country's first and only state-of-the-art factory that meets global standards and guidelines.

The SBU is committed to regular product development of radiators and plastic products to address evolving customer needs. Its product portfolio remains top of mind for customers through a dynamic marketing strategy, which includes activities such as dealer boards and garage promotions.

Through these strategic initiatives, Browns Thermal Engineering continues to strengthen its market position and deliver value to its stakeholders.

AGRICULTURE & HEAVY MACHINERY CLUSTER

NEW PRODUCT INNOVATIONS DURING THE YEAR INCLUDE THE INTRODUCTION OF THE BROWNS TAFE DYNA TRACK TO THE MARKET, LED BY THE AIM OF CONQUERING THE 4WD TRACTOR MARKET SEGMENT WITH THE MOST ADVANCED FEATURES IN THE INDUSTRY.

BROWNS AGRICULTURE SBU

Browns Agriculture SBU continues to lead the industry - with an undisputed market share in both harvester and tractor segments - by exploring new opportunities and maintaining a steadfast commitment to reliability and innovation. During the year, the SBU was awarded the prestigious 'Excellence Award 2023' at the Yanmar Agribusiness Global Conference in Japan for its commitment and exceptional performance in spearheading the Yanmar brand within Sri Lanka's agricultural sector.

New product innovations during the year include the introduction of the BROWNS TAFE Dyna Track to the market, led by the aim of conquering the 4WD tractor market segment with the most advanced features in the industry. Additionally, the YANMAR YH700 Combined Harvester was introduced, boasting the most advanced features in the market with an economical engine power, alongside the introduction of the Browns Sifang BOAT Tractor to cater to market segments that cannot utilise heavy tractors.

Expanding business opportunities in the large-scale plantation segment, the Browns Tea Plucking machine was launched, which offers improved battery life span, and greater

productivity, efficiency and convenience compared to competing products in the market. Moreover, collaboration with industry giants facilitated the provision of 'Drone Operated' agriculture services to maximise efficiency and productivity. Free service campaigns targeting post warranty customers were also initiated to minimise their operational costs and downtime. This reflects its long-term relationships with customers while ensuring their profitability throughout.

The SBU also undertook substantial sustainability initiatives. These included the distribution of Mee plants at Service Campaigns and Sisu Nena Pahana training programmes focused on universities, agricultural schools, and technical schools to enhance knowledge regarding the usage, features and maintenance of agricultural machinery. The SBU is committed to sustaining this CSR program to enhance the future of the agriculture industry.

Additionally, Govi Nena Pahana programmes were conducted to enlighten farmers, agricultural officers, and others about agricultural machinery, infuse skills for optimising machinery to maximise profits, while minimising downtime during operations. Furthermore, school books were distributed to Nihanda Subha Sadaka Sangamaya in

Bandarawela, demonstrating the SBU's commitment to community engagement and development.

POWER SYSTEMS SBU

During the year under review, Power Systems SBU successfully ventured into new overseas markets in the Asia Pacific region for diesel power generators. To enhance its product and service portfolio, the SBU has initiated IoT-based asset management solutions, comprehensive energy-saving systems for generators and a variety of other technology-backed applications aimed at improving customer experience.

In the previous year, the SBU further strengthened its competitiveness by expanding its product and service solutions portfolio to better meet customer requirements. This included providing repair solutions instead of replacements, offering extended warranties for services and repairs, and introducing free offerings such as IoT-based generator remote monitoring devices for two-year annual maintenance contracts.

Looking ahead, the SBU's future plans include the decentralised design and modification of generator soundproofing systems, which will be implemented across its branch network to enhance operational efficiency and customer service.

As a testament to its position as a preferred power solutions partner, Browns was recognised by TMTL (TAFE Motors & Tractors Limited) as one of the key dealers in the Asia Pacific (APAC) region for TAFE-branded generators at the annual dealer conference held in February 2024.

BROWNS AIR-CONDITIONING SOLUTIONS SBU

The Browns Air Conditioner Solutions SBU offers a diverse range of air conditioning systems, including wall-mounted, floor/ceiling, ceiling cassette, VRF systems, and chillers. With over 12 years of excellence, the BG brand has consistently delivered top-notch service to its customers' challenges. Key to this success has been its commitment to timely service, comprehensive after-sales support, island-wide coverage and a robust supply chain, ensuring continuous service delivery.

The SBU is also spearheading an innovative project to implement IoT-based SMART-HOME concepts. This initiative aims to optimise energy utilisation for air conditioners remotely, reducing energy waste while enhancing comfort and productivity. To further improve efficiency, it is expanding product support strength and enhancing the capability and capacity of service facilities by equipping the staff with unique service tools and fully loaded service trucks.

During the year, Browns Air Conditioner Solutions SBU expanded its product portfolio under the 'Green Concept' to meet evolving customer needs. This expansion included the introduction of stationary off-grid solar power systems and portable solar power systems, reflecting the company's commitment to sustainability and environmental stewardship. Additionally, Browns enhanced its 24/7/365 after-market solutions in suburban areas, ensuring continuous and reliable service for its customers.

The branch network was strengthened with improved infrastructure and staff training, enabling the delivery of exceptional customer service across all locations. The air conditioner brand portfolio was also expanded with the addition of HYUNDAI residential and light commercial AC products, broadening the market reach and product offerings.

Browns Air Conditioner Solutions SBU undertook several substantial sustainability initiatives. These included supervisory development programs designed to foster work-life balance environments. The company digitised the warranty process to maximise customer convenience and launched an online platform for order placements and service bookings. To further enhance customer satisfaction, the Service Recovery Process (SRP) was improved, ensuring the best customer experience with Browns' products and services.

HEAVY MACHINERY SBU

Browns Heavy Machinery, representing globally renowned brands such as Tata Hitachi, Sakai, Mahindra, and Okada, delivers unparalleled products and services to the construction industry. Its state-of-the-art service facilities ensure it exceeds the high standards expected by its customers and principals. Its commitment to excellence is further demonstrated by 24-hour on-site assistance, provided by highly trained and experienced staff, offering unmatched service quality. In its ongoing efforts to expand offerings, Browns Heavy Machinery has initiated the trading of used equipment in both local and foreign markets, providing customers with flexible re-fleeting options. This strategic initiative has contributed to record-breaking sales revenue in December 2023, marking the highest sales month in its history.

MARINE & LEISURE SBU

Despite the challenges posed by the economic crisis, Browns' Marine & Leisure SBU continued to capitalise on market opportunities, expand its customer base and optimise operational efficiencies to enhance product profitability.

Further to its foray into the construction of large vessels in collaboration with Colombo Dockyard PLC, which underscores the company's commitment to innovation and expansion within the marine industry, the Browns Marine SBU entered into a new operation involving the implementation of a new construction pipe system, including fabricating, welding, erection, and installation for new construction vessels at Colombo Dockyard for the year 2023/24. Additionally,

this operation encompasses pipe fabrication and welding in the workshop, as well as steel renewal.

Browns also reinforced its dedication to sustainability through various initiatives aimed at minimising environmental impact. By promoting responsible business practices, the unit contributes to the overall well-being of the marine ecosystem. The SBU emphasises sustainability, fair trade and responsible sourcing in its procurement processes, maintaining international relationships that support ethical supply chain management.

BROWNS AGRI SOLUTIONS (PVT) LTD

In the financial year 2023/24, the company surpassed the Rs. 3 Bn mark in terms of turnover for the first time in its history, recording a growth of 51% over the year 2022/23 in a short span of six years. Agri Solutions was also anointed the fastest-growing company among the crop protection industry in Sri Lankan market.

Evolving with customer needs, the company introduced 3 herbicides, 1 Surfactant and Okra F1 seeds to the market, sourced from reputable suppliers. Browns Agri Solutions has successfully conducted programmes in the past few months to launch the revolutionary product, RAPID, which is set to bring a scientific approach to transforming the Sri Lankan farmers by effectively controlling hard to kill weeds on their cultivation lands. The product was launched in Ampara, Polonnaruwa, Wayamba, Anuradhapura and the southern region. This enabled to feature the product to 600+ channel partners all over the island.

Special marketing programmes were conducted by the company, optimising opportunities to showcase its products at events and meetings organised by several Planters' Associations (Nuwara-eliya, Badulla, Dickoya – Maskeliya Region and Galle Region), which also provided an excellent opportunity to promote RAPID to this target group and expand its presence in the market. This addressed 450+ Estate Managers and Superintendents directly with scientifically elaborating the merits of the product. The product was also detailed to Plantations CEOs in collaboration with the Plantation Human Development Trust.

Management Discussion and Analysis

AGRICULTURE & HEAVY MACHINERY CLUSTER

During the year, Browns Agri Solutions was awarded with special appreciation award from Faculty of Agriculture, University of Peradeniya, for joining hands with them throughout the years in their success. The company's initiative to engage closely with stakeholders, particularly farmers, through activities aimed at enhancing their technical knowledge and providing access to products and services is commendable. The Smart Govi Saviya App for Brown's Agri Solutions was launched in April 2023, with 24 field assistants each receiving a tab, demonstrates a commitment to leveraging technology for the benefit of farmers. The application's ability to capture accurate data related to field campaigns, farmer data collections, field visits and demonstrations is crucial in improving productivity and maintaining accurate farmer records.

Conducting farmer awareness programmes at their fields to offer technical guidance for increasing productivity and reducing production costs showcases a holistic approach towards supporting the farming community. A total of 75 field campaigns were conducted and more than 45,000 farmers were visited individually with 5,500+ demonstrations on safe handling and product experiencing.

The company successfully maintained certification for ISO 9001:2015 Quality Management System; ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety management systems under the Scope of Storing and Distributing of Agrochemicals. In relation to that, a Scope audit was conducted by a third-party audit panel (SGS LANKA) in May 2023, where all three quality certificates were rigorously audited. In the end, quality certificates were issued for next 4 years as we maintain the quality requirements in an excellent manner. As a legislation requirement of ISO 14001:2015 Environmental Protection License, scheduled waste management license was obtained. To increase workers' health and safety, first aid and fire trainings were conducted. Further, in order to fulfil market requirements, repacking capacity was increased by almost three-fold.

The company looks forward to an optimistic future, having obtained Department of Agriculture approvals to bring down parental seeds of corn and initiate Hybrid Corn Seed Production locally. Browns Agri Solutions has also signed a Memorandum of Understanding (MOU) with Sabaragamuwa Fertiliser Pvt Ltd to initiate its own Re-packing Center. The company plans to expand its portfolio with a new paddy Herbicide, new Sugarcane Herbicide, and a novel insecticide for the Sri Lanka market in 2024, along with new hybrid seeds under corn, watermelon, brinjal and chilli segments.

ADHERING TO THE HIGHEST INDUSTRY STANDARDS, THE SBU WAS AWARDED THE PRESTIGIOUS ISO 9001:2015 AND ISO 14001:2015 CERTIFICATIONS FOR TOTAL OPERATIONS AND ENVIRONMENTAL SUSTAINABILITY.

VETERINARY & PHARMACEUTICAL SBU

The Veterinary and Pharmaceuticals SBU of Browns Group has marked a significant milestone with a 45% increase in revenue, driven by an extensive expansion of its product portfolio and robust industry engagement initiatives. This achievement underscores the SBU's commitment to growth and sustainability. In the past year, the SBU successfully developed and registered a new range of products in collaboration with existing and new suppliers. This strategic expansion includes many products in the Dairy & Livestock, Pet Animal and Poultry & Feed Grade sectors. Special emphasis was placed on the Dairy and Pet Animal sectors, reflecting their high potential. This comprehensive portfolio expansion positions the SBU to meet diverse market demands and enhance its competitive edge.

Adhering to the highest industry standards, the SBU was awarded the prestigious ISO 9001:2015 and ISO 14001:2015 certifications for total operations and environmental sustainability. This milestone marks the first time that a veterinary pharmaceuticals company in Sri Lanka has achieved such recognition, showcasing the Browns Group's dedication to quality and sustainable practices.

The Veterinary Pharmaceuticals SBU has consistently prioritised customer needs, offering value-added services through its Technical and Farm Management Support programme. This initiative provides small and medium-scale customers with essential technical knowledge and farm management techniques. Veterinary doctors and technical managers offer daily support, helping farmers enhance their operations and competitiveness. Key services provided include:

Farmer Education Programmes, Third-Party Lab Facilities, Frequent Consultancy for Farmers, Quality Certification Consultation for Chicken & Eggs and Vaccination Teams with Consultation and Audit Services.

Reflecting the SBU's commitment to sustainability, several impactful initiatives were carried out during 2023/24. The 'Plant a Tree - Plant a Life' project, launched under Browns Green, aims to instil environmental mindfulness in the younger generation. In collaboration with Wekada Maha Vidyalaya, Chilaw and the Sri Lanka Army, the project involved planting TJC Mango saplings, aligning with Sri Lanka's National Tree Planting Day.

An art competition was organised to encourage creativity among the younger generation while promoting sustainability. This event, orchestrated by the Quality & Environmental Management Team, showcased the artistic talents of the children of Browns Group employees.

In addition, to enhance community safety, the SBU organised anti-rabies vaccination programmes, donating vaccines to welfare societies for street dogs. This initiative aims to curb the spread of rabies, contributing to safer cities and communities.

Browns Pharmaceuticals is committed to delivering the best solutions to the customers. One notable innovation is the INNOVAX ND IBD vaccine, which is one of innovative solutions by MSD Animal Health, the Netherlands. During the period under review, Browns INNOVAX ND IBD operation reached a significant milestone and in celebration of this achievement they hosted a customer event together with key supplier, MSD Animal Health. The event enhanced awareness of the INNOVAX ND IBD Vaccine and our comprehensive Day-Old Vaccine range while strengthening relationships with our stakeholders. This collaboration with MSD Animal Health's experts highlights our dedication to providing innovative veterinary solutions and fostering strong industry partnerships.

Management Discussion and Analysis

PHARMACEUTICALS, CONSUMER & INTEGRATED ENGINEERING SOLUTIONS CLUSTER

The Veterinary and Pharmaceuticals SBU remains committed to leveraging its strengths in product development, customer service and sustainability. By staying attuned to market needs and emerging trends, the SBU is well-positioned to continue its growth trajectory and make meaningful contributions to the veterinary industry and the broader community.

INTEGRATED ENGINEERING SOLUTIONS SBU

The Integrated Engineering Solutions SBU demonstrated robust performance, achieving a net profit of Rs. 35 Mn. in the 2023/24 financial year. This success is attributed to strategic expansions and new product introductions that cater to the evolving needs of the Sri Lankan industrial market.

The SBU made significant strides in its water treatment sector by introducing a new economical chemical range in partnership with VASU Chemicals of India. This addition enhances the SBU's portfolio, allowing it to provide comprehensive preventive water treatment solutions. By representing the globally-recognised Deuterium brand from the UK and India, the SBU ensures the highest standards in water treatment for its clients.

As the exclusive dealer of the world-renowned ELGI Equipments, the SBU offers a complete range of compressed air solutions. ELGI's product line includes oil lubricated and oil-free electric-powered rotary screw compressors; diesel-powered portable screw compressors - oil lubricated and oil-free reciprocating compressors; centrifugal compressors; dryers, air receiver tanks, and other air accessories. This diverse range positions the SBU as a leading provider of advanced air solutions, catering to various industrial needs.

The SBU's efforts in expanding its customer base were fruitful, with the acquisition of 65 new customers. Key initiatives included, introducing VASU Chemical Brand to target middle-range customers, offering competitive pricing without compromising quality. Entering in to Ion-Exchange Resins, the SBU launched two new brands of ion-exchange resins widely used in water softening and purification projects - Gudu Ion-Exchange Resin, a cost effective product from China

and Puro-lite Softening Resin - a UK brand manufactured in China, ensuring quality at a competitive price.

Understanding the cost sensitivity of the after-sales market for air compressors, the SBU introduced the Cool Works brand of substitute spare parts imported from China. This strategic move not only provided a competitive edge but also attracted new customers by offering quality spare parts at lower prices. The Integrated Engineering Solutions SBU remains committed to innovation, customer satisfaction, and market expansion.

BROWNS DEALS SBU

Browns Deals SBU, the consumer electronics arm of Browns, experienced a remarkable year in 2023/24, recording robust revenue of Rs. 460 Mn. This success was underscored by the achievement of historic sales in December 2023. The SBU offers a diverse range of consumer electronics, kitchen appliances, gadgets, accessories and consumer goods, complemented by comprehensive after-sales services.

In a strategic move to enhance customer service, Browns Deals launched a new service centre, Electronic Care, on Darley Road. This facility underscores the company's commitment to providing exceptional support and maintenance for its extensive product range.

Building on technological advancements from the previous year, the Browns Deals website underwent significant upgrades. It now features chatbots for instant customer assistance, social media logins for streamlined access, detailed reviews, product comparisons, personalised product suggestions, multiple payment options, instalment schemes and various shipping choices. These enhancements have significantly improved the customer shopping experience and accessibility.

The expansion of the product portfolio this year further solidified Browns Deals' position in the market. Its decades of trust, high-quality products and reliable after-sales service have attracted a substantial number

of new customers. As a result, Browns Deals has become the most sought-after one-stop location for consumer electronics, continuing to build on its legacy of excellence and customer satisfaction.

BOILER SBU

The Boiler SBU increased its net profit by 50% during the year under review. With over four decades of experience, the primary focus has been to promote high-quality boilers from reputable suppliers worldwide. The SBU has expanded its product portfolio to include an agriculture-based solar water pump range, industrial usage measuring and control equipment, a wide range of steam accessories with value-added products, industrial usage VMS (Vertical Multistage) water pumps, and sewage and drainage pumps.

Browns Boiler SBU also introduced advanced PLC-controlled Cochran Boilers tailored for industry leaders such as Vijaya Products and ATG Gloves. This state-of-the-art boiler system integrates Programmable Logic Controller (PLC) technology, ensuring precise control, improved efficiency, and superior functionality.

The SBU has undertaken substantial sustainability initiatives, including customer education and awareness programmes. Browns Boiler SBU which is under Browns Industrial Solutions is committed to enhancing consumer education in the agricultural sector through comprehensive programmes focused on solar water pumps. These initiatives aim to equip farmers and agricultural professionals with the knowledge needed to effectively use solar water pump technology for sustainable irrigation. The SBU installs solar water pumps and organises hands-on workshops and seminars led by industry experts, covering essential topics such as operation and maintenance.

BROWNS PLANTATIONS, CONSISTS OF THREE PLANTATION COMPANIES, SUBSIDIARIES OF BROWNS INVESTMENTS PLC, WHICH IS ONE OF THE COUNTRY'S LEADING AND LARGEST PLANTATION COMPANIES, SPANNING AN IMPRESSIVE LAND EXTENT OF 25,415 HECTARES.

BROWNS PLANTATIONS

Browns Plantations, consists of three plantation companies, subsidiaries of Browns Investments PLC, which is one of the country's leading and largest plantation companies, spanning an impressive land extent of 25,415 hectares. Cultivating a diverse range of produce such as tea, rubber, cinnamon, coconut, commercial timber and ancillary crops, the Companies are Matura Plantations Limited (MPL), Udapussellawa Plantations PLC (UPL), and Hapugastenne Plantations PLC (HPL). The three plantations combined recorded an operating profit of Rs. 2.14 Bn for the year 2023/24, reflecting a decline from the previous year due to unfavourable market conditions, exchange rate fluctuations, high fertiliser costs and investments in enhanced agricultural practices. The overall national production of tea declined significantly due to chemical fertiliser shortages and irregular weather patterns. Despite this, the Company performed better than the national averages, recording a total of 11.7 Mn kilos of tea in the 2023/24 period.

The Group has implemented a transformative model that converts estate labour into entrepreneurs by giving them responsibility for cultivating tea plots along with a buyback agreement for green leaf. This allows them to operate as independent suppliers and

earn a significantly higher income. During the year, numerous knowledge-sharing sessions were facilitated by both internal and external experts to enhance cultivation and good agricultural practices among the outgrower community. Extensive replanting and implementation of new projects to enhance the production of orthodox leaf tea was carried out, coupled with the acquisition of new machinery, factory capacity expansion and field development initiatives. The Company has allocated Rs. 500 Mn for these efforts across all three plantations.

The outlook for the global tea industry is promising - with a reported 6% annual growth in global tea consumption. Although Sri Lanka's tea exports have declined due to lower made tea output, the industry is expected to thrive over the next three to five years. Tea, second only to water in global consumption, has not yet reached its saturation point, suggesting further growth potential. However, geopolitical situations such as the Ukraine war and Middle East tensions, coupled with new US shipping regulations set to commence in September - and further exacerbated by the trade sanctions imposed on two large tea consuming countries, namely, Russia and Iran - are expected to negatively impact the market, increasing transportation costs and

affecting the Sri Lankan tea market. Freight charges have escalated drastically, adding to the challenges.

Since its inception, Browns Plantations has been recognised with many accolades and has achieved significant milestones both locally and globally. The plantations have also earned key global certifications, reflecting its adherence to high sustainability and quality standards, such as the Rainforest Alliance, ISO 2200, and HACCP. Matura's upcountry factories are certified under ISO 22000:2018, ISO 9001:2015, GMP, and HACCP standards. Blairlmond Tea Factory is certified under the FSSC standard. All UPL/HPL factories are certified under ISO 22000:2018 and ISO 9001:2015 standards. Matura Plantations was the first tea plantation company to be certified under the Sustainability Framework standard in the world (Ragalla, Liddesdale, and High Forest estates).

MATURA PLANTATIONS LIMITED

As one of the main tea producers in Sri Lanka while also claiming the country's largest cinnamon plantation along with 19 estates in total, Matura Plantations stands tall in the plantations sector. Altogether, Matura has seven functioning factories and almost 17,000 hectares in expansive land extent.

Management Discussion and Analysis

AGRI BUSINESS & PLANTATIONS SECTOR

UDAPUSSELLAWA & HAPUGASTENNE PLANTATIONS

Udapussellawa specialises in tea, coffee, commercial forestry, cardamom, coconut, and cocoa, while Hapugastenne cultivates tea, rubber, commercial forestry, pepper, cinnamon and cocoa. As companies with extensive land holdings in the upcountry regions, the estates are home to significant water catchment and high conservation areas. Recognising the critical importance of preserving these valuable ecosystems, the companies have taken proactive measures to engage the younger generation in conservation efforts and organised various community events to make a sustainable impact on the environment.

GAL OYA

During the year under review, Gal Oya faced numerous external challenges, resulting in a drop in revenue to Rs. 8 Bn in 2023/24 from Rs. 14 Bn in the previous year. The main contributing factor was a drop in the crop output, which was further exacerbated by a decline in prices of ethanol and sugar midway during the year. In order to increase the crop, an aggressive planting development programme has been undertaken with the cooperation of the 9000-strong farmer network to achieve previous profitability levels. The positive dividends of the planting project will be seen in the next financial year as the sugarcane crop grows in a 12-month cycle.

A key milestone for Gal Oya in 2023/24 was the launch of the construction of a new factory, the board approval for which was granted mid last year. The groundwork of the modern plant commenced in July 2023 and the plant is slated for completion by end December 2024. The company has invested USD 35 Mn in the state-of-the-art plant, the modernisation of existing processes and setting up of a new milling line along with plans for enhanced power generation. On completion, it is expected that approximately 8.75 megawatts will be exported to the national grid along with an augmented sugar production of 55,000 tons and 11 Mn litres of ethanol while crushing closer to about 700,000 tons of sugarcane. The investment in the new plant will eliminate various disruptions experienced with operating a 65-year-old facility experienced so far.

Gal Oya places an emphasis on sustainable operations and continued its zero waste project in the year under review, namely converting solid waste into fertiliser that is sold to sugarcane farmers at discounted prices, while the gas generated from the process is used to fire boilers. Further, wastewater is recycled, reused and treated before being released into the environment. The company is looking ahead to improved financial and operational results in the next financial year as a result of new initiatives take in 2023/24.

TROPICAL ISLAND COMMODITIES

The revenue of Tropical Island Commodities was sustained from the previous year albeit the profitability fell drastically on account of the high cost of produce. The fluctuations in the exchange rate and the rise in local prices created a mismatch which impacted profitability in a negative manner - not merely for Tropical Island Commodities, but for the entire industry. Several leading spice exporters faced closures due to the unsustainable industry conditions. Realising the vulnerability of the business to volatile global market conditions, Tropical Island Commodities explored product diversification as a way to reduce reliance on cinnamon as the sole product in its portfolio. As a result, the company is looking to export spices such as cardamom, nutmeg and peppermint to gain a better advantage. Going ahead, collaboration with another spice export company will help Tropical Island to tap into new markets. Future prospects for the company seem brighter as the company is now armed with more agile strategies that are aligned to market conditions.

As one of the top 20 cinnamon exporters, Tropical Island Commodities is one of the leading exporters of pure Ceylon cinnamon to the international spice market. Alongside product diversification, new export markets will also be tapped into. Further, the company is gearing up with various certifications needed to break into these markets, including ISO and GMP certifications.

AGSTAR

The first half of the year under review was challenging for AgStar PLC as it faced high-cost inventories and intense competitive

pressures. Despite these obstacles, a shift towards recovery was observed by the third quarter. The demand for chemical fertilisers rebounded as farmers moved away from organic fertilisers, returning to conventional cultivation practices despite adverse climatic conditions. To enhance its market position and combat the illegal pesticide trade, the company focused on re-establishing brand value, particularly among distributors. This effort included rebranding AgStar fertiliser to Browns fertiliser and developing a dedicated market development team. Additionally, a state-of-the-art laboratory was established to ensure quality assurance.

AgStar PLC experienced a modest top-line growth of 3%, tempered by a shift from high-margin organic products to more competitive chemical fertilisers, which compressed its margins. The company concluded the year with a profit, though it was lower than the previous year's profit after tax (PAT) of Rs. 1.65 Bn, reflecting the high raw material costs and the competitive market environment. Moreover, the pending government subsidy payment of Rs. 400 Mn, overdue for more than three years, continued to impact cash flow, with hopes for resolution early in the upcoming financial year.

Throughout the year, AgStar PLC maintained strict governance standards despite frequent policy changes. The imposition of VAT on pre-existing stocks and delayed government subsidy payments posed financial challenges. Nevertheless, the company navigated these issues while maintaining compliance and operational integrity. Its commitment to environmental responsibility was reflected in obtaining ISO 9000 and 14000 certifications and constructing a new laboratory for quality assurance. The company also upgraded its warehouses, improved delivery systems, and invested in cold storage for seeds, ensuring high-quality products for its customers.

The 2023/24 financial year showcased AgStar PLC's resilience and adaptability. Despite the challenges, the company emerged stronger, with a clear strategic direction and a commitment to excellence. Looking forward, AgStar PLC is dedicated to transforming into a one-stop solution for Sri Lankan farmers. Key strategic initiatives, such as the rebranding to Browns Fertiliser and the establishment of a

quality assurance laboratory, underscore its commitment to delivering superior products. The introduction of coated fertilisers and new blends is expected to enhance crop yields.

In supply chain expansion, AgStar PLC prioritised diversifying suppliers for crop protection products and introducing new technologies in collaboration with global partners. The company aims to revitalise the seed segment with new leadership, improved product quality, and strategic partnerships. Furthermore, restarting the technology division and securing exclusive agreements to bring advanced irrigation solutions to the market will position AgStar PLC as an end-to-end solutions provider.

Reflecting on the fiscal year 2023/24, AgStar PLC's journey and future prospects appear promising. The past year has been a period of significant transformation and strategic development, marked by an unwavering commitment to quality, innovation, and sustainability. The company looks forward to a bright future driven by innovation, quality, and a steadfast focus on its customers' needs.

Plantations – Global

SUNBIRD – SIERRA LEONE

In 2023/24, Sunbird, the Group's overseas plantation company based in Sierra Leone, Africa, sustained its revenue from the previous year on account of increasing the selling price of ethanol. During the year under review, approximately 100,000 MT of cane was harvested, which resulted in an output of about 3.7 Mn litres of ethanol. However, the year also witnessed the lowest crushing in the plant's history as there was a decline in the crop output, which has prompted the company to embark on an aggressive planting operation of 2600 hectares such that the material harvested can be used as seed material for new planting. The plantation consists of about 4500 ha, but has the potential to expand up to 10,000 ha. It is one of the largest sugar facilities in the West Africa with a 32 MW renewable energy power plant, one of the largest renewable energy power plants in Sierra Leone.

Further restructuring of operations will position the plant to optimise resources and take advantage of emerging demand, with an anticipated harvesting of 280,000 tons of sugarcane in the 2024/25 financial year, which should enable the company to end up in a positive cashflow position. The company's engagement with the local community was sustained through the year. Presently, the plant has been unable to export power to the national grid due to a drop in the sugarcane crop, but with the higher crop levels expected it should be better positioned to contribute to the national grid. In an attempt to diversify the portfolio, plans are being drawn up to expand into carbon dioxide and a new plant for producing sugar to spread the risk.

BROWNS PLANTATION KENYA

Browns Investments' recent acquisition of Finlay's Kenya has positioned the Group's tea business as a significant player in the global tea market. Finlay's, one of the oldest plantations managed by the Swire Group in Scotland, includes 10,300 hectares and employs over 5,000 individuals. The operation is highly mechanised, with over 90% of tea harvesting done by machines, significantly boosting productivity. The company consists of four black tea factories with a total capacity of 26 Mn kilos of made tea per annum, primarily serving markets in Pakistan, Egypt, and the UK. Additionally, the company manage 3,000 hectares of forestry, mainly eucalyptus and cyprus, ensuring self-sustainability in biomass, while exploring alternative power sources for added value products like timber.

The company's commitment to sustainability extend to organic tea cultivation, with 600 hectares dedicated to organic tea, which has a growing market demand, especially in Europe. Botanicals, such as peppermint, lemongrass, and blackberry leaf are also cultivated over 34 hectares, certified by Rainforest Alliance, ISO 22,000, and FDA. Its self-sufficiency in power is bolstered by five hydropower plants and two solar farms. Numerous sustainability projects and Corporate Social Responsibility (CSR) initiatives, including the Finlays Community Trust, soon to be renamed Browns Community Trust, provides scholarships and support to the school and college students.

LIPTON

The upcoming Lipton acquisition will further enhance the company's global presence, making it the largest tea exporter in the world. Once complete, this acquisition, coupled with existing operations, will enable the plantations sector to leverage synergies, manage costs and enhance productivity. With plantations in Kenya, Tanzania and Rwanda, and a tea blending plant in China, the company is positioned to capitalise on scale and diversity, optimising market reach and securing better prices for its products. Browns Plantations is committed to maintaining transparency in the supply chain, meeting environmental, social, and governance (ESG) standards to remain a preferred supplier for key buyers globally.

LEISURE & ENTERTAINMENT CLUSTER

BROWNS HOTELS & RESORTS IS ONE OF THE TOP HOTEL BRANDS IN SRI LANKA, UNDERSCORED BY THE SIGNATURE BRAND OF BROWNS HOSPITALITY. ALL OPERATING PROPERTIES REPORTED HIGHER OCCUPANCY IN THE YEAR UNDER REVIEW COMPARED TO THE PREVIOUS YEAR.

LEISURE

Overview

Sri Lanka's tourism sector experienced its highest revenue and visitor numbers since 2019, reflecting an 82% increase in earnings from the previous year. This resurgence follows a three-year period of challenges, including the 2019 Easter Sunday attacks, the COVID-19 pandemic, and the 2022 political and economic crises. For 2024, Sri Lanka Tourism plans to attract 2.5 Mn visitors and achieve USD 4.6 Bn in revenue. The long-term goal includes reaching 5 Mn visitors and generating USD 21.6 Bn within five years. The strategy emphasises attracting high-end tourists and aims to boost average spending to USD 4,000 per visitor, with a focus on high-spending repeat tourists, who currently make up about 33-35% of the visitor base.

Browns Hotels & Resorts

Browns Hotels & Resorts, the leisure arm of the Browns Group, achieved its highest-ever profitability during 2023/24, surpassing pre-pandemic levels. The strong tourist inflow into Sri Lanka during this period was one of the main reasons, with Sri Lanka being frequently highlighted as a must-visit destination by travel and lifestyle media. In addition, the group collaborated closely with all the destination management companies

in the country to ensure high demand for its strategically located properties. Browns Hotels and Resorts reported a revenue of Rs. 5.2 Bn in 2023/24 compared to Rs. 2.2 Bn for the previous year, marking the highest ever profitability for the sector. All operating properties reported higher occupancy in the year under review compared to the previous year.

Browns Hotels & Resorts is one of the top hotel brands in Sri Lanka, underscored by the signature brand of Browns hospitality. The professional and passionate team of employees across its properties make every guest experience special. Employees were given special bonuses for their hard work and loyalty to the organisation. This superior customer care is backed by significant investment in infrastructure and training and development of staff to deliver superlative service quality. This, coupled with each property being located in stunning parts of Sri Lanka, makes Browns a cherished hotel and resort brand for tourists. Browns Hotels & Resorts is currently upgrading a recent acquisition to convert it into a high-end Ayurveda wellness spa, manned by trained specialists to treat guests with traditional herbs. Slated for opening in summer 2024, it will offer the best luxury Ayurveda wellness facilities of its kind seen in Sri Lanka, providing a whole new experience in wellness.

Eden Hotel Lanka

The flagship property, Eden Hotel Lanka PLC, a 5-star property, reaped the rewards of an extensive refurbishment undertaken in the previous year. Eden Hotel Lanka PLC recorded a top line of Rs. 1,138.3Mn Mn for the 2023/24 financial year while achieving a EBIT of Rs. 78.4 Mn. The winter season saw a significant increase in the rate and profitability of the property and this positive trend is expected to continue in the future. The food and beverage proposition at the hotel has been elevated substantially with a new fusion restaurant being inaugurated in the coming months. It will feature specially curated fusion cuisine from Asia, Europe, and the Mediterranean regions to delight international guests.

Club Hotel Dolphin, Waikkal

Club Hotel Dolphin recorded its highest-ever profitability during 2023/24 despite a slower start to the year, with a decline in arrivals to Negombo. However, the trend reversed, and the hotel experienced strong occupancy for the rest of the year, achieving high margins during the winter season. This trend is continuing into summer 2024 as well. More significantly, the hotel has been able to maintain high occupancy during the off-peak

season as well. Club Hotel Dolphin reported a top line of Rs 1.3Bn, while having a EBIT of Rs. 218Mn for 2023/24 financial year

Thaala Bentota Resort

Aligned with the historic profitability achieved by the leisure arm, Thaala Bentota also experienced its best financial performance during the period under review, hosting tourists largely from Eastern Europe, Western countries, and within Sri Lanka. Thaala Bentota, reported a revenue of Rs 746.2 Mn and a positive EBIT of Rs 104 Mn for the year under review. The rebranding of Thaala from Avani was completed during the year, offering guests an authentic Sri Lankan identity and hospitality. The new brand identity received an overwhelmingly positive response from guests, leading to improved occupancy rates and heightened awareness levels.

Dickwella Resort & Spa

Set in one of the most picturesque locations, Dickwella Resort & Spa recorded the highest profitability levels in its history. An extensive facelift has been planned for the summer season in 2024. Dickwella Resorts reported its highest ever Revenue of Rs 605.1Mn and a positive EBIT of 198.4Mn for 2023/24 financial year.

Hotel Sigiriya

This property made a significant profit during the year supported by its proximity to the UNESCO site of Sigiriya Rock. Hotel Sigiriya reported its highest ever Revenue of Rs 491.9Mn and a positive EBIT of Rs. 66Mn for 2023/24 financial year.

The Calm Resort & Spa Pasikuda

The properties performed well in the year under review while increasing the top line to Rs 335.2Mn. Though the company concluded the year under review with a negative EBIT of Rs 8.8Mn, a far better financial performance compared to previous periods.

The Paradise Dambulla

This property underwent refurbishment during the year to make room for more outdoor activities for families, including zip lining and other adventure activities.

The Reveal Collection

Located on Mirissa Beach, the four luxury boutique hotels saw high occupancy levels and performed strongly during the financial year. Reveal Collection reported revenues of Rs. 319.7 Mn. while having a positive EBIT of Rs 55.5 Mn.

Sheraton Kosgoda Turtle Beach Resort

The luxurious five-star resort managed by the Sheraton Group, offers an idyllic escape on the golden coastline of South Sri Lanka. Located adjacent to the renowned turtle hatchery in Kosgoda, the resort boasts to 172 room keys with modern amenities. In the financial year 2023/24, Sheraton Kosgoda demonstrated exceptional performance, achieving a remarkable revenue of Rs 1.7 Bn. The resort successfully attracted a diverse clientele, including tourists and locals, and maintained strong occupancy rates throughout the year, including the off-peak periods.

SUSTAINABILITY INITIATIVES

At Browns Hotels and Resorts, sustainability is a core pillar of our operations, guiding our commitment to preserving the environment and fostering community development. Our initiatives are designed to minimise our ecological footprint, promote biodiversity, and support local economies. By integrating sustainable practices into every aspect of our hospitality services, we strive to create enriching experiences for our guests while ensuring a positive impact on the planet and the communities we serve.

Renewable Energy

At Thaala Bentota, a state-of-the-art Solar Photovoltaic (PV) System has been installed, representing a significant Rs. 76 Mn investment. This system generates an average of 33,040 units monthly and 396,480 units annually. It is expected to save approximately 440 tons of CO2 emissions annually, equivalent to planting 250 trees each year. This initiative underscores Browns Hotels and Resorts' commitment to reducing carbon footprints and embracing renewable energy solutions.

Biodiversity

Preserving the newly discovered "Ratha-Milla" mangrove in the Bentota estuarine is crucial for protecting Sri Lanka's natural heritage and maintaining ecological balance. This conservation effort by Thaala Bentota, in collaboration with the Department of Wildlife Conservation (DWC), included an awareness session and signage unveiling on April 2024.

In collaboration with the Department of Wildlife Conservation, the Turtle Hatchery by REVEAL the Collection has successfully released over 20,000 turtles back into the ocean over the past two years. This project highlights their unwavering commitment to marine conservation.

Browns Hotels & Resorts launched a 3-month Naturalist Training Programme at Hotel Sigiriya, engaging 12 local participants. In partnership with the Sri Lanka Department of Wildlife Conservation, the programme, led by seasoned experts, integrates classroom and field experiences to foster environmental stewardship among local youth, celebrating World Wildlife Day 2024.

The coral rehabilitation programme at Dickwella Resort & Spa in collaboration with Sampath Bank aims to restore damaged coral reefs and enhance marine biodiversity. This initiative supports coastal ecosystems against climate change impacts, such as ocean acidification and rising sea temperatures. Through community engagement, it fosters responsibility and interest in marine environments.

On World Migratory Bird Day, Occidental Paradise Dambulla organised a migratory birds awareness session for students and bird watching session to foster understanding and appreciation for avian wildlife.

On World Ocean Day, Calm Resort & Spa conducted an ocean waste and pollution awareness program for students and a crafting session in collaboration with the Marine Environment Protection Authority to highlight the importance of ocean conservation.

On World Environment Day 2023, Hotel Sigiriya participated in the shramadana organised by CTHA to promote environmental cleanliness and awareness.

Management Discussion and Analysis

LEISURE & ENTERTAINMENT CLUSTER

Waste Management

The 'No Bin Day' initiative at our staff cafeteria promotes waste reduction by removing bins on specific days, encouraging mindful consumption. This fosters awareness of the broader impact of waste, reduces waste generation, and cultivates a culture of responsibility among staff, highlighting sustainability as a shared endeavour. Six large garbage bins have been placed at selected locations around Sigiriya Rock Fortress to collect bottles, polythene, and plastics, ensuring the area remains clean. Regular trash collection efforts by Hotel Sigiriya ensure that the Pidurangala rock area remains free from litter, preserving its natural beauty and promoting a clean environment.

The newly-initiated composting plant at Dickwella Resort & Spa uses leftover waste grass clippings as the main raw material. The resulting compost is utilised in the hotel gardens, eliminating the need to purchase fertilisers and providing a 100% natural alternative free from harmful chemicals, benefiting the ecosystem both directly and indirectly.

CORPORATE SOCIAL RESPONSIBILITY

The Group hotels actively support the local community through various CSR initiatives such as providing a platform for local artists to showcasing their crafts to promote the local culture and economy; maintaining a railway station; donating a computer room to a local temple to enhance educational opportunities, and renovating a female ward and other healthcare facilities at local hospitals to improve healthcare. Career guidance programmes and workshops for A-Level students are organised to assist them in their educational endeavours.

MAURITIUS HOTELS

Browns Investments' four-star, 100-room beachfront property in Mauritius, operated under the Radisson Blu brand, exhibited strong performance throughout the year. This success was marked by several prestigious accolades, including the Tripadvisor Travellers' Choice 2023 and the Booking.com Traveller Review Awards. Additionally, the hotel was certified as a Green Key property, a notable sustainability award that signifies a positive impact on communities through creating

shared value. The property has significantly contributed to local communities by providing food, shelter, and improved futures for at-risk children, while also progressing toward carbon-neutral status.

Demonstrating its commitment to environmental, health, and social impacts, the hotel has implemented various Green Key International standards. Partnering with Green Impact, the property successfully collected and recycled 7.3 tonnes of waste, sending it to Recycling Waste Centres. Regular participation in beach clean ups at Poste Lafayette Public Beach further exemplifies its dedication to environmental stewardship. The hotel also organised events encouraging employees to plant 100 trees, fostering a culture of sustainability.

On Earth Hour, the hotel collaborated with guests to switch off all non-essential lights, showcasing a collective effort to combat climate change. To reduce its carbon footprint, only glass bottles are used, while water consumption and waste generated is minimised.

As part of its CSR initiatives, the hotel supports the SOS Children's Village of Beau Bassin through in-kind donations and has provided food supplies, stationery, and linen to the 'Association des Malades et Handicapés de L'Est-Joie de Vivre' in Poste de Flacq village. The property contributed MUR 144,000 to the SOS Children's Village, reinforcing its commitment to social responsibility.

MALDIVES HOTELS

Leisure operations in the Maldives are thriving, highlighted by the opening of the Bodhufinalu resort Barcelo Whale Lagoon Maldives in 2023. This project, recorded over 50% reservation rates in its first month, and is expected to generate robust income in the coming years. The resort features 100 villas and is a 5-star property managed by the Barceló Group. The opening received positive reviews and well-wishes from partners worldwide.

Located within the enchanting South Ari Atoll, the Barceló Whale Lagoon Maldives resort offers an exquisite blend of coral gardens, pristine white sands, and azure waters, providing a haven for couples, families, and

adventure seekers. Focused on environmental sustainability, the resort emphasises the conservation of whale sharks and features a dive centre with licensed staff.

The Nasandhura project in the capital city of Male is another hallmark development. This project, consisting of a hotel and an apartment complex, will be the largest building on the main Male island, featuring 118 apartments and 136 keys in the hotel. It is slated for commencement of operations completion by December 2024. Several other leisure projects are in the pipeline for the Maldives, with additional islands secured for future development.

Excel World

Excel World is a key family entertainment hub in Colombo. It is also a business hub featuring interesting game arcades, a food court, a bowling alley, and several other fun rides. Despite stiff competition from new upscale malls, Excel World reported revenues of Rs. 513Mn for 2023/24 compared to Rs. 436 Mn for the previous year. The management's focus on enhancing activities available for children and adults alike is an ongoing endeavour. An exciting theme park is planned for opening by December 2025, which will offer an international theme park experience.

THE BROWNS GROUP IS SET TO EMBARK ON A GROUND-BREAKING PROJECT WITHIN THE COLOMBO PORT CITY BY CONSTRUCTING THE COLOMBO MARINA, WHICH IS ENVISIONED AS A PREMIER DESTINATION, WILL OFFERS UNPARALLELED LUXURY EXPERIENCES AND PORT CITY'S FIRST STAR-CLASS HOTEL, THE MARINA HOTEL.

BROWNS ENGINEERING & CONSTRUCTION

Amid the prolonged contraction in Sri Lanka's construction industry, Browns Engineering & Construction strategically suspended telecom, electrical & civil construction work to focus on other construction and engineering value-adding services. This decision enabled the company to better navigate industry challenges compared to its peers. Total Revenue for the year decreased by approximately 13.8% to Rs. 7.5 Bn, while management fees for construction engineering reached Rs. 3.4 Bn, reflecting a 151% growth compared to the previous year. The electrical project revenue saw a significant increase from the previously modest figure of Rs. 196 Mn to Rs. 732 Mn.

BROWNS METAL AND SANDS

In view of the unfavourable economic conditions in the country, Browns Metal and Sands, a subsidiary of Browns Investments PLC, delayed the commercial production of metal aggregates and sand in 2023/24. All the necessary government approvals to

manufacture metal aggregates and sand for the construction sector have been secured. The company secured more than 200 acres of land and an IML-A category license, the highest in the industry. Once operational, this facility will be the largest quarry in Sri Lanka, with an expected annual production of about 90,000 cubes of metal. The company is also exploring value addition opportunities and foreign partnerships for granite production.

SIERRA CABLES

Despite the challenges and factors impacting the construction industry, Sierra Cables capitalised on opportunities to achieve significant progress. While the group recorded revenues of Rs. 8.2 Bn, reflecting a notable 15 percent year-on-year increase, the Company itself achieved a net profit of Rs. 1 Bn, marking the highest net profit in its history. Additionally, the planned strategic relocation of the UPVC and HDPE pipe plant to Africa under Browns Manufacturing Limited is expanding the company's operational footprint and demonstrating its adaptability in exploring new markets.

Sierra Cables also achieved an A+ [Ika] stable outlook rating from Fitch for three consecutive years, reflecting its resilience and commitment to growth through its credit rating. Throughout the year, Sierra Cables received numerous accolades, including the 'Gold Award' in the Electronic and Electrical products sector in recognition of export performance by the National Chamber of Exporters of Sri Lanka (NCE) for three consecutive years from 2021 to 2023. The company was also conferred a 'Gold Award' in the large-scale Electrical, Electronics, and Allied Sector at the National Industry Excellence Awards 2023, 'Best Cable Manufacturer of the Year' under the large category in energy, industrial, and communications sectors at the South Asian Business Excellence Awards, and a 'Merit Award' at the Sri Lanka National Quality Awards organised by the Sri Lanka Standards Institution. Additionally, Sierra Cables operated a stall as the Best Engineering Service Provider and Platinum Sponsor at INCO 2024, organised by the Institution of Incorporated Engineers, Sri Lanka.

Management Discussion and Analysis

CONSTRUCTION CLUSTER

Aside from these achievements, Sierra Cables became the Cable Partner for Architect 2024 at the SLIA Members Work, Lifestyle and Trade Exhibition. Sierra Cables' participation in this event was a significant milestone in demonstrating the latest advancements in the cable industry, aligned with modern technology.

Its Corporate Social Responsibility (CSR) initiatives included supporting local schools, providing internships, and facilitating factory visits. Environmental efforts focused on reducing ecological impact through solar energy, greenery development, and promoting the 3R (Reduce, Reuse, Recycle) concept.

AJAX GROUP

Ajax Engineers has established itself as a leading entity in the fabrication and installation of aluminium doors, windows, façades, cladding, structural glazing, and handrails for high-rise buildings and residential markets. As a preferred choice among blue-chip construction companies, Ajax excels in large-scale apartment projects and corporate buildings. Renowned for its glass processing expertise, Gurind Accor has built a reputation for reliability and quality.

Several landmark projects were undertaken, with notable progress expected to continue into the financial year 2024/25, including construction of People's Bank, Brandix and Marina Square. Furthermore, the company was recognised as the Best-Performed Contractor in Sri Lanka by Kin Long. The People's Bank project is the project with the highest financial value ever won by Ajax. Major foreign procurement for this project has been completed, and installation work is underway, with an anticipated completion date of December 2024.

Ajax is also engaged in constructing the Head Office Building for the Brandix Group. All major foreign procurements have been successfully completed, and installation is progressing, with expected completion in January 2025.

The General Accessories and Coatings (Pvt) Limited, which includes a powder coating facility, supports Ajax's operations by importing accessories and aligning with the overall business strategy of the cluster.

Gurind Accor is equipped with a state-of-the-art glass tempering plant and serves the industry with a highly skilled workforce.

WOODLAYS

Woodlays, adapting to the current economic situation, ventured into the niche market of teak timber flooring while also continuing pallet manufacturing. The company participated in the architect exhibition and is exploring opportunities in the Maldives' hotel sector. Although still a small business sector, Woodlays expects significant growth in the coming years.

PORT CITY CIFIC PROJECT

The Browns Group is set to embark on a ground-breaking project within the Colombo Port City by constructing The Colombo Marina, which is envisioned as a premier destination, will offers unparalleled luxury experiences and Port City's first star-class hotel, The Marina Hotel. This prestigious development, situated alongside the Colombo Marina, represents a pioneering investment in Sri Lanka, aimed at creating a luxurious environment for boating, dining, shopping, and nightlife.

The Colombo International Financial Centre (CIFIC) stands as the inaugural development project approved within the Colombo Port City. Browns Investments, a strategic arm of the LOLC Group, has partnered with China Harbour Engineering for this ambitious USD 450 Mn mixed-use development on reclaimed land.

The CIFIC is poised to become an international hub, providing business and lifestyle facilities that rival those of other world-renowned business centres. The project boasts a total Gross Floor Area of 160,807 square meters, meticulously allocated to include 45% luxury high-rise residences, 30% Grade A offices, 15% retail facilities, and 10% serviced apartments.

REAL ESTATE PORTFOLIO

In addition to the Colombo Port City project, the LOLC Group is strategically enhancing its real estate portfolio as part of its value creation strategy, which focuses on anti-inflationary asset investments. Recognising the increasing global demand for office spaces, warehousing, and residential

apartments, LOLC aims to capitalise on the rising property values. This focus on real estate investments is integral to the Group's long-term growth and value generation strategy.

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**BASED ON A CULTURE
OF PERFORMANCE
THROUGH COMPLIANCE
AND CONFORMITY
TO STANDARDS,
OUR CORPORATE
GOVERNANCE
PHILOSOPHY
CONTINUES TO SHINE.**

“OUR GOVERNANCE FRAMEWORK OPERATES AT AN APPROPRIATE LEVEL TO ENSURE THE BOARD FUNCTIONS EFFECTIVELY AND WITH PURPOSE IN THE INTERESTS OF ALL OUR STAKEHOLDERS.”

COMPLIANCE WITH “THE CODE”

THE BOARD IS COMMITTED TO HIGH STANDARDS OF GOVERNANCE AND BELIEVES THAT DURING THE YEAR THE COMPANY WAS IN FULL COMPLIANCE WITH ALL APPLICABLE PRINCIPLES AND PROVISIONS SET OUT IN THE COMPANIES ACT NO. 07 OF 2007, LISTING RULES OF THE CSE, THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE (“THE CODE”) JOINTLY ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA (SEC) AND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (AS AMENDED)

DETAILS OF HOW THE PRINCIPLES OF THE CODE HAVE BEEN APPLIED CAN BE FOUND THROUGHOUT THIS CORPORATE GOVERNANCE REPORT AND COMMITTEE REPORTS.

We are proud of the way our colleagues came together to support each other, our customers and other stakeholders. Our purpose sets out our commitment to the communities we serve and the wider environment. As a Board we are responsible for ensuring that the business is purpose-led and our decision making and activities reflect the core purpose and drive the right behaviours. Every decision we take, and every plan we develop, helps to serve our customers and communities in better way. During the year, the Board focused on managing the ongoing economic crisis prevailing in the country and around the globe and setting strategic priorities to deliver against an agreed performance framework. The Group emerged even stronger to capitalise on the opportunities presented by evolving trends in our markets.

Our corporate governance framework clearly defines responsibilities and ensures that the Group has the right systems and controls to enable the Board and its Committees to effectively oversee the business, providing challenge where necessary.

How we do business, and the behaviours demonstrated by colleagues across the Group, is of vital importance to the Board. We recognise that culture plays a fundamental role in the delivery of our strategic priorities and the Board is ultimately responsible for ensuring that our activities reflect the culture we wish to instil in our colleagues and other

stakeholders to drive the right behaviours. The Board is committed to providing a strong and positive culture and upholding our well-established core values that underline how we run our business.

Our Code of Business Conduct defines how we engage with stakeholders, ensuring that the standards and behaviours of our colleagues are consistent across the Group at all levels of the organisation.

OVERVIEW OF THE YEAR

During the year, the Board continued to oversee the Group’s medium and long-term strategy, in particular the work required for our Journey to Greatness, which will drive stronger revenue and high-quality profitable growth. The Board has continued to be updated on the Group’s acquisition pipeline, supply chain activity, regional growth initiatives and ongoing programmes to engage, retain and develop talented individuals to achieve our goals.

Other areas of focus for the Board over the past year have included consideration of the Group’s product range expansion plans for our customers as well as supporting the Group’s enhanced supply chain strategy.

As always, our people continue to be our strongest and most powerful differentiator and we recognised their contribution with a bonus for all permanent employees.

THE BOARD

The Board has a clear division of responsibilities between the conducting business of the Board and managing the business of the Group. The roles of the Chairman, Senior Independent Director, Group Chief Executive Officer, and Independent Non-Executive Directors are set out in this report.

CHAIRMAN

The Chairman is responsible for the effective leadership of the Board and maintaining a culture of openness and transparency.

The Chairman also promotes effective communication between Executive and Non-Executive Directors and ensures all Directors effectively contribute to discussions and feel comfortable in engaging in healthy debate and constructive challenge.

GROUP CHIEF EXECUTIVE OFFICER

The Group Chief Executive Officer (CEO) has day-to-day responsibility for the effective management of the Group and for ensuring that Board decisions are implemented. He plays a key role in devising and reviewing Group strategies for discussion and approval by the Board.

The Group CEO is also tasked with providing regular operational updates to the Board on all matters of significance relating to the Group's businesses or reputation and for ensuring effective communication with shareholders and other key stakeholders.

SENIOR INDEPENDENT DIRECTOR/ NON-EXECUTIVE DIRECTORS

The Non-Executive Directors bring insight and experience to the Board. They have a responsibility to constructively challenge the strategies proposed by the Executives; scrutinise the performance of management in achieving agreed goals and objectives; and play leading roles in the functioning of the Board Committees, bringing an independent view to the discussion.

Since the Chairman of the Board is an Executive Director, the Board has appointed the SID to provide an independent judgement on matters pertaining to the Board.

BOARD LEADERSHIP AND COMPANY PURPOSE

Role of the Board

The Board's principal responsibility is to ensure the long-term sustainable success of the Group as a whole. The Board is accountable to stakeholders for the Group's financial and operational performance and is responsible for taking strategic decisions and providing oversight across the Group ultimately to ensure stakeholder interests are protected. The Board aims to lead with integrity and in a sustainable commercial manner to ensure value is created for all the Group's stakeholders. The Board also provides leadership to executive and senior management and applies a robust governance framework to ensure that this leadership is delivered effectively.

Purpose, values, strategy and culture

The Board is responsible for ensuring that the culture in which we operate drives the right behaviours. The Board and senior management set the tone from the top and lead by example. Our Code of Business Conduct defines the standards and behaviours expected of colleagues, and is a fundamental part of our culture and training to support our values. All new colleagues are required to complete training on the Code of Business Conduct.

Assessing opportunities and risks

The Board considers the principal risks and opportunities, including ESG factors, for the future of the business. Details of the risks assessed are set out in the Management Discussion & analysis on pages 5 to 22, together with consideration of the sustainability of the Group's business model.

At each Board meeting, the Group CEO presents a comprehensive update on performance, challenges, the competitive market and possible business opportunities. Quarterly reports to the Board give an overview on the external market, how components of the business perform. This ensures the Board has oversight across the business, allowing its governance processes to contribute strongly to the delivery of our strategy.

BOARD COMMITTEES

The Board has delegated specific responsibilities to Board Committees. The main statutory committees are each chaired by a Non-Executive Director, focusing on specific areas of the Board's responsibilities.

AUDIT COMMITTEE

Provides independent Assessment and oversight of financial reporting processes. It oversees, on behalf of the Board, the risk management strategy, risk appetite and the effectiveness of internal control processes. It also oversees the effectiveness of the internal and external audit functions.

REMUNERATION COMMITTEE

Reviews and recommends the policy on remuneration of the Senior Management team.

Monitors the implementation of the Remuneration Policy.

Oversees general pay practices across the Group.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Reviews and recommends the policy on all Related Party Transactions practices across the Group.

BUSINESS OPERATIONS COMMITTEE

Reviews strategic investment proposals and recommends the chosen proposals to the Board.

MANAGEMENT COMMITTEE

Chaired by the Executive Chairman and the Senior Management, the Committee meets every month to review Group Corporate, Divisional and Departmental performances against pre-determined Annual Business Plans and Budgets. The introduction of peer adjusted organisational ratings in determining pay for performance has resulted in the search by business units, sectors and industry Groups for productivity enhancements, process improvements and cost efficiencies within a framework of better teamwork.

BOARD AND COMMITTEE MEETINGS

Board and Committee meetings are scheduled in advance for the entire year on a quarterly basis. The Board held four scheduled meetings during the year, which included presentations/updates by senior management on each of the business areas. Directors are expected to attend all Board and relevant Committee meetings. The table below shows their record of attendance at the

scheduled Board and Committee meetings. The Board is supported by the activities of the Board Committees, which ensure specific matters receive the right level of attention and consideration.

The composition of each Committee is reviewed annually. The Committee also reviews Board composition and succession planning. Each Committee Chair provides a verbal update on Committee activities to the

Board after each Committee meeting and Committee papers and minutes are shared with all Directors. Matters considered by each of the Committees are set out in the Committee terms of reference.

The Board delegates responsibility for the day-to-day operational management of the Company to the Group CEO, who is supported by the Executive Director, Senior Management and Business Operations Committee.

The compositions of the Board Committees as at date are as follows:

Audit Committee	Remuneration Committee	Related Party Transactions Review Committee	Business Operations Committee	Group Management Committee
Two Independent Non-Executive Directors	Two Independent Non-Executive Directors	Two Independent Non-Executive Directors	One Executive Director [Chairman]	One Executive Director [Chairman]
One Non-Executive Director	One Non-Executive Director	Two Non-Executive Directors	Two Non-Executive Directors	Senior Management

Board attendance

	31.5.2023	15.08.2023	15.11.2023	15.02.2024	Total
Ishara Nanayakkara	✓	✓	✓	✓	4/4
Kapila Jayawardena	✓	✓	✓	✓	4/4
Mrs. Kalsha Amarasinghe	✗	✓	✓	✓	3/4
Danesh Abeyrathne	✓	✗	✗	✗	1/4
Janaka de Silva	✓	✓	✓	✓	4/4
Tissa Bandaranayake	✓	✓	✓	✓	4/4
Thamotharampillai Sanakan	✓	✓	✓	✓	4/4

SUMMARY OF MATTERS RESERVED FOR THE BOARD

The Board has adopted a formal schedule of matters reserved for its attention, detailing matters that are considered of significance to the Group owing to their strategic, financial or reputational importance. These include Group strategy, operating plans, long-term plans and budget; changes to corporate and capital structure; major acquisitions, mergers, joint ventures and disposals; significant capital expenditure and borrowing; material contracts; risk management and internal control; financial reporting and disclosures; review of remuneration policies; and dividend policy and payment.

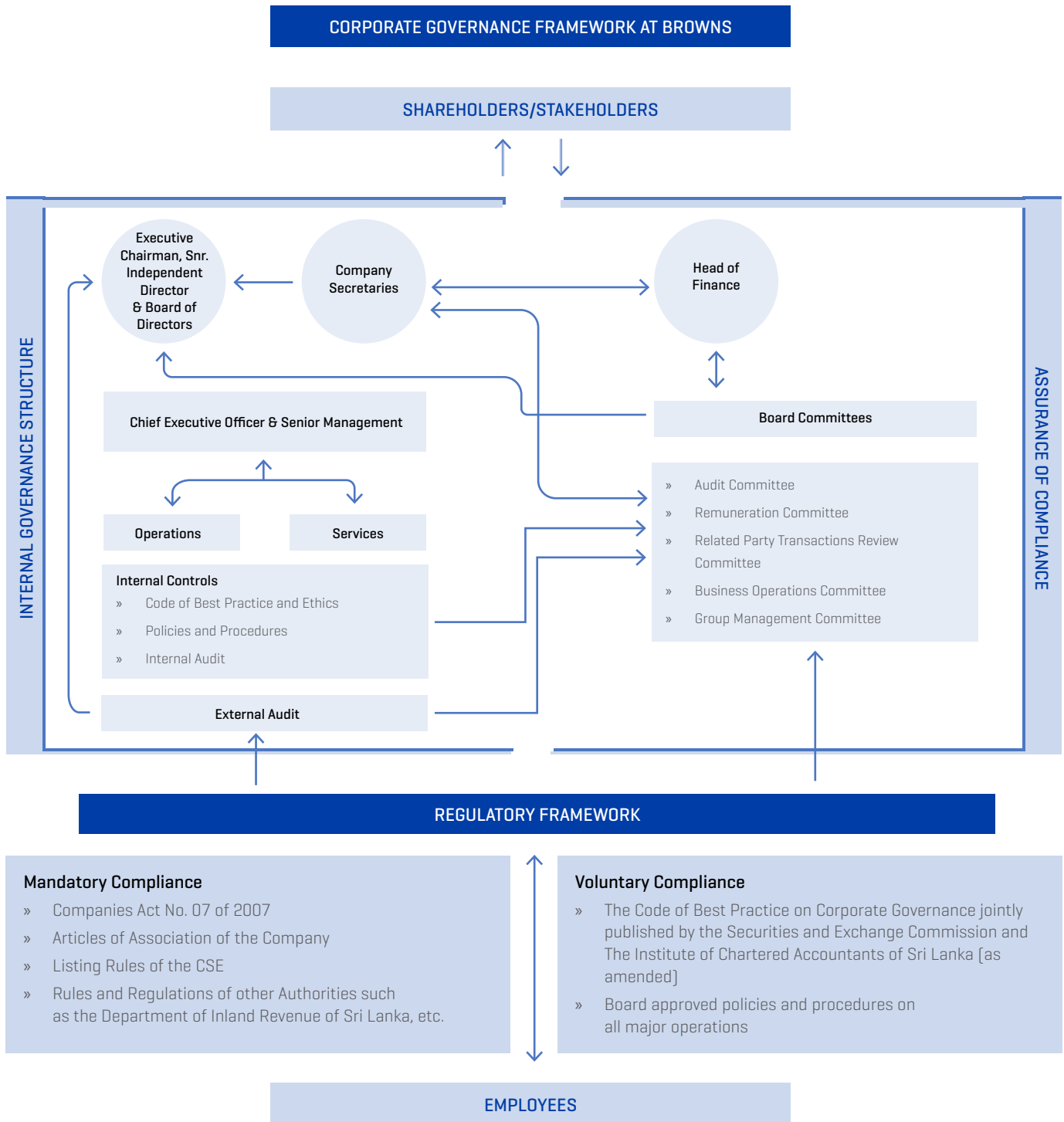
CORPORATE GOVERNANCE FRAMEWORK

Having an effective corporate governance framework defines responsibilities, helps

the Board to deliver the Group's strategy and is vital to its decision making. It supports long-term sustainable growth while operating within a framework of effective controls. Having the right systems and controls in place ensure the Board and its Committees effectively oversee the business, maintain the highest standards of corporate governance and allow Directors to provide challenge where necessary. The Board has overall responsibility for ensuring adequate resource is available to deliver on its strategic priorities. The Board has a delegation of authority schedule in place to ensure the Board has the right level of oversight for matters that are material to the Group. The Board has established a risk management framework to manage and report the risks we face as a business, which are reviewed quarterly. The Board also undertakes a robust assessment of the Company's emerging and principal

risks. Efficient internal reporting, effective internal controls and oversight of current and emerging risks are embedded into our business processes, which align to our strategic priorities, purpose and values. The Board, with the support of its Committees, places great importance on ensuring we achieve a high level of governance across the Group.

Directors are allowed to raise their concerns about the Company or a proposed action and oppositions if any are recorded in the Board minutes. No such concerns were raised in 2023/24. Directors report actual or potential conflicts of interest to the Board for consideration and if such conflicts exist, Directors excuse themselves from consideration of the relevant matter. The Company maintains an interest register which is reviewed annually.



HIGHLIGHTS OF BOARD DECISIONS DURING THE YEAR

- » Approved the Quarterly and Audited Financial Statements for the FY 2023/2024
- » Approved acquisition of material assets
- » Approved the Annual Budget for the FY 2024/2025
- » Recommended the re-appointment of External Auditors
- » Approved the appointment of SID
- » Recommended the re-election of Directors
- » Acquisition of voting rights of Agstar PLC from Browns Investments PLC

BOARD ACTIVITY

The Board has a detailed programme of activities that ensures operational and financial performance, risk, governance, strategy, culture and stakeholder matters are discussed frequently to support Directors' oversight and understanding. This ensures that any consideration and decision making is appropriate for the business, our stakeholders and the markets in which we operate. During the year, the Board reviewed and approved entry into material contracts taking into consideration the associated operational and financial benefits and risks. It also considered the impact on all stakeholders including financial returns, security of supply, improved pricing and quality of products.

The Director/CEO holds an annual strategic planning session at which senior managers of all business units are present. The aim is to better understand market trends, technology developments, innovation and people strategies. Updates to the Board from the Group Director/CEO and other members of senior management are scheduled in respect of all material matters to ensure the delivery of strategy in line with our purpose and values.

BOARD COMPOSITION

The Group is led by an effective and committed Board, with a culture of openness and transparency at Board meetings. As at the date of this report, the Board comprises seven Directors with a wide range of knowledge and experience from a variety of sectors. Our values and leadership behaviours are a vital part of our culture, helping us ensure that through our conduct we do the right thing for the business and our stakeholders.

No	Name of Director	Executive / Non-Executive	Independent/ Non-independent	Involvement/ interest in shareholding	Gender representation
1	Ishara Nanayakkara	Executive	Non-independent	Yes	Male
2	Kapila Jayawardena	Non-Executive	Non-independent	No	Male
3	Mrs. Kalsha Amarasinghe	Non-Executive	Non-independent	No	Female
4	Janaka de Silva	Non-Executive	Senior Non-Independent	No	Male
5	Tissa Bandaranayake	Non-Executive	Non-Independent	No	Male
6	Danesh Abeyrathne	Executive	Non-independent	No	Male
7	Thamotharampillai Sanakan	Executive	Non-independent	No.	Male

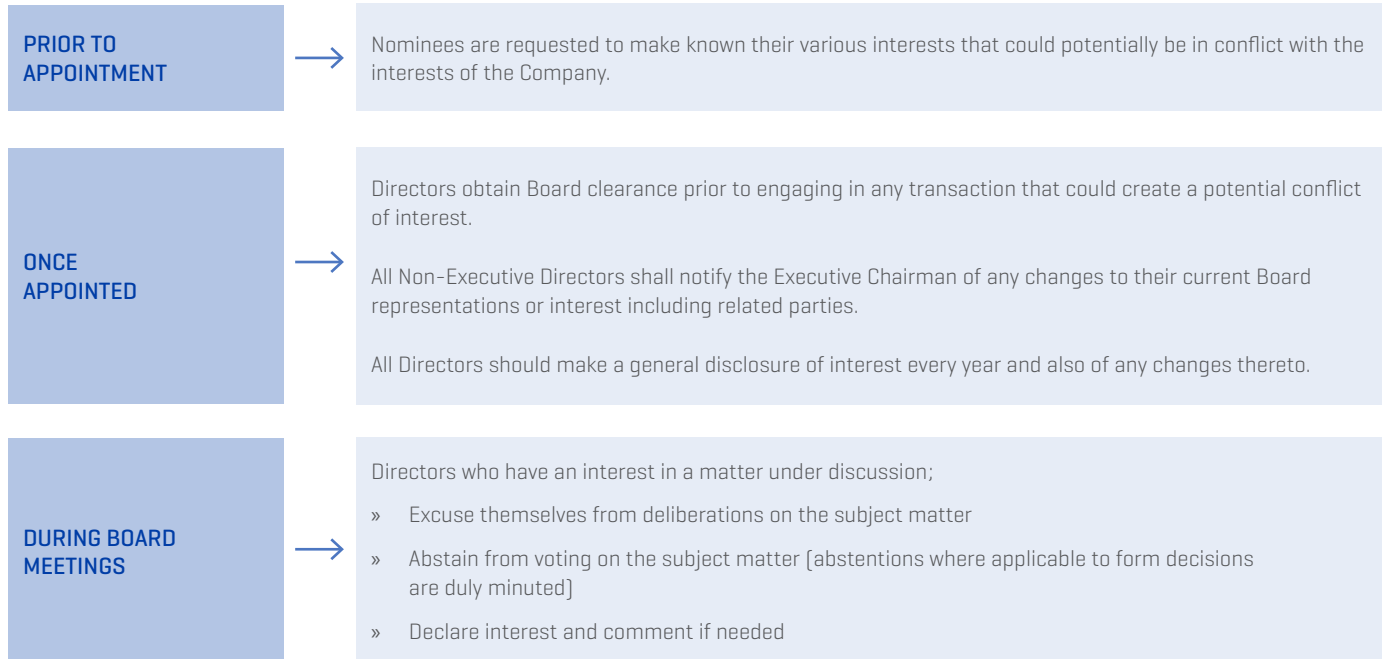
The Board considers that the two Independent Non-Executive Directors are independent in character and judgement and that they are each free from any business or other relationships which would materially interfere with the exercise of their independent judgement. The Independent Non- Executive Directors have submitted signed confirmations of their independence.

Based on the said declarations, the Board of Directors observed that both Mr. Janaka de Silva and Mr. Tissa Bandaranayake have declared that they are over 70 years of age and Mr. Janaka de Silva will be completing his term of 14 years on 23rd September 2024. Accordingly the status of independence of the said directors will get impaired under the criteria for determining directors' independent under rule 9.8.3 (v) and (ix), which shall be effective from 1st January 2025. The required action will be taken by the Board to comply with requirement by the due date.

BOARD EXPERTISE

We are satisfied that our members of the Board and its Committees have and maintain the necessary skills to deliver the Group's strategic priorities, taking into account the Board's diversity and inclusion policy.

APPOINTMENT, INDUCTION AND DEVELOPMENT



Upon appointment, all new Directors receive a comprehensive induction programme designed to facilitate their understanding of the business and is tailored to their individual needs. The Board believes strongly in the development of its Directors and colleagues throughout the Group.

To assist the Board in undertaking its responsibilities, ongoing training is provided for all Directors and training needs are assessed as part of the Board evaluation procedure. The Board programme includes regular presentations from management, site visits if necessary, and informal meetings, to build their understanding of the business and sector. During the past year, Directors received regular training on our local markets, our operating environment and recent legal and governance developments impacting Browns.

DIVERSITY AND INCLUSION

The Board believes that it is vital to have a diverse Board, with a mix of skills, knowledge and experience across professional backgrounds, gender, tenure, age and ethnicity. A diverse Board with different perspectives, insights and viewpoints in decision making ultimately benefits the Group's stakeholders through better business performance and decision making. The Board understands that supporting our workforce in a culture of trust and respect is essential to the success of the Company where colleagues feel valued and rewarded for the work they do. All colleagues are given equal opportunities through recruitment, learning and development and actively champion and support our colleague networks and training on the importance of inclusion.

BOARD EVALUATION

To ensure the Board remains effective, a performance evaluation is carried out each year, to review the effectiveness of the Board, its Committees and Directors. The Board was satisfied with their independence and through previous reviews identify further opportunities for improvement.

Re-election of Directors

The Company's Articles of Association require one of the Directors in office to retire at each Annual General Meeting. The Director who retires will be the one who has been longest in office since his/her appointment/ re-appointment. Retiring Directors are generally eligible for re-election by the shareholders.

COMPANY SECRETARIES

The Group Company Secretaries are responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed, applicable rules and regulations are complied with, and that due account is taken of relevant codes of best practice. They are also responsible for ensuring communication flows between the Board and its Committees, and between senior management and Non-Executive Directors. All Directors have access to the advice of the Company Secretaries and, in appropriate circumstances, may obtain independent professional advice at the Company's expense. In addition, a Directors' and Officers' liability insurance policy is maintained for all Directors. The appointment and removal of the Company Secretaries is a matter reserved for the Board as a whole.

AUDIT, RISK AND INTERNAL CONTROL

The Board is responsible for ensuring the risks facing the Group are effectively identified and controlled through the work of the internal audit activities. The Board has continued to monitor the established risk management and internal control procedures to ensure that they continue to be appropriate and effective within the specific context of the Group's activities.

The Internal Auditors monitor and report on the adequacy of the Financial and Operational systems of the Business Units, in order to strengthen internal controls. The Internal Audit team comprises the necessary skills and experience relevant to the operation of each business. All of the internal audit activities are coordinated centrally by the LOLC-Enterprise Risk Management Team.

The Audit Committee assists the Board in discharging its responsibilities with regard to external and internal audit activities and controls including reviewing audit reports, internal controls and risk management systems. The Audit Committee is satisfied that the Group's risk management and internal control framework in relation to the Group's risk profile and strategy was effective and adequate. The Board therefore remained satisfied that the system of internal control continued to be effective in identifying

and assessing the various risks to the Group and in monitoring and reporting progress on their potential impact.

Some of the policies which play a key role in this respect are:

1] Code of Business Conduct and Ethics

This applies to all the employees of the Company. The code ensures that there is no conflict of interest where individuals' interest conflicts with the interests of the Company, and makes timely disclosure of such situations; maintains confidentiality of information, ensures fair dealing with the Company's customers and suppliers and refrains from any unfair dealing and manipulations, thereby promoting ethical behaviour within the Company.

2] IT Governance

The Company believes that IT environment and the controls over this are the fundamental building block upon which our internal control environment is built.

The strong IT governance structure in place at Browns ensures that the effective and efficient use of IT enables the Company to create innovations to increase our digital savviness across the business. A thorough review was undertaken of our cyber environment to ensure that we have appropriate data and information governance processes and controls, e-commerce defences, proactive security and strong incident management processes across the business.

LOLC Technology Services Limited (LOITS), a subsidiary of the Parent Company, LOLC Holdings PLC provides the IT related services to the Company.

3] Enterprise Resources Planning (ERP)

Browns, adapting to the constantly changing technological world and ever-evolving company trends embarked on the digital transformation journey by launching the company's third ERP system, Microsoft Dynamics 365 Business Central SaaS. Prior to the newly implemented system, Browns has been using Microsoft Dynamics AX which was implemented in 2012 to accelerate the operational processes. Microsoft Business Central is based on cloud, enabling employees a wide range of capabilities with regard to their everyday work. With the implementation of ERP, a major change was that the entire organisation was converted to a full time Microsoft ERP platform. The overall business information model has improved tremendously and further improvements were added in the areas of after sales and front-end services. This enhanced the quality of information processes along with the new standard operating procedure and ERP functional user manuals which were developed in order to set the ground rules for continued good administration. The ERP also assisted the organisation in its business expansion programme by providing flexibility in decision making with both speed and volume of data availability.

GOING CONCERN AND VIABILITY

The Board is responsible for assessing the Group's long-term viability and deciding if it is appropriate to adopt the going concern basis in preparing the Group and Company accounts. The Audit Committee reviews and challenges, where necessary, the Group's assumptions, process and assessment of its going concern and viability.

SUBSIDIARY COMPANIES' MONITORING FRAMEWORK

All subsidiary companies of Brown and Company PLC are managed by their respective Boards according to the respective companies' Articles of Associations and in the best interest of their stakeholders. Brown and Company PLC monitors the performance of subsidiary companies.

ASSURANCE OF COMPLIANCE

The Board, through the Group Legal and Secretarial Division, the Group Finance Division and its other operating structures, monitors and assesses the level of compliance of the Company with laws and regulations. It also reviews the changes in regulations and strives to ensure that the Company is in compliance with the regulatory requirements of the country. The Board receives updated reports on compliance at each Board meeting held after a Financial Quarter with regard to the significant legal and regulatory frameworks that are applicable to its operations.

When carrying out the function of compliance, the Internal and External audit as well as Board Committees also play a vital role in the governance structure of the Company.

ACCOUNTABILITY

The Board recognises its responsibility to present a fair, balanced and understandable assessment of the Company's position, performance, business model and strategy. This extends to interim and other price-sensitive public reports, reports to regulators, and information required to be presented by statutory regulations. In relation to this, reference is made to the Statement of Directors' Responsibility for preparing the Financial Statements set out on page 61 of this Annual Report and Accounts. A description of the Company's business

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model for sustainable growth is set out in the Management Discussion & Analysis on pages 5 to 22. This section provides an explanation of the basis on which the Group generates value and preserves it over the long term and its strategy for delivering its objectives.

EXTERNAL AUDIT

The External Audit Report enables the Board to determine the adequacy and effectiveness of the Company's internal controls. M/s. Deloitte Partners, Chartered Accountants acted as the External Auditors of the Company for the reporting year. The Company has the necessary mechanisms in place to ensure the independence of the External Auditors, and the Audit Committee verifies that the services provided by the Auditors comply with applicable legislation.

STAKEHOLDER ENGAGEMENT

The Board is accountable to stakeholders for ensuring the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The Board spends time listening to and understanding the views of its key stakeholders and, when discussing matters at Board meetings, these views form an integral part of decision making. We also take other factors into account that we consider relevant to our decision making, including the interests and views of the communities we operate in.

SHAREHOLDER RELATIONS

The Company reports formally to shareholders in a number of ways. Significant matters relating to trading or development of the business, and routine reporting obligations, are disseminated by way of Stock Exchange announcements and by press releases. The Board considers the Annual General Meeting as a prime opportunity to communicate with shareholders. Shareholders are given the opportunity of exercising their rights at the Annual General Meeting. Each resolution brought before the shareholders at the Annual General Meeting is voted on separately by them. The notice of the Annual General Meeting and the relevant documents required are published within the statutory period. The Annual General Meeting provides an opportunity for shareholders to seek

and obtain clarifications and information on the performance of the Company. The External Auditors are also present at the Annual General Meeting to render any professional assistance that may be required. Shareholders who are not in a position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their choice.

Shareholders can also contact the Company directly via a dedicated email address or via dedicated telephone numbers, provided on the inside back cover of this report. The Company's website also contains information for institutional and retail shareholders alike. The Company's Registrars provides access facility for registered shareholders, providing details of their shareholdings. Facilities are also provided for shareholders to lodge proxy appointments electronically.

CORPORATE SOCIAL RESPONSIBILITY

The Board actively takes part in defining and overseeing the corporate culture and values, particularly in the corporate social responsibility policy. The Board continuously reviews the policies for sustainability, corporate culture and values, and on relations with stakeholders, especially employees, customers and consumers in countries where the Group operates. The corporate social responsibility policy is structured in line with the business strategy and risk appetite and putting into place mechanisms to ensure that all Group entities know how they fit into these strategies and that their processes and mechanisms are consistent with those of the policy of the Ultimate Parent.

CODE OF BEST PRACTICES OF CORPORATE GOVERNANCE JOINTLY ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA [SEC] AND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA [CA SRI LANKA] (ISSUED ON 1ST JULY 2008 AND INCLUDES AMENDMENTS TO 2017)

Section		Compliance Status	Company's Action
A. DIRECTORS			
A.1 The Board			
A.1	The Company to be headed by an effective Board to direct, lead and control the Company	✓	The Company is headed by an effective Board of Directors who are responsible and accountable for the stewardship function of the Company.
A.1.1.	Regular Board meetings	✓	The Board meets quarterly and as and when required
A.1.2	The Board should be responsible for matters including implementation of business strategy, skills and succession of the management team, integrity of information, internal controls and risk management, compliance with laws and ethical standards, stakeholder interests, adopting appropriate accounting policies and fostering compliance with financial regulations and fulfilling other Board functions	✓	<p>Powers specifically vested in the Board to execute their responsibility include:</p> <ul style="list-style-type: none"> » Providing direction and guidance to the Company in the formulation of its strategies, with emphasis on the medium and long term, in the pursuance of its operational and financial goals. » Reviewing and approving annual budget plans. » Reviewing HR processes with emphasis on top management succession planning. » Monitoring systems of governance and compliance » Overseeing systems of internal control and risk management. » Determining any changes to the discretions/ authorities delegated from Board to executive levels. » Reviewing and approving major acquisitions, disposals and capital expenditure. » Approving any amendments to constitutional documents.

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Section		Compliance Status	Company's Action
A.1.3	Act in accordance with the laws of the country and obtain professional advice as and when required	✓	<p>The Board seeks independent professional advice when deemed necessary. During the year under review, professional advice was sought on various matters, including the following:</p> <ul style="list-style-type: none"> » Impacts on BCL's business operations as a result of the current and future economic and geo-political shifts. » An employee satisfaction survey and participation in employee compensation and benefit surveys done to ensure that BCL is more than just a workplace of the highest standards. » Legal, tax and accounting aspects, particularly where independent external advice was deemed necessary in ensuring the integrity of the subject decision. » Market surveys, as necessary for business operations. » Valuation of property including that of investment property. » Specific technical know-how and domain knowledge required for identified project feasibilities and evaluations.
A.1.4	Access to advice and services of the Company Secretary. Appropriate insurance cover as recommended by the Nominations Committee for the Board, Directors and KMPs	✓	<p>To ensure robust deliberation and optimum decision making, the Directors have access to the services of the Company Secretaries whose appointment and/or removal is the responsibility of the Board.</p> <p>The Company has appropriate insurance cover for KMPs according to the Group policy.</p>
A.1.5	Bring independent judgment on various business issues and standard of business conduct	✓	<p>Collectively, the Non-Executive Directors bring a wealth of value adding knowledge, ranging from domestic and international experience to functional know-how, thus ensuring adequate Board diversity in accordance with principles of Corporate Governance. Furthermore, every member of the Board brings independent judgment on various business issues</p>
A.1.6	Dedication of adequate time and effort	✓	<p>Allowing for Non-Executive Director's involvement in various Board Committees and time spent by them in considering various matters that require discussion and decision in between the formal Board meetings, the Company estimates that Non-Executive Directors devoted sufficient time for the Group during the year.</p>

Section		Compliance Status	Company's Action
A.1.7	One third of Directors can call for a resolution to be presented to the Board in the best interests of the Company.	✓	All Directors are encouraged to submit any items/ proposals to the agendas of the Board meetings.
A.1.8	Board induction and training	✓	In instances where Non-Executive Directors are newly appointed to the Board, they are apprised of the: <ul style="list-style-type: none"> » Values and culture » Operations of the Group and its strategies » Operating model » Policies, governance framework and processes » Responsibilities as a Director in terms of prevailing legislation » Important developments in the business activities of the Group
A.2 The Chairman			
A.2.1	Maintain a clear division between Chairman and the Chief Executive Officer	✓	Complied with.
A.3 The Chairman's role			
A.3.1	The Chairman should ensure Board proceedings are conducted in a proper manner	✓	Refer Chairman's role in Corporate Governance section in this Annual Report
A.4 Financial acumen			
A.4	The Board should ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance	✓	Two Board members hold membership in professional accounting bodies. Refer Board Member Profiles for more information
A.5 Board balance			
A.5.1	The Board should include Non-Executive Directors of sufficient calibre.	✓	Refer Board Member Profiles section
A.5.2	Three or two third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be "independent"	Not adopted	Two out of the four Non-Executive Directors are independent
A.5.3	Definition of Independent Directors	✓	Both the Independent Directors of the Company are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.
A.5.4	Declaration of Independent Directors	✓	Each Non-Executive Director has submitted a signed and dated declaration of his independence.
A.5.5	Board determinations on independence or non-independence of Non-Executive Directors on annual basis	✓	Both of the Independent Directors of the Company meet the criteria for independence specified in this rule, subject to the transitional provisions of Rule 9.8.3.
A.5.6	Alternate Director	✓	Complied with

Corporate Governance Report

Section		Compliance Status	Company's Action
A.5.7	In the event the Chairman and the CEO are the same person, the Board should appoint one of the Independent Non-Executive Directors to be the 'Senior Independent Director' (SID)	✓	Complied. Refer Senior Independent Directors' report.
A.5.8	The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns	✓	Complied. Refer Senior Independent Directors' report.
A.5.9	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, at least once each year.	✓	Informal discussions have been held with the Non-Executive Directors without the Executive Directors being present.
A.5.10	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes	✓	All the Board meeting proceedings are comprehensively recorded in the Board minutes.
A.6 Supply of information			
A.6.1	Board should be provided with timely information to enable it to discharge its duties	✓	<p>The Board is provided with:</p> <ul style="list-style-type: none"> » Information as is necessary to carry out their duties and responsibilities effectively and efficiently. » Information updates from management on topical matters, new regulations and best practices as relevant to the Group's business » External and Internal Auditors' opinions » Experts and other external professional services » The services of the Company Secretaries. » Periodic performance reports.
A.6.2	Timely submission of the minutes, agenda and papers required for the Board meeting	✓	Board agendas and necessary Board Papers and minutes are dispatched in advance of the Board meetings
A.7 Appointment to the Board			
A.7.1	Formal and transparent procedure for Board appointments	✓	Board appointments follow a transparent and formal process.
A.7.2	Assessment of the capability of Board to meet strategic demands of the Company	✓	<p>The Board as a whole assesses its own composition to ascertain whether the experience and exposure of the Board members are adequate to meet the strategic demands faced by the Company.</p> <p>Currently, the Board members have varying qualifications in economic, environmental and social topics and are involved in many committees and associations that serve the business community as a whole.</p>
A.7.3	Disclosure of new Board member profile and interests	✓	The required disclosures with regard to the new director appointment was made as per the regulatory requirements.

Section		Compliance Status	Company's Action
A.8 Re-election			
A.8.1/ A.8.2	Re-election at regular intervals and should be subject to election and re-election by Shareholders	✓	<p>The Directors are subject to re-election on the basis of 'longest in the office' as provided in the Articles of Association.</p> <p>One Director shall retire by rotation on the basis prescribed in the Articles of the Company. A Director who is subject to appointment or a Director retiring by rotation is eligible for election and re-election by a shareholder resolution at the AGM.</p>
A.8.3	In the event of a Director resigns prior to his appointed term, shall give reasons for resignation	Not applicable	
A.9 Appraisal of Board performance			
A.9.1.	The Board should annually appraise itself on its performance in the discharge of its key responsibilities	✓	The Board continued with its annual Board performance appraisal. This is a formalised process of self-appraisal, whereby each member assesses, on an anonymous basis, the performance of the Board
A.9.2.	The Board should also undertake an annual self-evaluation of its performance and that of its Committees.	✓	<p>Evaluations were carried out under the areas of:</p> <ul style="list-style-type: none"> » Role clarity and effective discharge of responsibilities » People mix and structures » Systems and procedures » Quality of participation » Board image
A.9.3.	The Board should review the performance of each Director at the time of re-election	✓	Reviews are conducted annually according to the Constitution of the Company.
A.9.4	The Board should state how such performance evaluations have been conducted	✓	The performance evaluation is analysed to give the Board an indication of its effectiveness as well as areas that required addressing and/or strengthening. Despite the original anonymity of the remarks, the open and frank discussions that follow, including some Directors identifying themselves as the person making the remark, reflects the keenness of the Board.
A.10 Disclosure of information in respect of Directors			
A.10.1	<ul style="list-style-type: none"> » Profiles of the Board of Directors » Directors' interests » Board meeting attendance » Board Committee memberships 	✓	Refer Board profiles and Corporate Governance sections
A.11 Appraisal of CEO		✓	Appraisal of the CEO was conducted according to the Group Policy

Corporate Governance Report

Section		Compliance Status	Company's Action
B. DIRECTORS REMUNERATION			
B.1 Remuneration procedure			
B.1.1	The Board of Directors should set up a Remuneration Committee	✓	Refer Corporate Governance Section
B.1.2.	Remuneration Committee should consist exclusively of Non-Executive Directors	✓	All members of the Remuneration Committee are Non-Executive Directors
B.1.3.	The Chairman and members of the Remuneration Committee should be listed in the Annual Report each year	✓	Refer Board Committees
B.1.4.	Determination of the remuneration of Non-Executive Directors	✓	Compensation is determined in reference to fees paid to other NEDs of comparable companies. NEDs receive a fee for devoting time and expertise for the benefit of the Group in their capacity as Directors and additional fees for either chairing or being a member of a Committee.
B.1.5	The Remuneration Committee should consult the Chairman about its proposals relating to the remuneration of other Executive Directors	Not adopted	Remuneration of the Executive Directors are governed by the Remuneration Policy of the Group
B.2 The level and make up of remuneration			
B.2.1/ B.2.2	The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors and designed to promote the long term success of the Company	✓	The Remuneration Committee as a whole is aware that the reward structure should be designed to attract and motivate high calibre people in a highly competitive environment. During the financial year, the Remuneration Committee conducted a market survey of Executive Director's remuneration with a view to assessing the appropriateness of compensation with market benchmarks.
B.2.3	The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies		
B.2.4 / B.2.5	Comparison of remuneration with other Companies in the Group	✓	Having taken into account the complexities associated with the Group, it was established that the compensation is in line with the market. Benchmarking exercises of this nature will continue to take place in the future at regular intervals.
B.2.6	Executive share options not to be offered at a discount	Not applicable	No share options were given during the year under review.
B.2.7	Remuneration Committee should follow schedule E in designing schemes of performance-related remuneration	Not adopted	the remuneration scheme is in line with the Group policies.
B.2.8/B.2.9	Compensation for termination of contracts of Directors	Not adopted	the compensation scheme is in line with the Group policies.
B.2.10	Level of remuneration of NEDs	✓	The fees received by NEDs are determined by the Board and reviewed annually.
B.3 DISCLOSURE OF REMUNERATION			
B.3	Disclosure of remuneration policy and aggregate remuneration	✓	Please refer Annual Report of the Directors & the Remuneration Committee Report

Section		Compliance Status	Company's Action
C. RELATIONS WITH SHAREHOLDERS			
C.1 Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings			
C.1.1	The Notice of AGM and related papers to be sent to shareholders as determined by the Statute, before the meeting.	✓	Notice of the AGM and related documents are sent to shareholders along with the Annual Report within the specified period. The contents of this Annual Report will enable existing and prospective stakeholders to make better informed decisions in their dealings with the Company.
C.1.2	Separate resolution to be proposed for each item and the proxy appointment forms to have options to vote for or against each of the item	✓	Two-way proxy forms are provided
C.1.3.	Counting of proxy votes	✓	As a matter of practice, proxy votes together with the votes of the shareholders present at the AGM are considered for each resolution.
C.1.4.	Heads of Board Committees to be available to answer queries	✓	All the NEDs who are the Heads of Board Committees are available at the Meeting to answer queries.
C.1.5	Summary of procedures governing voting at General meetings to be informed	✓	Refer Form of Proxy
C.2 Communication with Shareholders			
C.2.1 – C.2.7	Effective communication with shareholders	✓	Refer Shareholder Relations section in the Corporate Governance Section
C.3 Major and Material Transactions			
C.3.1	Disclosure of all material facts involving any proposed acquisition, sale or disposition of assets	✓	All material and price sensitive information about the Company is promptly communicated to the Colombo Stock Exchange where the shares of the Company are listed, and released to the employees, press and shareholders.
C.3.2	Compliance with the disclosure requirements and shareholder approval by special resolution as required by the rules and regulations of the SEC/CSE for listed companies		
D. ACCOUNTABILITY AND AUDIT			
D.1. Financial reporting			
D.1.1.	The Board should present an annual report including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained.	✓	Refer Introduction to the Report, Corporate Governance Section and Statement of Directors' Responsibility
D.1.2.	Disclosure of interim and other price sensitive and statutorily mandated reports to regulators	✓	The Audit Committee together with the Board of Directors have taken all reasonable steps to ensure accuracy and timeliness of published information with a view of presenting the true and fair view of the interim and annual financial statements.
D.1.3	The Board should obtain compliance statements and declarations from the CEO and the Head of Finance before approving the financial statements	✓	Declarations are obtained from the Director/CEO & Head of Finance that in his opinion the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company. Refer Group CEO's and Head of Finance's statement.

Corporate Governance Report

Section		Compliance Status	Company's Action
D.1.4	Declaration by the Directors that the Company has not engaged in any activities, which contravene laws and regulations, declaration of all material interests in contracts, equitable treatment of shareholders and going concern with supporting assumptions or qualifications as necessary	✓	Refer Corporate Governance and Annual Report of the Board of Directors
D.1.5.	Statement of Directors' Responsibility	✓	Refer Statement of Directors' Responsibility
D.1.6.	Management Discussion and Analysis	✓	Refer Management Discussion and Analysis.
D.1.7.	Remedial action at Extraordinary General Meeting [EGM] if net assets fall below half of value of Shareholders funds	✓	In the unlikely event that the net assets of the Company fall below a half of Shareholders funds, shareholders would be notified and the requisite resolution would be passed on the proposed way forward.
D.1.8	Disclosure of Related party Transactions	✓	Refer Notes to the Financial Statements
D.2 Risk Management and Internal Control			
D.2.1	Annual review of effectiveness of system of risk management and internal control and report to shareholders as required	✓	The Board has taken the necessary steps to ensure the integrity of the Group's accounting and financial reporting systems and internal control systems that remain effective via the review and monitoring of such systems on a periodic basis.
D.2.2	Robust assessment of the principal risks faced by the Company	✓	Refer Risks and Opportunities section
D.2.3.	Internal Audit Function	✓	The internal audit function of the Company is not outsourced to the External Auditors of the Company to ensure the independence of the External Auditors of the Company. The Auditors' report on the Financial Statements of the Company for the year under review is found in the financial information section of the Annual Report.
D.2.3/ D.2.4	Maintaining sound system of internal control	✓	Refer Corporate Governance Report
D.3 Audit Committee			
D.3.1.	The Audit Committee should comprise a minimum of three non-executive directors of whom at least two should be Independent. The Chairman of the Committee should be an Independent Non-Executive Director. At least one member should have recent and relevant experience in financial reporting and control.	✓	The Audit Committee comprises two Independent Non-Executive Directors and one Non-Executive Director. The Committee is chaired by an Independent Non-Executive Director who is a member of a professional accounting body.
D.3.2.	The Audit Committee to have written terms of reference covering the salient aspects as stipulated in the section	✓	The Audit Committee has written terms of reference outlining the Scope.
D.3.3.	Duties and responsibilities of the Committee	✓	The Audit Committee has the overall responsibility for overseeing the preparation of Financial Statements in accordance with the laws and regulations of the country and also recommending to the Board, on the adoption of best accounting policies. The Committee is also responsible for maintaining the relationship with the External Auditors. Refer Audit Committee Report

Section		Compliance Status	Company's Action
D.4 Related Party Transactions Review Committee [RPTR Committee]			
D.4.1	Definition of a Related Party and Related Party Transactions	✓	Refer Notes to the Financial Statements
D.4.2	The RPTR Committee should comprise exclusively of non-executive directors with a minimum of three. Majority should be independent. The Chairman of the Committee should be an Independent Non-Executive Director.	✓	The Committee comprises of four Non-Executive Directors out of which two are independent. One Independent Non-Executive Director acts as the Chairman of the Committee.
D.4.3.	The RPTR Committee to have written terms of reference covering the salient aspects as stipulated in the section	✓	The RPTR Committee has written terms of reference outlining the Scope.
D.5 Code of Business Conduct and Ethics			
D.5.1	Adoption of Code of Business Conduct and Ethics	✓	Business ethics at the Company ensure the business is carried out in an ethical manner
D.6 Corporate Governance disclosure			
D.6.1.	The Directors should include in the Company's Annual Report a Corporate Governance Report	✓	Refer the Corporate Governance Section
E. INSTITUTIONAL INVESTORS			
E.1 Shareholder voting			
E.1.1	A listed Company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives.	✓	The Company has a well-developed investor relations programme to address the information needs of investment institutions and analysts regarding the Company, its strategy, performance and competitive position
E.2 Evaluation of governance disclosures			
E.2.1.	When evaluating the company's governance arrangements, particularly those relating to the Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention	✓	Institutional investors are informed of any changes to the governance structure.
F. OTHER INVESTORS			
F.1 Investing/divesting decisions			
F.1.1.	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions	✓	The Company maintains an active dialogue with shareholders, potential investors, investment banks, stock brokers and other interested parties. Any concerns raised by a Shareholder are addressed promptly and forwarded, when necessary, to the Company Secretaries for consideration and advice.
F.2 Shareholder voting			
F.2.1	Individual shareholders should be encouraged to participate in General Meetings of Companies and exercise their voting rights.	✓	All steps are taken to facilitate the exercise of shareholder rights at AGMs, including the receipt of notice of the AGM and related documents within the specified period. Shareholders exercise their voting rights for each resolution passed at the AGM.

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Section		Compliance Status	Company's Action
G. INTERNET OF THINGS AND CYBER SECURITY			
G.1. – G.5	A review with regard to the cyber environment to ensure that appropriate data and information governance processes and controls, e-commerce defences, proactive security and strong incident management processes across the business are in place.	✓	LOITS, a subsidiary of the Parent Company, LOLC Holdings PLC manages the cyber security of the Company and the Parent Company reviews and monitors the cyber environment of the Group.
H. ENVIRONMENT, SOCIETY AND GOVERNANCE			
H.1 – H.5.	Adherence to the ESG principles	✓	Refer Introduction to the Report and Social and Relationship Capital Report.

STATEMENT OF COMPLIANCE UNDER SECTION 7.10 OF THE RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON CORPORATE GOVERNANCE

CSE RULE	Compliance Status	Company's Action
7.10	COMPLIANCE	
	Compliance with Corporate Governance Rules	✓ The Company is in compliance with the Corporate Governance Rules and any deviations are explained where applicable
7.10.1	Non-Executive Directors (NED)	
	At least 2 members or 1/3 of the Board, whichever is higher should be NEDs	✓ 4 out of the 7 Board members are NEDs. The Company is conscious of the need to maintain an appropriate mix of skills and experience in the Board and to refresh progressively its composition over time, in line with needs.
7.10.2	Independent Directors	
a.	2 or 1/3 of NEDs, whichever is higher shall be "independent"	✓ 2 out of the 4 NEDs are independent.
b.	Each NED to submit a signed and dated declaration of his/her independence or non-independence	✓ Independence of the Directors has been determined in accordance with CSE Listing Rules based on a signed confirmation obtained from the Non-Executive Directors during the year under review
7.10.3	Disclosures relating to Directors	
a.	Names of the independent Directors should be disclosed in the Annual Report	✓ The Company's Independent Non-Executive Directors are: » Janaka de Silva – Senior Independent Director » Tissa Bandaranayake – Independent Non-Executive Director Refer profiles of Board members on page 2 to 4.
b.	The Board shall annually determine the independence or otherwise of NEDs.	✓ Based on the declarations received from the Non Executive Directors, it was reported that both Directors are over 70 years of age. Nevertheless, the Board has determined that the above two Directors are independent subject to transitional provisions under Rule 9.8.3.
c.	A brief resume of each Director should be included in the Annual Report including the Director's experience.	✓ Refer the Board of Directors section of the Annual Report.
d.	Provide a resume of new Directors appointed to the Board along with details	✓ Refer the Board of Directors section of the Annual Report.
7.10.4	Criteria for defining the Independence of Directors	
	Requirements for meeting the criteria to be an Independent Director	✓ All of the Independent Directors of the Company met the criteria for independence specified in this rule. Mr. Janaka De Silva and Mr. Tissa Bandaranayake are currently over 70 Years old and have served over nine years on the Board. The Board is of the opinion that the aforesaid Directors are nevertheless independent by considering all the circumstances and is satisfied that they are free of material business or other relationship that could interfere with or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgments. The Company will take the necessary steps to comply with Rule 9.8.3.
7.10.5	Remuneration Committee	
a.1	Remuneration Committee shall comprise NEDs, a majority of whom will be independent	✓ The Remuneration Committee comprises of the following : Two Independent Non-Executive Directors and one Non-Executive Director. Refer Remuneration Committee report.

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CSE RULE	Compliance Status	Company's Action
a.2	One NED shall be appointed as the Chairman of the Committee by the Board of Directors.	✓ A Non-Executive Director is the Chairman of the Committee.
b.	The Remuneration Committee shall recommend the remuneration of the Executive Directors	✓ The remuneration of the Chairman/ Executive Directors is determined as per the remuneration principles of the Group and recommended by the Remuneration Committee.
c.1	Names of Remuneration Committee Members	✓ Refer Remuneration Committee report.
c.2	Statement of Remuneration Policy	✓ Refer Remuneration Committee report.
c.3	Aggregate remuneration paid to EDs and NEDs.	✓ Refer Remuneration committee report and the relevant Note no. 8 to the financial statements.
7.10.6	Audit Committee	
a.1	The Audit Committee [AC] shall comprise NEDs, a majority of whom should be independent	✓ The Audit Committee comprises of Two Independent Non-Executive Directors and one Non-Executive Director.
a.2	A Non-Executive Director shall be the Chairman of the Committee	✓ The Chairman of the Audit Committee is an Independent Non-Executive Director
a.3	The Head of Finance should attend Audit Committee Meeting	✓ The Head of Finance attended Audit Committee meetings by invitation.
a.4	The Chairman of the Audit Committee or one member should be a member of a professional accounting body.	✓ The Chairman of the Audit Committee is a member of a professional accounting body. Refer Audit committee report.
b.	Functions of the AC	✓ The Audit Committee carries out all the functions stated in the Audit Committee Report.
b.1	Overseeing the preparation, presentation and adequacy of disclosures in the financial statements in accordance with SLFRS/LKAS	✓ The Audit Committee assists the Board in fulfilling its oversight responsibilities regarding the integrity of the financial statements of the Company and the Group
b.2	Overseeing the compliance with financial reporting requirements, information requirements as per the laws and regulations.	✓ The Audit Committee has overall responsibility for overseeing the preparation of financial statements in accordance with the laws and regulations of the country and also for recommending to the Board, the adoption of best accounting policies
b.3	Ensuring that the internal controls and risk management are adequate to meet the requirements of the SLFRS/LKAS.	✓ The Audit Committee assesses the role and effectiveness of the Group Business Process which is largely responsible for internal controls and risk management
b.5	Make recommendations to the Board pertaining to External Auditors	✓ The Committee is responsible for appointment, re-appointment, removal of External Auditors and also the approval of remunerations and terms of engagements
c.1	Names of the Audit Committee members shall be disclosed	✓ Refer Audit Committee Report.
c.2	Audit Committee shall make a determination of the independence of the External Auditors	✓ Refer Audit Committee Report.
c.3	Report on the manner in which the Audit Committee carried out its functions	✓ Refer Audit Committee Report.

COMPLIANCE WITH SECTION 9 OF THE LISTING RULES ISSUED BY COLOMBO STOCK EXCHANGE

Section	Principle, compliance and implementation	Effective date	Complied
9.1.3	Disclosure in the Annual report with regard to the extent of compliance with the Rule The status of compliance with the Rule 9 is given below, subject to the relevant transitional provisions.	01st October 2023	✓
9.2.1	The Company shall disclose the fact of existence of the list of following policies as set out in the rule together with the details relating to the implementation of such policies in the Annual report and make those policies available on its website [a] Policy on the matters relating to the Board of Directors [b] Policy on Board Committees [c] Policy on Corporate Governance, Nominations and Re-election [d] Policy on Remuneration [e] Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities [f] Policy on Risk management and Internal controls [g] Policy on Relations with Shareholders and Investors [h] Policy on Environmental, Social and Governance Sustainability [i] Policy on Control and Management of Company Assets and Shareholder Investments [j] Policy on Corporate Disclosures [k] Policy on Whistleblowing [l] Policy on Anti-Bribery and Corruption The Company is in the process of finalising the recommended policies to be implemented by 1st October 2024 in conformity with the Rules.	01st October 2024	Moving towards compliance
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted.	01st October 2024	None
9.2.3	(i) List of policies in place as per Rule 9.2.1, with reference to website (ii) Any changes to policies adopted	01st October 2024	Moving towards compliance
9.2.4	The Company shall make available all such policies as set out in 9.2.1 to shareholders upon a written request being sent for such policy	01st October 2024	Moving towards compliance
9.3.1/9.3.2	The following Board subcommittees should be established and maintained at a minimum and shall function effectively : - a) Nomination & Governance Committee* b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee The Company is in the process of complying with the requirement with regard to the Nomination and Governance Committee by 01st October 2024 in conformity with the Rules. The rest of the Subcommittees are functioning effectively and refer sec.9.11,9.12,9.13 and 9.14 for details.	01st October 2023 01st October 2023 01st October 2023 01st October 2023	Moving towards compliance [*01st October 2024] ✓ ✓ ✓
9.3.3	The Chairperson of the Board cannot be a Chairperson in any of the aforesaid subcommittees The chair of the board does not also serve as the chair of any board subcommittees.	01st October 2024	✓

Corporate Governance Report

Section	Principle, compliance and implementation	Effective date	Complied
9.4.1	<p>Maintenance of records of all resolutions and other information stipulated in section 9.4.1 of the listing rules and shall provide copies of the same at the request of the Exchange and or SEC.</p> <p>All records of resolutions and information relating to General Meetings; i.e. upon a resolution being considered valid proxy votes, votes in favour, against and abstained for the resolutions, etc. are maintained by the Company Secretary.</p>	01st October 2023	✓
9.4.2	<p>Communication and relations with shareholders and investors</p> <p>A policy regarding the communication with shareholders and investors will be established by the Company by 01st October 2024. The Company Secretary has been designated as the contact person for such corporate communication by the Company. Any significant/material issues raised by the shareholders/investors are communicated to all directors and addressed where necessary in a transparent manner. The company conducted its shareholder meetings through virtual or hybrid means by complying with the guidelines issued by the CSE.</p>	01st October 2024	✓
9.5.1 & 9.5.2	<p>A Policy on governing matters relating to the Board of Directors should be established with specific requirements prescribed by the Exchange [a] to [j] and to disclose the level of compliance or non-compliance with reasons/remedial actions</p> <p>Governance Framework adopted by the Company and the level of compliance with Rule 9.5.1 is provided in detail in the Corporate governance report. The Company is in progress of developing a policy on matters relating to the Board by 01st October 2024.</p>	01st October 2024	Moving towards compliance
9.6.1	<p>The Chairperson should be a Non-executive Director and the positions of Chairperson and CEO shall not be held by one person; unless a Senior Independent Director (SID) is appointed by the Listed entity</p> <p>The Chairman of the Board is Mr.I.C.Nanayakkara, who is an Executive Director and Mr. T. Sanakan, Executive Director performs as the Group Chief Executive Officer of the Company.</p>	01st October 2023	✓
9.6.2 & 9.6.3	<p>The Market announcement with regard to the non-compliance with Rule 9.6.1 and the rationale for appointing the SID</p> <p>Since the Chairmanship is held by Mr. I C Nanayakkara, an Executive Director, the Board intends to retain him in the capacity of an Executive Director considering his business acumen which navigated the Group to become one of the most profitable institutions in Sri Lanka, decided to appoint Mr.Janaka De Silva as the Senior Independent Director w.e.f.31.10.2023.The required market announcements were made with regard to the redesignation of Mr. Silva as the Senior Independent Director w.e.f. 31.10.2023.</p>	01st October 2023	✓
9.7.5	<p>[a] Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria [b] Any non-compliance/s and remedial action taken</p> <p>Annual declarations were obtained as per the requirement of Rule 9.7.4. and the board members have complied with the relevant criteria. The said criteria was considered when recommending the re-election of directors retiring by rotation before the AGM.</p>	01st October 2023	✓
9.8.1 & 9.8.2	<p>The Minimum number of Directors on the Board should be 5 and the total minimum number of Independent Directors should be 2 or 1/3 of the Board, whichever is higher</p> <p>The Board comprised of 7 Directors including 2 Independent Non-Executive Directors</p>	01st October 2024	✓
9.8.3	<p>A director shall not be considered independent if he/she does not fulfil the criteria defining independence under sections 9.8.3 and 9.8.4 of the Rules.</p> <p>Annual declarations were obtained as per the requirement and the Board has determined that Mr.H P Janaka De Silva and Mr. T K Bandaranayake are in fact independent, subject to the transitional provisions permitted by the Exchange up to 01.01.2025 for 9.1.4(1)(c)(v) and 9.1.4(3)</p>	01st October 2023	✓

Section	Principle, compliance and implementation	Effective date	Complied
9.8.5	<p>The listed entity shall ensure;</p> <p>a) Each independent director submits a declaration with criteria specified by the Exchange</p> <p>b) The Board shall make an annual determination as to independence / non independence and set out the names of directors determined to be independent in the Annual Report</p> <p>c) If the Board determines that the independence of and independent director has been impaired against any criteria set out in 9.8.3 it shall make an immediate market announcement thereof</p> <p>The Company has established a process for determination of independence based on the requirements of this Rule.</p>	01st October 2023	✓
9.9	<p>An alternate Director can be only appointed for a minimum period of one year under special circumstances and he/she should be of the same nature of Directorship</p> <p>In terms of Sec.9.9, Mrs. D E Amarasinghe ceased to be an Alternate Director to Mrs.Kalsha Amarasinghe on the Board with effect from 31st December 2023. The relevant market disclosure with regard to the said directorship was made by the Company accordingly.</p>	01st January 2024	✓
9.10.1	<p>A policy on the maximum number of directorships its board members shall be permitted to hold</p> <p>A director shall hold office as director in any number of companies/societies/bodies including subsidiaries and associates of the Company, subject to however, in the case of listed entities, such appointments being limited to 20.</p>	01st October 2023	✓
9.10.2	<p>Immediate market announcement upon appointment of new director setting out resume, capacity of directorship, statement indicating if such appointment has been reviewed by the Nominations & Governance Committee</p> <p>No Director appointments were made during the year under review.</p>	01st October 2023	✓
9.10.3	<p>Immediate market announcement regarding any changes to the composition of the Board / subcommittees specified in Rule 9.3</p> <p>The following market announcements were made during the year under review;</p> <p>a) Re-designation of the Independent Director, Mr. H P J De Silva as the Senior Independent Director w.e.f 31st October 2023</p> <p>b) Cessation of alternate director of Ms. D.E. Amarsinghe w.e.f 31st December 2023</p>	01st October 2023	✓
9.10.4	<p>Listed entities shall disclose the following in relation to Directors in the Annual Report:</p> <p>a) name qualifications, brief profile,</p> <p>b) nature of expertise in relevant functional area</p> <p>c) whether either the director or close family member/s has any material business relationship with the directors of the listed entity,</p> <p>d) whether executive, non executive and or independent.</p> <p>e) Total number of names of companies in which the director concerned serves as a director/KMP indicating if these are listed</p> <p>f) Capacity of the position held whether executive or non executive</p> <p>g) Number of board meetings of the listed entity attended during the year</p> <p>h) Names of board committees in which the director serves as chairperson or member</p> <p>i) Details of attendance of committee</p> <p>j) Terms of reference and powers of the SID</p> <p>Please refer Board profiles, SID report, Board of Directors and subcommittee reports for the details.</p>	01st October 2023	✓
9.11.6	<p>Disclosure requirements regarding the Nomination and Governance Committee under Rule 9.11.6</p> <p>The Company is moving towards compliance.</p>	01st October 2024	Moving towards compliance

Corporate Governance Report

Section	Principle, compliance and implementation	Effective date	Complied
9.12.8	<p>Disclosure requirements regarding the Remuneration Committee under Rule 9.12.8</p> <p>The Remuneration Committee is comprised of two Independent Non-Executive Directors and one Non Executive Director. Mrs.K.U.Amarasinghe the Chairperson of the Committee who is a Non Executive Director. The Company will comply with the relevant section during the transition period before 01st October 2024. The aggregate remuneration paid to executive and non executive directors is disclosed on note 8 of the report</p>	01st October 2023	Moving towards compliance
9.13.1	The listed entity shall have an Audit Committee conforming with the requirements set out in Rule 9.13	01st October 2024	✓
9.13.2	The Committee shall have written Terms of Reference clearing defining scope, authority and duties		
9.13.3	<p>1) Should comprise minimum of 3 directors of the listed entity of whom a minimum of 2 or a majority which ever is higher shall be independent directors; and shall not comprise any executive directors of the listed entity;</p> <p>2) The quorum for a meeting of the Audit Committee shall require the majority in attendance to be independent</p> <p>3) The Committee may meet as often as required provided that it compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market</p> <p>4) If both parent company and subsidiary are listed entities the Audit Committee of the Parent may function as the Audit Committee of the Subsidiary</p> <p>5) An independent director shall be appointed as chairperson of the committee</p> <p>6) Unless otherwise determined by the Audit Committee, the CEO and the CFO of the listed entity shall attend meetings by invitation.</p> <p>7) The Chairperson of the Audit Committee shall be a member of a recognised professional accounting body</p>		
9.13.4	Functions of the Audit Committee		
9.13.5	<p>Disclosures in the Annual Report</p> <p>The Audit Committee is comprised of two Independent Non-Executive Directors and one Non Executive Director. Mr. Tissa Bandaranayake, an Independent Non-Executive Director is the Chairperson of the Committee who is a Fellow member of the Institute of Chartered Accountants of Sri Lanka.</p> <p>The Committee does not include any Executive Directors and GCEO and the Head of Finance attend the meetings by invitation.</p> <p>Please refer Report of the Audit Committee.</p>		
9.14.2	<p>Composition of the Related Party Transactions Review Committee</p> <p>The RPTR Committee is comprised of two Independent Non-Executive Directors and two Non Executive Directors. Mr.Tissa Bandaranayake, an Independent Non-Executive Director is the Chairperson of the Committee. Please refer Report of the RPTR.</p>	01st April 2024	✓
9.14.3-9.14.4	<p>Functions and general requirements</p> <p>Refer Report of the Related Party Transactions Review Committee for details</p>	01st October 2023	✓
9.14.8[1]	<p>Disclosure of non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)</p> <p>Refer Note no 41 to the Financial Statements.</p>	01st October 2023	✓

Section	Principle, compliance and implementation	Effective date	Complied
9.14.8[2]	Disclosure of recurrent Related Party Transactions exceeding 10% of the gross revenue/ income (in the specified format) Refer Note no 41 to the Financial Statements.	01st October 2023	✓
9.14.8[3]	Disclosure requirements regarding the Related Party Transaction Review Committee under Rule 9.14 Please refer Report of the RPTR Committee	01st October 2023	✓
9.14.8[4]	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect. Please refer Report of the RPTR Committee and Board of Directors report	01st October 2023	✓
9.16	Additional disclosures by Board of Directors under Rule 9.16 The relevant declarations by the Board of Directors are included in their report	01st October 2023	✓

THE COMMITTEE PLAYS AN IMPORTANT ROLE IN ENSURING THE INTEGRITY OF FINANCIAL REPORTING, THE INTERNAL CONTROL ENVIRONMENT AND RISK MANAGEMENT PROCESSES

COMMITTEE MEMBERSHIP, INDEPENDENCE AND EXPERIENCE

The Committee membership is solely comprised of Non-Executive Directors namely:

- » **Mr. Tissa Bandaranayake**
Independent Non-Executive Director - Chairman
- » **Mr. Janaka de Silva**
Senior Independent Non-Executive Director - Member
- » **Mrs. Kalsha Amarasinghe**
Non-Executive Director - Member

Mr. Tissa Bandaranayake is a Fellow member of the Institute of Chartered Accountants of Sri Lanka. Mr. Janaka de Silva is also a Fellow member of the Institute of Chartered Accountants of Sri Lanka [CA Sri Lanka], the Chartered Institute of Management Accountants and the Institute of Bankers of Sri Lanka. Both Committee Members have recent and relevant financial experience as required by the Code. The Board considers that the Committee members collectively have competence relevant to the Group's sectors, in addition to their general management and commercial experience.

TERMS OF REFERENCE (TOR) OF THE COMMITTEE

The Audit Committee Charter clearly defines the Terms of Reference, the composition and role and responsibilities of the Committee and is reviewed periodically to ensure that emerging trends in the business environment are adequately addressed within the Committee's functions.

ROLE OF THE COMMITTEE

The Committee's main role is to monitor and review the integrity of the Company's financial information. This includes recommending to the Board whether the Company's Annual Report and Accounts, taken as a whole, simple is fair, balanced and understandable and

whether the assessment of the Group's going concern assumptions and longer-term viability are reasonable. The Committee is also responsible for providing assurance to the Board that the Group's internal controls and risk management systems are fit for purpose and regularly reviewed, as well as overseeing the effectiveness and independence of the External Auditors including recommending to the Board the approval of fees and appointment.

MEETINGS

Meetings of the Committee are scheduled to take place four times a year and occur in line with the financial and reporting cycles of the Company. Meetings are generally held prior to Board meetings so that optimum collaboration with the Board is maintained. Members and their attendance at meetings during the year are set out in the table below. Each meeting followed a distinct agenda to reflect the financial reporting cycle and particular matters for the Committee's consideration. Committee members hold private sessions with the External Auditors to provide an additional opportunity for open dialogue and feedback without management present.

The invitations to attend Audit committee meetings are extended to all Directors including the Chair of the Board, the Group Chief Executive Officer/Chief Financial Officer (GCFO), the Company Secretary, AGM Finance, Head of Finance and Chief Manager Enterprise Risk Management. The External Auditors are invited prior to releasing the interim financial statements for the last quarter as well as to discuss key audit matters and the Management Letter. The Head of IT is invited at the time of any updates required on the Group's information security strategy. Heads of relevant departments and HR are invited when relevant Internal Audits report are being discussed.

The Chair provides updates to the Board on the proceedings, considerations and findings of each meeting.

During the year under review four meetings were held and the attendance were as follows:

	31.05.2023	15.8.2023	15.11.2023	15.02.2024	Total
Tissa Bandaranayake	✓	✓	✓	✓	4/4
Janaka de Silva	✓	✓	✓	✓	4/4
Kalsha Amarasinghe	✗	✓	✓	✓	3/4

FINANCIAL REPORTING

The primary role of the Committee in relation to financial reporting is to monitor the integrity of the Group's published financial information including reviewing its full-year and quarterly financial results. The Committee undertakes this with both management and the External Auditors and concentrates on ensuring compliance with the relevant financial and governance reporting requirements. The Committee considers the principal accounting policies that are used when preparing these results as well as reviewing the significant accounting issues and areas of judgements made and other key areas of focus. The Committee receives regular reports from the Director/GCFO to support this work. The Committee has continued to focus on the key audit matters. All of these matters were conducted to the satisfaction of the Committee.

FAIR, BALANCED AND UNDERSTANDABLE REPORTING

The Committee considered whether the overall reporting was consistent with the quarterly financial statements, the industry as a whole and the wider economic environment. In addition, the Committee assessed whether suitable accounting policies had been adopted by the Group and reviewed papers prepared by the Senior Management on the main financial reporting judgements as well as the External Auditor's reports on the yearly results.

RISK MANAGEMENT

The Committee reviewed the Group's principal and emerging risks and mitigation strategies, with particular discussion around prioritised risks and risk movements. A robust assessment of the Group's principal risks were carried out.

The Committee continued to oversee the Group's progress across Risk & Audit, People and Technology. This included monitoring the continued progress in relation to IT general controls, technology security and control initiatives to mitigate the Group's risk exposure and responsiveness to changing environments. The Committee reviewed assessments undertaken by the Internal Audit and was satisfied that the issues had been identified promptly and that appropriate remediation of underlying controls were implemented.

INTERNAL AUDIT

Internal Audit functions are provided by the Enterprise Risk Management (ERM) division of the parent Company, LOLC Holdings PLC. The Assistant General Manager of ERM reports directly to the Committee and administratively to the Director/CEO, with a remit to provide independent and objective assurance over the Group's prioritised risks and management structures. Internal Audit plays an integral role in the Group's governance structure and provides regular reports to the Committee on the effectiveness of systems, processes and controls across the Group.

Internal Audit's activity is primarily driven by the Internal Audit Plan (the Audit Plan) that reflects the key risks the Group faces, the governance frameworks, management structures and the operations. Following approval by the Committee and the Board, on an annual basis, the Audit Plan remains under review and subject to change throughout the year to ensure changes to the risk profile

or key drivers are appropriately considered. The Committee reviews and approves if any changes to the Audit Plan and receives regular updates on the outcome of the work performed.

Management culture is considered through evaluation of the control environment as part of every audit undertaken. Several other assurance activities are conducted including continuous controls reviews, post-implementation audits, and other management-requested assurance. The results of these reviews are also presented and reviewed by the Committee. The Committee approved the Audit Plan for the FY 2023/2024. The Committee satisfied itself with the effectiveness of Internal Audit by considering the results of the assessments, as well as through ongoing review and oversight of the assurance activities.

INTERNAL CONTROLS

Management is responsible for identifying and managing risks, and for maintaining a sound system of internal control. The internal control framework is intended to effectively manage rather than eliminate the risk of failure to achieve the business objectives. It can only provide reasonable, but not absolute, assurance against the risk of material misstatement or financial loss. The key elements of the Group's internal control framework are monitored throughout the year and the Committee has conducted a review of the effectiveness of the Group's risk management and internal control systems on behalf of the Board. The Committee's review of the effectiveness of internal controls has encompassed a review of various reports provided by management, Internal Audit and External Audit.

EXTERNAL AUDITORS

M/s. Deloitte Partners continued as the Group's External Auditors for the 2023/24 financial year. The Committee reviewed the role of the External Auditors and the scope of its work. The Committee also considered the effectiveness of the External Auditors on an ongoing basis during the year. Amongst others, the review covered the Auditors' independence, objectivity and professional aspects. The Committee is satisfied that the External Auditors have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, based on their annual declaration provided to the Committee.

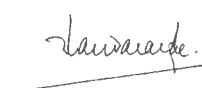
The group has restricted the areas where the external auditors can provide non-audit services, such that only certain types of non-audit services which are closely related to an audit or required by law or regulation can be provided. The Committee oversees the process for approving all non-audit work provided by the External Auditors to safeguard the objectivity and independence of the auditors and comply with regulatory and ethical guidance. Details of fees charged by the External Auditors during the year under review are set out in Note to the Consolidated Financial Statements.

M/s. Deloitte Partners were first appointed in 2018 and re-appointed each year at the AGM. The Committee reviews the re-appointment of the External Auditors annually. Having considered the matters detailed above, the Committee recommended to the Board the re-appointment of Deloitte Partners as the External Auditors of the Company for the financial year ending 31st March 2025 subject to the approval of the shareholders, at a remuneration to be agreed by the Board.

The effectiveness of the Committee was evaluated at the conclusion of the period under consideration by each member of the Committee and the results communicated to the Board.

FAIR, BALANCED AND UNDERSTANDABLE STATEMENT

The Committee considered this Annual Report and Financial Statements, taken as a whole, and concluded that the disclosures, as well as the processes and controls underlying its production, were appropriate and complied with financial reporting requirements under the relevant financial reporting related regulations and other regulatory requirements. The Committee recommended to the Board that the Annual Report and Financial Statements for the year ended 31st March 2024 is fair, balanced and understandable while providing the necessary information to assess the Company's position and performance, business model and strategy.



Tissa Bandaranayake
Chairman - Audit Committee

30th August 2024

Remuneration Committee Report

This year saw another very strong performance for the Company, reflecting the continued work our people have done in strengthening our position in the sectors we operate. We have grown our market share and delivered strong profit growth, global supply chain disruptions and cost inflation.

We have invested in talent, empowered our leaders and incentivised our teams with stretching targets. This has been key to the exceptional Group performance. Given the importance of our people, the Group ensured that we continued to offer competitive pay and benefits during the year.

This review took into account the resilience of delivery given the impact of ongoing external challenges that were outside of management's direct and indirect control, as well as the overall experience of the Group's stakeholders.

The Committee undertook the annual review of incentives taking into account, a range of relevant factors. Salary adjustments during the year under review was in line with the framework offered by the Parent Company. The annual bonus was based on a balanced set of key financial and strategic priorities for the year.

COMPOSITION

The members of the Remuneration Committee are:

Mrs. Kalsha Amarasinghe
Chairperson/Non-Executive Director

Tissa Bandaranayake
Member/Independent Non - Executive Director

Janaka de Silva
Member/Senior Independent Non-Executive Director

Director/GCEO and Human Resources Manager of the Company are invited to the meetings, with the Company Secretaries functioning as its Secretary.

ACTIVITIES FOR THE YEAR UNDER REVIEW

The Committee met once during the year to review of the effectiveness of remuneration policies and practices in support of strong historical performance, and the next phase of the Company's development was conducted. The Committee was satisfied that purpose of the remuneration policy remains to attract, retain and motivate the talent capable of delivering the Group's purpose and strategy and provide clear leadership. In this way, it aims to create long-term sustainable performance and increased shareholder value. The aggregate remuneration of the Executive and Non-Executive Directors are given in Note No. 8 to the Financial statements.

The Committee also considered on the incentives provided for staff and reviewed the methods imposed by the management to attract new talent into the Group. The Committee was satisfied that the Management had been able to retain key talents amidst prevailing economic crisis and political instability.

The effectiveness of the Committee was evaluated at the conclusion of the period under review by each member of the Committee and the results were communicated to the Board.



Kalsha Amarasinghe
Chairperson - Remuneration Committee

30th August 2024

The Related Party Transactions Review Committee Report

The Board has established the Related Party Transactions Review Committee (RPTR Committee) in order to review the related party transactions of Brown and Company PLC and its subsidiaries.

COMPOSITION

The Committee is appointed by the Board and comprises four Non-Executive Directors out of which two are independent. One Independent Non-Executive Director acts as the Chairman of the Committee.

The members are;

Tissa Bandaranayake
Chairman /Independent Non-Executive Director

Janaka de Silva
Member/Senior Independent Non-Executive Director

Mrs. Kalsha Amarasinghe
Member /Non-Executive Director

Kapila Jayawardane
Member/Non-Executive Director

The Director/CEO of the Group attend the meetings by invitation.

The Company Secretaries provide assistance to the members of the Committee, including but not limited to assisting the Committee Chair in planning the work of the Committee, formulating meeting agendas, maintenance of committee minutes, collation and distribution of information required by the Committee and providing practical support, as and when needed.

COMMITTEE MEETINGS

The Committee met four times during the year under review. The minutes of all meetings were properly documented and communicated to the Board of Directors.

Any member of the Committee who has a potential interest in any Related Party Transaction will disclose his/her interests therein and excuse and abstain from discussions leading to the eventual voting and approval of the Related Party Transaction/s. The RPTR Committee considers all relevant facts and circumstances respecting such transaction/s.

The attendance details during the year under review were as follows:

	31.5.2023	15.8.2023	15.11.2023	15.2.2024	Total
Tissa Bandaranayake	✓	✓	✓	✓	4/4
Janaka de Silva	✓	✓	✓	✓	4/4
Kalsha Amarasinghe	✗	✓	✓	✓	3/4
Kapila Jayawardane	✓	✗	✗	✗	1/4

ROLE OF THE COMMITTEE

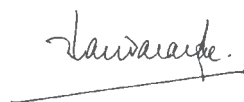
The RPTR Committee is tasked with reviewing all Related Party Transactions of the Company and ensuring that they comply with the Listing Rules of the Colombo Stock Exchange (CSE). The Committee reviews and pre-approves all proposed non-recurrent Related Party Transactions of the Company. Further, the Committee reviews all recurrent Related Party Transactions on a quarterly basis and annually to ensure compliance with the limits and reporting guidelines specified by the Listing Rules of CSE.

REVIEW OF THE YEAR

- » The Committee reviewed all related party transactions, and ensured there were neither any non-recurrent transaction nor transactions that require the approval of shareholders of the Company (except for the exempted transactions under Rule 9.14.10 of the CSE Listing Rules);
- » Obtained required information from the management, employees or external parties with regard to any transaction entered into with a related party;
- » After each meeting, the Committee updated the Board on any disclosures that need to be made in Quarterly Financial Statements or the Annual Report, any other market disclosures with regard to any particular related party transaction and any other observations or comments that may require the attention of the Board;
- » Ensured that no Director of the Company participated in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director was requested to do so by the Committee for the express purpose of providing information concerning the Related Party Transaction to the Committee;
- » Established guidelines and policies for the management and reporting of related party transactions. The Committee also considered the necessary market disclosures in a timely and detailed manner and disclosures in the Annual Report as required by the applicable rules/regulations;
- » Assessed the adequacy of related party reporting systems along with the advice of the External Auditors;
- » Ensured that all reporting requirements of the CSE Listing Rules and other relevant statutes and regulations are met;
- » The Committee was satisfied that all related party transactions of the entity were transacted on normal commercial terms and were not prejudicial to the interests of the entity and its minority shareholders.
- » The effectiveness of the Committee was reviewed at year end by each member and results reviewed and gaps communicated to the Board.

DECLARATION

The Committee has reviewed all related party transactions during the period which were communicated to the Board of Directors by the Committee and has established that they are in the best interest of the Company and comply with all standards of best practice and reporting. A declaration by the Board of Directors as an affirmative statement of compliance with the Listing rules pertaining to RPTs is given on pages 56 to 60 of this report. The recurrent and non-recurrent related party transactions of the Company under Rule 9.14.8 are given in detail on pages 159 to 166.



Tissa Bandaranayake
Chairman - Related Party Transactions Review Committee

30th August 2024

Business Operations Committee Report

This Committee was formed in 2006 to strengthen the business operations of the Company.

The Committee presently comprises of the Executive Chairman and two Non-Executive Directors namely,

Ishara Nanayakkara
Executive Chairman

Kalsha Amarasinghe
Non-Executive Director

Kapila Jayawardena
Non-Executive Director

The primary responsibility of this Committee is to look at strategic directives and investments for the Group, prior to being ratified by the Board, so as to have a better representation in this process and to expedite decisions.

The Committee meets depending on need and urgency.

The Browns Group is in the process of expanding, which includes not only investments into the existing manufacturing and trading operations but also in areas that are strategic and would complement the core growth strategies of the organisation. The Committee also evaluates the pros and cons of such substantial investments and the related opportunity costs of funds, to have a better balance between the growth strategies and stakeholder requirements. In such evaluations the Committee endeavours to strike a balance between the short, medium and long-term investments in order to post continuous and harmonious growth without interruption.



Ishara Nanayakkara
Executive Chairman

30th August 2024

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**OUR 149-YEAR-OLD
LEGACY IS
STRENGTHENED AND
CONTINUED THROUGH
OUR MULTIFACETED
FINANCIAL PERFORMANCE,
WHICH ENSURES
LEGITIMACY AND
CONFIDENCE.**

Annual Report of the Board of Directors

The Directors of Brown and Company PLC have pleasure in presenting to members their Report and the Audited Consolidated Financial Statements for the year ended 31st March 2024.

The Financial Statements and the disclosures made herein conform to the requirements of the Companies Act No. 7 of 2007. The Report also includes relevant disclosures required to be made under the Listing Rules of the Colombo Stock Exchange and is guided by the recommended best practices on accounting and corporate governance.

BROWN AND COMPANY PLC

Brown and Company PLC is a public limited liability Company incorporated in Sri Lanka on 17th August 1892 under the Joint Stock Companies Ordinance 1861 and the Company was re-registered as required under the provisions of the Companies Act No. 07 of 2007 on 25th July 2007. The Company was listed on the Main Board of the Colombo Stock Exchange on 25th April 1991 and was transferred to Diri Savi Board with effect from 15th October 2018. The Registered Office of the Company is No. 481, T.B. Jayah Mawatha, Colombo 10. The Business Office is situated at No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 3.

VISION, MISSION AND CORPORATE CONDUCT

The Vision and Mission statements are given on page inner cover of this Annual Report.

The Company conducts its business activities at a high level and maintains ethical standards in achieving its vision and mission. The Board of Directors of the Company as well as its employees have pledged to abide by and comply with the respective Codes of Conduct and Ethics.

PRINCIPAL ACTIVITIES

Browns Group consists of a portfolio of diverse business operations in the commercial market today by continuously expanding in all business segments in line with the core strategy of creating wealth for all stakeholders.

The principal activities of Brown and Company PLC and the review of the Group's progress and performance during the year with comments on the financial results and prospects are given in the Management Discussion and Analysis section on pages 5 to 22 of this Report.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Browns Group will continue to align itself with strategic areas in the national economy, with Sri Lanka well positioned to grow in sectors such as leisure and tourism, construction, agri business, trading and manufacturing, among others. Large construction projects that are in the pipeline offer significant potential for related goods and services marketed by the organisation.

GROUP REVENUE

The Revenue of the Group was Rs. 81 Bn as compared with Rs. 73 Bn in the previous year. A detailed analysis of the Group Revenue is given in Note No 4 of the Financial Statements.

GROSS PROFIT

The Group's Gross Profit for the year was Rs. 19 Bn compared with the Group's Gross Profit of Rs. 21 Bn for the previous year.

GROUP INVESTMENTS

Investments of the Group and the Company in subsidiaries, associates, joint ventures, long term and short term investments amounted to Rs. 57 Bn [2023- Rs.48 Bn] and Rs. 47 Bn [2023 - Rs. 44 Bn] respectively. A detailed description of the subsidiaries, associates, joint ventures, long term and short term investments are fully described in Notes 17 to 19 and Note 26 respectively.

PROPERTY, PLANT AND EQUIPMENT

Information relating to the movement in Property, Plant and Equipment is given in Note 11 of this Financial Statements.

MARKET VALUE OF PROPERTIES

Revaluations are made with sufficient regularity for land and buildings owned by the Group and the Company by independent professional valuers. A detailed description is given in Notes 11 and 13 to the Financial Statements.

STATED CAPITAL

The Stated Capital of the Company as at the date of this Report is Rs. 9,093,101,000 which consists of 212,625,000 ordinary shares [2023 - Rs. 9,093,101,000 consisting of 212,625,000 ordinary shares].

RESERVES

The total Group Reserves as at 31st March 2024 amounts to Rs. 61 Bn as compared with Rs. 70 Bn in the previous year.

SEGMENT REPORTING

Segment wise contribution to the Group revenue, results, assets and liabilities is provided in Note 45 to the Financial Statements.

TAXATION

Income tax expense for the Group is Rs. 2 Bn compared to Rs. 1.4 Bn in the previous year. Income tax expense for the Company is [Rs. 2 Bn] compared to Rs. 1.1 Bn in the previous year. Taxation has been provided at the appropriate rates indicated in Note No 9 of the Financial Statements.

SHARE HOLDINGS / SHARE INFORMATION

The market value of an ordinary share of the Company as at 31st March 2024 was Rs.110/- [31st March 2023 - Rs.119.50] The number of shareholders as at 31st March 2024 was 4,806 [31st March 2023 - 4,954]. An analysis of shareholders based on shares held, the distribution of ownership and market values for the last five years are provided on pages 184 to 185.

The information in respect of earnings, dividends, net assets per share is given on page 1.

SHAREHOLDERS

It is the Group's policy to treat its shareholders equitably and maximise shareholder wealth. Quarterly returns of financial results with any developments or changes are hosted on the CSE website.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Events Occurring after the Balance Sheet Date are disclosed in Note No 44 to the Financial Statements.

EMPLOYMENT POLICIES

The Group employment policies respect the individuals and offer equal career opportunities, regardless of sex, race or religion and consider the relationship with the employees to be good. The number of persons employed in the Company as at 31st March 2024 was 625 (31st March 2023 was 597).

The Company promotes a culture of teamwork, integrity and dedication and remuneration is linked to performance by annual appraisals of both qualitative and quantitative performance of all employees.

CUSTOMERS

The Group firmly believes in investing time and effort in discovering exactly what the customer wants and then giving it to them at the best price and building relationship and loyalty by supplying the demand in the best manner possible every single time. In other words, we believe in selling customer excellence. In addition the Company also carries out customer awareness programmes and customer service campaigns. The Company deals with both corporate and retail customers.

SUPPLIER POLICY

The Group places great emphasis on the importance of suppliers to the Group and building loyalty and ensure payments promptly. Further a clear communication terms of payment as part of commercial agreements is being maintained.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its Group Companies, all contributions, levies and taxes payable on behalf of, and in respect of the employees of the Company and its Group Companies and all other known statutory dues as were due and payable by the Company and Group Companies as at the Statement of Financial Position date have been paid or, where relevant provided for.

ENVIRONMENTAL PROTECTION

It is the Group policy to keep the adverse effect on the environment to a minimum and to promote co-operation and compliance with the relevant authorities and regulations.

CORPORATE GOVERNANCE & INTERNAL CONTROL

The Board of Directors has acknowledged the responsibility to ensure good governance in conducting the Business activities of the Company and confirms that the Company is compliant with section 9 of the Listing Rules of the Colombo Stock Exchange and has also adopted the

relevant Corporate Governance practices recommended by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.

Through participation in various workshops / forums and updates from the Company Secretaries and the Management, the Board of Directors keeps abreast of laws, rules, regulations and changes thereto, particularly to Listing Rules and applicable capital market provisions .

The Board of Directors declare that they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management through the Audit Committee.

The Enterprise Risk Management Division (ERM) periodically assesses procedures in relation to established guidelines for risk management and internal controls. The the Audit Committee receive the ERM findings and any flaws or vulnerabilities found are communicated with the pertinent operational staff to ensure that the gravity of the position is understood by all and to expedite remedial action. Decisions are followed up on in later Board or Committee meetings. For the year under review, the Directors affirm that they have received a reasonable guarantee of their effectiveness and successful adherence.

GOING CONCERN

As in the Statement of Directors' Responsibility given on page 61 the Directors are satisfied that the Company, its subsidiaries and associates have adequate resources to continue in operational existence for the foreseeable future to justify in adopting the going concern basis in preparing the Financial Statements.

PROFIT AND APPROPRIATIONS

Group	2024 Rs. 000	2023 Rs. 000
Balance as at 1st April	36,572,209	43,154,141
Adjustments for Surcharge Tax	-	(532,097)
Profit/ (Loss) for the year	2,381,520	(6,230,356)
Other Comprehensive income	(30,973)	(155,256)
Adjustments due to change in group holdings	(5,084,356)	335,777
Balance as at 31st March	33,838,400	36,572,209

Company	2024 Rs. 000	2023 Rs. 000
Balance as at 1st April	18,302,322	19,815,139
Adjustments for Surcharge Tax	-	(82,510)
Profit/ (Loss) for the year	(4,246,642)	(1,429,851)
Other Comprehensive income	(357)	(456)
Balance as at 31st March	14,055,323	18,302,322

Annual Report of the Board of Directors

DIRECTORATE

The Directors of the Company during the year under review were as follows:

Ishara Nanayakkara
Executive Chairman

Kapila Jayawardena
Non-Executive Director

Kalsha Amarasinghe
Non-Executive Director

Danesh Abeyrathne
Executive Director

Thamotharampillai Sanakan
Executive Director /Chief Executive Officer

Janaka de Silva
Senior Independent Director

Tissa Bandaranayake
Independent Non-Executive Director

Ms. D Eshana Amarasinghe
Alternate Director to Mrs. Kalsha Amarasinghe [ceased w.e.f. 31.12.2023 in terms of Rule 9.9 of the Listing Rules]

The Board of Directors hereby declare that the Directors and the CEO of the entity satisfy the Fit and Proper Assessment Criteria as stipulated in the Listing Rules of the Colombo Stock Exchange as per their respective declarations made during the year.

Mr. Ishara Nanayakkara, being an Executive Director the Board intends to retain him in the capacity of an Executive Director [being also a shareholder] taking into consideration his business acumen in navigating the group to become one of the most profitable institutions in Sri Lanka. Therefore, Mr. Janaka de Silva was re-designated as the Senior Independent Director [SID] with effect from 31st October 2023 in terms of Rule 9.6 of the Listing Rules. The Statement of SID is given on page 63.

DIRECTORS' MEETINGS

The Directors conduct Board Meetings at least once in a Quarter and as and when necessary. Board decisions are resolved by resolutions at meetings, by circulation and also through circular Board papers which are approved and signed by all the Directors and tabled at the Board Meetings. The Minutes of the Board Meetings, the Agenda for the next meeting and the Management Reports are circulated to all the Directors in advance of the meetings.

The schedules of Directors' attendance at Board Meetings and at the Board Committee Meetings are appended in the Corporate Governance Report on pages 23 to 49.

RE-ELECTION OF DIRECTORS

In accordance with Article No. 24(6) of the Articles of Association of the Company Mr. Danesh Abeyrathne, Executive Director retires by rotation and being eligible, offers himself for re-election.

Directors hereby recommend that Mr. Janaka de Silva and Mr. Tissa Bandaranayake, who vacate office in terms of Section 210 (2) (b) of the Companies Act, be re-appointed as Directors of the Company, in terms of Section 211 of the Companies Act No. 7 of 2007 for a period of one year or until the conclusion of the next Annual General Meeting whichever occurs first and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Directors.

BOARD COMMITTEES

The Board has established committees for better monitoring and guidance of different aspects of operations and control.

AUDIT COMMITTEE

Tissa Bandaranayake
Chairman / Independent Non-Executive Director

Janaka de Silva
Member/ Senior Independent Non-Executive Director

Kalsha Amarasinghe
Member/ Non-Executive Director

The report of the Audit Committee is given on pages 50 to 51.

REMUNERATION COMMITTEE

Kalsha Amarasinghe
Chairperson/ Non-Executive Director

Tissa Bandaranayake
Member/ Independent Non-Executive Director

Janaka de Silva
Member/ Senior Independent Non-Executive Director

The report of the Remuneration Committee is given on page 52.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Tissa Bandaranayake
Chairman/ Independent Non-Executive Director

Janaka de Silva
Member/ Senior Independent Director

Kapila Jayawardena
Member/ Non-Executive Director

Kalsha Amarasinghe
Member/ Non-Executive Director

The report of the Related Party Transactions Review Committee is given on page 53.

BUSINESS OPERATIONS COMMITTEE

Ishara Nanayakkara
Executive Chairman

Kalsha Amarasinghe
Non-Executive Director

Kapila Jayawardena
Non-Executive Director

The report of the Business Operations Committee is given on page 54.

GROUP MANAGEMENT COMMITTEE

Ishara Nanayakkara
Executive Chairman
The Members of the Senior Management

FIT AND PROPER ASSESSMENT OF DIRECTORS

In accordance with Rule 9.7.4 of the Colombo Stock Exchange's Listing Rules, declarations were obtained from the directors attesting to their continuous satisfaction of the Listing Rules' fit and proper assessment criteria as of the declaration date and throughout the financial year under review.

DIRECTORS' INTEREST IN CONTRACTS

The Directors in terms of Section 192 of the Companies Act No 7 of 2007, have declared their interests in contracts with the Company.

The Directors confirm that all material interests in contracts involving the Company have been disclosed to the Board and wherever any Director is materially interested in a contract or proposed contract with the Company, they would refrain from voting on such contracts. Other directorships held by the Directors are disclosed in Board profiles on pages 2 to 4 Directors of subsidiaries are given on pages 186 to 194 .

INTEREST REGISTER

The Directors have made the declarations required by the Companies Act No. 7 of 2007. These have been entered into the Interest Register which is maintained by the Company.

The Company carried out transactions in the ordinary course of business with entities in which a Director of the Company is a Director. The transactions with entities where a Director of the Company either has control or exercises significant influence have been classified as related party transactions and disclosed in Note No 41 to the Financial Statements.

RELATED PARTY TRANSACTIONS

In terms of Section 9.14 of the Listing Rules of the CSE, there were no any related party transactions that required shareholder approval or non-recurrent related party transactions that required immediate market disclosures during the year under review except those which were duly disclosed by way of market announcements via CSE website.

The Directors declare that the Company has complied with Section 9.14 of the Listing Rules of the CSE.

DIRECTORS' SHAREHOLDINGS

The Directors' interests in shares as at 31st March 2024 and 31st March 2023 were as follows :-

	As at 31st March 2024	As at 31st March 2023
Sampath Bank PLC/ Ishara Nanayakkara	299,700	299,700
Kapila Jayawardena	Nil	Nil
Kalsha Amarasinghe	Nil	Nil
Janaka de Silva	Nil	Nil
Tissa Bandaranayake	Nil	Nil
Danesh Abeyratne	Nil	Nil
Thamotharampillai Sanakan	Nil	Nil

REMUNERATION OF DIRECTORS

The Directors' emoluments are disclosed in Note No 8 to the Financial Statements.

According to the Remuneration policy of the Company, compensation must be commensurate with performance and input in order to encourage and motivate employees. Both staff and director compensation has been determined with consideration for this policy.

The Remuneration Committee report is given on page 52.

LIST OF MAJOR SHAREHOLDERS

The list of 20 major shareholders and the percentage held by each as at 31st March 2024 is given on page 185 of the Financial Statements.

SUBSIDIARY AND ASSOCIATE COMPANIES AND ITS DIRECTORS

The Directors of subsidiary and associate companies as at date are given on pages 186 to 194 of this Annual Report.

AUDITORS' REPORT

The Auditors of the Company Messrs Deloitte Partners, Chartered Accountants have carried out the audit of the Consolidated Financial Statements for the financial year ended 31st March 2024 and their Report on the Financial Statements appear on pages 64 to 69 of this Annual Report.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Statements are given on pages 79 to 98.

COMPANY SECRETARIES

L O L C Corporate Services (Private) Limited serves as the Company Secretaries of the Company.

Annual Report of the Board of Directors

ANNUAL REPORT

The Board of Directors approved the Consolidated Financial Statements Thursday, 30th August 2024. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board on or before 30th August 2024.

Furthermore, to the best of the knowledge of the Directors, the Company has not engaged in any activity that contravenes any applicable law or regulation, and has been in compliance with all prudential requirements, regulations and laws. Furthermore, the directors confirm that there were no fines which are material imposed on the Company by any governmental or regulatory authority in the country.

The Company is fully compliant with the Listing Rules of the Colombo Stock Exchange, subject to transitional provisions applicable to the revised rules relating to Corporate Governance.

ANNUAL GENERAL MEETING

The 132nd Annual General Meeting will be held on the Thursday, 26th September 2024 at 11.00 a.m as an online audio-visual meeting at LOLC Holdings PLC, No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya. The Notice of the Annual General Meeting is given on page 196.

AUDITORS

In accordance with Section 154 [1] of the Companies Act No. 7 of 2007 a resolution proposing the re-appointment of Messrs. Deloitte Partners, Chartered Accountants as the Auditors of the Company for the ensuing financial year will be proposed at the Annual General Meeting.

In terms of Section 155 [a] of the Companies Act No. 7 of 2007 a resolution authorising the Directors to fix the remuneration of the Auditors Messrs. Deloitte Partners, Chartered Accountants for the ensuing financial year will be proposed at the Annual General Meeting.

The fees paid to the Auditors are disclosed in Note 8 to the financial statements.

As far as the Directors are aware, the Auditors do not have any relationship [other than that of an Auditor] with the Company or any of its subsidiaries other than those disclosed above. The Auditors also do not have any interest in the Company or any of its Group Companies.

For and on behalf of the Board



Ishara Nanayakkara
Executive Chairman



Thamotheerampillai Sanakan
Director/GCEO



Secretaries
L O L C CORPORATE SERVICES (PRIVATE) LIMITED

Colombo
30th August 2024

Statement of Directors' Responsibility

The responsibility of the Directors in relation to the Financial Statements for the year ended 31st March 2024 which have been prepared and presented in conformity with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange and the Companies Act No.7 of 2007, is set out in the following statement.

The responsibility of the Auditors in relation to the Financial Statements is set out in the Report of the Auditors on pages 64 to 70 of the Report. As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare Financial Statements, for each financial year and place before a General Meeting which comprise of:

- 1] An Income Statement, which presents a true and fair view of the profit and loss of the Company and its subsidiaries for the financial year;
- 2] A Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year;
- 3] A Statement of Changes in Equity which presents a true and fair view of the changes in the Company's and its Subsidiaries retained earnings for the financial year;
- 4] A Statement of Cash Flow which presents a true and fair view of the flow of cash in and out of the business for the financial year;

and which comply with the requirements of the Act.

The Directors are of the view that, in preparing these Financial Statements:

- » The appropriate accounting policies have been selected and applied in a consistent manner. Material deviations, if any have been disclosed and explained;
- » All applicable Accounting Standards, as relevant, have been followed;
- » Judgements and estimates have been made which are reasonable and prudent.

The Directors are also of the view that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and of the Group, also to reflect the transparency of transactions and to ensure that the Financial Statements presented comply with the requirements of the Companies Act.

The Directors are also responsible for taking reasonable steps to safeguard the Assets of the Company and that of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their Audit Opinion.

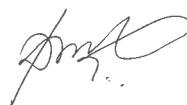
The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

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

The Board of Directors confirms that the Company, based on the information available, satisfies the Solvency test as and when required according to the Section 56[2] of the Companies Act No 07 of 2007.

By order of the Board



Ishara Nanayakkara
Executive Chairman

30th August 2024

Group Chief Executive Officer's and Head of Finance's Responsibility Statement

The Financial Statements of the Company are prepared in compliance with the following regulations;

- » Sri Lanka Accounting Standards [SLFRS/LKAS] issued by The Institute of Chartered Accountants of Sri Lanka
- » The Companies Act No. 07 of 2007
- » Sri Lanka Accounting & Auditing Standards Act No.15 of 1995
- » Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The Company has used the Accounting policies appropriately to prepare its Consolidated Financial Statements in a consistent manner except unless otherwise stated in the Notes accompanying the Financial Statements. No deviations from the prescribed Accounting Standards were reported in their adoption. The Audit committee of the Company has reviewed significant accounting policies and estimates that involved a high degree of judgement and complexity. The Comparative information has been provided whenever required to comply with the current presentation.

The Board and the Management hereby confirms that they are responsible for preparation and presentation of these financial statements which give a true and fair view of the financial performance and position of the Company. The relevant estimates and judgements were made on a prudent and reasonable basis. For this purpose, proper and adequate measures have been taken to adopt a system of internal controls and accounting records, which are reviewed and updated on a regular basis.

The Company continuously update its accounting controls to ensure prudence and completeness of the financial statements which ensures that the accounting records are free from error and omission. The existing internal controls are regularly reviewed and updated in order to ensure that it functions properly. All procedure manuals are updated whenever necessary and they are easily accessible to all the staff.

The Financial Statements of the Company and its subsidiaries for the financial year end of 31st March 2024 were audited by Messrs. Deloitte, Chartered Accountants. Periodic internal audits have been conducted by the internal auditors of the Company to provide reasonable assurance that the Company has followed its established policies and procedures consistently. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The internal and external auditors of the Company are invited to join the quarterly Audit Committee meetings as and when required to review the performance or to discuss on the audit procedures adopted. Major audit observations and issues regarding any internal controls are discussed with the management during the meetings. Both auditors have free and full access to the members of the Audit committee to discuss any matters of substance.



Thamotharampillai Sanakan
Director/GCEO



Priyantha Udagama
Head of Finance

30th August 2024

Statement of the Senior Independent Director

The Board of Directors of Brown & Company PLC is committed towards maintaining high standards of Corporate Governance and has been encouraging the Management to improve its governance practices and processes continuously. The Company ensures that it complies with the mandatory requirements whilst embracing voluntary requirements as and when required. In terms of the Section 9 of the Listing Rules, the Company has appointed the Senior Independent Director (SID), as the Chairman of the Board holds an Executive position, thereby to ensure that no individual has unfettered powers of a decision making within the Board.

The Executive Chairman is responsible to provide leadership to the Board whilst the SID is responsible to review the effectiveness of the Board's activities. Therefore, the presence of the SID will add value to the performance of the Board and support the Chairman performing his duties and responsibilities. With regard to governance related matters, as the SID, I am consulted by the Chairman and I make myself available to any Director to have confidential discussions on affairs of the Company, as and when required.

In order to create long-term value for our stakeholders, I firmly believe that responsible leadership, an engaged and capable Board, an extensive policy framework, efficient controls, and an organisational culture are essential.



Janaka De Silva
Senior Independent Director

30th August 2024

Independent Auditor's Report



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TO THE SHAREHOLDERS OF BROWN AND COMPANY PLC REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

We have audited the financial statements of Brown and Company PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the consolidated financial statements of the Group comprise:

- » the statement of financial position as at 31 March 2024;
- » the statement of profit or loss for the year then ended;
- » the statement of comprehensive income for the year then ended;
- » the statement of changes in equity for the year then ended;
- » the statement of cash flows for the year then ended; and
- » the notes to the financial statements, which include a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics"). We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics.

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.

C S Manoharan FCA, T U Jayasinghe FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, L A C Tillekeratne ACA, M D B Boyagoda FCA, N R Gunasekera FCA, W D A S U Perera ACA, D C A J Yapa ACA, Minfaz Hilmy FCA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD)

Key audit matters (Contd)

The Company:

Key audit matter	How our audit addressed the Key audit matter
<p>Impairment assessment of investments in subsidiaries</p> <p><i>Refer to notes 3.2.1 and 17 of the financial statements for disclosures of related accounting policies, judgments, estimates and balances.</i></p> <p>The carrying value of the Company's investments in subsidiaries as at 31 March 2024 amounted to Rs. 43,887 Mn.</p> <p>Where indications of impairment exist, the carrying value of investment is assessed for impairment by determining the recoverable value of the investments and where applicable an impairment provision is recognised.</p> <p>During the year ended 31 March 2024, the Company has not recognised an additional provision for impairment of investments in subsidiaries. The cumulative impairment provision as at 31 March 2024 was Rs 57 Mn.</p> <p>We focused on this matter because the:</p> <ul style="list-style-type: none"> » Carrying value of the investments in subsidiaries in the statement of financial position is significant; and » Determination of recoverable value for impairment assessment involves significant management judgment and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rates, growth rate etc. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> » Obtaining an understanding of the process by which management evaluates the recoverability of investments in subsidiaries; » Evaluating the design and implementation of the controls over management's assessment in determining whether there are any indicators that the carrying amounts of investments in subsidiaries may not be recoverable; » Where impairment indicators were noted by management, satisfying ourselves that the final impairment calculations, including the assumptions used, were approved by senior management; » Checking the appropriateness of the selection of the impairment testing technique; » Challenging and testing the reasonableness of the key assumptions used by the management in the calculations which included discount rates, long-term growth rate, forecasted gross margins etc. by performing the below procedures: <ul style="list-style-type: none"> - Comparing the forecasted information to management approved budgets and business plans; - Assessing the long-term growth rate by comparing it to the economic forecasts publicly available; - Assessing the reliability of management's projections, by comparing actual results for 2023/ 2024 to the forecasts prepared for 2023/ 2024 in the previous year; - Testing the reasonableness of the calculation of the discount rate by assessing the cost of capital for the companies and comparable organisations, as well as considering territory-specific factors; - Testing the mathematical accuracy of the discounted cashflow model; and - Re-performing the sensitive analysis performed by management by stress-testing the discount rate and terminal growth rate. » Evaluating the adequacy of the disclosures made in the financial statements of the Company with respect to the impairment provision recognized.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD)

Key audit matters [Contd]

The Group and the Company:

Key audit matter	How our audit addressed the Key audit matter
<p>Valuation of investment properties</p> <p><i>Refer to notes 3.10 and 13 of the consolidated financial statements for disclosures of related accounting policies, judgments, estimates and balances.</i></p> <p>As at 31 March 2024, the carrying value of the land and buildings, classified as investment properties of the Company and Group amounted to Rs. 20,152 Mn and Rs. 126,203 Mn respectively.</p> <p>The Company and the Group measures these investment properties at their fair values with the involvement of an independent valuer, annually.</p> <p>During the year ended 31 March 2024, the Company and the Group reported gains on changes in fair values of investment property of Rs. 1,041 Mn and Rs. 13,493 Mn respectively.</p> <p>The fair values of investment properties are dependent on the valuation methodology adopted by the independent valuer and the inputs into the valuation model. Factors such as prevailing market conditions, the nature, condition and location of each individual property and the expected future income from each property directly impact fair values.</p> <p>We focused on this matter because the:</p> <ul style="list-style-type: none"> » Investment property balances in the Company’s and consolidated statements of financial position are significant; » Quantum of fair value gains reported in the Company’s and consolidated financial statements; and » Inherently subjective nature of investment property valuations due to the use of estimates, assumptions, and judgments in the valuation methodology. 	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"> » Evaluating the design and implementation of the controls over management’s assessment in determination of fair value of investment properties; » Through inquiries with management, and by inspecting the underlying supporting documents obtaining an understanding of the specific characteristics of selected individual properties including, amongst other things, any properties acquired during the year and changes, if any, in the use of the respective properties; » Meeting with management’s independent valuer, who performed the investment property valuation, to assess the appropriateness of the methodologies adopted and the reasonableness of assumptions and estimates used in the valuations; » Assessing the independence, qualifications, experience and objectivity of the management’s valuation expert; » Testing the completeness and accuracy of the information provided by the valuer. » Comparing a sample of the recent transactions used by the valuation expert to ascertain the valuation of the Group’s and the Company’s properties with other publicly available sales transactions and sales listings for similar properties in proximity; » Inspecting the final valuation reports and agreeing the fair values, including the fair value gains recognized to the accounting records and to the financial statements; » Obtaining evidence over the ownership and the existence of the investment properties recorded at the balance sheet date; and » Reviewing the adequacy and appropriateness of management’s disclosures in the financial statements in relation to investment properties.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD)

Key audit matters [Contd]

The Group and the Company [Contd]:

Key audit matter	How our audit addressed the Key audit matter
<p>Valuation of consumable biological assets</p> <p><i>Refer to notes 3.14.2 and 16 of the consolidated financial statements for disclosures of related accounting policies, judgments, estimates and movements in the balance.</i></p> <p>The Group's consumable biological assets recognised in the consolidated financial statements amounted to Rs. 10,600 Mn as at 31 March 2024 and the gains on change in fair values of such biological assets amounted to Rs. 1,087 Mn for the year then ended.</p> <p>Consumable biological assets that are to be harvested as agricultural produce or sold as biological assets are stated at fair value less estimated point-of-sale cost at harvest. Management engaged an independent external valuation expert to assist them in determining the fair value of the consumable biological assets.</p> <p>We considered the Valuation of consumable biological assets as a key audit matter because of the following:</p> <ul style="list-style-type: none">» it requires significant levels of judgment and technical expertise in selecting appropriate valuation models and assumptions; and» changes in key assumptions such as discount rate, value of timber per cubic meter and available timber quantity, used for the estimation may have a material impact on the carrying value of biological assets recognised in the consolidated statement of financial position and the quantum of gain recognised in the consolidated statement of profit or loss.	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none">» Evaluating the design and implementation of the controls over determination of biological assets directly owned by the subsidiary companies;» Assessing the qualifications, independence, and objectivity of the external valuation expert engaged by the Group;» Meeting with management and the valuation expert to understand the valuation models and assumptions used in the valuation;» Assessing the accuracy of the input data, used by the valuers and challenged the key assumptions used by the valuation experts;» Checking the completeness and accuracy of the information provided to the external valuation expert;» Comparing historical valuations against current year valuations and checking whether the changes in pricing were in line with the overall movement in the market and the actual sales during the year;» Checking the reasonableness of the quantity and growth considered for the valuation, by selecting a sample, and comparing it to the historical timber content and growth;» Obtaining the valuation calculation and testing the mathematical accuracy;» Agreeing the valuation to value recorded in the consolidated statement of financial position and checking the resulting gain recognised in the consolidated statement of profit or loss;» Testing the physical existence of the biological assets that were subject to valuation by performing physical observations;» Assessing the adequacy of disclosures made in the consolidated financial statements in relation to the valuation of consumable biological assets; and» Reviewing the procedures performed by component auditors of those subsidiaries which own biological assets.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD)

Key audit matters [Contd]

The Group [Contd]:

Key audit matter	How our audit addressed the Key audit matter
<p>Business combination – Acquisition of a subsidiary - recognition of gain on bargain purchase</p> <p><i>See notes 3.2.6 and 17.6 of the consolidated financial statements for disclosures of related accounting policies, judgments, estimates and balances.</i></p> <p>During the year B Commodities ME FZE, a fully owned subsidiary of Browns Investments PLC, acquired 85% control holding in James Finlay [Kenya] Limited. The transaction resulted in the Group recognising a gain on bargain purchase of Rs. 20,331 Mn.</p> <p>The gain arose as the fair value of the identifiable assets acquired exceeded the consideration paid.</p> <p>We considered recognition of gain on bargain purchase as a key audit matter because of the following:</p> <ul style="list-style-type: none"> » the amount recognized in profit or loss is significant, thereby having a considerable impact on the financial results. » It involves significant judgment particularly in the provisional fair value assessment of identifiable assets and liabilities. 	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"> » Assessing of the controls over the acquisition and measurement of the subsidiary entity acquired, at initial recognition to determine if they had been appropriately designed and implemented; » Reviewing the Sales and Purchase Agreement [‘Agreement’] and management’s rationale for the transaction. » Verifying that identifiable assets and liabilities, including contingent liabilities have been identified in the Purchase Price Allocation with reference to subsidiary company’s financial statements and other non-financial information available; » Evaluating whether the effective date of the acquisition was in compliance with the requirements of SLFRSs by inspecting the terms and conditions of the Agreement; » Testing the management’s calculation of gain on bargain purchase amount by performing the following procedures: <ul style="list-style-type: none"> - Agreeing the purchase consideration paid on the acquisition to the Agreement and payment details; - Verifying the calculation of gain on bargain purchase as the excess of the fair value of identifiable net assets acquired over the purchase consideration, ensuring the arithmetic accuracy of the calculation; - Gaining an understanding of the work performed by the management’s valuation expert by examining the valuation reports; - Assessing the reasonableness of the key assumptions used in the valuation by the management’s valuation expert in deriving the fair values with reference to the market comparable; and - Assessing the independence, qualifications and objectivity of external valuation expert engagement by the management. » Assessing the disclosures in the consolidated financial statements relating to business combinations per requirements of SLFRSs.

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 of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company’s/ Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

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going concern basis of accounting unless management either intends to liquidate the Company/ Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company and the consolidated financial statements of the Group 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 scepticism 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's 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 doubt on the Company's and 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 of the Company and the consolidated financial statements of the Group 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 Company/ 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 of the Company and the consolidated financial statements of the Group 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 in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguard 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 Company and the consolidated financial statements of the Group 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.

Deloitte Partners

CHARTERED ACCOUNTANTS

CA Sri Lanka membership number 4997
COLOMBO

30 August 2024

Statement of Profit or Loss

For the year ended 31st March	Notes	Group		Company	
		2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Revenue from Contracts with Customers	4	80,609,286	72,651,843	23,029,731	22,341,404
Cost of Sales		(62,047,498)	(51,910,127)	(18,493,477)	(16,632,229)
Gross Profit		18,561,788	20,741,716	4,536,254	5,709,175
Other Income/(Expenses)	5	4,335,116	(256,380)	705,921	319,859
Distribution Expenses		(3,197,344)	(2,052,154)	(947,529)	(975,809)
Administrative Expenses		(16,162,930)	(11,145,455)	(1,978,876)	(1,734,484)
Finance Income	6	5,357,459	4,104,539	638,872	698,564
Finance Costs	7	(54,818,210)	(46,886,564)	(10,315,717)	(8,684,982)
Net Finance Cost		(49,460,751)	(42,782,025)	(9,676,845)	(7,986,418)
Change in Fair Value of Investment Properties	13	13,492,767	19,178,670	1,041,414	4,389,735
Change in Fair Value of Consumable Biological Assets	16	1,087,485	725,731	-	-
Gain /[Loss] on disposal of subsidiaries	17.5	(27,242)	77,764	-	-
Gain on Bargain Purchase of Subsidiaries	17.6	20,331,398	-	-	-
Gain on Bargain Purchase of Associates	18.3.1	-	162,458	-	-
Share of Profit of Equity Accounted Investees (Net of Tax)	18	4,530,639	4,241,909	-	-
Profit/ (Loss) before Taxation	8	(6,509,074)	(11,107,766)	(6,319,663)	(277,941)
Income Tax Expense	9	(2,021,601)	(1,419,743)	2,073,021	(1,151,909)
Profit/ (Loss) for the Year		(8,530,675)	(12,527,509)	(4,246,642)	(1,429,851)
Profit/ (Loss) Attributable to:					
Equity holders of the Company		2,381,520	(6,230,356)	(4,246,642)	(1,429,851)
Non-Controlling Interests		(10,912,195)	(6,297,153)	-	-
Profit/ (Loss) for the Year		(8,530,675)	(12,527,509)	(4,246,642)	(1,429,851)
Basic Earnings/ (Loss) per Share (Rs.)	10.1	11.20	(29.30)	(19.97)	(6.72)
Diluted Earnings/ (Loss) per Share (Rs.)	10.2	11.20	(29.30)	(19.97)	(6.72)

The Notes as set out in Pages 78 to 180 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Statement of Comprehensive Income

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Profit/[Loss] for the Year	(8,530,675)	(12,527,509)	(4,246,642)	(1,429,851)
Other Comprehensive Income				
Items that will not be Reclassified to Profit or Loss				
Revaluation of Property, Plant and Equipment	787,213	449,974	-	-
Revaluation of Right-of-Use Assets	-	36,536	-	-
Deferred Tax impact on Revaluation	(61,980)	(3,671,309)	-	(157,107)
Actuarial Gain/ (Loss) on Retirement Benefit Obligation	(193,408)	(813,427)	(510)	(652)
Deferred Tax impact on Actuarial Gain/ (Loss) on Retirement Benefit Obligation	48,732	249,641	153	195
Share of Other Comprehensive Income of Equity Accounted Investees (Net of Tax)	607,020	1,103,666	-	-
Change in Fair Value of FVOCI Financial Assets	(74,323)	1,028	-	-
Deferred Tax impact on Change in Fair Value of FVOCI Financial Assets	(20)	-	-	-
Transfer on disposal	54,738	-	-	-
Items that may be Reclassified to Profit or Loss				
Exchange Differences on Translation of Foreign Operations	4,423	4,813,662	-	-
Other Comprehensive Income for the Year	1,172,395	2,169,770	(357)	(157,563)
Total Comprehensive Income for the Year (Net of Tax)	(7,358,280)	(10,357,739)	(4,246,999)	(1,587,413)
Attributable to:				
Equity Holders of the Company	4,414,376	(5,907,744)	(4,246,999)	(1,587,413)
Non-Controlling Interests	(11,772,656)	(4,449,995)	-	-
Total Comprehensive Income for the Year	(7,358,280)	(10,357,739)	(4,246,999)	(1,587,413)

The Notes as set out in Pages 78 to 180 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Statement of Financial Position

As at 31st March	Notes	Group		Company	
		2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	11	195,621,016	174,129,783	3,400,941	3,567,497
Right-of-Use Assets	12	65,605,337	33,160,603	248,343	296,110
Investment Properties	13	126,202,988	111,248,257	20,152,400	19,073,660
Intangible Assets	14	2,127,311	1,756,727	8,393	20,286
Bearer Biological Assets	15	12,298,225	5,515,415	-	-
Consumable Biological Assets	16	10,599,662	7,847,595	-	-
Investments in Subsidiaries	17	-	-	43,886,723	41,101,517
Investments in Equity Accounted Investees	18	52,373,260	42,281,967	1,227,958	1,227,958
Other Financial Assets	19	284,072	763,825	55,000	55,000
Deferred Tax Assets	20	1,584,837	1,905,037	-	-
Total Non-Current Assets		466,696,708	378,609,209	68,979,758	65,342,028
Current Assets					
Inventories	21	23,003,838	23,623,833	3,888,691	5,209,909
Trade and Other Receivables	22	59,971,290	51,927,607	4,222,583	5,460,852
Loans to Related Parties	23	502,804	2,076,411	2,119,188	2,415,846
Amounts due from Related Parties	24	949,108	912,923	2,817,231	618,410
Income Tax Recoverable	25	204,564	69,155	5,036	3,716
Other Financial Assets	26	4,754,056	4,504,663	1,958,553	1,391,633
Cash and Cash Equivalents	27	7,288,902	5,130,176	579,383	281,762
Total Current Assets		96,674,562	88,244,768	15,590,665	15,382,128
Total Assets		563,371,270	466,853,977	84,570,423	80,724,156
EQUITY AND LIABILITIES					
Equity					
Stated Capital	28	9,093,101	9,093,101	9,093,101	9,093,101
Capital Reserves	29	27,259,918	33,438,204	3,613,885	3,613,885
Revenue Reserve	30	33,838,400	36,572,209	14,055,323	18,302,322
Equity Attributable to Equity holders of the Company		70,191,419	79,103,514	26,762,309	31,009,308
Non-Controlling Interests		118,552,252	93,538,908	-	-
Total Equity		188,743,671	172,642,422	26,762,309	31,009,308

As at 31st March	Notes	Group		Company	
		2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Non-Current Liabilities					
Loans and Borrowings	31	30,308,082	29,733,779	3,536,484	3,868,333
Lease Liabilities	32	14,601,936	17,389,971	292,547	291,849
Retirement Benefit Obligations	33	3,723,210	2,467,941	146,888	124,885
Deferred Tax Liabilities	34	28,466,727	14,907,757	387,980	2,461,154
Deferred Income	35	407,959	409,678	55,738	42,919
Loans from Related Parties	37	7,660,156	4,150,823	-	-
Total Non-Current Liabilities		85,168,070	69,059,949	4,419,637	6,789,140
Current Liabilities					
Trade and Other Payables	36	100,995,176	62,179,818	3,002,441	5,384,572
Loans and Borrowings	31	6,352,966	7,775,562	3,083,178	4,053,037
Lease Liabilities	32	275,440	324,646	57,477	95,589
Loans from Related Parties	37	16,202,504	16,796,645	13,060,734	16,819,118
Amounts due to Related Parties	38	133,950,729	106,060,261	18,557,652	731,547
Income Tax Payable	39	723,239	1,024,551	-	-
Dividend Payable		54,951	10,279	5,794	5,839
Short Term Borrowings		29,927,670	29,069,859	15,120,999	14,952,162
Bank Overdrafts	27	976,854	1,909,985	500,202	883,842
Total Current Liabilities		289,459,529	225,151,606	53,388,477	42,925,707
Total Equity and Liabilities		563,371,270	466,853,977	84,570,423	80,724,156

The Notes as set out in Pages 78 to 180 form an integral part of these Financial Statements.

I certify that these Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act No.7 of 2007.



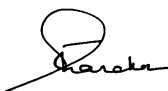
Priyantha Udagama
Head of Finance

The Board of Directors is responsible for the Preparation and Presentation of these Financial Statements.

Signed for and on behalf of the Board,



Ishara Nanayakkara
Executive Chairman



Thamotharampillai Sanakan
Director/GCEO

Colombo
30th August 2024

Statement of Changes in Equity - Group

	Equity Attributable to Equity holders of the Company							Total Equity
	Stated Capital	Revaluation Reserve	Fair Value through Other comprehensive income Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at 1st April 2022	9,093,101	19,421,011	(562,556)	14,101,881	42,622,044	84,675,481	97,829,696	182,505,177
Loss for the year	-	-	-	-	(6,230,356)	(6,230,356)	(6,297,153)	(12,527,509)
Other Comprehensive income	-	(1,593,958)	213,938	1,857,888	(155,256)	322,612	1,847,159	2,169,771
Dividend Paid	-	-	-	-	-	-	(135,321)	(135,321)
Total Comprehensive Income for the year	-	(1,593,958)	213,938	1,857,888	(6,385,612)	(5,907,744)	(4,585,316)	(10,493,059)
Transactions with owners directly recorded in the Equity								
Adjustments due to change in group holdings and other adjustments	-	-	-	-	335,777	335,777	775,705	1,111,482
On Disposal of subsidiary	-	-	-	-	-	-	(481,177)	(481,177)
Balance as at 31st March 2023	9,093,101	17,827,053	(348,618)	15,959,769	36,572,209	79,103,514	93,538,908	172,642,422
Loss for the year	-	-	-	-	2,381,520	2,381,520	(10,912,195)	(8,530,675)
Other Comprehensive income	-	443,224	619,044	1,001,560	(30,973)	2,032,856	(860,461)	1,172,395
Total Comprehensive Income for the year	-	443,224	619,044	1,001,560	2,350,547	4,414,376	(11,772,656)	(7,358,280)
Transactions with owners directly recorded in the Equity								
Adjustments due to change in group holdings and other adjustments	-	-	-	-	2,762,675	2,762,675	(3,061,171)	(298,495)
On Disposal of subsidiary	-	(430,091)	-	-	57,132	(372,959)	(204,281)	(577,241)
On acquisition of subsidiaries	-	(19,592,067)	-	6,408,515	(7,865,317)	(21,048,869)	39,686,377	18,637,508
Other Adjustments	-	417,891	-	-	(38,847)	379,045	-	379,045
Share issue by subsidiaries to non-controlling interest	-	-	4,953,637	-	-	4,953,637	365,076	5,318,712
Balance as at 31st March 2024	9,093,101	(1,333,989)	5,224,063	23,369,844	33,838,400	70,191,418	118,552,252	188,743,671

The Notes as set out in Pages 78 to 180 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Statement of Changes in Equity - Company

	Stated Capital Rs.000	Revaluation Reserve Rs.000	Retained Earnings Rs.000	Total Equity Rs.000
Balance as at 01st April 2022	9,093,101	3,770,992	19,732,629	32,596,721
Loss for the year	-	-	[1,429,851]	[1,429,851]
Other Comprehensive Income				
Other Comprehensive Income for the year	-	[157,107]	[456]	[157,563]
Total Comprehensive Income for the year	-	[157,107]	[1,430,307]	[1,587,414]
Balance as at 31st March 2023	9,093,101	3,613,885	18,302,322	31,009,308
Loss for the year	-	-	[4,246,642]	[4,246,642]
Other Comprehensive Income				
Other Comprehensive Income for the year	-	-	[357]	[357]
Total Comprehensive Income for the year	-	-	[4,246,999]	[4,246,999]
Balance as at 31st March 2024	9,093,101	3,613,885	14,055,323	26,762,309

The Notes as set out in Pages 78 to 180 form an integral part of these Financial Statements.
The figures in brackets indicate deductions.

Statements of Cash Flows

For the year ended 31st March	Notes	Group		Company	
		2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Cash flows from Operating Activities					
Profit/(Loss) before Taxation		(6,509,074)	(11,107,766)	(6,319,663)	(277,941)
Adjustments for:					
Share of Profit of Equity Accounted Investees (Net of Tax)	18	(4,530,639)	(4,241,909)	-	-
Depreciation on Property Plant and Equipment	11	3,911,804	4,677,581	134,336	86,315
Amortisation of ROU Assets	12	1,066,870	1,425,131	60,001	55,741
Amortisation of Bearer Biological Assets	15	706,815	1,085,091	-	-
Amortisation of Intangible Assets	14	93,805	38,714	12,047	9,955
Deferred Income	35	(8,356)	(29,122)	12,819	11,870
Provision for Retirement Benefit Obligations	33	391,613	441,836	30,161	27,126
Provision/ (Reversal of Provision) for Bad and Doubtful Debts	8	872,239	204	543,636	(37,485)
Reversal of Provision for Related Party Receivables	5	-	-	-	(31,218)
Provision/(Reversal of Provision) for Impairment Losses for Inventories	8	(310,964)	552,703	(270,302)	473,114
Gain on Bargain Purchase of Subsidiaries	17	(20,331,398)	-	-	-
Gain on Bargain Purchase of Associates	18	-	(162,458)	-	-
Gain on disposal of subsidiary		27,242	(77,764)	-	-
Dividend Income	5	(223,897)	-	(36,441)	(1)
Interest Income	6	(5,357,459)	(4,104,539)	(638,872)	(698,564)
Change in Fair Value of Investment Properties	13	(13,492,767)	(19,178,670)	(1,041,414)	(4,389,735)
Change in Fair Value of Consumable Biological Assets	16	(1,087,485)	(725,731)	-	-
Gain on Disposal of Investments		(25,689)	(102,952)	-	-
(Gain)/ Loss on Changes in Fair Value of Short term Investments	5	(1,986,434)	(328,042)	(566,919)	(153,793)
Gain on Disposal of Property, Plant and Equipment	5	(982,617)	(30,262)	1,145	-
Interest Expense	7	54,818,209	46,886,564	10,315,717	8,684,982
Operating Profit before Working Capital Changes		7,041,821	15,018,611	2,236,252	3,760,366
Changes in					
Inventories		1,673,623	(3,389,877)	1,812,277	(1,348,046)
Trade and Other Receivables		(9,226,615)	(6,135,901)	694,632	(2,645,326)
Amounts due from Related Companies		(36,185)	(47,030)	(2,198,822)	1,811,147
Trade and Other Payables		38,884,559	10,510,594	(2,259,051)	(245,887)
Amounts due to Related Companies		27,890,468	46,404,228	17,826,105	(168,079)
Cash Generated from Operations		66,227,670	62,360,624	18,111,394	1,164,175
Interest Paid		(52,971,019)	(44,291,671)	(10,432,164)	(7,158,884)
Income Tax / ESC Paid	25,39	(563,051)	(308,896)	(1,321)	(98,246)
Retiring Gratuity Paid	33	(607,900)	(967,347)	(8,668)	(6,718)
Net Cash Generated from/(Used in) Operating Activities		12,085,701	16,792,709	7,669,242	(6,099,673)

For the year ended 31st March	Notes	Group		Company	
		2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Cash flows from Investing Activities					
Acquisition of Property, Plant and Equipment	11	(11,031,004)	(12,041,290)	(194,317)	(387,412)
Investment in Bearer Biological Assets	15	(1,447,235)	(2,055,462)	-	-
Proceeds from Disposal of Bearer Biological Assets		12,846	28,974	-	-
Acquisition of Investment Properties	13	(52,747)	(30,408)	(37,326)	(5,275)
Proceeds from Disposal of Subsidiaries		304,238	581,716	-	-
Proceeds from Disposal of Investment Properties		143,965	-	-	-
Acquisition of Intangible Assets	14	(15,578)	(21,711)	(154)	(622)
Disposals of Intangible Assets		-	1,293	-	-
Investment in Subsidiaries	17	(5,525,974)	-	(4,322,245)	(13,242,884)
Acquisition of Non-controlling Interests		(298,495)	-	-	-
Capital reduction by subsidiaries		-	-	1,537,036	-
Proceeds from disposal of Equity Accounted Investees	18	-	-	4,636	-
Net Investment in Financial Assets		2,030,123	914,343	-	-
Net Investment in Equity Accounted Investees		-	(3,135)	-	-
Deferred income Received	35	6,637	5,914	-	-
Net Additions/(Proceeds) from consumable biological assets		269,969	(34,857)	-	-
Net Movement in Loans Given to Related Parties		1,573,607	(1,290,905)	-	-
Proceeds from Loans Given to Related Parties		-	-	4,230,181	6,534,866
Loans Granted to Related Parties		-	-	(3,933,523)	(6,592,833)
Proceeds from Disposal of Property, Plant and Equipment		1,060,662	84,557	-	-
Dividend Income Received		223,898	-	36,441	1
Interest Income Received	6	5,357,459	4,104,539	638,872	698,564
Net Cash Used in Investing Activities		(7,387,629)	(9,756,432)	(2,040,399)	(12,995,595)
Cash flows from Financing Activities					
Proceeds from Interest Bearing Liabilities	31	13,578,753	9,039,569	1,950,308	3,245,665
Repayment of Interest Bearing Liabilities	31	(14,602,817)	(11,130,599)	(3,252,016)	(4,368,406)
Proceeds from Interest bearing Short term Borrowings		857,811	2,619,781	2,766,595	5,985,698
Repayment of Interest bearing Short term Borrowings		-	-	(2,568,140)	(3,232,673)
Lease Rentals Paid	32	(4,720,229)	(4,113,764)	(85,944)	(90,772)
Loans Obtained from Related Parties		-	-	41,677,382	27,815,257
Repayment of Loans from Related Parties		-	-	(45,435,766)	(13,051,817)
Net movement in Loans from Related Parties		2,915,191	(5,530,181)	-	-
Shares Issued by Subsidiaries to Non-Controlling interest		365,076	1,111,482	-	-
Dividend Paid		-	(135,321)	-	-
Net Cash Generated/(Used in) from Financing Activities		(1,606,215)	(8,139,033)	(4,947,582)	16,302,952
Net Increase/(Decrease) in Cash and Cash Equivalents during the year		3,091,857	(1,102,756)	681,261	(2,792,316)
Cash and Cash Equivalents at the beginning of the year		3,220,191	4,322,947	(602,080)	2,190,236
Cash and Cash Equivalents at the end of the year		6,312,048	3,220,191	79,181	(602,080)
Analysis of Cash and Cash Equivalents at the end of the year					
Cash at Bank and in Hand		7,288,902	5,130,176	579,383	281,762
Bank Overdrafts		(976,854)	(1,909,985)	(500,202)	(883,842)
	27	6,312,048	3,220,191	79,181	(602,080)

The Notes as set out in Pages 78 to 180 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Notes to the Financial Statements

Note No	Note Name
Note 01	: Reporting Entity
Note 02	: Basis of Preparation
Note 03	: Summary of Significant Accounting Policies
Note 04	: Revenue From Contracts With Customers
Note 05	: Other Income/[Expenses]
Note 06	: Finance Income
Note 07	: Finance Cost
Note 08	: Profit/ [Loss] Before Taxation
Note 09	: Income Tax Expenses
Note 10	: Earnings Per Share
Note 11	: Property, Plant and Equipment
Note 12	: Right-of-Use Assets
Note 13	: Investment Properties
Note 14	: Intangible Assets
Note 15	: Bearer Biological Assets
Note 16	: Consumable Biological Assets
Note 17	: Investments In Subsidiaries
Note 18	: Investments In Equity Accounted Investees
Note 19	: Other Non-Current Financial Assets
Note 20	: Deferred Tax Assets
Note 21	: Inventories
Note 22	: Trade and Other Receivables
Note 23	: Loans to Related Parties

Note No	Note Name
Note 24	: Amounts due from Related Parties
Note 25	: Income Tax Recoverable
Note 26	: Other Current Financial Assets
Note 27	: Cash and Cash Equivalents
Note 28	: Stated Capital
Note 29	: Capital Reserves
Note 30	: Revenue Reserve
Note 31	: Loans and Borrowings
Note 32	: Lease Liabilities
Note 33	: Retirement Benefits Obligations
Note 34	: Deferred Tax Liabilities
Note 35	: Deferred Income
Note 36	: Trade and Other Payables
Note 37	: Loans from Related Parties
Note 38	: Amounts due to Related Parties
Note 39	: Income Tax Payables
Note 40	: Net Assets per Share
Note 41	: Related Party Disclosures
Note 42	: Financial Instruments - Fair Value and Risk Management
Note 43	: Commitments and Contingent Liabilities
Note 44	: Events Occurring After the Reporting Date
Note 45	: Segmental Information
Note 46	: Non-Controlling Interests
Note 47	: Impact of the Economic Crisis

1. REPORTING ENTITY

1.1 General

Brown and Company PLC (‘the Company’) is a public quoted company incorporated on 17th August 1892 and domiciled in Sri Lanka. The address of the Company’s registered office is at No. 481, T. B. Jayah Mawatha, Colombo 10, Sri Lanka and the business office is situated at No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 3.

The financial statements as at, and for the year ended 31st March 2024 comprise the separate financial statements of Company and consolidated financial statements of the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

Ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange [CSE].

1.2 Principal activities and nature of operations

Principal activities of the Company and the Group are described in the ‘Management Discussion and Analysis’ in pages 5 to 22 of this report.

1.3 Parent entity and ultimate parent entity

In the opinion of the Board of Directors, the Group’s ultimate parent undertaking and controlling party as at the date of financial position is LOLC Holdings PLC, a Company incorporated and domiciled in Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), which comprise Sri Lanka Financial Reporting Standards (“SLFRSs”), Sri Lanka Accounting Standards (“LKASs”), relevant interpretations of the Standing Interpretations Committee (“SIC”) and International Financial Reporting Interpretations Committee (“IFRIC”). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka, and in compliance with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. These financial statements also provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for:

- » Certain financial assets, certain classes of property, plant and equipment, right-of-use assets and investment properties measured at fair value;

- » Biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period, and
- » Agricultural produce harvested from biological assets are measured at its fair value less costs to sell at the point of harvest.

2.3 Directors’ Responsibility for Financial Reporting

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the “Annual Report of the Board of Directors on the Affairs of the Company” and “Director’s Responsibility for Financial Reporting”.

These Financial Statements include the following components:

- » A Statement of Profit or Loss providing the information on the financial performance of the Group and the Company for the year under review;
- » A Statement of Other Comprehensive Income providing the information of the other comprehensive income of the Group and the Company;
- » A Statement of Financial Position providing the information on the financial position of the Group and the Company as at the yearend;
- » A Statement of Changes in Equity depicting all changes in shareholders’ funds during the year under review of the Group and the Company;
- » A Statement of Cash Flows providing the information to the users, on the ability of the Group and the Company to generate cash and cash equivalents and the needs of entities to utilise those cash flows; and
- » Notes to the Financial Statements comprising Accounting Policies and other explanatory information.

2.4 Approval of financial statements by the Board of Directors

The consolidated financial statements of the Group and the separate financial statements of the Company for the year ended 31st March 2024 were approved and authorised for issue by the Board of Directors on 30th August 2024. The directors have the power to amend and reissue the financial statements.

Notes to the Financial Statements

2.5 Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Sri Lankan Rupee (Rs.), which is Company's functional and Group's presentation currency.

Functional currency of all the Group companies is Sri Lankan Rupees, other than the following companies whose functional currency is given below.

Company	Country of Incorporation	Functional Currency
Bodufaru Beach Resorts (Private) Limited	Maldives	United States Dollar
NPH Investments (Private) Limited	Maldives	United States Dollar
Browns Ari Resorts (Private) Limited	Maldives	United States Dollar
Browns Raa Resorts (Private) Limited	Maldives	United States Dollar
Browns Kaafu N Resorts (Private) Limited	Maldives	United States Dollar
LOLC Global (Private) Limited	Singapore	United States Dollar
B Commodities ME (FZE)	United Arab Emirates (U.A.E.)	United States Dollar
Browns E&C Technical Services Contracting LLC	United Arab Emirates (U.A.E.)	United States Dollar
Sunbird Bioenergy (SL) Limited	Sierra Leone	Euro
Grey Reach Investments Limited	British Virgin Islands	United States Dollar
BI Leisure Holdings FZE	United Arab Emirates (U.A.E.)	United States Dollar
PL Resorts Limited	Mauritius	MUR -Rupee of Mauritius
Browns Plantations (Kenya) Ltd	Kenya	Kenya Shilling

2.5.1 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income/other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2.5.2 Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- » assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- » income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- » all resulting exchange differences are recognised in statement of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.6 Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the financial statements in order to enhance the understanding of the current period's financial statements and to enhance the inter period comparability. The presentation and classification of the financial statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.7 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements'.

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

2.8 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of profit or loss, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the significant accounting policies.

2.9 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the financial statements continue to be prepared on the going concern basis.

2.10 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current / non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading.

Or

Is 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 the normal operating cycle and is held primarily for the purpose of trading and 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.

2.11 Use of accounting estimates and judgements

The preparation of the financial statements of the Group and Company in conformity with SLFRSs/LKAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

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 and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes to these financial statements.

Notes to the Financial Statements

Critical accounting estimate/judgement	Note
Useful lives of bearer biological assets	15
Fair value of consumable biological assets	16
Determination of fair value of Investment Properties	13
Revaluation of Land and Buildings	11
Goodwill on Acquisition	14
Retirement Benefit Obligations	33
Deferred Tax Assets/ Liabilities	20 & 34
Useful lives of Property, Plant and Equipment	11
Useful lives of Intangible Assets	14
Provisions and contingencies	43
Fair Value of Financial Assets	3.29
Leases	3.11 & 12

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Brown and Company PLC and its subsidiaries.

3.1.1 New standards and amendments – applicable for the first time for periods commencing 1 January 2023

The group has applied the following standards and amendments for the first time for their annual reporting periods commencing 1st April 2023:

(i) Definition of Accounting Estimates – Amendments to LKAS 8

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

(ii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to LKAS 12

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

(iii) International Tax Reform – Pillar Two Model Rules – Amendments to LKAS 12

The amendments clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in LKAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

(iv) Disclosure of Accounting Policies – Amendments to LKAS 1 and SLFRS Practice Statement

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

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

(v) Amendments to SLFRS 17 Insurance Contracts

SLFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes SLFRS 4 Insurance Contracts.

SLFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders’ options and guarantees.

The group does not have any contracts that meet the definition of an insurance contract under SLFRS 17.

Most of the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

These Standard and amendments are effective for the annual periods beginning on or after 1st April 2023.

3.1.2. New standards and amendments issued but not effective or early adopted in 2023/2024

The following standards and interpretations had been issued by IASB, but not mandatory for annual reporting periods ending 1st January 2024. Further, the group has not early adopted these new standards and/or amendments.

- » Amendments to SLFRS 10 and LKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- » Amendments to LKAS 1 Classification of Liabilities as Current or Non-current
- » Amendments to LKAS 1 Non-current Liabilities with Covenants
- » Amendments to LKAS 7 and SLFRS 7 Supplier Finance Arrangements
- » Amendments to SLFRS 16 Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

(i) Amendments to SLFRS 10 Consolidated Financial Statements and LKAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to SLFRS 10 and LKAS 28 deal with situations where, there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary [that has become an associate or a joint venture that is accounted for using the equity method] to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

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

The amendments to LKAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to LKAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

(iii) Amendments to LKAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

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 are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

Notes to the Financial Statements

(iv) Amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to LKAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, SLFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- » The terms and conditions of the arrangements.
- » The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements.
- » The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- » Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement.
- » Liquidity risk information.

(v) Amendment to SLFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to SLFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in SLFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in SLFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in SLFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease

liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying SLFRS 15, is a lease liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied SLFRS 16.

3.2 Principles of consolidation and equity accounting

3.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 3.2.6).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, comprehensive income, statement of changes in equity and statement of financial position respectively.

3.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (3.2.4) below), after initially being recognised at cost.

The determination of significant influence over an investee involves significant judgment by management. In assessing whether significant influence exists, management considers various qualitative factors in accordance with LAKS 28, Investments in Associates and Joint Ventures. The key qualitative factors considered by management in exercising this judgment include participation in policy decisions, the nature and frequency of the

material transactions with the investee, provision of managerial expertise by the Company and any other factors that may indicate the Company's ability to affect the decisions of the investee.

Management has evaluated these qualitative factors to determine whether significant influence exists and has concluded that the Company has significant influence over the investee based on the assessment of these factors. The exercise of judgment in this area reflects management's evaluation of the relevant circumstances and the application of professional expertise.

3.2.3 Joint arrangements

Under SLFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method (see [3.2.4] below), after initially being recognised at cost in the consolidated statement of financial position.

3.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in statement of comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 3.13.

3.2.5 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in statement of comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in statement of comprehensive income are reclassified to profit or loss where appropriate.

3.2.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- » fair values of the assets transferred;
- » liabilities incurred to the former owners of the acquired business;
- » equity interests issued by the Group;
- » fair value of any asset or liability resulting from a contingent consideration arrangement; and
- » fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- » consideration transferred,
- » amount of any non-controlling interest in the acquired entity, and
- » acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

SLFRS 3, Business Combination, provides a 'measurement period', to finalise the accounting for a business combination. The measurement period ends on the earlier of the date when the acquirer receives the information that it needs (or determines that it cannot obtain the information) and one year after the acquisition date.

3.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company which assesses the financial performance and position of the Group, and makes strategic decisions has been identified as being the chief operating decision maker.

The Group's reportable segments comprise of Trading, Manufacturing & Construction, Plantation, Investments, Leisure, Real Estate and others.

Segment results, assets and liabilities 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 segment assets that are expected to be used for more than one period.

Expenses that cannot be directly identified to a particular segment are allocated on bases decided by the management and applied consistently throughout the year.

3.4 Revenue from Contracts with Customers

3.4.1 Sale of goods - wholesale

The Group imports / manufactures and sells a range of products in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler / dealer, the wholesaler / dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's / dealer's acceptance of the products. Delivery occurs when the

products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler / dealer, and either the wholesaler / dealer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see note 3.22.1.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store.

3.4.2 Sale of goods - retail

The Group operates retail stores selling range of products. Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see note 3.22.1.

3.4.3 Sale of goods - export

In relation to sales with foreign customers, the Group take in to account the term related to each shipment of goods. A receivable is recognised when the term related to each shipment of goods is satisfied as this is the point in time that the consideration is unconditional.

3.4.4 Sale of goods - plantation produce

Black tea and Rubber produce are sold at the Colombo tea/rubber Auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer. Revenue from sale of other crops are recognised at the point in time when the control of the goods has transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

3.4.5 Sale of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. All revenues are recognised on an accrual basis over the time duration of the providing of the services to the customer. Payment of the transaction price is due immediately when the customer receives the services.

3.4.6 Construction contracts

Revenue from construction-related contracts is recognised upon satisfaction of a performance obligation agreed in the contract. At contract inception, the Group determines whether it satisfies the performance obligation over time or at a point in time. The revenue

recognition occurs at a point in time when control of the asset is transferred to the customer. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

The progress is assessed based on surveys of work performed. When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

The Group provides aluminium fabricators, doors and windows design, manufacturing, civil, telecommunication, engineering, installation and support services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual costs spent relative to the total expected costs.

Some contracts include multiple deliverables, such as the sale of products and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of products, revenue for the products is recognised at a point in time when the products are delivered, the legal title has passed, and the customer has accepted the products.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced based on actual services provided and consideration is payable when invoiced.

3.4.7 Hotel Operations

Apartment revenue is recognised for the rooms occupied on a daily basis. All revenues are recognised on an accrual basis over the time of the duration of the stay of the customer and matched with the related expenditure where they simultaneously receive and consumes the benefits of the services rendered.

Restaurant revenue includes the revenue recognised on the sale of food and beverage. All revenue is accounted for at the time of sale.

Bar revenue are accounted for at the time of sale.

Spa is operated by a third party and invoices are raised together with the spa bills. Spa related revenue is recognised gross after completion of service/treatments.

Transfers and excursions include the consideration earned from providing excursions to customers. Revenue is recognised for at the time of rendering the service.

Telephone, laundry, and diving represents the services provided to customers which are implied as business practice in the industry. All revenue is recognised for at the time of rendering the service.

3.4.8 Sale of live timber trees and rubber trees

Revenue from the sale of live timber trees and Rubber trees is recognised at the point that the legal ownership, risk of loss and the rewards have been passed to the purchaser and the quantity sold is determinable. Revenue on harvesting of live timber trees and Rubber trees is recognised when the purchaser acquires the right to harvest specified no of trees on a tract of land, at an agreed-to price by entering into a contractual agreement at which point the risk and rewards are transferred. Those revenue are deducted from the relevant biological assets to arrive at gain/[loss] on valuation in statement of profit or loss.

Payment of the sale of the timber trees is due at the time of entering an agreement with the customer for the sale of timber.

3.4.9 Energy Supplied

Revenue from energy supplied is recognised upon delivery of energy. Delivery of electrical energy shall be completed when electrical energy meets the specifications as set out in Power Purchase Agreements (PPA) is received at the metering point.

Payment for the energy supplied is due when invoiced on a monthly basis.

3.4.10 Commission income

When the Group acts in the capacity of an agent rather than the principal in a transaction, the revenue recognition is the net amount of commission earned by the Group.

Payment of the commission price is due when invoiced on pre-agreed terms.

3.4.11 Other Income

Rent income is accounted for on accrual basis.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

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Gain on disposal of property, plant and equipment and other non-current assets, including investments held by the Group have been accounted for in the Statement of profit or loss, after deducting from the net sales proceeds on disposal of the carrying amount of such assets.

3.4.12 Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

3.5 Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Profit or loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Grants related to property, plant and equipment and bearer biological assets are initially deferred and allocated to the Profit or loss on a systematic basis over the useful life of the related property, plant and equipment.

Revenue grants are recognised in the profit or loss in the period in which they are receivable.

3.6 Expenses recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the presentation of the statement of profit or loss the Directors are of the opinion that the function of the expenses method present fairly the elements of the Group's performance, and hence such a presentation method is adopted.

Preliminary and pre-operational expenditure is recognised in the statement of profit or loss.

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

3.7 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in statement of comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Companies enjoying tax holidays

Group companies enjoying a tax exemption period shall only recognise deferred tax in their financial statements for temporary differences, where reversals of such differences extend beyond the tax exemption period.

Deferred Tax shall not be considered nor provided for assets / liabilities for which tax impacts and reversals take place within the tax exemption period. If there will be no tax implications that take place after the expiration of the tax exemption period for such assets.

Where a Company is entitled to claim the total value or any part of expenditure made during the tax holiday period, as deductions for tax purposes after the tax holiday period, such an entity will treat such amount of expenditure as part of the tax base throughout the tax holiday period in the purpose of recognising deferred tax.

3.8 Property, plant and equipment

3.8.1 Freehold property, plant and equipment

i) Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

ii) Basis of measurement

Items of property, plant and equipment other than freehold land and building, are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site at which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

iii) Cost model

The Group applies the cost model to all property, plant and equipment except freehold land and buildings and motor vehicles which are recorded at cost of purchase together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

iv) Revaluation model

The Group revalue its freehold land and buildings and motor vehicles which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

On revaluation of land and buildings and motor vehicles, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognised in profit or loss. A decrease in value is recognised in profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

v) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are expensed as incurred.

vi) Depreciation

Depreciation is based on the cost / revalued amount of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land is not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognised.

Depreciation methods, useful lives, residual values are assessed at the reporting date and adjusted if appropriate.

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The estimated useful lives for the current year are listed below.

Property, Plant & Equipment	No. of years range	Rate range
Building	20-60 Years	2% to 5%
Plant and Machinery	5-30 Years	3.33% to 20%
Motor Vehicles	1-15 Years	6.66% to 100%
Furniture and Office Equipment	5-20 Years	5% to 20%
Ergonomic Equipment	25 Years	4%
Land Preparation/Land Improvements	20-30 Years	3% to 5%
Sugar Cane Roots	20 Years	20%
Pivots and Pump Stations in Plantations	5-25 Years	4% to 20%
Water, Sanitation and Others	20 Years	5%
Roads and Bridges	50 Years	2%
Penstock Pipeline	20 Years	5%
Security Fences	3 Years	33.33%
Air Conditioners	5 Years	20%
Generator	8 Years	12.5%
Cutlery, Crockery and Glassware	2-5 Years	20%
Linen	3 Years	20% to 50%
Sewage System	20 Years	5%
Solar Power Plant	10 - 20 Years	5% to 10%
Surge Arrestors 33 kv	20 Years	5%

The cost of areas coming into bearing are transferred to mature plantations and depreciated as follows.

Bearer Biological Assets	No. of years range	Rate range
Tea	30 to 33 1/3 years	3% to 3.33%
Mixed/Other Crops	10 to 15 years	6.66% to 10%

vii] De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in the Statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

3.9 Capital work-in progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of capital assets.

3.10 Investment properties

3.10.1 Basis of recognition

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

3.10.2 Basis of measurement

i] Fair value model

Investment properties are initially recognised at cost. 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 value are included in profit or loss in the year in which they arise.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted for as per LKAS 16 - Property, Plant and Equipment.

ii] De-recognition

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

iii] Subsequent transfers to / from investment property

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an 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.

iv] Determining Fair Value

External and independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the investment property portfolio every year.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

3.11 Leases

The Group leases various offices, warehouses, equipment and vehicles.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- » fixed payments (including in-substance fixed payments), less any lease incentives receivable
- » variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- » amounts expected to be payable by the group under residual value guarantees
- » the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- » payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- » where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- » uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- » makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

- » Right-of-use assets are measured at cost comprising the following:
- » the amount of the initial measurement of lease liability;
- » any lease payments made at or before the commencement date less any lease incentives received;
- » any initial direct costs; and
- » restoration costs.

The Group revalue Right-Of-Use Assets relating to Lands which meets the definition of a property, plant and equipment. Revaluations are made with sufficient regularity, by carrying out a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the Right-of-use assets being valued.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

3.11.1 Permanent land development costs

Permanent land development costs are those costs incurred making significant infrastructure development and building new access roads on leasehold lands.

These costs have been capitalised and amortised over the remaining lease period.

Permanent impairments to land development costs are charged to the Profit or loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.12 Intangible assets

3.12.1 Goodwill

Goodwill is measured as described in note [3.2.6]. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

3.12.2 Right to Generate Solar Power

Separately acquired Right to Generate Solar Power are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

3.12.3 Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- » it is technically feasible to complete the software so that it will be available for use;
- » management intends to complete the software and use or sell it;
- » there is an ability to use or sell the software;
- » it can be demonstrated how the software will generate probable future economic benefits;
- » adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- » the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

3.12.4 Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied by these assets. All other expenditure is expensed when incurred.

3.12.5 De-recognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset.

3.12.6 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful life of each intangible asset is as follows;

Computer Software	3 - 8 years
Right to Generate Solar Power	20 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.13 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.14 Biological assets

Biological assets are classified in to mature biological assets and 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, rubber, standing sugar cane, commercial grass, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for 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.

The entity recognise the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

3.14.1 Bearer biological assets

i) The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter-planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer plants (Tea, Rubber & Coconut fields), which come into bearing during the year, has been transferred to mature bearer biological assets and depreciated over their useful life in accordance with the LKAS16 – Property, Plant and Equipment.

The fair value of produce growing on trees prior to year end is classified as agricultural produce attached to bearer biological assets. Such agricultural produce prior to harvest continues to be in the scope of LKAS 41 – Agriculture and measured at fair value less cost to sell.

When deriving the estimated quantity, the Group limits to one harvesting cycle and measured based on the last day of the harvest in the immediately preceding cycle.

In order to ascertain the fair value of produce growing on trees, 50% of estimated crop in that harvesting cycle is used for the valuation as follows,

- » Tea – 3 days crop (50% of 6 days Cycle)
- » Rubber 1 day Crop (50% of 2 days Cycle)
- » Coconut 1 months (50% of 2 months Cycle)

For the valuation of the produce it was agreed to use the farm gate price of the produce adjusted for the cost of harvest. Hence market value on the crop in the bush should be based on the selling value of agricultural produce adjusted for the cost of harvesting and transport.

- » Tea – Bought Leaf rate (current month) less cost of harvesting & transport
- » Rubber – latex Price (95% of current RSS1 Price) less cost of tapping & transport

Further it was not considered the risk adjustments for weather and other factors of the plant in to biological transformation in the valuation.

ii) Immature and Mature Plantations

The cost of replanting and new planting are classified as immature plantations up to the time of being ready for harvesting.

Further, the general charges incurred on the plantation are apportioned based on the labour days spent on respective replanting and new planting areas and capitalised on the immature areas. The remaining portion of the general charges is expensed in the accounting period in which it is incurred.

The cost of areas coming into bearing is transferred to mature plantations at end of the financial year.

iii) Growing Crop Nurseries

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

iv) Infilling Costs on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only where the number of plants per hectare exceeded 3,000 plants and, also if it increases the expected future benefits from that field, beyond its pre-infilling standard of performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful life of the relevant mature plantation or the unexpired lease period, whichever is lower.

Infilling cost that are not capitalised have been charged to the Profit or loss for the year in which they are incurred.

v) Amortisation

The cost of areas coming into bearing are transferred to mature plantations and depreciated as follows.

Bearer Biological Assets (Mature Plantations) at Cost – Replanting and New Planting.

Category	No. of Years
Tea	30 – 33 1/3 Years
Rubber	20 Years
Coconut	50 Years
Cinnamon	30 Years
Other Crops	5 – 30 Years

No amortisation is provided for immature plantations.

3.14.2 Consumable Biological Assets

Consumable biological assets include managed timber trees that are to be harvested as agricultural produce or sold as biological assets.

The managed timber trees of the Group are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell in terms of LKAS 41 – Agriculture. The cost of young plants which are below 4 years is treated as an approximation to the fair value as the impact on biological transformation of such plants to price during the period is immaterial. All assumptions and sensitivity analysis are given in note 16.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

Notes to the Financial Statements

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

3.15 Investments and other financial assets and liabilities

3.15.1 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- » those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- » those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- » Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- » FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- » FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income/ [expenses] in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3.15.2 Non-derivative financial liabilities

i) Other financial Liabilities

All financial liabilities other than those at fair value through profit and loss are classified as other financial liabilities.

All other financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

ii) Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

3.15.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the 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.

3.16 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula:

Agricultural Produce Harvested from Biological Assets

Agricultural produce harvested from the Group's biological assets is measured at its fair value less cost to sell at the point of harvest. Such measurement is deemed to be the cost at the time of transferring the harvested crop to inventories.

Finished goods manufactured from agricultural produce of biological assets.

These are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

Input Material, Spares and Consumables

At actual cost on weighted average basis.

Finished Goods

First In First Out (FIFO) basis.

Food and Beverages

Weighted average cost basis.

3.17 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 180 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments according to an agreed repayment plan with the Group.

Notes to the Financial Statements

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.19 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.20 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.21 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

3.22 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.22.1 Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

3.23 Deferred income

3.23.1 PHDT Lease Rentals

Premises at St. Andrew's Drive in Nuwara Eliya has been leased out to Plantation Human Development Trust (PHDT) for a period of 20 years commencing from August 2005 at a total lease rental of Rs.10,734,696/-.

Lease Rentals received are deferred and amortised over the lease period commenced from August 2005.

3.23.2 Rain Forest Eco Loge (Private) Limited (RFELL)

Value of 6,399,375 Ordinary Shares received by Matura Plantations Limited, which is equivalent to 14.5% of the issued Ordinary Shares of RFELL at Rs.10/= each in lieu of releasing the company's right to use the leasehold land of 488 Hectares in Enselwatte, Deniyaya to RFELL for Eco Tourism Project is deferred and amortised as income to the statement of profit or loss over the unexpired balance lease period.

3.24 Employee benefits

3.24.1 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 Defined Contribution Plans are recognised as an employee benefit expense to profit or loss in the periods during which services are rendered by employees.

i) Employee provident fund and employee trust fund – Sri Lanka

For employees in Sri Lanka the Group contributes a sum not less than 12% of the gross emoluments as provident fund benefits and a sum equivalent 3% of the gross emoluments as trust fund benefits.

ii) Employees pension scheme – Maldives

All Maldivian employees of the Group are members of the retirement pension scheme established in the Maldives. The Group contributes 7% of the pensionable wage of such employees to this scheme.

iii) Voluntary Pension – Sierra Leone

The Sierra Leone employees of the Group, makes a voluntary contribution towards the retirement of its employees at a rate of 5% of employees' basic salary on a monthly basis. These contributions are kept in a separate fund account and are paid to employees upon their retirement.

3.24.2 Defined benefit plans

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

The calculation is performed every year by a qualified actuary using the projected unit credit method. For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximate estimate provided by the qualified actuary is used.

The Group recognises all actuarial gains and losses arising from the defined benefit plan in Statement of Comprehensive Income and all other expenses related to defined benefit plans are recognised in profit loss. The retirement benefit obligation is not externally funded.

3.24.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.25 Stated capital and equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.26 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.27 Related party transactions

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - "Related Party Disclosures". Disclosure has been made in respect of the related party transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is being charged or not.

3.27.1 Transactions with key management personnel

According to LKAS 24 - Related Party Disclosures, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity.

3.28 Earnings per share

3.28.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Notes to the Financial Statements

3.28.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

the weighted average number of additional ordinary shares that would have been outstanding during the financial year.

3.29 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

3.29.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level is disclosed in note 42 to the financial statements.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

3.29.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value assets and liabilities include:

i) Property, plant and equipment acquired in business combinations

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction. The fair value of items of plant, equipment fixtures and fittings is based on market prices for similar items when available and depreciated replacement cost when appropriate.

ii) Property, plant and equipment owned by the Group including the right-of-use assets on Land

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and building owned by the Group based on market values, this 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.

iii) Investment property

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and building owned by the Group based on market values, this 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.

iv) Equity securities

The fair value of the equity securities is determined by reference to their quoted share price at the reporting date if quoted; or if unquoted either using discounted cash flow analysis using expected future cash flows and a market related discounted rate or based on the adjusted net assets of the investee company.

v) Financial instruments other than equity securities carried at fair value through profit or loss and fair value through other comprehensive income

Fair value of these financial instruments is estimated by discounting the difference between the contractual price of the instrument and the current price of the instrument for the residual maturity of the contract based on quoted price, or obtained from brokers if not quoted, using a credit adjusted risk free interest rate.

vi) Consumable Biological Assets

The fair value of timber trees is determined using a discounted cash flow model based on the expected timber content and the market prices of timber after allowing for harvesting costs and other costs yet to be incurred in getting the trees up to a harvestable size.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Gross Revenue (Note 4.1)	80,609,287	72,651,843	23,029,731	22,341,404
4.1 Revenue				
Manufacturing	3,167,894	4,161,930	-	-
Trading	38,677,466	34,394,495	23,029,731	22,341,404
Hotelier revenue	11,136,394	5,586,935	-	-
Provision of services	9,500,301	12,517,338	-	-
Plantation	18,127,231	15,887,413	-	-
Renewable Energy	-	103,732	-	-
Total Revenue	80,609,286	72,651,843	23,029,731	22,341,404

5 OTHER INCOME/(EXPENSES)

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Rent Income	185,425	549,810	100,084	157,622
Gain/ (Loss) on Disposal of Property, Plant and Equipment	982,617	30,262	[1,145]	-
Gain/ (Loss) on Translation of Foreign Currency	427,701	[1,718,448]	-	-
Change in Fair Value of Other Financial Assets	806,720	328,042	566,919	153,793
Change in fair value of derivatives - forward contracts	1,179,714	-	-	-
Change in fair Value of bearer biological assets	5,089	-	-	-
Gain on Disposal of Other Financial Assets	25,689	102,952	-	-
Dividend Income	223,897	-	36,441	-
Sale of Refuse Tea	-	278,017	-	-
Miscellaneous Income/ (Expenses)	498,264	172,985	3,622	8,444
	4,335,116	[256,380]	705,921	319,859

6 FINANCE INCOME

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Interest Income	5,357,459	4,104,539	638,872	698,564
	5,357,459	4,104,539	638,872	698,564

Notes to the Financial Statements

7 FINANCE COST

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Interest on Borrowings	(52,971,019)	(44,291,672)	(10,267,188)	(8,631,953)
Interest on Lease Assets	(1,847,191)	(2,594,892)	(48,529)	(53,029)
	(54,818,210)	(46,886,564)	(10,315,717)	(8,684,982)
Net Finance Cost	(49,460,751)	(42,782,025)	(9,676,845)	(7,986,418)

8 PROFIT/(LOSS) BEFORE TAXATION

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000

Profit/(Loss) before Taxation is stated after charging / (crediting) all expenses / (income) including the following:

Directors' Emoluments	109,173	78,755	5,716	5,716
Auditors' Remuneration	85,879	55,745	4,011	3,163
Depreciation on Property, Plant and Equipment	3,911,804	4,677,581	134,335	86,315
Amortisation of Finite Life Intangible Assets	93,805	38,714	12,047	9,955
Provision/ [Reversal of Provision] for Bad and Doubtful Debts	872,239	204	543,636	(37,485)
Provision/ [Reversal of Provision] for Impairment Losses for Inventories	(310,964)	552,703	(270,302)	473,114
Amortisation of Right-of-Use Assets	1,066,870	1,425,131	60,001	55,741
Amortisation of Bearer Biological Assets	706,815	1,085,091	-	-
Salaries and Wages	9,394,187	6,739,626	483,729	346,085
Defined Contribution Plan Cost- EPF and ETF	363,490	836,567	66,284	58,687
Defined Benefit Plan Cost- Retiring Gratuity	391,613	441,836	30,161	27,126

9 INCOME TAX EXPENSE

The Company and its Subsidiaries operating in Sri Lanka, are liable to taxation at the rate of 30% in accordance with the provisions of Inland Revenue Act No. 24 of 2017 and subsequent amendments there to.

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000

9.1 Income Tax Expense

Current Tax Expense				
Income Tax on current year profits [Note 9.2]	268,034	735,313	-	-
Under/(Over) Provision in respect of previous years	36,907	(2,087)	-	23,694
Irrecoverable economic service charge	5,802	2,282	-	-
	310,743	735,508	-	23,694
Deferred Tax				
Origination and [Reversal] of Temporary Differences [Note 9.4]	1,710,858	684,235	(2,073,021)	1,128,215
	2,021,601	1,419,743	(2,073,021)	1,151,909

9.2 Reconciliation of Accounting Profit/(Loss) to Income Tax

Accounting Profit/(Loss) before Taxation	(6,509,073)	(11,107,766)	(6,319,663)	(277,942)
Consolidation Adjustments	(6,933,524)	(3,819,681)	-	-
Adjustment on Disallowable Expenses	32,669,354	21,077,749	56,993	812,583
Adjustment on Allowable Expenses	(22,109,425)	(3,040,444)	(242,588)	(317,536)
Income from Other Sources and Exempt Income	(9,062,475)	(19,920,615)	(1,196,919)	(4,625,606)
Tax Losses Utilised [Note 9.3]	(16,322,846)	(3,095,702)	(775,397)	(856,187)
Tax Loss incurred for the year [Note 9.3]	29,161,436	23,081,059	8,477,574	5,264,688
Taxable Income	893,447	3,174,602	-	-
Income Tax @ 30%	268,034	391,156	-	-
Income Tax @ 24%	-	89,697	-	-
Income Tax @ 17%	-	254,312	-	-
Income Tax @ 14%	-	148	-	-
Income Tax on Current year Profits	268,034	735,313	-	-

Notes to the Financial Statements

9 INCOME TAX EXPENSE CONTD.

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000

9.3 Tax Losses Utilised

Tax Loss Brought Forward	40,430,309	26,381,344	4,408,501	-
Adjustments for brought forward tax losses	(238,106)	(5,936,393)	(66,482)	-
Tax Losses Utilised during the year	(16,322,846)	(3,095,702)	(775,397)	(856,187)
Loss incurred during the year	29,161,436	23,081,059	8,366,445	5,264,688
Tax Losses carried forward	53,030,793	40,430,309	11,933,067	4,408,501

9.4 Deferred Tax Expense

Origination of Temporary Differences	1,710,858	684,235	(2,073,021)	1,128,215
	1,710,858	684,235	(2,073,021)	1,128,215

9.5 Companies Exempt From Income Tax

Company	Statute	Exemption period
Companies exempt from income tax under the Board of Investment (BOI) Law		
Sun and Fun Resorts Ltd	Section 17 of BOI Law no .04 of 1978.	15 years from the year in which the enterprise commences to make profits or any year of assessment not later than two (02) years reckoned from the date of commencement of commercial operations, which year is earlier
Companies exempt from income tax under Inland Revenue (Amendment) Act No.10 of 2021		
Matura Plantations Ltd - Agro farming	Exempt under paragraph (u) (i) of third schedule of the Inland Revenue Act No. 24 of 2017.	Ending on 31 March 2024
Udapussallawa Plantations PLC - Agro farming	Exempt under paragraph (u) (i) of third schedule of the Inland Revenue Act No. 24 of 2017.	Ending on 31 March 2024
Hapugastanne Plantations PLC - Agro farming	Exempt under paragraph (u) (i) of third schedule of the Inland Revenue Act No. 24 of 2017.	Ending on 31 March 2024

9.6 Companies Incorporated and Operating Outside Sri Lanka

Company	Country	Rate
Bodufaru Beach Resort (Pvt) Ltd.	Republic of Maldives	15%
NPH Investments (Pvt) Ltd.	Republic of Maldives	15%
Browns Ari Resorts (Pvt) Ltd	Republic of Maldives	15%
Browns Raa Resorts (Pvt) Ltd	Republic of Maldives	15%
Browns Kaafu N Resorts (Pvt) Ltd	Republic of Maldives	15%
Sunbird Bioenergy (SL) Limited	Republic of Sierra Leone	25%
B Commodities ME (FZE)	United Arab Emirates (U.A.E.)	Nil
PL Resorts Limited	Mauritius	15%
BI Leisure Holdings FZE	United Arab Emirates (U.A.E.)	Nil
Grey Reach Investments Ltd	British Virgin Islands	Nil
Browns Plantations (Kenya) Ltd	Kenyan shilling	30%

10 EARNINGS/(LOSS) PER SHARE

10.1 Basic Earnings/(Loss) per Share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year.

Basic Earnings/(Loss) per share is calculated as follows:

	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Profit/(Loss) Attributable to Equity holders of the Company (Rs.000)	2,381,520	(6,230,356)	(4,246,642)	(1,429,851)
Weighted Average Number of Ordinary Shares in Issue ('000)	212,625	212,625	212,625	212,625
Basic Earnings/(Loss) per Share (Rs.)	11.20	(29.30)	(19.97)	(6.72)

10.2 Diluted Earnings/(Loss) Per Share

There were no potentially dilutive ordinary shares outstanding at any time during the year / previous year, hence diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

11. PROPERTY, PLANT AND EQUIPMENT
11.1 Property, Plant and Equipment - Group

As at 31st March	Immovable (JEDB/ S/SPC) Assets on Finance Lease	Freehold Land	Reclaimed Land	Freehold Buildings	Buildings on leasehold land	Plant and Machinery	Furniture and Office Equipments	Freehold Motor Vehicles	Leasehold Motor Vehicles	Loose Tools & Computers	Other Tangible Assets	Capital Work-in-progress (Note -11.6)	Total 2024	Total 2023
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Cost/Valuation														
Balance at the beginning of the year	901,057	18,437,248	24,338,629	29,712,581	539,098	58,111,367	2,637,274	4,047,136	43,611	756,511	58,747,283	38,812,885	237,084,680	217,154,213
On Acquisition of subsidiary	-	-	-	15,786,100	-	14,878,488	85,778	5,006,664	-	734,338	-	840,089	37,311,466	-
Disposal of Subsidiaries	-	(113,477)	-	(67,698)	-	(178,320)	(14,541)	(373,394)	-	(7,373)	(49,669)	-	(804,472)	(2,865,977)
Additions	-	70,000	-	382,206	28,684	412,427	192,656	47,033	18,868	72,939	442,059	9,364,133	11,031,004	12,041,290
Revaluation	-	141,960	-	20,388	-	-	-	-	-	-	-	-	162,348	379,048
Disposals/Derecognitions	-	-	-	(8,128)	-	(80,609)	(35,244)	(81,604)	-	(2,157)	(20,594)	(2,066)	(230,402)	(104,770)
Transfers from/(to) PPE/WIP/ROU	-	-	-	11,635,761	-	885,898	680,923	162,100	-	208,623	314,524	(14,229,901)	(342,072)	(489,586)
Transfers from/(to) Investment Properties	-	340,102	-	(133,700)	-	-	-	-	-	-	-	-	206,402	132,354
Exchange Translation Difference	-	-	(2,471,260)	735,140	-	(2,624,330)	(38,304)	427,218	-	83,258	(4,960,081)	(2,138,936)	(10,987,295)	10,638,109
Balance at the end of the year	901,057	18,875,833	21,867,369	58,042,650	567,782	71,404,921	3,508,542	9,235,153	62,479	1,846,139	54,473,522	32,646,214	273,431,661	237,084,680
Accumulated Depreciation														
Balance at the beginning of the year	844,784	-	-	2,785,215	382,847	17,690,180	1,736,129	3,240,018	9,791	532,145	35,733,789	-	62,954,897	56,162,117
On Acquisition of subsidiary	-	-	-	2,111,608	-	8,036,614	75,363	3,174,749	-	610,649	-	-	14,008,983	-
Charge for the year	14,283	-	-	80,782	17,089	1,452,147	229,430	363,006	7,435	119,536	901,006	-	3,911,804	4,677,581
Disposal of Subsidiaries	-	-	-	(4,627)	-	(103,029)	(11,585)	(150,472)	-	(7,003)	(38,473)	-	(315,189)	(848,292)
Disposals	-	-	-	(4,817)	-	(40,419)	(32,487)	(56,513)	(22)	(2,762)	(15,337)	-	(152,357)	(50,475)
On Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	(70,926)
Transfers	-	-	-	-	-	20,655	260	77,039	-	124	(224)	-	97,854	(1,624)
Exchange Translation Difference	-	-	-	15,7328	-	(79,982)	(2,042)	220,368	-	80,575	(3,071,595)	-	(2,695,348)	3,081,516
Balance at the end of the year	859,067	-	-	5,852,589	399,946	26,976,166	1,995,068	6,868,195	17,204	1,333,264	33,509,166	-	77,810,644	62,954,897
Carrying Value														
As at 31st March 2024	41,990	18,875,833	21,867,369	52,190,061	167,837	44,428,754	1,513,474	2,366,957	45,274	512,876	512,875	32,646,214	195,621,016	
As at 31st March 2023	56,273	18,437,248	24,338,629	26,927,366	156,251	40,421,186	901,146	807,118	33,820	224,367	23,013,494	38,812,885	174,129,783	

11.1.1.1 The fully depreciated Property, Plant and Equipment of the group, which are still in use as at the reporting date is Rs. 31,882 Mn (2022/23 - Rs. 17,373 Mn). And the company which are still in use as at the reporting date is Rs. 579 Mn

11.1.1.2 During the year the group capitalised borrowing cost amounting to Rs. 1,105 Mn (2022/23 - Rs. 2,859 Mn).

11.2 Property, Plant and Equipment - Company

As at 31st March,	Freehold Land	Freehold Buildings	Buildings on leasehold land	Plant and Machinery	Furniture and Office Equipments	Freehold Motor Vehicles	Computers	Capital Work-in-progress (Note - 11.6)	Total 2024	Total 2023
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Cost/Valuation										
Balance at the beginning of the year	2,812,050	223,567	391,974	149,380	165,447	96,011	161,433	221,418	4,221,281	3,836,115
Additions	70,000	4,460	28,684	10,548	36,186	15,491	28,947	-	194,317	387,412
Transfers	-	-	-	(17,585)	535	17,585	-	(221,314)	(220,778)	(2,246)
Disposals	-	-	-	(8,686)	-	(10,398)	-	-	(19,084)	-
Balance at the end of the year	2,882,050	228,027	420,658	133,657	202,170	118,691	190,380	104	4,175,736	4,221,281
Accumulated Depreciation										
Balance at the beginning of the year	-	7,594	337,981	81,916	130,050	6,340	89,903	-	653,784	569,093
Charge for the year	-	4,371	7,356	15,564	11,003	66,244	29,798	-	134,336	86,315
On Disposals	-	-	-	(5,481)	-	(7,844)	-	-	(13,325)	-
Transfers	-	-	-	(12,527)	-	12,527	-	-	-	(1,624)
Balance at the end of the year	-	11,965	345,337	79,472	141,053	77,267	119,701	-	774,795	653,784
Carrying Value										
As at 31st March 2024	2,882,050	216,062	75,321	54,184	61,116	41,423	70,679	104	3,400,941	-
As at 31st March 2023	2,812,050	215,973	53,993	67,464	35,397	89,672	71,529	221,418	3,567,497	-

11.3 The carrying value of the company's land and building that would have been recognised had the assets been carried out under cost model amounts to Rs. 3,098 Mn.

	2024
	Rs.000
Land and Buildings	
Cost	3,110,077
Accumulated depreciation	11,965
Net book amount	3,098,112

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT CONTD.

11.4 Property, Plant and Equipment - Group

11.4.1 Revaluation of Land and Buildings

Details of Group's land and building stated at valuation are indicated below;

Company	Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Land and Building Rs.000
Brown & Company PLC	Land & Building At No. 75, Devanampiyatissa Mawatha, Colombo-10	31st March 2022	A1-R0-P30.9	9,767	2,578,408
Brown & Company PLC	Land & Building At Dambulla	31st March 2022	A0-R3-P00	3,842	303,987
Brown & Company PLC	Land At Palle Bogala, Kegalle	Cost*	A0-R1-P16.5	-	800
Brown & Company PLC	Land & Building At Ranala	31st March 2022	A0-R3-P27.25	13,534	144,919
Brown & Company PLC	Land No 25/366, 3rd Lane, Dharmapala Mawatha, Pamburana, Matara .	Cost **	A0-R0-P18.50	-	70,000
Dolphin Hotels PLC	Land & Building At Waikkal	31st March 2022	A15- R3 - P27	231,254	2,683,323
Frontier Capital Lanka (Pvt) Ltd.	Land & Building At Lantern Boutique Hotel Mirissa	31st March 2022	A0-R1-P30.80	10,069	323,888
Frontier Capital Lanka (Pvt) Ltd.	Land At Lantern Boutique Hotel at Kamburugamuwa	31st March 2022	A0-R1-P5.24	-	113,000
Frontier Capital Lanka (Pvt) Ltd.	Land & Building At Ubuntu 1 Beach Villa at Mirissa	31st March 2022	A0-R1-P34	9,283	321,476
Frontier Capital Lanka (Pvt) Ltd.	Land & Building At Ubuntu 1 Beach Villa 2 at Mirissa	31st March 2022	A0-R1-P38.40	9,283	332,796
Sunsun Boutique Hotels Ltd.	Land & Building At Pothana in Dambulla	31st March 2022	A53-R1-P09	61,546	1,199,138
Hotel Sigiriya PLC	Building Sigiriya	31st March 2022	-	68,167	530,460
Matura Plantations Limited.	Building	31st March 2022	-	-	122,595
Browns Properties (Private) Limited.	Building No.19,Dudley Senanayake Mw,Colombo 08	31st March 2022	-	-	1,125,001
Samudra Beach Resorts (Private) Limited.	Land & Building At Okade Road, Kosgoda	31st March 2022	A5-R1-P00.50	244,126	7,886,542
Samudra Beach Resorts (Private) Limited.	Land & Building At Okade Road, Kosgoda	31st March 2022	A0-R1-P17.00	900	23,104
Samudra Beach Resorts (Private) Limited.	Land & Building At Okade Road, Kosgoda	31st March 2022	A0-R0-P15.70	1,730	26,000
Samudra Beach Resorts (Private) Limited.	Land & Building At Okade Road, Kosgoda	31st March 2022	A0-R1-P32	280	70,000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2022	A0-R1-P10.50	-	35,000

Company	Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Land and Building Rs.000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2022	A0-R01-P16.30	-	45,000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2022	A0-R0-P44.00	-	44,000
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2022	A0-R0-P09.90	-	8,900
Samudra Beach Resorts (Private) Limited.	Land At Okade Road, Kosgoda	31st March 2022	A0-R3-P6.50	-	158,000
Palm Garden Hotels PLC	Land Area Fronting Galle Road	31st March 2024	A2-R1-P27	-	541,800
Palm Garden Hotels PLC	Land Middle Area Galle Road	31st March 2024	A8-R0-P11.69	-	1,743,802
Palm Garden Hotels PLC	Land Area with Beach Frontage Galle Road	31st March 2024	A7-R2-P0	-	2,040,000
Serendib Hotels PLC	Land & Building at Bentota	31st March 2022	A0-R0-P20	98,829	1,022,770
Browns Engineering & Construction (Pvt) Ltd.	Land at Battaramulla	31st March 2022	A0-R1-P36.33	-	1,219,639
Browns Engineering & Construction Limited.	Building at Sapugaskanda	31st March 2022	-	16,216	294,768
Newburgh Green Teas (Private) Limited.	Building	31st March 2022	-	-	5,977
Browns Metal and Sands (Pvt) Ltd.	Land & Building Neboda Village Dodangoda	31st March 2022	A216-R2-P33.5	2,369	298,906
Dickwella Resorts (Private) Limited.	Land & Building At Batheegama, Dickwella	31st March 2022	A6-R2-P3.93	96,648	2,594,030
Browns Piling (Pvt) Ltd (formerly known as Sierra Piling (Pvt) Ltd.	Land At Batheegama, Dickwella	31st March 2022	A1-R3-P29.25	-	247,400
BI Commodities and Logistics (Pvt) Ltd.	Land Hendala, Wattala	31st March 2022	A1-R1-P16.50	-	186,334
BI Commodities and Logistics (Pvt) Ltd.	Land & Building Hendala, Wattala	31st March 2022	A1-R3-P13.6	24,050	289,586
Green Paradise (Private) Limited.	Land & Building Dambulla	31st March 2022	A11-R0-P13.27	103,866	2,105,191
Browns Ari Resort (Pvt) Ltd.	Reclaimed Land South Ari Atoll in Republic of Maldives	30th September 2020	69,550 sqm	-	17,216,627
Bodufaru Beach Resort (Pvt) Ltd.	Reclaimed Land North Male Atoll in Maldives	30th September 2020	299,000 sqm	-	14,017,911
Browns Raa Resort (Pvt) Ltd.	Reclaimed Land Raa atoll in Republic of Maldives	30th September 2020	52,500 sqm	-	1,092,056
Sunbird Bioenergy (SL) Limited.	Sierra Leone		23,500 ha	257,110	1,592,683
Browns Investments PLC	Land At Hiddaruwa, Kosgoda	31st March 2022	A0-R1-P36.7	-	50,000
Sun & Fun Resorts Ltd.	Building At Pasikuda Village, Kalkuda	31st March 2023	-	109,240	1,346,522
Tropical Villas (Private) Limited.	Land At Moragalle, Beruwala	31st March 2022	A2-R1-P27	-	541,800

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT CONTD.

11.4 Property, Plant and Equipment - Group Contd.

11.4.1 Revaluation of Land and Buildings Contd.

Company	Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Land and Building Rs.000
Browns Leisure [Pvt] Ltd.	Building At Kotmalgama, Katukitula, Pussellawa	31st March 2022		29,324	204,602
Eden Hotel Lanka PLC	Land & Building At Kaluwamodara, Aluthgama	31st March 2022	A6-R1-P25.82	237,571	5,200,534
Tropical Island Commodities [Pvt] Ltd.	Land & Building At Kamburugoda, Bandaragama	31st March 2022	A0-R0-P16	1,200	59,120
Tropical Island Commodities [Pvt] Ltd.	Land At Ethkandura, Kurundugaha Hathapma	31st March 2022	A0-R1-P39.5	-	9,000
Tropical Island Commodities [Pvt] Ltd.	Land At Aluthwala, Baddegama	31st March 2022	A0-R3-P14	-	17,000
Browns Piling [Pvt] Ltd {formerly known as Sierra Piling [Pvt] Ltd.	Land At Hanwella	31st March 2022	A5-R0-P26	-	153,000
Mahaweli Agro Trading [Pvt] Ltd.	Building At Sandunpura, Dehiattakandiya	31st March 2022		41,600	87,935
Agstar PLC	Land & Building At Puliyankulama Village in Anuradhapura	31st March 2022	A3-R2-P19.22	59,894	380,516
Agstar PLC	Land & Building No.93, Minuwangoda Road, Ekala	31st March 2022	A8-R3-P19.55	101,449	2,137,206
Agstar PLC	Land & Building Dambulla Matale Road at Panampitiya Village	31st March 2022	A0-R1-P23.75	10,165	55,978
Agstar PLC	Building No-2012/Thama/05 Habarana Polonnaruwa road at Bendiwewa	31st March 2022		7,970	74,888
Udapussellawa Plantations PLC	Building	31st March 2022		2,049,844	192,229
Hapugastenne Plantations PLC	Building	31st March 2022		4,596,022	236,506
PL Resorts Limited.	Building	31st March 2022		*8,556.60 Sq,m	2,348,050
LOLC Investment Holding Four [Pvt] Ltd.	Land Thambiliyana Kuruwita		A3-R0-P16	-	13,512
Browns Plantations Kenya Ltd		31st December 2023	A-26628		15,169,070
					92,933,283

* Year of acquisition is 2021/2022

** Year of acquisition is 2023/2024

The above land and buildings have been revalued by qualified valuers, who hold recognised and relevant professional qualifications and have recent experience in the location and category of the revalued properties on the basis of current market value method of valuation.

"In determining the fair value, the current condition of the properties, future usability and market evidence of transaction prices for similar on the basis of current market value method of valuation."

Land and buildings are considered under Level 03 of the fair value hierarchy.

Significant unobservable inputs used as follows;

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Correlation to fair value
Land and Buildings				
Brown & Company PLC	DCC/CM	Rs.500,000 - Rs.15,000,000	Rs.2,250-Rs. 12,000	Positive
Dolphin Hotels PLC	DCC/CM	Rs.350,000	Rs. 3,000 - Rs. 13,500	Positive
Frontier Capital Lanka (Pvt) Ltd	DCC/CM	Rs.2,500,000	Rs.6,000-Rs.20,000	Positive
Sunsun Boutique Hotels Ltd	DCC/CM	Rs.44,000-Rs.53,000	Rs.3,000-20,000	Positive
Hotel Sigiriya PLC	CM	-	Rs.350-7,500	Positive
Sierra Readymix (Pvt) Ltd	DCC/CM	Rs.350,000	Rs.1,500	Positive
Samudra Beach Resorts (Private) Limited	DCC/CM	Rs.250,000-Rs.1,500,000	Rs.3,500-Rs.30,000	Positive
Palm Garden Hotels PLC	DCC	Rs.1,150,000-Rs.1,300,000	-	Positive
Serendib Hotels PLC	DCC/CM	Rs.500,000	Rs.5,000-Rs.16,500	Positive
Browns Engineering & Construction (Pvt) Ltd	DCC/CM	Rs.11,000,000	Rs.2,000-Rs.4,750	Positive
Browns Metal and Sands Pvt Ltd	DCC/CM	Rs.900,000-Rs.1,850,000	Rs.935-Rs.1,800	Positive
Dickwella Resorts (Private) Limited	DCC/CM	Rs.800,000-Rs.1,500,000	Rs.850-Rs.20,000	Positive
BI Commodities and Logistics Pvt Ltd	DCC/CM	Rs.750,000-Rs.800,000	Rs.1,000-Rs.5,000	Negative
Green Paradise (Private) Limited	DCC/CM	Rs.200,000	Rs.7,000-Rs.25,000	Positive
Browns Investments PLC	DCC/CM	Rs.200,000-Rs.300,000	Rs.1,300 - Rs.2,750	Positive
Sun & Fun Resorts Ltd.	CM	-	Rs.1,200-Rs.18,000	Positive
Tropical Villas (Private) Limited	DCC	Rs.1,200,000	-	Positive
Browns Leisure (Pvt) Ltd	CM	-	Rs.1,500-Rs.12,000	-
Eden Hotel Lanka PLC	DCC/CM	Rs.700,000-Rs.1,500,000	Rs.1,000-Rs.20,000	Positive
Tropical Island Commodities (Pvt) Ltd	DCC/CM	Rs.115,000-Rs.500,000	-	Positive
Browns Piling (Pvt) Ltd (formerly known as Sierra Piling (Pvt) Ltd)	DCC	Rs.300,000-Rs.500,000	-	Positive
Agstar PLC	DCC/CM	Rs.200,000-Rs.12,000,000	Rs.2,500-Rs.20,000	Positive
Mahaweli Agro Trading (Pvt) Ltd	CM	-	Rs.200-Rs.6,000	Positive

Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

Contractors method (CM)

The replacement cost (contractor's) method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT CONTD.

11.5 Property, Plant and Equipment - Company

11.5.1 Revaluation of Land and Buildings - Company

Property	Effective Date of Valuation	Total Land Extent	Main Building Sq.Ft.	Carrying Value of Land & Building Rs.000	No of Buildings
Land & Building At No. 75, Devanampiyatissa Mawatha, Colombo-10	31st March 2022	A1-R0-P30.9	9,767	2,578,406	1
Land & Building At Dambulla	31st March 2022	A0-R3-P00	3,842	303,987	1
Land At Palle Bogala, Kegalle	Cost*	A0-R1-P16.5	-	800	-
Land & Building At Ranala	31st March 2022	A0-R3-P27.25	13,534	144,919	5
Land No 25/366, 3rd Lane, Dharmapala Mawatha, Pamburana, Matara .	Cost **	A0-R0-P18.50	-	70,000	-
				3,098,112	7

* Year of acquisition is 2014/2015.

** Year of acquisition is 2023/2024

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Correlation to fair value
Land and Building				
Brown & Company PLC	DCC/CM	Rs.500,000 - Rs.15,000,000	Rs.2,250-Rs. 12,000	Positive

11.5.2 Summary description of valuation methodologies;

Open market value method [OMV]

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method [DCC]

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

Contractors method [CM]

The replacement cost [contractor's] method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

Investment method [IM]

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

11.6 Capital Work in Progress

Capital Work in Progress includes the construction of capital assets which mainly consists of buildings and plant & machinery.

12 RIGHT OF USE ASSETS

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	33,160,603	31,656,429	296,110	343,101
Additions	441,632	294,097	12,010	9,437
Amortisation expense	(1,066,870)	(1,425,131)	(60,001)	(55,741)
Transferred to Property, Plant and Equipment	(302,738)	-	-	-
Acquisition of Subsidiaries	31,529,470	-	-	-
Reversal on Disposal	(62,847)	(57,404)	-	-
Other Adjustments	4,759,208	915,982	224	(687)
Revaluation gain during the year	-	36,536	-	-
Exchange difference	(2,853,121)	1,740,094	-	-
As at 31st March	65,605,337	33,160,603	248,343	296,110

12.1 Right-of-Use-Assets of the Group Include the Following

As at 31st March	2024 Rs.000
Land	64,875,343
Buildings	512,300
Vehicles	168,558
Machinery	49,136
	65,605,337

13 INVESTMENT PROPERTIES

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	111,248,257	92,171,533	19,073,660	14,678,650
Additions	52,747	34,248	37,326	5,275
Adjustments	-	(3,840)	-	-
Acquisitions	1,366,618	-	-	-
Disposals	(143,965)	-	-	-
Transfers from Property, Plant and Equipment	(206,402)	(132,354)	-	-
Reversal on disposal	(444,131)	-	-	-
Change in Fair Value	13,492,767	19,178,670	1,041,414	4,389,735
Exchange difference	837,097	-	-	-
Balance at the end of the year	126,202,988	111,248,257	20,152,400	19,073,660

Notes to the Financial Statements

13. INVESTMENT PROPERTIES CONTD.

13.1 Income Earned from Investment Properties

For the year ended 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Rental income	579,446	407,600	79,272	127,839
Direct Operating expenses	[106,877]	[16,757]	-	-

13.2 Details of Investment Properties

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Owned properties	31,847,988	28,793,053	19,304,400	18,301,660
Properties held under operating leases	94,355,000	82,455,204	848,000	772,000
	126,202,988	111,248,257	20,152,400	19,073,660

13.3 Investment Properties of the Group Include the Following

Company	Property	Effective Date of Valuation	Total Land Extent	Land Rs.000	Buildings Rs.000
Brown & Company PLC	Land & Building At No. 481, T.B. Jayah Mawatha, Colombo-10	31st March 2024	A1-R2-P3.20	5,350,400	1,055,000
Brown & Company PLC	Land At Dunbar Rd, Dumburugiriya, Hatton	31st March 2024	A1-R1-P0	75,000	-
Brown & Company PLC	Land At Negombo-Divulapitiya Road, Demanhandiya	31st March 2024	A25-R1-P15	455,000	-
Brown & Company PLC	Land At Main Street, Ambalantota	31st March 2024	A0-R1-P24.8	142,000	-
Brown & Company PLC	Land At Glennie Street, Colombo-02	31st March 2024	A0-R2-P18.59	2,465,000	-
Brown & Company PLC	Land At T.B. Jayah Mawatha, Colombo-10	31st March 2024	A2-R3-P11.41	9,721,000	41,000
Brown & Company PLC	Land & Building At Orugodawatta	31st March 2024	A1-R0-P6.77	786,000	62,000
S. F. L. Services (Pvt) Ltd.	Land At Glennie Street, Colombo-02	31st March 2024	A0-R0-P30.50	808,000	-
S. F. L. Services (Pvt) Ltd.	Land At Malabe Rd, Malabe	31st March 2024	A0-R2-P33.50	348,000	-
Browns Group Industries (Pvt) Ltd.	Land At Shantha Sebastiyen Mw, Mudungoda, Kadawatha	31st March 2024	A0-R1-P25	39,000	-
Browns Industrial Park Ltd.	Land & Building At Gonawila, Markandura	31st March 2024	A21-R2-P19.80	315,000	1,964,000
Millennium Development (Pvt) Ltd.	Land & Building At No.381, T.B. Jayah Mawatha, Colombo-10	31st March 2024	A5-R2-P17.17	5,167,000	306,000

Company	Property	Effective Date of Valuation	Total Land Extent	Land Rs.000	Buildings Rs.000
Browns Properties (Pvt) Ltd.	Land & Building At No.19, Dudley Senanayake Mawatha, Colombo-08	31st March 2024	A0-R1-P9.5	898,956	801,205
Browns Properties (Pvt) Ltd.	Land At No.05, Summer Place, Colombo 08.	31st March 2024	A0-R0-P33.75	405,000	-
Browns Investments PLC	Land At Kuchchaveli, Trincomalee	31st March 2024	A5-R0-P14.5	162,900	-
Browns Investments PLC	Land At Nos.781 & 781/2, Nalluruwa, Panadura	31st March 2024	A0-R1-P38.32	197,000	-
Browns Investments PLC	Land At No.328, Kaduwela Rd, Malabe	31st March 2024	A0-R2-P5.05	510,300	-
Browns Investments PLC	Land At Egoda Uyana, Moratuwa	31st March 2024	A1-R0-P32.78	308,450	-
Browns Investments PLC	Land & Building At "Nadungahalanda", Dampe, off Diggala Piliyandala road, Kesbewa	31st March 2024	A3-R0-P5	792,400	37,100
Browns Investments PLC	Land & Building At Pahala Yagoda, Gampaha	31st March 2024	A0-R1-P4.50	22,250	8,500
Browns Investments PLC	Land At Sunethradevi Road, Kohuwala	31st March 2024	A0-R2-P1.81	343,600	-
Browns Investments PLC	Land & Building At Batawala Road, Meegoda, Homagama	31st March 2024	A2-R3-P12.9	158,515	96,700
Browns Hotels & Resorts Ltd.	Land At Duwemodara, Kosgoda	31st March 2024	A1-R0-P16.98	97,500	-
Eden Hotel Lanka PLC	Land At Waththala, Gampaha	31st March 2024	A0-R1-P25.66	80,000	-
Agstar PLC	Land & Building At Bawa Place, Colombo 08	31st March 2024	A0-0R-16.32P	204,000	48,200
Browns Developments Ltd. (Previously known As Sierra Developments (Pvt) Ltd.)	Land & Building At Havelock Road, Colombo 05	31st March 2024	A0-R1-P16.40	1,128,000	3,536,100
Ceylon Real Estate Holdings (Pvt) Ltd.	Land At Port City, Colombo	31st March 2024	A7-R2-P11.01	37,221,000	-
Colombo Marina Development (Pvt) Ltd.	Land At Port City, Colombo	31st March 2024	A7-R2-P16.79	33,945,000	-
Marina Hotel Holdings (Pvt) Ltd.	Land At Port City, Colombo	31st March 2024	A3-R0-P34.21	14,589,000	-
Browns Plantations Kenya Ltd.	Building At Kenya	31st March 2024	-	-	1,511,913
Group Total				116,735,270	9,467,718

The above Investment Properties have been revalued by qualified valuers, who hold recognised and relevant professional qualifications and have recent experience in the location and category of the revalued properties on the basis of current market value method of valuation.

Notes to the Financial Statements

13. INVESTMENT PROPERTIES CONTD.

13.3 Investment Properties of the Group Include the Following Contd.

Investment Properties are considered under Level 3 of the fair value hierarchy.

Significant unobservable inputs used as follows;

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Correlation to fair value
Land and Building	DCC / CM	Rs.50,000 - Rs.25,000,000	Rs.5,000 - Rs.18,500	Positive
S. F. L. Services (Pvt) Ltd.	DCC	Rs.2,200,000 - Rs.26,500,000	-	Positive
Browns Group Industries (Pvt) Ltd.	DCC	Rs.600,000	-	Positive
Browns Industrial Park Ltd.	DCC / CM	Rs.200,000	Rs.650 - Rs.15,000	Positive
Millennium Development (Pvt) Ltd.	DCC / CM	Rs.15,850,000	Rs.1,700 - Rs.6,100	Positive
Browns Properties (Pvt) Ltd.	DCC / CM	Rs.12,000,000 - Rs.20,000,000	Rs.25,000 - Rs.26,000	Positive
Browns Investments PLC	DCC / CM	Rs.200,000 - Rs.6,000,000	Rs.3,000 - Rs.7,500	Positive
Browns Hotels & Resorts Ltd.	DCC	Rs.400,000 - Rs.600,000	-	Positive
Eden Hotel Lanka PLC	DCC	Rs.950,000 - Rs.1,400,000	-	Positive
Agstar PLC	DCC / CM	Rs.12,500,000	Rs.11,000	Positive
Browns Developments Ltd. [Previously known As Sierra Developments (Pvt) Ltd.]	DCC / CM	Rs.20,000,000	Rs.70,000 - Rs.75,000	Positive
Ceylon Real Estate Holdings (Pvt) Ltd.	DCC	Rs.29,500,000 - Rs.32,500,000	Rs.108,000 - Rs.120,000	Positive
Colombo Marina Development (Pvt) Ltd.	DCC	Rs.29,500,000 - Rs.32,500,000	Rs.108,000 - Rs.120,000	Positive
Marina Hotel Holdings (Pvt) Ltd.	DCC	Rs.29,500,000 - Rs.32,500,000	Rs.108,000 - Rs.120,000	Positive

13.3.1 Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

Contractors method (CM)

The replacement cost (contractor's) method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

13.4 Summary of Investment Properties - Group

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Land	116,735,270	103,889,055
Buildings	9,467,718	7,359,202
	126,202,988	111,248,257

13.5 Investment Properties of the Company Include the Following

Company	Property	Effective Date of Valuation	Total Land Extent	Land Rs.000	Buildings Rs.000	No of Buildings in Each Location
Brown & Company PLC.	Land & Building At No. 481, T.B. Jayah Mawatha, Colombo-10	31st March 2024	A1-R2-P3.20	5,350,400	1,055,000	5
Brown & Company PLC.	Land At Dunbar Rd, Dumburugiriya, Hatton	31st March 2024	A1-R1-P0	75,000	-	-
Brown & Company PLC.	Land At Negombo-Divulapitiya Road, Demanhandiya	31st March 2024	A25-R1-P15	455,000	-	-
Brown & Company PLC.	Land At Main Street, Ambalantota	31st March 2024	A0-R1-P24.8	142,000	-	-
Brown & Company PLC.	Land At Glennie Street, Colombo-02	31st March 2024	A0-R2-P18.59	2,465,000	-	-
Brown & Company PLC.	Land & Building At T.B. Jayah Mawatha, Colombo-10	31st March 2024	A2-R3-P11.41	9,721,000	41,000	3
Brown & Company PLC.	Land & Building At Orugodawatta	31st March 2024	A1-R0-P6.77	786,000	62,000	1
				18,994,400	1,158,000	9

Significant unobservable inputs used as follows:

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Correlation to fair value
Land and Building				
Brown & Company PLC	DCC / CM	Rs.50,000 - Rs.25,000,000	Rs.5,000 - Rs.18,500	Positive

Notes to the Financial Statements

13 INVESTMENT PROPERTIES CONTD.

13.5 Investment Properties of the Company Include the Following Contd.

13.5.1 Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

Contractors method (CM)

The replacement cost (contractor's) method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

13.6 Summary of Investment Properties – Company

As at 31st March	Company	
	2024 Rs.000	2023 Rs.000
Land	18,994,400	17,998,660
Buildings	1,158,000	1,075,000
	20,152,400	19,073,660

14 INTANGIBLE ASSETS

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Gross Value				
Balance at the beginning of the year	2,495,513	2,628,691	167,519	166,897
On Acquisition of Subsidiary	1,219,087	-	-	-
Disposals	-	(30,438)	-	-
Disposal of Subsidiaries	(1,666)	(146,919)	-	-
Additions/ Adjustments during the year	15,578	21,711	154	622
Exchange Difference	98,862	22,469	-	-
Balance at the end of the year	3,827,374	2,495,513	167,674	167,519
Amortisation and impairment				
Balance at the beginning of the year	738,786	731,495	147,233	137,278
Amortisation during the year	93,805	38,714	12,047	9,955
Disposals	-	(12,093)	-	-
Impairment during the year	-	-	-	-
On Acquisition of Subsidiary	815,434	-	-	-
Disposal of Subsidiaries	(1,326)	(41,729)	-	-
Exchange Difference	53,363	22,398	-	-
Balance at the end of the year	1,700,062	738,786	159,281	147,233
Carrying Value	2,127,311	1,756,727	8,393	20,286

14.1 Summary of Intangible Assets - Group

As at 31st March	2024				2023			
	Goodwill Rs.000	Software Rs.000	Right to Generate Solar Power Rs.000	Total Rs.000	Goodwill Rs.000	Software Rs.000	Right to Generate Solar Power Rs.000	Total Rs.000
Gross value								
Balance at the beginning of the year	1,650,183	845,330	-	2,495,513	1,667,236	814,536	146,919	2,628,691
Additions/ Adjustments during the year	-	15,578	-	15,578	-	21,711	-	21,711
Disposals	-	-	-	-	(17,053)	(13,385)	-	(30,438)
Acquisition of subsidiary	-	1,219,087	-	1,219,087	-	-	-	-
Disposal of Subsidiaries	-	(1,666)	-	(1,666)	-	-	(146,919)	(146,919)
Exchange Difference	-	98,862	-	98,862	-	22,469	-	22,469
Balance at the end of the year	1,650,183	2,177,191	-	3,827,374	1,650,183	845,330	-	2,495,513
Amortisation and impairment								
Balance at the beginning of the year	66,314	672,472	-	738,786	66,314	625,289	39,893	731,496
Amortisation during the year	-	93,805	-	93,805	-	36,878	1,836	38,714
Disposals	-	-	-	-	-	(12,093)	-	(12,093)
On Acquisition of Subsidiary	-	815,434	-	815,434	-	-	-	-
Disposal of Subsidiaries	-	(1,326)	-	(1,326)	-	-	(41,729)	(41,729)
Exchange Difference	-	53,363	-	53,363	-	22,398	-	22,398
Balance at the end of the year	66,314	1,633,748	-	1,700,063	66,314	672,472	-	738,786
Carrying Value	1,583,869	543,442	-	2,127,311	1,583,869	172,858	-	1,756,726

14.2 Summary of Intangible Assets - Company

As at 31st March	2024		2023	
	Software Rs.000	Total Rs.000	Software Rs.000	Total Rs.000
Gross value				
Balance at the beginning of the year	167,519	167,519	166,897	166,897
Additions/ Adjustments during the year	154	154	622	622
Balance at the end of the year	167,674	167,674	167,519	167,519
Amortisation and impairment				
Balance at the beginning of the year	147,233	147,233	137,278	137,278
Amortisation during the year	12,047	12,047	9,955	9,955
Balance at the end of the year	159,281	159,281	147,233	147,233
Carrying Value	8,393	8,393	20,286	20,286

Notes to the Financial Statements

14 INTANGIBLE ASSETS CONTD.

14.3 Summary of Goodwill - Group

As at 31st March	Carrying Value	
	2024 Rs.000	2023 Rs.000
Klevenberg (Pvt) Ltd.	51,805	51,805
Browns Healthcare Negombo (Pvt) Ltd.	250	250
Browns Investments PLC	9,564	9,564
Ajax Engineers (Pvt) Ltd.	25,057	25,057
Excel Restaurants (Pvt) Ltd.	20,524	20,524
Browns Hotels & Resorts Ltd.	1,205,258	1,205,258
NPH Investments (Pvt) Ltd.	151,646	151,646
Gurind Accor (Pvt) Ltd.	8,490	8,490
Tropical Island Commodities (Pvt) Ltd	111,276	111,276
	1,583,869	1,583,869

14.4 Goodwill as at the reporting date has been tested for impairment and appropriate adjustments has been made for the impairment loss for the year.

The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. The key assumptions used are given below;

Business growth rate – Based on the long term average growth rate for each business unit.

Inflation rate – Based on current inflation rate.

Discount rate – Risk free rate adjusted for the specific risk relating to the industry.

14.5 Software with a finite life is amortised over the period of the expected economic benefit. As per the Group policy, software is amortised over 3 to 8 years.

14.6 The right to generate solar power represents the approvals and licenses obtained by Sagasolar Power (Pvt) Ltd. for the solar power project. The Company has obtained these approvals and right to generate solar power from the initial shareholders of the Company and these rights are amortised over 20 years.

15 BEARER BIOLOGICAL ASSETS

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
On Finance Lease [Note 15.1]	6,352,353	5,577
Investments after formation of the Company [Note 15.2]	5,937,202	5,507,891
Growing Crop Nurseries [Note 15.3]	8,670	1,947
	12,298,225	5,515,415

As at 31st March	On Finance Lease Rs.000	Investments after formation of the Company Rs.000	Growing Crop Nurseries Rs.000	Total 2024 Rs.000	On Finance Lease Rs.000	Investments after formation of the Company Rs.000	Growing Crop Nurseries Rs.000	Total 2023 Rs.000
Cost	9,792,186	15,732,257	8,670	25,533,113	211,770	15,437,943	1,947	15,651,662
Accumulated amortisation	[3,439,833]	[9,795,055]	-	[13,234,889]	[206,193]	[9,930,052]	-	[10,136,245]
	6,352,353	5,937,202	8,670	12,298,224	5,577	5,507,891	1,947	5,515,417

15.1 On Finance Lease

As at 31st March	Mature Plantations Tea		Mature Plantations Rubber		Mature Plantations Coconut		Total	Total
	2024	2023	2024	2023	2024	2023	2024	2023
Cost								
Balance as at the beginning of the year	203,272	203,272	227	227	8,271	8,271	211,770	211,770
Disposals	[28,853]	-	-	-	-	-	[28,853]	-
Changes due to Business Combinations	8,684,562	-	-	-	-	-	8,684,562	-
Exchange Differences	924,705	-	-	-	-	-	924,705	-
Balance as at the end of the year	9,783,686	203,272	227	227	8,271	8,271	9,792,184	211,770
Accumulated Amortisation								
Balance as at the beginning of the year	197,935	191,895	227	227	8,030	7,755	206,192	199,877
Disposals	[27,914]	-	-	-	-	-	[27,914]	-
Charge for the year	86,094	6,040	-	-	241	275	86,335	6,315
Changes due to Business Combinations	2,872,418	-	-	-	-	-	2,872,418	-
Exchange Differences	302,800	-	-	-	-	-	302,800	-
Balance as at the end of the year	3,431,333	197,935	227	227	8,271	8,030	3,439,831	206,192
Carrying amount								
As at 31st March 2024	6,352,353	5,336	-	-	-	241	6,352,353	
As at 31st March 2023	5,336	11,377	-	-	241	516	5,577	

15.3 Growing Crop Nurseries

As at 31st March	2024			2023		
	Tea	Mixed crops	Total	Tea	Mixed crops	Total
Cost						
Balance as at the beginning of the year	1,855	91	1,946	3,717	86	3,803
Additions	6,815	-	6,815	-	5	5
Disposals/ Written off	-	[91]	[91]	[1,862]	-	[1,862]
Balance as at the end of the year	8,670	-	8,670	1,855	91	1,946

15.4 Amortisation/ Depreciation for the year recognised for bearer biological assets

For the year ended 31st March	2024 Rs.000	2023 Rs.000
On Finance Lease	86,335	6,314
Investments after formation of the Company	620,480	1,078,777
	706,815	1,085,091

These are investments in bearer biological assets carried at cost (Tea, Rubber, Coconut, Cinnamon and Mixed Crop) which comprises of immature/ mature plantations since the formation of the Company. Further, investment in immature plantations taken over by way of leases are shown in this note. When such plantations become mature, the additional investments since, taken over to bring them to maturity will be moved from immature to mature under this note.

16 CONSUMABLE BIOLOGICAL ASSETS

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Balance as at the beginning of the year	7,847,595	7,087,008
Increase due to new planting	45,956	111,772
Net increase/ [decrease] due to births/deaths [Growing Crop Nurseries]	[120]	[166]
Acquisition of subsidiary	1,755,067	-
Written off during the year	[133]	[4,091]
Decrease due to harvesting of timber trees	[315,673]	[72,659]
Change in fair value less estimated costs to sell	1,087,485	725,731
Exchange Differences	179,485	-
Balance as at the end of the year	10,599,662	7,847,595

Notes to the Financial Statements

16 CONSUMABLE BIOLOGICAL ASSETS CONTD.

16.1 Change in fair value less estimated costs to sell

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Due to price changes	546,008	710,919
Due to physical changes	541,477	14,812
	1,087,485	725,731

16.1.1 The carrying value of Consumable biological assets as at the year end has been computed as follows;

As at 31st March	Notes	Group	
		2024 Rs.000	2023 Rs.000
Valuation of consumable biological assets		10,363,100	7,658,968
Carrying value of immature timber trees		233,007	187,871
Growing Crop Nurseries	16.1.2	3,555	756
		10,599,662	7,847,595

Managed timber trees include commercial timber plantations cultivated on estates. The above carrying amount as at 31st March 2024 includes a sum of Rs. 233.01 Mn /- (As at 31st March 2023 - Rs.187.89 Mn/-) which is the cost of immature trees up to the age of 4 years which is treated as approximate fair value particularly on the ground of little biological transformation taking place and impact of such transformation on price is expected to be immaterial.

Borrowing costs of Rs. 12.31 Mn (Previous year - Rs. 35.34 Mn) have been capitalised during the year in to immature fields.

16.1.2 Growing crop nurseries

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Balance as at 01st April	756	3,814
Additions	3,350	411
Impairment/writeoff	(551)	(3,469)
Balance as at 31st March	3,555	756

16.2 Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques in measuring Level 3 fair value of consumable biological assets as well as the significant unobservable inputs used.

Valuation Technique	Significant observable and unobservable inputs	Interrelationship between key inputs and fair value measurement
<p>Discounted cash flows</p> <p>The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per-tree basis .</p> <p>Expected cash flows are discounted using a risk-adjusted discount rate of 16.5% comprising a risk premium of 4%.</p>	<p>Determination of Timber Content</p> <p>Timber trees in inter-crop areas and pure crop areas have been identified field-wise and spices were identified and harvestable trees were separated, according to their average girth and estimated age.</p> <p>Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.</p> <p>Determination of Price of Timber</p> <p>Trees have been valued as per the current timber prices per cubic meter based on the price list of the State Timber Corporation and prices of timber trees sold by the estates and prices of logs sawn timber at the popular timber traders in Sri Lanka.</p> <p>In this exercise, following factors have been taken into consideration.</p> <p>a) Cost of obtaining approval of felling b) Cost of felling and cutting into logs c) Cost of transportation d) Sawing cost</p> <p>Risk-adjusted discount rate</p> <p>2023/2024 - 16.5% [Risk Premium - 4%] 2022/2023 - 19% [Risk Premium - 4%]</p>	<p>The estimated fair value would increase / (decrease) if;</p> <ul style="list-style-type: none"> - the estimated timber content were higher/ (lower) - the estimated timber prices per cubic meter were higher/(lower) - the estimated timber prices per cubic meter were higher/(lower) - the estimated selling related costs were lower/(higher) - the estimated maturity age were higher/ (lower) - the risk-adjusted discount rate were lower/ (higher)

16.3 The valuation of consumable biological assets was carried by Mr.W.M.Chandrasena, an independent Chartered Valuation Surveyor, using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber, a physical verification was carried covering all the estates.

16.4 Timber Trees namely Eucalyptus Torariyana, Albezzia, Graveelia, Eucalyptus Grandis, Astonia, Pinus, Toona, Mahogany, Teak, Jak, Turpentine, Nadun, Mango, Pellen, Hora, Domba, Lunumidella, Wal Del and Mara on the plantations have been taken into consideration in this valuation of Timber Trees.

Notes to the Financial Statements

16 CONSUMABLE BIOLOGICAL ASSETS CONTD.

16.5 In valuing the timber plantations, under-mentioned factors have been taken into consideration.

- 1 The present age of trees
- 2 Maturity age of the tree - Maturity of the tree is based on the variety of the species of the tree
- 3 Annual marginal increase in timber content
- 4 Number of years to harvest
- 5 Timber content of harvestable trees on maturity
- 6 Timber Plants having below three years of age have not been taken into the valuation
- 7 The timber content of immature trees at an estimated future harvestable year
- 8 The current price of species of timber per cubic foot at the relevant year

16.6 Trees have been valued as per the current timber prices in the domestic market based on the price list of the State Timber Corporation and prices of timber trees sold by estates and prices of logs and sawn timber in the popular timber traders in Sri Lanka.

16.7 The fair value is determined on the basis of net present value of expected future cash flows using a discount rate of 19% per annum. The significant assumptions used in the valuation of Consumable Biological Assets are as follows:

- 1 Future cash flows are determined by references to current timber prices without considering the inflationary effect
- 2 The ongoing cost of growing trees which are deducted in determining the net cash flows are constant in real terms
- 3 Timber trees that have not come upto a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size
- 4 The present value of the trees is worked out based on the projected size and the estimated number of years it would take to reach the size. This is worked out on the basis of an annual marginal increase of timber content which normally ranges from 0.50 to 1.50 cm per year for trees of diameter girth over 10 cm
- 5 The value of each matured species of timber is worked out on the price of a cubic foot of timber in the market of the species and the available cubic content of timber in the tree
- 6 Due consideration has been given for cost of felling, transport, sawing, cost to sell including obtaining of approval for felling

16.8 Managed trees include commercial timber plantations cultivated in estates. The cost of immature trees is treated at approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such Plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.

16.9 The fair value of managed trees was ascertained since LKAS 41 is only applicable for managed agricultural activity in terms of the ruling issued by the Institute of Chartered Accountants of Sri Lanka. The valuation was carried out by using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber a physical verification was carried out covering all the estates.

16.10 The valuations, as presented in the external valuation models based on net present values, take into account the long-term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long-term price projections are highly unpredictable. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in LKAS 41 against his own assumptions.

16.11 The biological assets of Group is cultivated in the leasehold lands. When measuring the fair value of the biological assets it was assumed that these concessions can and will be renewed at normal circumstances. Timber content expects to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants and not the expiration date of the lease.

16.12 Sensitivity analysis for biological assets

16.12.1 Sensitivity variation on sales price

Values as appearing in the Statement of Financial Position are sensitive to price changes with regard to the average sales prices applied. Simulation made for timber to show that a rise or a decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

As at 31st March	Notes	Group	
		2024 Rs.000	2023 Rs.000
Carrying amount	16.1.1	10,599,662	7,847,595
Sensitivity on sales price	+10%	862,887	765,897
	-10%	[862,887]	[765,897]

16.12.2 Sensitivity variation on discount rate

Values as appearing in the Statement of Financial Position are sensitive to changes of the discount rate applied. Simulations made for rubber, coconut and timber show that a rise or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets;

As at 31st March	Notes	Group	
		2024 Rs.000	2023 Rs.000
Carrying amount	16.1.1	10,599,662	7,847,595
Sensitivity on Discount Rate	+1%	[527,087]	[339,340]
	-1%	541,678	378,000

16.13 Risk factors

The Group is exposed to a number of risks related to its timber plantations;

Regulatory and environmental risks

The Group is subject to laws and regulations imposed by the environmental authorities of Sri Lanka. The Group established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks

The Group's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

Notes to the Financial Statements

17 INVESTMENTS IN SUBSIDIARIES

As at 31st March	Company					
	Holding %		No. of shares		Amount	
	2024	2023	2024	2023	2024	2023
Browns Group Motels Ltd.	99.37%	99.37%	15,762,359	15,762,359	160,364	160,364
CFT Engineering Ltd.	100%	99.99%	3,075,950	3,075,950	307,698	307,698
The Hatton Transport & Agency Co. (Pvt) Ltd.	100%	100%	1,537,250	1,537,250	153,835	153,835
S.F.L. Services (Pvt) Ltd.	100%	100%	1,627,500,000	1,776,000,000	16,845,296	18,382,332
Browns Group Industries (Pvt) Ltd.	100%	100%	18,162,500	18,162,500	275,744	275,744
Browns Thermal Engineering (Pvt) Ltd.	100%	100%	16,862,497	16,862,497	269,913	269,913
Snowcem Products Lanka (Pvt) Ltd.	100%	100%	15,762,500	15,762,500	156,999	156,999
Klevenberg (Pvt) Ltd.	100%	100%	30,962,500	30,962,500	358,889	358,889
Browns Healthcare Negombo (Pvt) Ltd.	100%	100%	158,625,000	158,625,000	158,625	158,625
Walker & Greig (Pvt) Ltd.	100%	100%	15,362,501	15,362,501	192,263	192,263
Browns Investments PLC	46.06%	46.06%	6,618,280,773	6,618,280,773	17,051,228	17,051,228
Browns Pharma Ltd.	100%	100%	25,362,500	25,362,500	253,625	253,625
BI Holdings (Pvt) Ltd.	17.58%	17.58%	301,000,000	301,000,000	3,010,000	3,010,000
Browns Agri Solutions (Pvt) Ltd.	100%	100%	32,500,001	32,500,001	325,000	325,000
Browns Global Farm (Pvt) Ltd.	20%	20%	11,837,608	11,837,608	56,702	56,702
Browns Leisure (Pvt) Ltd.	90%	90%	4,500,000	4,500,000	45,000	45,000
Browns Property Holdings (Pvt) Ltd	100%	100%	1	1	0.01	0.01
Browns Fabric Limited	100%	100%	5,000,000	1	50,000	0.01
Agstar PLC	58.77%	0%	286,509,384	-	4,272,245	-
					43,943,425	41,158,219
Provision for fall in value of Investments [Note 17.1]					(56,702)	(56,702)
					43,886,723	41,101,517

17.1 Provision for fall in value of Investments

Browns Global Farm (Pvt) Ltd.					56,702	56,702
					56,702	56,702

17.2 During the year, company has made following additional investments

Company Name	2024	
	No of Shares	Rs.000
Browns Fabric Limited	4,999,999	50,000
Agstar PLC	286,509,384	4,272,245
	291,509,383	4,322,245

17.3 During the year, a subsidiary of the company, S.F.L. Services (Pvt) Ltd buy back its shares as follows,

No of shares	148,500,000
Carrying value of the shares	1,537,036
Purchase consideration	1,485,000
Loss on share buy back	(52,036)

17.4 Group Holdings in Subsidiaries

As at 31st March	Principal Activity	2024		2023	
		No of Shares	Control Holding %	No of Shares	Control Holding %
Subsidiary					
Ajax Engineers (Pvt) Ltd.	Aluminium Fabrication	469,987	100%	469,987	100%
B G Air Services (Pvt) Ltd.	Travel	50,000	100%	50,000	100%
BI Commodities and Logistics (Pvt) Ltd.	Manufacturing	35,500,250	100%	35,500,250	100%
BI Zhongtian Holdings (Pvt) Ltd.	Pre-Operational	25,500,000	51%	25,500,000	51%
Bodufaru Beach Resorts (Pvt) Ltd.	Hotelier - Pre operational	235,800	88.32%	235,800	88.32%
Browns Agri Solutions (Pvt) Ltd.	Trading	32,500,001	100%	32,500,001	100%
Browns Ari Resort (Pvt) Ltd.	Hotelier - Pre operational	40,100	100%	40,100	100%
Browns Kaafu N Resort (Pvt) Ltd.	Hotelier - Pre operational	100	99.96%	100	99.96%
Browns Raa Resort (Pvt) Ltd.	Hotelier - Pre operational	100	99.96%	100	99.96%
Browns Engineering and Construction (Pvt) Ltd.	Construction and Engineering	350,000,002	50%	350,000,002	50%
Browns Metal and Sands (Pvt) Ltd.	Pre-Operational	1	100%	1	100%
B Commodities ME(FZE).	Pre-Operational	150,000	100%	150,000	100%
Browns Teas (Pvt) Ltd.	Pre-Operational	1	100%	1	100%
Browns Global Farm (Pvt) Ltd.	Agriculture	58,295,328	100%	58,295,328	100%
Browns Group Industries (Pvt) Ltd.	Trading	18,162,500	100%	18,162,500	100%
Browns Group Motels Ltd.	Non-operating	15,762,359	99.37%	15,762,359	99.37%
Browns Hotels and Resorts Ltd.	Holding Company	1,191,919,624	100%	1,191,919,624	100%
Browns Industrial Park Ltd.	Renting Premises	30,767,637	100%	30,767,637	100%
Browns Investments PLC	Holding Company	9,275,581,367	64.55%	9,275,581,367	64.55%
Browns Healthcare Negambo (Pvt) Ltd.	Pre-Operational	158,625,000	100%	158,625,000	100%
Browns Leisure (Pvt) Ltd.	Leisure	4,500,000	90%	4,500,000	90%
Browns Pharma Ltd.	Pre-Operational	25,362,500	100%	25,362,500	100%
Browns Fabric Limited.	Manufacturing	1	100%	1	100%
B.I. Holdings (Pvt) Ltd	Holding Company	1,712,300,000	100%	1,712,300,000	100%
Browns Thermal Engineering (Pvt) Ltd.	Trading	16,862,497	100%	16,862,497	100%
CFT Engineering Ltd.	Non-operating	3,076,130	99.99%	3,076,130	99.99%
Ceylon Roots Lanka (Pvt) Ltd.	Pre-Operational	12,000,000	60%	12,000,000	60%
Dickwella Resort (Pvt) Ltd.	Hotelier	481,314	100%	481,314	100%
Eden Hotel Lanka PLC	Hotelier	1,508,252,227	95.22%	486,545,375	89.38%
Excel Global Holdings (Pvt) Ltd.	Holding Company	53,448,329	100%	53,448,329	100%
Excel Restaurants (Pvt) Ltd.	Food & beverages	10,004	100%	10,004	100%
F L C Estates Bungalows (Pvt) Ltd.	Pre-Operational	100,000	100%	100,000	100%
Browns Power Holdings (Pvt) Ltd.	Investing	100,000,000	100%	100,000,000	100%
Browns Properties (Pvt) Ltd.	Real estate	82,500,000	100%	82,500,000	100%
F L P C Management (Pvt) Ltd.	Plantation management	92,052,838	95.34%	92,052,838	95.34%
Green Paradise (Pvt) Ltd.	Hotelier	5,000,007	100%	5,000,007	100%
General Accessories and Coating (Pvt) Ltd.	Manufacturing	18,000	100%	18,000	100%
Gurind Accor (Private) Limited.	Manufacturing	10,761,000	60%	10,761,000	60%
Klevenberg (Pvt) Ltd.	Trading	30,962,500	100%	30,962,500	100%
Matura Plantations Ltd.	Plantations	25,200,000	72%	25,200,000	72%
Millennium Development (Pvt) Ltd.	Renting Premises	44,390,823	100%	44,390,823	100%
NPH Investments (Pvt) Ltd.	Investing	141,555,600	51%	141,555,600	51%

Notes to the Financial Statements

17 INVESTMENTS IN SUBSIDIARIES CONTD.

17.4 Group Holdings in Subsidiaries Contd.

As at 31st March	Principal Activity	2024		2023	
		No of Shares	Control Holding %	No of Shares	Control Holding %
Subsidiary					
Palm Garden Hotels PLC	Holding Company	470,800,660	98.92%	38,671,013	89.38%
Riverina Resort (Pvt) Ltd.	Hotelier - Pre operational	35,050,000	100%	35,050,000	100%
S.F.L. Services (Pvt) Ltd.	Intra-Group Funding	1,776,000,000	100%	1,776,000,000	100%
Sifang Lanka (Pvt) Ltd.	Trading	17,362,500	100%	17,362,500	100%
Sifang Lanka Trading (Pvt) Ltd.	Non-operating	2,997,750	100%	2,997,750	100%
Snowcem Products Lanka (Pvt) Ltd.	Non-operating	15,762,500	100%	15,762,500	100%
Samudra Beach Resorts (Pvt) Ltd.	Hotelier	219,027,500	100%	219,027,500	100%
Sun & Fun Resorts Ltd.	Hotelier	16,287,848	51%	16,287,848	51%
Sunbird Bioenergy (SL) Limited.	Plantations	2,816	75.10%	2,816	75.10%
Serendib Hotels PLC	Hotelier	182,739,232	55.75%	182,739,232	55.75%
Dolphin Hotels PLC	Hotelier	43,849,317	69.33%	43,849,317	69.33%
Hotel Sigiriya PLC	Hotelier	11,300,770	64.29%	11,300,770	64.29%
Frontier Capital Lanka (Pvt) Ltd.	Hotelier	3,216,295	100%	3,216,295	100%
Serendib Leisure Mgt Ltd.	Holding Company	6,050,000	100%	6,050,000	100%
Sanctuary Resorts Lanka (Pvt) Ltd.	Hotelier	2	100%	2	100%
Grey Reach Investment Limited.	Investing	20,000	66.67%	20,000	66.67%
The Tea Leaf Resort Holding (Pvt) Ltd.	Leisure	250,000	50%	250,000	50%
The Hatton Transport & Agency Company (Pvt) Ltd.	Non-operating	153,725,000	100%	153,725,000	100%
Tropical Villas (Pvt) Ltd.	Non-operating	14,959,232	100%	14,959,232	100%
Walker & Greig (Pvt) Ltd.	Non-operating	15,362,501	100%	15,362,501	100%
Hapugastenne Plantations PLC	Plantations	46,315,790	90%	46,315,790	90%
Udapussellawa Plantations PLC	Plantations	17,458,966	90%	17,458,966	90%
Newburgh Green Teas (Private) Limited	Plantations	6,500,000	54%	6,500,000	54%
Iconic Trust (Pvt) Ltd	Investment	1	100%	1	100%
Browns Piling (Pvt) Ltd	Construction	4,310,005	100%	4,310,005	100%
Agstar PLC	Trading	269,308,461	55%	269,308,461	55%
AgStar Cropcare (Pvt) Ltd	Trading	5,000,000	100%	5,000,000	100%
AgStar Seeds (Pvt) Ltd	Trading	5,000,000	100%	5,000,000	100%
AgStar Grains (Pvt) Ltd	Trading	34,000,000	100%	34,000,000	100%
Mahaweli Agro Trading (Pvt) Ltd	Trading	19,549,996	100%	19,549,996	100%
AgStar Exports (Pvt) Ltd	Trading	4,500,000	100%	4,500,000	100%
Prith Seeds (Pvt) Ltd	Trading	10,000	100%	10,000	100%
Royal Seeds Pvt) Limited	Trading	2	100%	2	100%
Sunsun Boutique Hotels Ltd	Leisure	50,100,868	88%	50,100,868	88%
Colombo Marina Development (Pvt) Ltd	Investment	1	100%	1	100%
Marina Hotel Holdings (Pvt) Ltd	Investment	1	100%	1	100%
Ceylon Real Estate Holdings (Pvt) Ltd	Investment	1	100%	1	100%
Browns Engineering & Construction (Fiji) Pte Ltd	Construction	600,000	50%	-	-
Browns Plantations Kenya Ltd	Plantations	6,375,000	85%	-	-
Browns E&C Technical Services Contracting LLC	Construction	300	100%	-	-
Browns Plantation Holdings (Pvt) Ltd	Holding Company	1,000	100%	-	-

17.5 Disposal of Subsidiaries

Following is a summary of the results on disposal of Group Investments during the period.

Subsidiaries	Date of disposal	Controlling Interest Sold Rs. 000	Cash and Cash Equivalent Received Rs. 000	Total Consideration of Disposal Rs. 000
Euro Asia Teas (Pvt) Ltd	05/31/2023	54%	5,697	5,697
Tiasa Construction (Pvt) Ltd	01/09/2023	100%	71,005	71,005
Sierra Readymix (Pvt) Ltd	01/09/2023	100%	251,745	251,745
Creation Wooden Fabricators (Pvt) Ltd	01/09/2023	90%	-	-

Fair values of the identifiable assets and liabilities of the disposed entities;

Subsidiaries	Euro Asia Teas (Pvt) Ltd	Tiasa Construction (Pvt) Ltd	Sierra Readymix (Pvt) Ltd	Creation Wooden Fabricators (Pvt) Ltd	Total
Assets					
Property, plant and equipment	20,498	171,595	287,585	12,200	491,878
Right-of-use assets	-	9,340	53,507	-	62,847
Investment properties	-	-	444,131	-	444,131
Intangible assets	376	-	-	-	376
Other financial assets	-	-	2,408	-	2,408
Inventories	10,799	28,642	95,498	37,890	172,828
Trade and other receivables	12,674	87,045	207,570	3,404	310,694
Amounts due from Related Parties	-	11,850	-	[12,200]	[350]
Current Tax Assets	-	-	11,899	-	11,899
Other Financial Assets	-	116,000	-	-	116,000
Cash and cash equivalents	3,680	2,850	17,522	158	24,210
Total assets	48,027	427,321	1,120,120	41,452	1,636,921
Liabilities					
Lease Liability	-	10,130	7,203	-	17,332
Retirement benefit obligations	-	506	9,832	3,009	13,348
Deferred tax liabilities	3,360	36,035	141,348	5,299	186,042
Trade and other Payables	1,124	78,251	262,855	54,360	396,589
Loans from Related Parties	-	-	5,706	-	5,706
Amounts due to Related Parties	2,322	-	-	170,586	172,909
Current Tax payables	-	532	-	374	906
Short Term Interest Bearing Borrowings	-	42,867	72,002	-	114,869
Dividend Payable	-	-	2,907	-	2,907
Bank overdrafts	-	24,126	142,044	172	166,342
Total liabilities	6,806	192,447	643,897	233,800	1,076,950
Net assets disposed	41,221	234,874	476,223	[192,348]	559,971

Notes to the Financial Statements

17 INVESTMENTS IN SUBSIDIARIES (CONTD.)

17.5 Disposal of Subsidiaries (Contd.)

Subsidiaries	Euro Asia Teas [Pvt] Ltd	Tiasa Construction [Pvt] Ltd	Sierra Readymix [Pvt] Ltd	Creation Wooden Fabricators [Pvt] Ltd	Total Rs. '000
Total consideration received	5,697	71,005	251,745	-	328,447
Derecognition of non controlling interest	32,801	83,263	168,821	[80,604]	204,281
Fair value of net assets disposed	[41,221]	[234,874]	[476,224]	192,348	[559,971]
Gain/ (Loss) on disposal	[2,723]	[80,606]	[55,658]	111,745	[27,242]
Net cash received from divestment					
Purchase consideration received	5,697	71,005	251,745	-	328,447
(-) Disposal related costs	-	-	-	-	-
Positive cash balances	[3,680]	[2,850]	[17,522]	[158]	[24,210]
Net cash received from divestment	2,017	68,155	234,223	[158]	304,237

17.6 Acquisition of Subsidiaries

B Commodities ME FZE UAE a fully owned subsidiary of Browns a Investments PLC acquired 85% control holding in James Finlay (Kenya) Limited for a consideration of USD 33.5Mn on 26th November 2023.

James Finlay (Kenya) Limited is one of the largest plantation Company in Kenya it's assets include eleven thousand hectare of Plantation which produce 30 Mn Kilograms of high quality tea annually and a commercial timber reserve comprising of primarily eucalyptus grandis trees.

The provisional fair values of the identifiable assets and liabilities of the acquire as at the date of foreign acquisition were;

Assets	
Property, plant and equipment	23,302,483
Right-of-use assets	31,529,470
Intangible assets	403,653
Bearer biological assets	5,812,144
Consumable biological assets	1,755,068
Investment Property	1,366,618
Inventories	3,015,810
Trade and other receivables	3,879,719
Current Tax Assets	122,671
Cash and cash equivalents	2,346,189
Total Assets	73,533,825
Liabilities	
Retirement benefit obligations	1,173,406
Deferred tax liabilities	11,193,410
Short term loans	7,183,035
Trade and other Payables	3,046,399
Bank Overdraft	1,125,737
Total Liabilities	23,721,988

Fair value of identifiable net assets acquired	49,811,837
Results of the acquisitions of above subsidiaries are as follows;	
Fair value of identifiable net assets acquired	49,811,837
Less - Fair value of consideration paid	(10,842,931)
Less - Transaction cost	-
Non-controlling interests acquired (Net)	(18,637,508)
Gain on bargain purchase	20,331,398
Net cash used in acquisition	
Purchase consideration	10,842,931
Consideration payable	(2,970,768)
Cash & cash equivalents acquired	(2,346,189)
Net cash outflow	5,525,974

18 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

18.1 Investments in Equity Accounted Investees - Group

As at 31st March	Group			
	Holding %		No. of shares	
	2024	2023	2024	2023
Unquoted Investments				
Gal Oya Holdings (Pvt) Ltd. (GHPL)	50%	50%	1,300,000	1,300,000
Associated Battery Manufacturers (Cey) Ltd. (ABM)	38.50%	38.50%	2,439,355	2,439,355
Gal Oya Plantations (Pvt) Ltd.(GPPL)	22.10%	22.10%	22,309,412	22,309,412
Verginia International Investments Ltd. (VIIL)	40%	40%	800,000	800,000
NPH Developments (Pvt) Ltd. (NPHD)	50%	50%	999	999
LOLC Global (Pvt) Ltd.	43.08%	43.08%	19,000,000	19,000,000
Sierra Cables PLC (SCABLES)	29.18%	29.18%	156,866,167	156,866,167
Hatton National Bank (HNB) - Voting Shares	10.0%	9.99%	42,781,221	42,781,221
- Non Voting Shares	45.87%	45.87%	49,131,696	49,131,696

Notes to the Financial Statements

18 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES CONTD.

18.1 Investments in Equity Accounted Investees - Group Contd.

18.1.1 Group share of Net Assets of Equity Accounted Investees

	Equity Value of Investment in Equity Accounted Investees - Group								
	LOLC Global Rs.000	VIII Rs.000	NPHD Rs.000	ABM Rs.000	GHPL Rs.000	GPPL Rs.000	HNB Rs.000	SCABLES Rs.000	Total Rs.000
Equity Value of Investment as at 1st April 2022	5,512,056	5,138	253,192	18,009	-	-	29,912,531	1,799,683	37,500,608
On acquisition	-	-	-	-	-	-	162,458	-	162,458
Gain on Bargain Purchase of Associates	(348,766)	-	(117,817)	192,916	19,601	1,180,996	3,013,400	301,580	4,241,909
Share of Profit/(Loss) of Equity Accounted Investees (Net of Tax)	551,461	-	39,937	-	-	5,513	563,064	(56,307)	1,103,668
Share of other comprehensive income of equity accounted investees (Net of Tax)	-	-	-	-	-	-	(674,584)	-	(674,584)
Disposals	-	-	-	-	-	-	12,761	-	12,761
Transferred from Other Financial Assets	-	-	-	-	-	-	3,135	-	3,135
Dividend Paid	-	-	-	-	-	-	(67,987)	-	(67,987)
Equity Value of Investment as at 31st March 2023	5,714,750	5,138	175,311	210,924	19,601	1,186,509	32,924,778	2,044,957	42,281,967
Gain on Bargain Purchase of Associates	-	-	-	-	-	-	-	-	-
Share of Profit/(Loss) of Equity Accounted Investees (Net of Tax)	(33,833)	-	(104,921)	233,903	37,950	225,276	3,946,536	225,728	4,530,639
Share of other comprehensive income of equity accounted investees (Net of Tax)	(436,289)	-	(36,854)	-	-	-	1,077,856	2,305	607,018
Dividend Paid	-	-	-	-	-	-	(1)	-	(1)
Contributions by and distributions to owners	4,953,637	-	-	-	-	-	-	-	4,953,637
Equity value for Investment as at 31st March 2024	10,198,265	5,138	33,537	444,827	57,550	225,276	37,949,169	2,272,989	52,373,260

Summarised Financial Information of Equity Accounted Investees

Statement of Profit & loss	For the year ended 31st March 2024							
	LOLC Global Rs.000	VIII Rs.000	NPHD Rs.000	ABM Rs.000	GHPL Rs.000	GPPL Rs.000	HNB Rs.000	SCABLES Rs.000
Revenue/Net operating Income	1,596,806	-	2,757	8,838,453	112,983	8,031,788	108,456,762	8,150,444
Cost of sales	-	-	-	(7,571,200)	-	(3,776,836)	-	(6,322,575)
Other Income	-	-	-	45,667	-	70,875	-	203,989
Expenses	(1,667,872)	-	(201,400)	(516,736)	(1,029)	(3,291,929)	(71,321,564)	(1,108,906)
Profit/(Loss) before taxation	(71,067)	-	(198,643)	796,184	111,954	1,033,898	37,135,198	922,952
Income tax expenses	(7,468)	-	-	(188,644)	(33,588)	(9,196)	(13,370,409)	(195,224)
Profit/(Loss) for the year	(78,535)	-	(198,643)	607,540	78,366	1,024,702	23,764,789	727,728

Statement of Profit & loss	For the year ended 31st March 2023							
	LOLC Global Rs.000	VIII Rs.000	NPHD Rs.000	ABM Rs.000	GHPL Rs.000	GPPL Rs.000	HNB Rs.000	SCABLES Rs.000
Revenue/Net operating Income	739,217	-	-	8,785,024	40,116	14,090,586	168,975,775	7,069,360
Cost of sales	-	-	-	(7,473,573)	-	(5,673,260)	-	(4,424,283)
Other Income	-	-	-	44,188	28	37,243	-	180,038
Expenses	(1,483,993)	-	(235,634)	(739,484)	(710)	(3,159,722)	(149,815,722)	(1,558,572)
Profit/(Loss) before taxation	(744,776)	-	(235,634)	616,155	39,434	5,294,847	19,160,053	1,266,543
Income tax expenses	(481)	-	-	(115,076)	-	61,143	(1,680,932)	(233,026)
Profit/(Loss) for the year	(745,257)	-	(235,634)	501,079	39,434	5,355,990	17,479,121	1,033,517

Statement of Financial Position	As at 31st March 2024							
	LOLC Global Rs.000	VIII Rs.000	NPHD Rs.000	ABM Rs.000	GHPL Rs.000	GPPL Rs.000	HNB Rs.000	SCABLES Rs.000
Non Current Assets	633,244	-	-	617,833	-	22,908,305	-	2,889,021
Current Assets	50,338,266	12,767	-	3,962,524	147,948	5,845,285	-	6,076,001
Total Assets	50,971,509	12,767	13,399,685	4,580,357	147,948	28,753,590	2,063,999,241	8,965,022
Non Current Liabilities	-	-	-	(741,048)	-	(16,332,939)	-	(700,452)
Current Liabilities	(27,225,276)	(190)	-	(2,685,480)	(33,926)	(5,251,316)	-	(3,234,003)
Total Liabilities	(27,225,276)	(190)	(13,697,732)	(3,426,528)	(33,926)	(21,584,255)	(1,838,049,110)	(3,934,456)
Net Assets	23,746,234	12,577	(298,047)	1,153,829	114,022	7,169,335	225,950,131	5,030,566

Statement of Financial Position	As at 31st March 2023							
	LOLC Global Rs.000	VIII Rs.000	NPHD Rs.000	ABM Rs.000	GHPL Rs.000	GPPL Rs.000	HNB Rs.000	SCABLES Rs.000
Non Current Assets	16,927	-	7,681,726	594,100	39	10,999,455	-	3,083,407
Current Assets	27,466,947	12,767	4,531,035	5,060,891	38,286	3,176,818	-	4,908,074
Total Assets	27,483,874	12,767	12,212,761	5,654,991	38,325	14,176,273	1,858,771,745	7,991,481
Non Current Liabilities	-	-	(10,919,976)	(948,493)	-	(3,451,461)	-	(973,132)
Current Liabilities	(14,615,564)	(190)	(1,433,895)	(4,160,209)	(233)	(5,343,821)	-	(2,384,327)
Total Liabilities	(14,615,564)	(190)	(12,353,871)	(5,108,702)	(233)	(8,795,282)	(1,661,072,759)	(3,357,459)
Net Assets	12,868,310	12,577	(141,110)	546,289	38,092	5,380,991	197,698,986	4,634,022

18.2 Investments in Equity Accounted Investees - Company

As at 31st March	Holding %		No. of shares		Company	
	2024	2023	2024	2023	2024	2023
Unquoted Investments						
Gal Oya Plantations (Pvt) Ltd.	22.10%	22.10%	22,309,412	22,309,412	248,998	248,998
Gal Oya Holdings (Pvt) Ltd.	50%	50%	1,300,000	1,300,000	13,000	13,000
LOLC Global (Pvt) Ltd.	13.60%	13.60%	6,000,000	6,000,000	965,960	965,960
					1,227,958	1,227,958

Gal Oya Plantations (Pvt) Ltd. is the private public partnership entered into by the Group where a total of 49% of the Company is held by LOLC Holdings PLC and Brown & Company PLC.

Gal Oya Holdings (Pvt) Ltd. is the management company of Gal Oya Plantations (Pvt) Ltd.

18.3 Results on further acquisition of Group investments in Associates

Following is a summary of the results on acquisition of Group Investments during the period.

18.3.1 Further Investment in Hatton National Bank PLC (HNB PLC)

	2024 In Rs' 000	2023 In Rs' 000
Cost of the Investment	-	(3,135)
Net Assets Attributable	-	165,593
Gain on bargain purchase	-	162,458

Notes to the Financial Statements

19 OTHER NON CURRENT FINANCIAL ASSETS

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Quoted Investments (Notes 19.1)	347	452	-	-
Unquoted/ Other Investments (Notes 19.2, 19.3)	283,725	763,373	55,000	55,000
	284,072	763,825	55,000	55,000

19.1 Quoted Investments - Group

As at 31st March	Holding %		Number of shares		Fair Value	
	2024	2023	2024	2023	2024 Rs.000	2023 Rs.000
Fair Value Through OCI						
LOLC Finance PLC	0.001%	0.001%	34,621	34,621	347	452
					347	452

19.2 Unquoted/ Other Investments - Group

As at 31st March	Number of shares		Fair Value	
	2024	2023	2024 Rs.000	2023 Rs.000
Fair Value Through OCI				
Rain Forest Eco Lodge (Pvt) Ltd.	7,683,376	7,683,376	51,528	35,951
Sri Lanka Institute of Nanotechnology	3,810,180	3,810,180	55,000	55,000
Jada Resorts & SPA (Pvt) Ltd.	24,449,480	24,449,480	122,222	121,997
Sierra Industries (Pvt) Ltd	-	3,900,001	-	3,668
			228,750	216,617
Investments at amortised cost				
Investment in Term Deposits			54,975	524,887
Others			-	21,870
			283,725	763,373

19.3 Unquoted/ Other Investments - Company

As at 31st March	Number of shares		Carrying Value	
	2024	2023	2024 Rs.000	2023 Rs.000
Sri Lanka Institute of Nanotechnology	3,810,180	3,810,180	55,000	55,000
			55,000	55,000

20 DEFERRED TAX ASSETS

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	1,905,037	180,099
Disposal of subsidiaries	-	(2,124)
Origination/ (reversal) of temporary differences recognised in,		
- income statement	(275,843)	1,500,936
- other comprehensive income	3,491	229,179
Exchange differences on translation of foreign operations	(47,848)	(3,052)
Balance at the end of the year	1,584,837	1,905,037

20.1 The Closing Deferred Tax Asset relates to the following Temporary Differences;

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Property, Plant & Equipment / Investment Properties/ROU Assets	81,916	43,956
Employee Benefit Liabilities	1,992,805	466,325
Losses available for offset against future Taxable Income	20,648,253	13,225,729
Provision for Slow Moving Stocks	64,132	1,728
Provision for Bad and Doubtful Debts	91,538	53,483
	22,878,644	13,791,221

21 INVENTORIES

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Raw Material	3,341,228	5,246,958	224	1,662,354
Work-in-Progress	1,475,974	2,090,221	3,298	7,854
Finished Goods	12,511,379	10,275,973	3,846,229	4,298,639
Ethanol	535,695	2,721,077	-	-
Input Material	268,513	221,085	-	-
Growing crop nurseries	41,857	11,927	-	-
Unharvested produce stock at fair value	102,146	103,924	-	-
Harvested crops				
- Tea	801,511	817,426	-	-
- Rubber	10,372	8,405	-	-
- Coconut	513	1,250	-	-
- Commercial cane	106,243	116,368	-	-
- Other	3,550	2,256	-	-
Food and beverages	284,777	188,046	-	-
Real Estate Stock	3,696	3,597	-	-
Consumables and Spares	3,554,882	2,657,060	-	-
Goods - in - Transit	929,338	437,061	719,849	192,274
	23,971,674	24,902,633	4,569,600	6,161,120
Less: Impairment of Inventories	(967,836)	(1,278,800)	(680,909)	(951,211)
	23,003,838	23,623,833	3,888,691	5,209,909

The stock-in-trade of each category has been shown after netting off the provision made for NRV adjustments in respect of each category.

Notes to the Financial Statements

22 TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Trade Receivables	29,118,062	27,613,473	4,012,367	4,824,049
Other Receivables (Note 22.1)	32,805,856	25,394,524	1,318,711	1,222,756
	61,923,918	53,007,997	5,331,079	6,046,805
Less: Impairment of Trade Receivables	[1,778,739]	[936,523]	[1,082,382]	[559,839]
Less: Provision For other Receivables	[173,889]	[143,867]	[26,113]	[26,113]
	59,971,290	51,927,607	4,222,583	5,460,852

22.1 Other Receivables

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Value Added Tax Recoverable	2,522,738	273,167	60,203	41,301
Economic Service Charge Recoverable	2,936	15,760	-	-
Staff Loan	9,467	9,476	587	371
Withholding Tax Recoverable	191,069	133,393	6,048	118
Deposits, Advances and prepayments	7,058,043	6,946,302	34,390	44,913
Mobilisation Advances	5,106,511	1,608,120	-	-
Share holder receivable	12,909,567	14,178,840	-	-
Reimbursement of expenses	44,333	950,613	1,217,484	1,136,053
GST Recoverable	619,568	712,469	-	-
Others	4,341,624	566,384	-	-
	32,805,856	25,394,524	1,318,711	1,222,756

23 LOANS TO RELATED PARTIES

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Browns Agri Solutions (Pvt) Ltd	-	-	444,460	1,011,759
Browns Thermal Engineering (Pvt) Ltd.	-	-	662,614	750,114
Browns Group Industries (Pvt) Ltd.	-	-	499,972	403,972
Klevenberg (Pvt) Ltd.	-	-	422,300	250,000
NPH Development Pvt Ltd.	242,656	330,595	-	-
Browns Industrial Park Ltd	-	-	35,000	-
Gurind Accor (Pvt) Ltd	-	-	54,841	-
Ishara Traders (Private) Limited.	-	1,476,915	-	-
Sierra Cables PLC.	260,148	260,037	-	-
LOLC Financial Sector Holdings Pvt Ltd.	-	8,864	-	-
	502,804	2,076,411	2,119,188	2,415,846

23.1 Security and Repayment Terms of Related Party Loans

Name of the Company	Repayment	Security	Outstanding As at 31st March 2024	
			Group Rs.000	Company Rs.000
Browns Agri Solutions (Pvt) Ltd	On demand	Unsecured	-	444,460
Browns Thermal Engineering (Pvt) Ltd.	On demand	Unsecured	-	662,614
Browns Group Industries (Pvt) Ltd.	On demand	Unsecured	-	499,972
Klevenberg (Pvt) Ltd.	On demand	Unsecured	-	422,300
Browns Industrial Park Ltd	On demand	Unsecured	-	35,000
Gurind Accor (Pvt) Ltd	On demand	Unsecured	-	54,841
NPH Development Pvt Ltd.	On demand	Unsecured	242,656	-
Sierra Cables PLC.	2 years	Trade receivable	260,148	-
			502,804	2,119,188

Notes to the Financial Statements

24 AMOUNTS DUE FROM RELATED PARTIES

24.1 Amounts Due from Related Parties - Due Within One Year

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Associated Battery Manufacturers (Cey) Ltd.	313	313	-	-
Ajax Engineers (Pvt) Ltd.	-	-	27,172	1,333
Commercial Leasing & Finance PLC	-	-	-	237
BG Air Services (Pvt) Ltd.	-	-	12,086	9,739
Browns Group Industries (Pvt) Ltd.	-	-	149,390	6,152
Browns Industrial Park Ltd.	-	-	2,969	3,051
Browns Investments PLC	-	-	44,603	-
Browns Thermal Engineering (Pvt) Ltd.	-	-	260,876	25,305
Browns Global Farm (Pvt) Ltd.	-	-	178	178
Browns Tours (Pvt) Ltd.	70,083	70,083	-	-
C.F.T. Engineering Ltd.	-	-	8,844	8,844
Engineering Services (Pvt) Ltd.	24,474	24,404	24,474	24,404
Gal Oya Holdings (Pvt) Ltd.	102	72	72	72
Gal Oya Plantations (Pvt) Ltd.	-	30	-	-
Klevenberg (Pvt) Ltd.	-	-	78,746	-
Masons Mixture Ltd.	10,301	10,301	10,092	10,092
Sifang Lanka Trading (Pvt) Ltd.	-	-	3	3
Sifang Lanka (Pvt) Ltd.	-	-	-	1,176
Browns Holdings Limited.	100	100	-	-
Snowcem Products Lanka (Pvt) Ltd.	-	-	27,026	27,026
LOLC Holdings PLC	18,828	-	-	-
Taprobane Plantations Ltd.	128,447	168,660	-	-
Browns Health Care Negombo (Pvt) Ltd.	-	-	-	134,899
LOLC Advanced Technologies (Pvt) Ltd.	2,148	1,542	-	1,542
Browns Agri Solutions (Pvt) Ltd.	-	-	309,491	-
Ishara Traders (Pvt) Ltd.	-	29,930	-	-
LOLC Finance PLC	321	3,236	-	-
East Coast Land Holdings (Pvt) Ltd.	984	984	-	-
Walker & Greig (Pvt) Ltd.	-	-	2,050	2,050
The Hatton Transport & Agency Company (Pvt) Ltd.	-	-	1,055	1,055
Samudra Beach Resorts (Pvt) Ltd.	-	-	1,002	2
S.F.L.Services (Pvt) Ltd.	-	-	1,543,679	-
Matura Plantations Ltd.	-	-	4,765	4,765
Tropical Island Commodities (Pvt) Ltd	-	-	-	-
Gurind Accor (Private) Limited	-	-	5,076	1,081
General Accessories And Coating (Private) Limited	-	-	425	533
Browns Fabric Limited	-	-	-	47,533
Leapstitch Apparel (Pvt) Ltd	-	-	24,874	36,002
Leapstitch Technologies (Pvt) Ltd	-	-	12,451	5,502
Browns Leisure (Pvt) Ltd.	-	-	265,833	265,833
Ishara Traders (Private) Limited	653,392	603,267	-	-
LOLC Ventures FZE	39,154	-	-	-
- Sun Yield Bio Ingredients (Pvt) Ltd	461	-	-	-
	949,108	912,923	2,817,231	618,410
Less: Provision for Intercompany Receivables (Note 24.2)	-	-	-	-
	949,108	912,923	2,817,231	618,410

25 INCOME TAX RECOVERABLE

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	69,155	55,299	3,716	11,674
Transfer from /(to) Income Tax payables	6,282	14,182	-	-
Over provision in respect of previous years	-	-	-	(7,959)
Provision for the year	(209)	(23,694)	-	-
Other transfers	-	-	-	-
Acquisition of Subsidiaries	122,671	-	-	-
On Disposal of Subsidiary	(11,899)	-	-	-
Payments made during the year	1,321	23,368	1,321	-
Exchange Differences	17,243	-	-	-
Balance at the end of the year	204,564	69,155	5,036	3,716

26 OTHER CURRENT FINANCIAL ASSETS

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Fixed deposits and Commercial Papers	1,832,202	2,389,445	-	-
Investment in Treasury Bills	-	548	-	-
Investment in Quoted Shares [Notes 26.1, 26.2]	2,921,854	2,114,670	1,958,553	1,391,633
	4,754,056	4,504,663	1,958,553	1,391,633

Notes to the Financial Statements

26 OTHER CURRENT FINANCIAL ASSETS CONTD.

26.1 Investments in Quoted Shares

As at 31st March	Group					
	Number of Shares		Cost		Carrying Values	
	2024	2023	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Fair Value through profit or loss						
John Keells Holdings PLC	343	343	26	26	68	49
Seylan Bank PLC- Voting	41,169,196	41,169,196	2,122,020	2,122,020	1,934,952	1,370,934
Hayleys PLC	287,050	287,050	11,314	11,314	23,567	20,120
Ambeon Holdings PLC	100	100	-	-	4	4
CT Land Development PLC	19,500	19,500	470	470	448	548
Vallibel Finance PLC	90,400	90,400	249	249	3,526	2,974
Raigam Wayamba Salters PLC	26,200	26,200	66	66	178	181
Hatton National Bank PLC.	407	397	62	62	61	35
DFCC Bank PLC	4,530	4,013	267	267	345	176
Hapugastenna Plantations PLC	100	100	1	1	4	4
Sierra Cables PLC	7,400	7,400	22	22	88	89
Overseas Reality PLC	18,862,530	18,862,530	359,820	359,820	317,603	287,711
Colombo Land and Development Company PLC	2,722	2,722	74	74	48	55
Pan Asia Bank	296,698	296,698	4,500	4,500	6,320	3,709
Wealth Trust Securities [Pvt] Ltd	3,156,480	3,156,480	250,000	250,000	634,642	428,082
			2,748,891	2,748,891	2,921,854	2,114,670

26.2 Investments in Quoted Shares

As at 31st March	Company					
	Number of Shares		Cost		Carrying Values	
	2024	2023	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Fair Value through profit or loss						
John Keells Holdings PLC	343	343	26	26	68	49
Seylan Bank PLC- Voting	41,169,196	41,169,196	2,122,020	2,122,020	1,934,952	1,370,934
Hayleys PLC	286,000	286,000	11,279	11,279	23,481	20,592
Colombo Land and Development Company PLC	2,722	2,722	74	74	48	55
Ambeon Holdings PLC	100	100	539	539	4	4
			2,133,938	2,133,938	1,958,553	1,391,633

27 CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Cash at Bank	6,287,932	4,279,177	569,955	279,964
Cash in Hand	135,498	102,443	9,428	1,798
Short Term Deposits	865,471	748,556	-	-
	7,288,902	5,130,176	579,383	281,762
Bank Overdraft	(976,854)	(1,909,985)	(500,202)	(883,842)
Cash and Cash Equivalents for the purpose of Statement of Cash Flows	6,312,048	3,220,191	79,181	(602,080)

28 STATED CAPITAL

As at 31st March	Number of shares		Group		Company	
	2024	2023	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Ordinary Shares	212,625,000	212,625,000	9,093,101	9,093,101	9,093,101	9,093,101

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders.

29 CAPITAL RESERVES

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Revaluation Reserve	(1,333,989)	17,827,053	3,613,885	3,613,885
Fair Value through Other Comprehensive Income Reserve	5,224,063	(348,618)	-	-
Foreign Currency Translation Reserve	23,369,844	15,959,769	-	-
	27,259,918	33,438,204	3,613,885	3,613,885

29.1 Revaluation Reserve

The Revaluation reserve relates to the revaluation surplus of property, plant & equipment. Once the respective revalued items have been disposed, the relevant portion of the revaluation surplus is transferred to retained earnings.

29.2 Fair Value through Other Comprehensive Income Reserve - FVOCI Reserve

The FVOCI reserve comprises the cumulative net changes in the fair value through OCI financial assets until the assets are derecognised or impaired.

29.3 Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve comprises the cumulative net change in foreign currency translation.

Notes to the Financial Statements

30 REVENUE RESERVE

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Retained Earnings	33,838,400	36,572,209	14,055,323	18,302,322
	33,838,400	36,572,209	14,055,323	18,302,322

31 LOANS AND BORROWINGS

31.1 Long-Term Borrowings

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	34,729,341	35,756,156	5,921,370	7,044,111
Obtained during the year	13,578,753	9,039,569	1,950,308	3,245,665
Amortised Interest	2,362,710	-	-	-
Exchange translation difference	(2,186,939)	2,086,276	-	-
Disposal of Subsidiaries	-	(1,022,061)	-	-
Repayments	(14,074,517)	(11,130,599)	(3,252,016)	(4,368,406)
Balance at the end of the year	34,409,348	34,729,341	4,619,662	5,921,370

31.2 Debentures

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Debentures (Note 31.5.3)	2,251,700	2,780,000	2,000,000	2,000,000
Balance at the end of the year	2,251,700	2,780,000	2,000,000	2,000,000
Total (31.1 and 31.2)	36,661,048	37,509,341	6,619,662	7,921,370
Due after one Year	30,308,082	29,733,779	3,536,484	3,868,333
Due within one Year	6,352,966	7,775,562	3,083,178	4,053,037
	36,661,048	37,509,341	6,619,662	7,921,370

31.3 Analysis of Loans and Borrowings - Company

Name of the Lending Institution	Payable Within One year Rs.000	Payable after One year			As at 31st March 2024 Rs.000	As at 31st March 2023 Rs.000
		Payable 1-2 years Rs.000	Payable 2-5 Years Rs.000	More than 5 Years Rs.000		
Commercial Bank of Ceylon PLC	100,008	124,970	-	-	224,978	324,986
Sampath Bank PLC	198,000	-	-	-	198,000	711,557
Seylan Bank PLC	149,830	-	-	-	149,830	349,870
Amana Bank PLC	205,000	179,429	-	-	384,429	731,000
Pan Asia Bank PLC	83,340	62,485	-	-	145,825	229,165
Hatton National Bank PLC - Trustee Loans	-	-	-	-	-	119,992
Hatton National Bank PLC - Trustee Loans	-	-	-	-	-	438,300
Hatton National Bank PLC - Trustee Loans	-	-	-	-	-	1,162,000
National Development Bank PLC	1,422,000	-	-	-	1,422,000	-
National Development Bank PLC	192,000	894,599	-	-	1,086,599	-
Peoples Bank PLC - Trustee Loans	263,000	-	-	-	263,000	1,009,500
LOLC Finance PLC	370,000	-	-	-	370,000	370,000
State Mortgage and Investment Bank	100,000	275,000	-	-	375,000	475,000
Total	3,083,178	1,536,483	-	-	4,619,661	5,921,370

31.4 Analysis of Short Term Loans - Company

Name of the Lending Institution	As at 31st March 2024 Rs.000	As at 31st March 2023 Rs.000
Cargills Bank PLC	150,000	150,000
Commercial Leasing & Finance PLC	1,000,000	1,000,000
Commercial Bank of Ceylon PLC	946,585	650,000
DFCC Bank PLC	615,925	450,000
Hatton National Bank PLC	1,170,053	620,040
ICICI Bank	68,402	62,604
LOLC Finance PLC	5,597,984	5,537,982
MCB Bank Limited	550,000	-
Nations Trust Bank PLC	254,976	250,000
Pan Asia Bank PLC	250,000	250,000
Peoples Bank	623,431	560,160
Sampath Bank PLC	2,089,843	2,155,128
Seylan Bank PLC	500,000	500,000
The National Development Bank PLC	1,100,000	1,100,000
Union Bank PLC	250,000	300,000
Total	14,167,200	12,585,914
Commercial Papers		
Browns Investment PLC	-	289,893
Distilleries Company of Sri Lanka PLC	-	182,453
LOLC Life Assurance Limited	529,877	331,671
LOLC General Insurance PLC	-	494,378
Individual Persons	-	66,320
CAL Fixed Income Opportunities Fund	-	1,001,534
Safe Holdings (Pvt) Ltd	324,012	-
Dolphin Hotel PLC	99,910	-
Total	953,798	2,366,249
Balance at the end of the year	15,120,999	14,952,163

Notes to the Financial Statements

31 LOANS AND BORROWINGS CONTD.

31.5.1 Security and Repayment Terms - Company

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2024 Rs.000
Commercial Bank of Ceylon PLC	Term Loan	50 equal monthly instalments of Rs. 8.334 Mn & final instalment of Rs. 8.294 Mn.	Mortgage over Land and Buildings at Dambulla and stocks of Brown & Company PLC.	224,978
Sampath Bank PLC	Term Loan	71 equal monthly instalments of Rs. 21 Mn & final instalment of Rs. 9 Mn.	Lien Over shares owned by Director held in seylan Bank PLC custodial/ collateral account.	198,000
Seylan Bank PLC	Term Loan	60 monthly instalments	Mortgage over Land at Glennie Street.	149,830
Amana Bank PLC	Term Loan	72 monthly instalments - Rs 200 Mn + interest from the date of first disbursement. 72 monthly instalments - Rs 520 Mn + interest from the date of first disbursement. 72 monthly instalments - Rs 140 Mn + interest from the date of first disbursement.	1) Mortgage over two properties of S. F. L Services Pvt Ltd (Subsidiary of Brown & Company PLC). 2) Lien Over shares owned by Brown & Company PLC in Agstar PLC held in custodial/ collateral account. 3) Corporate Guarantee by S. F. L services Pvt Ltd.	384,429
National Development Bank PLC	Trustee Loan	Securitisation 2 Tranche 1 01]Maturity at 214 days Rs.2 Mn + interest 02]Maturity at 275 days Rs.41.5 Mn + interest 03]Maturity at 306 days Rs.80 Mn + interest 04]Maturity at 337 days Rs.120 Mn + interest 05]Maturity at 365 days Rs.206.5 Mn + interest 06]Maturity at 396 days Rs.193.5 Mn + interest 07]Maturity at 426 days Rs.44.5 Mn + interest 08]Maturity at 457 days Rs.115 Mn + interest 09]Maturity at 487 days Rs.12 Mn + interest 10]Maturity at 518 days Rs.54 Mn + interest 11]Maturity at 549 days Rs.110.5 Mn + interest 12]Maturity at 610 days Rs.44 Mn + interest 13]Maturity at 640 days Rs.2 Mn + interest 14]Maturity at 730 days Rs.45.5 Mn + interest Tranche 2 01]Maturity at 275 days Rs.23 Mn + interest 02]Maturity at 337 days Rs.50.5 Mn + interest 03]Maturity at 365 days Rs.60 Mn + interest 04]Maturity at 396 days Rs.52 Mn + interest 05]Maturity at 426 days Rs.17 Mn + interest 06]Maturity at 457 days Rs.5 Mn + interest 07]Maturity at 487 days Rs.25 Mn + interest 08]Maturity at 518 days Rs.20 Mn + interest 09]Maturity at 730 days Rs.98.5 Mn + interest	Trade debtors of the Company	1,422,000

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2024 Rs.000
National Development Bank PLC	Trustee Loan	Securitisation 7 Trust 01 - Tranche 01 01]Maturity at 358 days Rs.65.5 Mn + interest 02]Maturity at 389 days Rs.67.3 Mn + interest 03]Maturity at 419 days Rs.68.9 Mn + interest 04]Maturity at 450 days Rs.70.5 Mn + interest 05]Maturity at 481 days Rs.86.6 Mn + interest 06]Maturity at 511 days Rs.87.8 Mn + interest 07]Maturity at 542 days Rs.74.6 Mn + interest Trust 01 - Tranche 02 01]Maturity at 358 days Rs.43.1 Mn + interest 02]Maturity at 389 days Rs.45.4 Mn + interest 03]Maturity at 419 days Rs.47.5 Mn + interest 04]Maturity at 450 days Rs.30.5 Mn + interest 05]Maturity at 481 days Rs.32.6 Mn + interest 06]Maturity at 511 days Rs.34.6 Mn + interest 07]Maturity at 542 days Rs.36.5 Mn + interest Trust 01- Tranche 03 01]Maturity at 389 days Rs.24.2 Mn + interest 02]Maturity at 419 days Rs.23.8 Mn + interest 03]Maturity at 450 days Rs.32.1 Mn + interest 04]Maturity at 481 days Rs.31.4 Mn + interest 05]Maturity at 511 days Rs.58.9 Mn + interest 06]Maturity at 542 days Rs.35.7 Mn + interest Trust 06 - Tranche 01 Maturity at 1058 days Rs.7 Mn + interest Maturity at 1089 days Rs.16 Mn + interest Trust 06 - Tranche 02 01]Maturity at 1028 days Rs.22.4 Mn + interest 02]Maturity at 1058 days Rs.22.4 Mn + interest 03]Maturity at 1089 days Rs.22.4 Mn + interest	Trade debtors of the Company	1,086,600

Notes to the Financial Statements

31 LOANS AND BORROWINGS CONTD.

31.5.1 Security and Repayment Terms - Company Contd.

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2024 Rs.000
People's Bank PLC	Trustee Loan	Securitisation 1 Tranche 1 01]Maturity at 467 days Rs.85 Mn + interest 02]Maturity at 558 days Rs.25 Mn + interest 03]Maturity at 558 days Rs.1 Mn + interest Tranche 3 01]Maturity at 436 days Rs.5 Mn + interest 02]Maturity at 466 days Rs.100 Mn + interest 03]Maturity at 527 days Rs.1 Mn + interest Tranche 4 01]Maturity at 408 days Rs.13 Mn + interest 02]Maturity at 438 days Rs.1 Mn + interest 03]Maturity at 499 days Rs.32 Mn + interest	Trade debtors of the Company	263,000
LOLC Finance PLC	Term Loan	On Demand	Corporate Guarantee issued by Browns Investment PLC	370,000
State Mortgage & Investment Bank	Term Loan	60 Month Capital to be repaid by 20 equal quarterly instalments of Rs.25Mn.	1] Corporate Guarantee of LOLC Holdings PLC 2] Hypothecation bond for Rs. 770Mn over dealer receivables attributable to Brown & Company P:C,Browns Exide Battery Division	375,000
Pan Asia Bank PLC	Term Loan	35 equal monthly instalments of Rs. 6.945Mn & final instalment of Rs. 6.925 Mn.	Loan agreement	145,825
Company Total				4,619,661

31.5.2 Security and Repayment Terms – Group

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2024 Rs.000
Dolphin Hotels PLC				
Hongkong and Shanghai Banking Corporation Limited	Term Loan	HSBC - GBP 1.2M + interest	Primary Mortgage Bond No. 427 dated 11/02/2019 for Rs. 592,320,000 executed over Club Hotel Dolphin's Hotel premises at Waikkala owned by the subsidiary.	291,855
Hongkong and Shanghai Banking Corporation Limited	Term Loan	HSBC - Euro 1.6M + interest	Concurrent Mortgage Bond No. 429 dated 03/04/2019 for Rs. 316,672,000 executed over Club Hotel Dolphin's Hotel premises at Waikkala owned by the subsidiary.	281,821
				573,676
Matura Plantations Ltd				
Sampath Bank PLC	Term Loan	To be repaid in 59 equal monthly instalment of Rs. 16,700,000 and a final instalment of Rs. 14,700,000 Payable on 26th of each month commencing one month from the date of disbursement	Floating Primary registered mortgage bond totalling to Rs. 1,500,000,000 over Land & Building owned by Browns Properties Ltd	1,000,000
				1,000,000
Browns Engineering & Construction (Pvt) Ltd				
Seylan Bank PLC	Term Loan	16 quarterly instalments of LKR 93,750,000.00 together with monthly interest after an initial grace period of 24 Months.	1. Corporate Guarantee from Browns Investments PLC for LKR 1,500,000,000. 2. Assignment over promissory notes issued by Sri Lanka Telecom for LKR 1,500,000,000. 3. Secondary Mortgage Bonds for LKR 603,500,000. under Land and Building.	937,500
Seylan Bank PLC	Term Loan	16 quarterly instalments of LKR 93,750,000.00 together with monthly interest after an initial grace period of 24 Months.	1. Corporate Guarantee from Browns Investments PLC for LKR 1,500,000,000.00 2. Assignment over promissory notes issued by Sri Lanka Telecom for LKR 1,500,000,000.00.	1,500,000
Bank Of Ceylon	Term Loan	20 quarterly instalments of LKR 200,000,000.00 together with monthly interest.	1. Corporate Guarantee from Browns Investments PLC 2. Assignment over promissory notes issued by Sri Lanka Telecom for LKR 4,000,000,000.00.	3,400,000
				5,837,500
Browns Ari Resort (Pvt) Ltd - Maldives				
People's Bank PLC	Term Loan	1) The term loan is to repaid within seven years including one year grace period from the date drawdown. 2) The tenor of the loan facility is 72 months from the first drawdown date under the agreement comprising of a grace period of 12 months + interest.	The facility was secured by a mortgage over head lease right of Browns Ari Resort Private Limited, situated in Bodufinolhu Island, South Ari Atoll, Republic of Maldives.	2,260,510
Bank of Maldives	Term Loan	The term loan is to repaid within 10 years including one year grace period from the date drawdown.	Mortgage over head lease rights of Browns Ari Resort Pvt Ltd, situated in Bodufinolhu island, South Ari Atoll, Republic of Maldives	1,442,489
				3,702,999
Agstar PLC				
Bank of Ceylon	Term Loan	36 monthly instalments + interest		37,600
				37,600

Notes to the Financial Statements

31 LOANS AND BORROWINGS CONTD.

31.5.2 Security and Repayment Terms - Group Contd.

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2024 Rs.000
Browns Development Ltd				
National Development Bank PLC	Term Loan	01] 12 monthly instalments X Rs 150,000,000.00 + interest	In year 2019 the company has fully settled Commercial Bank loan and obtained a Finance facility from National Development Bank. The amount of the loan facility is Rs. 1,200 Mn. The agreement to mortgage for Rs. 1,200 Mn to be executed over the land at No. 112, Havelock Road, Colombo 05, owned by the subsidiary. Repayment terms of the loan facility is in 26 tranches after grace period of 11 months.	540,000
		02] 24 monthly instalments X Rs 15,000,000.00 + interest		
		03] 27 monthly instalments X Rs 45,000,000.00 + interest		
		04] 30 monthly instalments X Rs 45,000,000.00 + interest		
		05] 33 monthly instalments X Rs 45,000,000.00 + interest		
		06] 36 monthly instalments X Rs 45,000,000.00 + interest		
		07] 39 monthly instalments X Rs 45,000,000.00 + interest		
		08] 42 monthly instalments X Rs 45,000,000.00 + interest		
		09] 45 monthly instalments X Rs 45,000,000.00 + interest		
		10] 48 monthly instalments X Rs 45,000,000.00 + interest		
		11] 51 monthly instalments X Rs 45,000,000.00 + interest		
		12] 54 monthly instalments X Rs 45,000,000.00 + interest		
		13] 57 monthly instalments X Rs 45,000,000.00 + interest		
		14] 60 monthly instalments X Rs 45,000,000.00 + interest		
		15] 63 monthly instalments X Rs 45,000,000.00 + interest		
		16] 66 monthly instalments X Rs 45,000,000.00 + interest		
		17] 69 monthly instalments X Rs 42,500,000.00 + interest		
		18] 72 monthly instalments X Rs 42,500,000.00 + interest		
		19] 75 monthly instalments X Rs 40,000,000.00 + interest		
		20] 78 monthly instalments X Rs 40,000,000.00 + interest		
		21] 81 monthly instalments X Rs 40,000,000.00 + interest		
		22] 84 monthly instalments X Rs 40,000,000.00 + interest		
		23] 87 monthly instalments X Rs 40,000,000.00 + interest		
		24] 90 monthly instalments X Rs 40,000,000.00 + interest		
		25] 93 monthly instalments X Rs 40,000,000.00 + interest		
		26] 96 monthly instalments X Rs 40,000,000.00 + interest		
				540,000

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2024 Rs.000
Sun & Fun Resorts Limited				
Sampath Bank PLC	Term Loan	72 monthly instalments of 2,700,000.00 + interest.	Loans are secured by the property and the project assets located at Passikudha.	59,905
				59,905
Udapussellawa Plantations PLC				
Commercial Bank of Ceylon PLC	Term Loan	47 equal monthly instalments of Rs. 1,042,000/- each and a final instalment of Rs.1,026,000 commencing from 25.03.2020 + interest.		10,405
				10,405
Samudra Beach Resorts (Private) Limited				
Bank of Ceylon	Term Loan	60 monthly instalments + interest	Primary mortgage over property and project assets at Hiddaruwa, Kosgoda	361,869
	Term Loan	60 monthly instalments + interest		103,338
				465,207
Hapugastenne Plantations PLC				
Commercial Bank of Ceylon PLC	Term Loan	48 equal monthly instalments of Rs.2,083,000 each commenced from 25.09.2020 + interest.	Adawatte, Demodera and Shawlands in favour of Sampath Bank PLC, NDB Bank PLC and Commercial Bank	20,846
				20,846
Browns Investments PLC				
Sampath bank	Term Loan	10 monthly instalments + interest	1) Lien of 42,024,032 voting shares of Hatton National Bank of PLC. 2) Lien of 45,968,883 non voting shares of Hatton National Bank of PLC.	3,000,000
				3,000,000
NPH Investments Pvt Ltd				
Bank of Ceylon	Term Loan	105 monthly instalments with the grace period of 45 months and capital to be repaid over remaining 60 months. The term loan facility were extended by further 12 months from 105 months up to 117 months including 42 months of capital moratorium period and 6 months interest moratorium in addition to the already granted 9 months interest moratorium.	1) Mortgage over the lease hold rights of Nasandhura Palace Hotel, Male, Maldives. 2) Joint and Several guarantee of Directors of the Company. 3) Corporate guarantee obtained from LOLC Holdings PLC.	2,982,060
				1,505,758
				4,487,818
B Commodities ME[FZE]				
Peoples Bank	Term Loan	02 Years from the date of disbursement including 01 year grace period Interest to be serviced monthly including grace period commencing one month after the 1st drawdown date Capital to be settled by 12 monthly instalments after the expiry of the grace period as follows: USD 1,250,000*12= 15,000,000	Personal guarantee by Directors of the Group	8,963,573
				8,963,573

Notes to the Financial Statements

31 LOANS AND BORROWINGS CONTD.

31.5.2 Security and Repayment Terms - Group Contd.

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2024 Rs.000
PL Resorts Limited				
Mauritius Commercial Bank LTD	Term Loan	1] 2 bi annual instalments X MUR 7,500,000 + interest 2] 2 bi annual instalments X MUR 10,000,000 + interest 3] 2 bi annual instalments X MUR 15,000,000 + interest 4] 2 bi annual instalments X MUR 20,000,000 + interest 5] 4 bi annual instalments X MUR 22,500,000 + interest 6] 3 bi annual instalments X MUR 27,500,000 + interest 7] 1 bi annual instalments X MUR 32,700,000 + interest	1] Mortgage over the leasehold rights of lot 18B and 18C at Roches - Noires and lot 1A and 1B at Posta Lafayette	803,491
				803,491
Tropical Island Commodities (Pvt) Ltd				
Commercial Bank of Ceylon PLC	Term Loan	In 60 equal monthly instalments of Rs.5,000,000/- plus interest	Lien over saving account for USD 69,748.41	270,000
				270,000
Ajax Engineers (Pvt) Ltd				
Seylan bank	Term Loan	On Demand	Corporate guarantee, factory stocks and Fixed Deposit of the Company	16,667
				16,667
Group Total				34,409,348

31.5.3 Debentures

Year of Issue	Year of Redemption	Type of Issue	Interest Payable			Group		Company	
			Fixed Rate Annually	Fixed Rate Semi-annually	Fixed Rate Quarterly	2024	2023	2024	2023
2022	2027	Listed Rated Guaranteed Senior Redeemable	-	-	15.42%	1,932,700	1,932,700	1,932,700	1,932,700
2022	2027	Listed Rated Guaranteed Senior Redeemable	15.50%	-	-	67,300	67,300	67,300	67,300
2022	2024	Senior Secured Redeemable	-	9.50%	-	-	780,000	-	-
2023	2025	Senior Unlisted Secured Redeemable	16.75%	-	-	251,700	-	-	-
Total						2,251,700	2,780,000	2,000,000	2,000,000

32 LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements for the year ended 31 March 2024.

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	17,714,616	17,506,926	387,438	415,443
Additions	284,438	81,732	-	9,437
Interest expense	1,847,191	2,594,892	48,529	53,330
Payments	(4,720,229)	(4,113,764)	(85,944)	(90,772)
Other Adjustments	806,108	997,399	-	-
Disposal of Subsidiaries	(17,332)	-	-	-
Exchange difference	(1,037,416)	647,432	-	-
Lease liabilities as at 31 March	14,877,376	17,714,616	350,024	387,438

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Current	275,440	324,646	57,477	95,589
Non Current	14,601,936	17,389,971	292,547	291,849
Total lease liabilities as at 31 March	14,877,376	17,714,616	350,024	387,438

Notes to the Financial Statements

33 RETIREMENT BENEFIT OBLIGATIONS

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000

Change in the Retirement Benefit Obligations are as follows,

Defined Benefit Obligation at the beginning of the year	2,467,941	2,180,025	124,885	103,825
Interest Cost	332,520	267,246	17,581	15,574
Current Service Cost	59,093	174,590	12,580	11,552
Actuarial Loss / [Gain]	193,408	813,427	510	652
On acquisition of Subsidiary	1,173,406	-	-	-
On disposal of Subsidiary	(13,348)	-	-	-
Benefit paid	(607,900)	(967,347)	(8,668)	(6,718)
Exchange translation difference	118,090	-	-	-
Defined Benefit Obligation at the end of the year	3,723,210	2,467,941	146,888	124,885

The provision for retirement benefits obligations for the year is based on the actuarial valuation carried out by professionally qualified actuaries, as at 31st March 2024. The actuarial present value of the promised retirement benefits as at 31st March 2024 amounted to Rs. 3,723 Mn (Company - Rs. 147 Mn). The liability is not externally funded.

33.1 The total amount charged to the Income Statement in respect of Retirement Benefit Obligations is made up as follows:

For the Year Ended	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Retiring Gratuity charge for the year				
Interest charge for the year	332,520	267,246	17,581	15,574
Current service cost	59,093	174,590	12,580	11,552
	391,613	441,836	30,161	27,126

33.2 The principal assumptions used in the actuarial valuation are as follows:

33.2.1 Financial Assumptions

As at 31st March	Group	
	2024	2023
a) Discount rate		
(The rate of interest used to discount the future cash flows in order to determine the present value)	13%	14%
b) Future salary increase		
Executive	11.0%	11.5%
Non - Executive	11.0%	11.5%
c) Retirement age	60yrs	60yrs
d) The Company will continue as a going concern		

33.2 The Principal Assumptions Used In The Actuarial Valuation Are As Follows:

33.2.2 Demographic Assumptions

In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 67/07 mortality table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability of the Company.

33.2.3 Sensitivity of assumptions employed in actuarial valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

For the Year Ended	Group			
	Discount rate		Future salary increases	
	-1%	1%	-1%	1%
	Rs.000	Rs.000	Rs.000	Rs.000
Impact on profit and loss	30,453	[26,618]	[24,386]	28,432

For the Year Ended	Company			
	Discount rate		Future salary increases	
	-1%	1%	-1%	1%
	Rs.000	Rs.000	Rs.000	Rs.000
Impact on profit and loss	7,140	[6,508]	[7,291]	7,880

33.2.4 The following payments are expected on employee benefit plan - gratuity in future years.

	Company					
	Within the next 12 months	Between 1 and 2 years	Between 3 and 5 years	Between 6 and 10 years	Beyond 10 years	Total expected payments
Retirement Benefit Obligation	27,083	34,383	34,288	32,680	18,455	146,888

Notes to the Financial Statements

34 DEFERRED TAX LIABILITIES

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	14,907,757	8,884,096	2,461,154	1,176,028
Transfers to deferred tax Assets	-	-	-	-
Acquisition of Subsidiaries	11,193,410	-	-	-
Disposal of Subsidiaries	[186,042]	[7,001]	-	-
Origination/ [reversal] of temporary differences recognised in,				
- income statement	1,435,016	2,185,172	[2,073,021]	1,128,215
- other comprehensive income	16,759	3,650,848	[153]	156,911
Other adjustments / transfers	2,346,553	-	-	-
Exchange translation difference	[1,246,726]	194,642	-	-
Balance at the end of the year	28,466,726	14,907,757	387,980	2,461,154

34.1 The Closing Deferred Tax Liabilities balance relates to the following temporary differences;

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Property, Plant & Equipment / Investment Properties/ROU Assets	46,290,254	73,952,695	15,359,957	14,458,787
Bearer Biological Assets	3,732,630	3,342,277	-	-
Consumable Biological Assets	8,801,012	5,799,930	-	-
Warranty Provision	[108,446]	[119,173]	[108,446]	[119,173]
Provision for Slow Moving Stocks	[680,909]	[951,211]	[680,909]	[951,211]
Provision for Bad and Doubtful Debts	1,136,650	517,590	[1,082,382]	[559,839]
Employee Benefit Liabilities	[20,481]	[1,642,359]	[146,888]	[124,885]
Losses available for offset against future taxable income	24,159,010	[9,607,464]	[11,946,382]	[4,408,501]
Other	[150,437]	[125,771]	[101,681]	[91,328]
	83,159,284	71,166,516	1,293,270	8,203,850

35 DEFERRED INCOME

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Capital Grants [Note 35.1]	311,996	324,136	-	-
PHDT Lease Rentals [Note 35.2]	726	1,263	-	-
Income Received in Advance [Note 35.3]	55,738	42,919	55,738	42,919
Rain Forest Eco Lodge [Pvt] Ltd. [Note 35.4]	39,499	41,360	-	-
	407,959	409,678	55,738	42,919

35.1 Capital Grants

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Gross Value		
Balance at the beginning of the year	461,208	455,294
Acquisition of subsidiaries	-	-
Additions during the year	6,637	5,914
Balance at the end of the year	467,845	461,208
Amortisation		
Balance at the beginning of the year	137,072	98,479
Amortisation during the year	18,777	38,593
Balance at the end of the year	155,849	137,072
Balance at the end of the year- Net	311,996	324,136

The above represents the following.

Funds received from the Plantation Housing and Human Development Trust (PHDT), MTIP, MPI for the development of workers welfare facilities and improvements to institutional facilities.

Funds received from the Plantation Reform Project for the development of Forestry Plantations.

The amounts spent is capitalised under the relevant classification of Property, Plant and Equipment. The corresponding grant component is reflected under Deferred Income and is being amortised over the useful life span of the related asset.

35.2 PHDT Lease Rentals

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	1,263	1,800
Amortisation during the year	[537]	[537]
Balance at the end of the year	726	1,263

Premises at St.Andrew's Drive in Nuwara Eliya has been leased out to Plantation Human Development Trust (PHDT) for a period of 20 years commencing from August 2005 at a total lease rental of Rs. 10.7 Mn.

Lease rentals received are deferred and amortised over the lease period commencing from August 2005.

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Maturity analysis		
Not later than one year	537	537
Later than one year and not later than five years	189	726
	726	1,263

Notes to the Financial Statements

35 DEFERRED INCOME CONTD.

35.3 Income Received in Advance

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	42,919	31,049	42,919	31,049
Additions during the year	30,808	35,562	30,808	35,562
Amortisation during the year	(17,989)	(23,693)	(17,989)	(23,693)
Balance at the end of the year	55,738	42,919	55,738	42,919

This represents income received in advance in respect of maintenance agreements with customers.

35.4 Rain Forest Eco Lodge [Pvt] Ltd. [RFELL]

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	41,360	43,221
Amortisation during the year	(1,861)	(1,861)
Balance at the end of the year	39,499	41,360

This represents the value of 6,399,375 No. of Ordinary Shares received by Matura Plantations Ltd. equivalent to 20% of the issued Ordinary Shares of RFELL at Rs.10/- each in lieu of releasing the leasehold rights of 488, Hectares in Enselwatte, Deniyaya for Eco Tourism Project. The value of Ordinary Shares are deferred and amortised over the unexpired balance lease period. However due to the rights issue shareholdings percentage has come down from 20% to 13.44%.

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Maturity analysis		
Not later than one year	1,861	1,861
Later than one year and not later than five years	7,445	7,445
Later than five years	30,193	32,054
	39,499	41,360

36 TRADE AND OTHER PAYABLES

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Trade payables	18,681,985	10,689,964	1,049,528	2,282,061
Accrued Expenses	39,063,882	15,603,941	1,641,051	2,738,354
Value Added Tax Payable	1,018,246	961,256	-	-
Warranty Provision	138,410	119,173	108,446	119,173
Advances from Customers	4,650,124	5,337,591	-	13,738
GST Payable	-	870,848	-	-
SSCL Payable	33,160	19,078	24,723	19,078
Other Tax Payables	608,526	163,398	-	-
Security deposits payable	1,142,275	1,140,783	-	-
Payable to China Harbour Engineering Company	24,776,612	22,709,853	-	-
Payable to shareholders of Former Associates	-	1,611,505	-	-
Other Payables	10,881,956	2,952,431	178,692	212,168
	100,995,176	62,179,818	3,002,441	5,384,572

37 LOANS FROM RELATED PARTIES

37.1 Due After One Year

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
LOLC Holdings PLC	1,224,409	1,290,567
LOLC Asia Pvt Ltd.	6,431,832	2,855,536
LOLC Financial Sector Holdings Pvt Ltd.	3,915	4,720
	7,660,156	4,150,823

37.2 Due Within One Year

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
LOLC Holdings PLC.	13,030,340	16,796,645	13,030,340	16,769,463
Browns Investments PLC	-	-	30,394	49,655
I Pay Global FZC	22,589	-	-	-
LOLC Asia Holdings Pvt Ltd.	3,149,575	-	-	-
	16,202,504	16,796,645	13,060,734	16,819,118

Notes to the Financial Statements

37 LOANS FROM RELATED PARTIES CONTD.

37.3 Security and Repayment Terms of Related Party Loans - Due Within One Year

Name of the Company	Repayment Terms	Security	Outstanding Balance as at 31st March 2024	
			Group Rs.000	Company Rs.000
LOLC Holdings PLC.	On demand	Unsecured	13,030,340	13,030,340
Browns Investments PLC.	On demand	Unsecured	-	30,394
I Pay Global FZC	On demand	Unsecured	22,589	-
LOLC Asia Holdings Pvt Ltd.	On demand	Unsecured	3,149,575	-
			16,202,504	13,060,734

38 AMOUNTS DUE TO RELATED PARTIES

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Taprobane Plantations Ltd.	85,246	41,553	-	-
Galaxy Enterprises Maldives (Pvt) Ltd.	-	580	-	-
Klevenberg (Pvt) Ltd	-	-	6,536	34,496
LOLC Motors Ltd.	1,779	1,133	-	-
LOLC Corporate Services (Pvt) Ltd.	2,632	3,708	300	300
Ishara Traders (Pvt) Ltd.	-	205,128	-	205,128
LOLC Holdings PLC	127,861,396	104,311,944	17,457,435.55	359,213
LOLC Finance PLC	1,679,556	1,282,439	-	-
LOLC Technology Services Ltd.	273,663	137,072	52,323	3,436
Browns Holdings Ltd.	3,855	3,963	3,855	3,963
Browns Tours (Pvt) Ltd.	63,358	48,716	-	-
Browns Investments PLC	-	-	-	19,073
Browns Group Motels Ltd.	-	-	6,607	6,607
Browns Pharma Ltd.	-	-	84,782	84,782
Browns Healthcare Negombo (Pvt) Ltd.	-	-	8,332	-
Browns Advance Technologies (Pvt) Limited	3,458	-	3,458	-
BI Holdings (Pvt) Ltd.	-	-	4,630	4,630
Sifang Lanka (Pvt) Ltd.	-	-	929,394	-
S. F. L.Services (Pvt) Ltd	-	-	-	9,920
LOLC Development Finance PLC	-	2	-	-
NPH Development (Pvt) Ltd.	-	6,862	-	-
Sierra Cables PLC	74,977	-	-	-
LOLC Property Five (Pvt) Ltd	6,879	3,813	-	-
Chain Holdings Ltd	-	13,346	-	-
INK Investments	77,810	-	-	-
Fusion X Global FZC (UAE)	3,777,279	-	-	-
LOLC Financial Sector Holdings Pvt Ltd	38,841	-	-	-
	133,950,729	106,060,261	18,557,652	731,547

39 INCOME TAX PAYABLE

As at 31st March	Group	
	2024 Rs.000	2023 Rs.000
Balance at the beginning of the year	1,024,551	487,080
Provision for the year	267,825	711,619
Transfer to/from other liabilities	(48,934)	-
Withholding Tax Recoverable	(755)	-
Under/ (Over) Provision in respect of previous year	36,908	(2,087)
Transfer Income Tax Recoverable	6,282	14,182
Disposal of Subsidiaries	(906)	(2,938)
Payments made during the year	(561,731)	(183,306)
Balance at the end of the year	723,240	1,024,551

40 NET ASSETS PER SHARE

As at 31st March	Group	
	2024	2023
Equity Attributable to Equity holders of the Company (Rs.000)	70,191,418	79,103,513
Weighted Average Number of Ordinary Shares in Issue ('000)	212,625	212,625
Net Assets per Share (Rs.)	330.12	372.03

41 RELATED PARTY DISCLOSURES

41.1 Ultimate controlling party

The ultimate controlling party of the Group is LOLC Holdings PLC.

41.2 Transactions with key management personnel

Key management personnel compensation

According to Sri Lanka Accounting Standard- LKAS 24 "Related Party Disclosures", Key management personnel are those having authority and responsibility for planning, directing and controlling activities of the entity. Accordingly, the Board of Directors (including executive and Non-executive Directors) has been classified as Key Management Personnel of the Company. Emoluments paid to Key Management Personnel have been disclosed in Note 8.

There were no loans given to the Directors of the company during the financial year or as at the year-end.

This note should be read in conjunction with Note 23 - Loans to Related Parties, Note 24 - Amounts due from Related Parties, Note 37 - Loans from Related Parties and Note 38 - Amounts due to Related Parties.

41.3 Terms and conditions of transactions with Related Parties

All related party transactions are conducted at commercial terms agreed by the management, consistent with transfer pricing protocols. All related party outstanding balances at year-end are unsecured and are to be settled in cash. Interest-bearing borrowings are at pre-determined interest rates and terms, based on the risk profiles of the related entities.

Notes to the Financial Statements

41 RELATED PARTY DISCLOSURES CONTD.

Transactions of Brown & Company PLC with Related Companies

For the year ended	Note	2024 Rs.000	2023 Rs.000
SUBSIDIARIES			
Purchase of Goods/ Services	41.3.1	144,934	714,044
Sale of Goods	41.3.1	161,057	364,754
Loan			
Granted	41.3.2	2,740,858	4,991,683
Recovered	41.3.2	3,037,516	5,086,366
Obtained	41.3.3	414,500	110,307
Settled	41.3.3	793,907	459,245
Interest			
Income	41.3.2	626,277	496,001
Expense	41.3.3	61,908	47,782
Expenses Transferred To	41.3.4	1,624,749	1,207,990
Shares			
Investments made	41.3.6	4,322,245	13,242,884
Rental Income			
Received	41.3.8	2,768	3,638
ASSOCIATES			
Purchase of Goods/Services	41.3.1	8,824,643	6,991,959
Sale of Goods	41.3.1	156,098	449,336
Loan			
Recovered	41.3.2	-	-
Interest			
Income	41.3.2	-	-
OTHER RELATED COMPANIES			
Sale of Goods	41.3.1	73,280	112,191
Purchase of Goods	41.3.1	94,557	61,974
Loan			
Obtained	41.3.3	26,795,253	31,897,733
Settled	41.3.3	30,808,455	15,055,624
Interest			
Expense	41.3.3	7,312,522	2,956,874
Expenses Transferred To	41.3.4	11,999	41,672
Expenses Transferred From	41.3.5	278,466	330,723
Rental Income			
Received	41.3.6	117,214	166,632
Balances of the Brown & Company PLC with Related Companies			
Trade Receivables - Related Parties	41.4	180,337	293,376
Trade Payables - Related Parties	41.5	450,262	1,544,845

41.3.1 Trading Transactions

The Company has engaged in the following trading transactions with Related Companies.

For the year ended	2024		2023	
	Sales Rs.000	Purchases Rs.000	Sales Rs.000	Purchases Rs.000
SUBSIDIARIES				
Ajax Engineers (Pvt) Ltd.	2,798	-	738	-
B.G Air Services (Pvt) Ltd.	-	28,330	13	-
Browns Agri Solutions (Pvt) Ltd.	-	-	43	30
Browns Ari Resorts (Pvt) Ltd.	564	-	48,317	-
Browns Engineering & Constructions (Pvt) Ltd.	3,216	-	3,587	-
Browns Group Industries (Pvt) Ltd.	203	1,738	1,303	1,047
Browns Industrial Park Ltd.	123	-	204	49,124
Browns Metal & Sands (Pvt) Ltd.	221	-	183	-
Browns Properties (Pvt) Ltd.	1,728	-	-	282
Browns Thermal Engineering (Pvt) Ltd.	761	10,867	277,921	35,377
Dickwella Resort (Pvt) Ltd.	-	-	94	-
Eden Hotel Lanka PLC	269	-	12,638	-
Excel Restaurants (Pvt) Ltd	-	631	-	1,684
Frontier Capital Lanka (Pvt) Ltd.	781	-	366	-
General Accessories & Coating (Pvt) Ltd.	1,383	-	549	-
Green Paradise (Pvt) Ltd.	3,666	-	3,558	-
Gurind Accor (Pvt) Ltd.	107,686	-	-	-
Hotel Sigiriya PLC	622	-	1,090	-
Klevenberg (Pvt) Ltd.	18,991	156	381	4,561
Matura Plantations Ltd.	4,299	-	4,569	-
S F L Services (Pvt) Ltd.	-	-	111	-
Riverina Resorts (Pvt) Ltd.	-	-	195	-
Samudra Beach Resorts (Pvt) Ltd.	3,497	-	3,541	-
Serendib Hotels PLC	5,749	-	2,567	-
Sierra Developments Ltd.	-	-	1,488	-
Sifang Lanka (Pvt) Ltd.	107	102,964	184	621,885
Sun & Fun Resorts Ltd.	2,813	247	1,112	54
Udapussellawa Plantations PLC.	1,026	-	-	-
Hapugastenne Plantations PLC.	100	-	-	-
Bodufaru Beach Resorts (Pvt) Ltd.	451	-	-	-
	161,054	144,933	364,754	714,044

Notes to the Financial Statements

41 RELATED PARTY DISCLOSURES CONTD.

41.3.1 Trading Transactions contd.

For the year ended	2024		2023	
	Sales Rs.000	Purchases Rs.000	Sales Rs.000	Purchases Rs.000
ASSOCIATES				
Gal Oya Plantations [Pvt] Ltd.	121,576	-	423,605	-
Associated Battery Manufacturers [Cey] Ltd. (Note 41.3.1.1)	15,552	7,810,540	23,449	6,991,959
Taprobane Plantations Ltd.	707	-	16	-
Sierra Construction Ltd.	15,132	-	2,266	-
Sierra Cables PLC.	3,131	1,014,103	-	-
	156,098	8,824,643	449,336	6,991,959
OTHER RELATED COMPANIES				
Bestie Beverages [Pvt] Ltd.	45	-	2,466	-
Commercial Insurance Brokers [Pvt] Ltd.	-	-	149	-
Leapstitch Apperal [Pvt] Ltd	51,129	-	62	-
Leapstitch Technologies [Pvt] Ltd	135	-	3,287	-
LOLC Advanced Technologies [Pvt] Ltd.	874	-	896	-
LOLC Corporate Services [Pvt] Ltd.	-	1,200	-	953
LOLC Holdings PLC	13,046	23,898	29,567	26,894
LOLC Finance PLC	-	-	8,125	-
LOLC Motors Ltd.	809	690	421	706
LOLC General Insurance Ltd.	6,149	10,954	66,970	6,809
LOLC Life Assurance Ltd.	-	22,211	198	26,189
LOLC Technology Services Ltd.	44	-	50	423
Browns Tours [Pvt] Ltd.	-	53	-	-
Browns Pilling [Pvt] Ltd.	-	19,663	-	-
LOLC Technologies Limited	231	15,889	-	-
Sun Yield Bio Ingredients [Pvt] Ltd	129	-	-	-
LOLC GEO Technologies Pvt Ltd.	33	-	-	-
Browns Developments Limited.	657	-	-	-
	73,280	94,557	112,191	61,974

41.3.1.1 Following transactions are made with Associated Battery Manufacturers [Cey] Ltd.

Name of the Company	Relationship	Nature of the transactions	Aggregate Value	As a % of Gross Revenue	Terms and Conditions
Associated Battery Manufacturers [Cey] Ltd.	Associate	Purchases in the normal course of business	7,810,540	34%	Arm's length transactions

41.3.2 Loans granted to Related Companies

The Company has granted and recovered the following Loan balances during the year.

Name of the Company	2024			2023		
	Loan Granted Rs.000	Interest Income Rs.000	Loan Recovered Rs.000	Loan Granted Rs.000	Interest Income Rs.000	Loan Recovered Rs.000
SUBSIDIARIES						
Browns Agri Solutions (Pvt) Ltd.	140,413	229,425	707,711	818,924	192,835	-
Klevenberg (Pvt) Ltd.	1,256,000	72,666	1,083,700	250,000	-	-
Browns Investments PLC	-	-	-	2,200,693	46,470	3,447,900
Browns Thermal Engineering Ltd.	864,500	205,919	952,000	1,187,066	143,522	1,067,466
Browns Group Industries (Pvt) Ltd.	342,000	113,123	246,000	535,000	113,174	571,000
Gurind Accor (Pvt) Ltd.	102,946	5,076	48,105	-	-	-
Browns Industrial Park Ltd.	35,000	68	-	-	-	-
	2,740,859	626,277	3,037,516	4,991,683	496,001	5,086,366

41.3.3 Loans obtained from Related Companies

Name of the Company	2024			2023		
	Loan Obtained Rs.000	Interest Expense Rs.000	Loan Settled Rs.000	Loan Obtained Rs.000	Interest Expense Rs.000	Loan Settled Rs.000
SUBSIDIARIES						
Browns Investments PLC	414,500	61,908	793,907	110,307	47,782	64,500
Klevenberg (Pvt) Ltd.	-	-	-	-	-	312,245
Browns Industrial Park Ltd.	-	-	-	-	-	82,500
	414,500	61,908	793,907	110,307	47,782	459,245
OTHER RELATED COMPANIES						
LOLC Holdings PLC (Note 41.3.3.1)	24,089,478	5,803,586	27,803,362	27,704,950	1,943,581	14,540,001
LOLC Finance PLC	2,000,000	1,405,700	2,000,000	3,440,000	911,143	-
LOLC Life Assurance Ltd.	605,775	81,688	489,257	275,000	56,671	-
LOLC General Insurance Ltd.	-	21,458	515,836	477,783	45,480	515,623
Dolphin Hotels PLC	100,000	90	-	-	-	-
	26,795,253	7,312,522	30,808,455	31,897,733	2,956,874	15,055,624

41.3.3.1 Following transactions are made with related companies.

Name of the Company	Relationship	Nature of the transactions	Aggregate Value	As a % of Gross Revenue	Terms and Conditions
LOLC Holdings PLC	Parent Company	Loans Obtained	24,089,478	33%	Unsecured loan at interest rate of AWPLR + 6% - 10%
LOLC Holdings PLC	Parent Company	Loans Settled	27,803,362	38%	Unsecured loan at interest rate of AWPLR + 6% - 10%

Notes to the Financial Statements

41 RELATED PARTY DISCLOSURES CONTD.

41.3.3 Loans obtained from Related Companies Contd.

41.3.4 The Company has incurred Group Expenses on behalf of the Related companies during the year on reimbursement basis as follows;

Name of the Company	2024 Expenses Transferred To Rs.000	2023 Expenses Transferred To Rs.000
SUBSIDIARIES		
Ajax Engineers (Pvt) Ltd.	15,946	1,333
BG Air Services (Pvt) Ltd.	-	26,786
Browns Agri Solutions (Pvt) Ltd.	167,211	276,290
Browns Fabric Limited	2,504	47,308
Browns Group Industries (Pvt) Ltd.	100,087	100,279
Browns Thermal Engineering (Pvt) Ltd.	193,261	178,947
Browns Investments PLC	36,350	27,538
Browns Industrial Park Ltd.	96,466	63,928
Browns Health Care Negombo (Pvt) Ltd.	-	2,032
Browns Leisure (Pvt) Ltd.	-	3,323
General Accessories & Coating (Pvt) Ltd.	5,566	533
Gurind Accor (Pvt) Ltd.	24,314	1,081
Klevenberg (Pvt) Ltd.	271,659	120,968
S. F. L.Services (Pvt)Ltd.	598	779
Sifang Lanka (Pvt) Ltd.	710,787	356,865
	1,624,749	1,207,990

OTHER RELATED COMPANIES

Masons Mixture Ltd.	-	84
Engineering Services (Pvt) Ltd.	69	84
Leapstitch Apparel (Pvt) Ltd	4,872	36,002
Leapstitch Technologies (Pvt) Ltd	6,949	5,502
Browns Holdings Limited	108	-
	11,998	41,672

Name of the Company	2024 Expenses Transferred From Rs.000	2023 Expenses Transferred From Rs.000
OTHER RELATED COMPANIES		
LOLC Technology Services Ltd.	48,887	46,716
LOLC Corporate Services (Pvt) Ltd.	1,200	900
LOLC Holdings PLC	228,141	283,107
LOLC Finance PLC	237	-
	278,465	330,723

41.3.5 The Company has made the following new investments during the year.

Name of the Company	2024 Rs.000	2023 Rs.000
Investment in Subsidiaries (Note 17.2)		
S.F.L. Services (Private) Limited	-	12,942,884
Browns Agri Solutions (Pvt) Ltd	-	300,000
Browns Fabric Limited	50,000	-
Agstar PLC	4,272,245	-
	4,322,245	13,242,884

41.3.6 Company earned Rental income from following companies during the year;

Name of the Company	2024 Rent Income Rs.000	2023 Rent Income Rs.000
SUBSIDIARIES		
General Accessories & Coating (Pvt) Ltd.	2,768	3,638
	2,768	3,638
OTHER RELATED COMPANIES		
LOLC Finance PLC	50,054	64,666
LOLC Securities Ltd.	13,072	12,780
LOLC Life Assurance Ltd.	17,550	38,146
LOLC General Insurance Ltd.	35,421	49,672
LOLC Holdings PLC	1,116	1,368
	117,213	166,632

41.4 Trade Receivables - Related Parties

	Company	
	2024 Rs.000	2023 Rs.000
Subsidiaries	26,119	101,267
Associates	121,042	130,736
Other Related companies	33,174	61,373
	180,335	293,376

Notes to the Financial Statements

41 RELATED PARTY DISCLOSURES CONTD.

41.5 Trade Payables - Related Parties

	Company	
	2024 Rs.000	2023 Rs.000
Subsidiaries	7,026	5,179
Associates	440,331	1,523,874
Other Related companies	2,905	15,792
	450,262	1,544,845

42 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds FVTPL and fair value through OCI financial investments. The Group's principal financial liabilities, comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group is exposed to market risk, credit risk and liquidity risk.

42.1 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 from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows.

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Trade and other receivables	29,127,529	27,622,949	4,012,954	4,824,420
Loans to related companies	502,804	2,076,411	2,119,188	2,415,846
Amount due from Related Companies	949,109	912,923	2,817,231	618,410
Cash at Bank	7,153,403	5,027,733	569,955	279,964
	37,732,844	35,640,015	9,519,328	8,138,639

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the default risk of the industry in which customers operate, as this factor may have an influence on credit risk.

Each new customer is analysed individually for credit worthiness before the Group's Standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available and in some cases bank references. Sales limits are established for each customer, which represents the maximum open amount without requiring approval from the management. These limits are reviewed periodically. The Group has obtained customer deposits as collateral from major customers by reviewing their past performance and credit worthiness. In addition, receivable balances are monitored on an ongoing basis with the result that Group's exposure to bad debts is not significant.

Age analysis of trade receivables:	Expected Loss rate		Company	
	2024	2023	2024 Rs.000	2023 Rs.000
0-120	1%	1%	2,963,711	4,047,819
120-240	4%	4%	194,521	356,253
240-364	16%	16%	163,255	35,120
Over 365	100%	100%	690,880	384,857
Trade receivables - Gross			4,012,367	4,824,049
Loss allowance	27%	22%	(1,082,382)	(559,839)
Trade receivables - Net			2,929,985	4,264,209

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period assessed by the board of directors.

Loans Given to Related Parties

The Group's amount due from related parties consist of the balances from affiliate companies.

Except for the specific provisions identified, the Company believes that there is no credit risk from the receivables from the related parties, because these counterparties are under the control of the Company's ultimate shareholders, who are financially healthy companies.

These balances represent amount receivable on demand. At Company level these related party exposures are closely monitored to avoid any negative impact by way of credit risk.

Carrying Amount	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Loans to related companies	502,804	2,076,411	2,119,188	2,415,846
Amount due from Related Companies	949,109	912,923	2,817,231	618,410
	1,451,913	2,989,334	4,936,419	3,034,255
Less: Provision for Intercompany Receivables	-	-	-	-
	1,451,913	2,989,334	4,936,419	3,034,255

Cash at Bank

The Group held cash at bank of Rs. 6,288 Mn as at the reporting date, which represents its maximum credit exposure on these assets. The Cash and cash equivalents are held with bank and financial institution counterparties, with good credit ratings.

Notes to the Financial Statements

42 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT CONTD.

42.1 Credit Risk contd.

Impairment losses

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Collective impairment/ Specific provisions	Company Rs.000
Balance at 1 April 2022	598,170
Impairment loss recognised	[38,331]
Balance at 31 March 2023	559,839
Impairment loss recognised	522,543
Balance at 31 March 2024	1,082,382

42.2 Liquidity Risk

Liquidity risk is the risk that Group will encounter difficulty in meeting the Obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its short and medium term capital and funding obligations, including organic growth and acquisition activities, and meet any unforeseen obligations and opportunities. The Group hold cash and undrawn committed facilities to enable the group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets [e.g. trade receivable, other financial assets] and projected cash from operations.

The Group objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans, overdrafts and finance leases over a broad spread of maturities.

Maturity Analysis	On demand Rs.000	Less than 3 months Rs.000	3 to 12 months Rs.000	More than 1 years Rs.000	2024 Total Rs.000
Group					
Interest bearing borrowings	-	-	6,628,406	44,910,018	51,538,424
Short term interest bearing borrowings and bank overdrafts	-	30,904,523	-	-	30,904,523
Trade and Other payables	100,995,176	-	-	-	100,995,176
Amounts due to related parties	133,950,729	-	-	-	133,950,729
Loans from related parties	16,202,504	-	-	7,660,156	23,862,660
Other payables	-	778,189	-	-	778,189
	251,148,409	31,682,712	6,628,406	52,570,174	342,029,702
Company					
Interest bearing borrowings	-	-	3,140,656	3,829,030	6,969,686
Short term interest bearing borrowings and bank overdrafts	-	15,621,201	-	-	15,621,201
Trade and Other payables	3,002,441	-	-	-	3,002,441
Amounts due to related parties	18,557,652	-	-	-	18,557,652
Loans from related parties	13,060,734	-	-	-	13,060,734
Other payables	-	5,794	-	-	5,794
	34,620,827	15,626,995	3,140,656	3,829,030	57,217,508

42.2.1 Net Debt

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Other Current Financial Assets	4,754,056	4,504,663	1,958,553	1,391,633
Cash in hand and at bank	7,288,902	5,130,176	579,383	281,762
Total liquid assets	12,042,958	9,634,839	2,537,935	1,673,395
Non current portion of borrowings	30,308,082	29,733,779	3,536,484	3,868,333
Short term borrowings	29,927,670	29,069,859	15,120,999	14,952,163
Current portion of borrowings	6,352,966	7,775,562	3,083,178	4,053,037
Bank overdrafts	976,854	1,909,985	500,202	883,842
Lease Liabilities	14,877,376	17,714,616	350,024	387,438
Loans from Related Parties	16,202,504	16,796,645	13,060,734	16,819,118
Total liabilities	98,645,451	103,000,447	35,651,621	40,963,931
Net debt	[86,602,494]	[93,365,608]	[33,113,686]	[39,290,535]

42.3 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 risk comprise of the following types of risk:

- » Interest Rate Risk
- » Currency Risk
- » Commodity price risk
- » Equity Price Risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The analysis excludes the impact of movements in market variables on the carrying values of other post-retirement obligations, provisions, and the non-financial assets and liabilities.

42.3.1 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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Most lenders grant loans under floating interest rates. The management periodically analyse the interest rate movements to manage this risk by taking mitigating actions.

Notes to the Financial Statements

42 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT CONTD.

42.3.2 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 has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements. Group treasury analyses the market condition of foreign exchange and provides market updates to the board, with the use of external consultants' advice. Based on the suggestions made by Group treasury, the board takes decisions on whether to hold, sell, or make forward bookings of foreign currency.

42.3.2.1 Exposure

The company's exposure to foreign currency risk at the end of the reporting period, was as follows:

Company

As at 31st March	2024			2023		
	USD	LKR	Others	USD	LKR	Others
Trade and other receivable	-	4,012,954	-	-	4,824,420	-
Loans to related companies	-	2,119,188	-	-	2,415,846	-
Amount due from Related Companies	-	2,817,231	-	-	618,410	-
Cash at Bank	-	569,955	-	-	279,964	-
Loans and Borrowings	-	22,090,684	-	-	23,260,970	-
Trade and Other Payables	536,787	2,360,180	105,474	4,935	5,379,257	380
Loans from Related Parties	-	13,060,734	-	-	16,819,118	-
Amounts due to Related Parties	-	18,557,652	-	-	731,547	-
Bank Overdrafts	-	500,202	-	-	883,842	-

Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. Capital consist of ordinary share, retained earnings and non- controlling interests of the group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary share holders.

The Board seeks to maintain a balance between the higher returns that might be possible with the higher levels of borrowings and the advantage and security afforded by a sound capital position.

As at 31st March	Group		Company	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
Net debt	86,602,494	93,365,608	33,113,686	39,290,535
Total equity	188,743,671	172,642,422	26,762,309	31,009,308
Net debt to equity ratio	46%	54%	124%	127%

42.4.1 Financial Instruments - Group

a) The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced liquidation or sale.

(i) Classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value are trade and other receivables, amounts due from related parties, loans given to related parties, cash and cash equivalents, trade and other payables, amount due to related parties, loans from related parties and loans and borrowings.

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9

Financial assets by categories	Financial assets at amortised cost		Financial assets at fair value through profit or loss [FVTPL]		Fair Value through Other Comprehensive income [FVOCI]		Total Fair Value	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial instruments in non-current assets								
Other non-current financial assets	54,975	546,756	-	-	229,097	217,069	284,072	763,825
Financial instruments in current assets								
Trade and other receivables	29,127,529	27,622,949	-	-	-	-	29,127,529	27,622,949
Loans to Related Parties	502,804	2,076,411	-	-	-	-	502,804	2,076,411
Amounts due from related parties	949,108	912,923	-	-	-	-	949,108	912,923
Other current financial assets	1,832,202	2,389,993	2,921,854	2,114,670	-	-	4,754,055	4,504,663
Cash at bank	7,153,403	5,027,733	-	-	-	-	7,153,403	5,027,733
Total	39,620,021	38,576,765	2,921,854	2,114,670	229,097	217,069	42,770,971	40,908,504

Both carrying amounts and fair value of Fair Value through Other comprehensive income (FVOCI) financial assets and financial assets at fair value through profit or loss are equal.

The fair value of loans and receivables does not significantly vary from the value based on the amortised cost methodology.

Notes to the Financial Statements

42 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT CONTD.

42.4.1 Financial Instruments - Group contd.

Financial liabilities by categories As at 31st March	Financial liabilities measured at amortised cost	
	2024 Rs.000	2023 Rs.000
Financial instruments in non-current liabilities		
Borrowings	30,308,082	29,733,779
Loan from Related parties	7,660,156	4,150,823
Total	37,968,238	33,884,602
Financial instruments in current liabilities		
Trade and other payables	100,995,176	62,179,819
Amounts due to related parties	133,950,729	106,060,261
Loans from Related parties	16,202,504	16,796,645
Short term borrowings	29,927,670	29,069,859
Current portion of borrowings	6,628,406	8,100,207
Other current financial liabilities	778,189	1,034,830
Bank overdrafts	976,854	1,909,985
Total	289,459,528	225,151,607

The fair value of financial liabilities does not significantly vary from the value based on the amortised cost methodology.

42.4.2 Financial Instruments - Company

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

Financial assets by categories	Financial assets at amortised cost		Financial assets at fair value through profit or loss (FVTPL)		Fair Value through Other Comprehensive income (FVOCI)		Total Fair Value	
	As at 31st March 2024 Rs.000	As at 31st March 2023 Rs.000	As at 31st March 2024 Rs.000	As at 31st March 2023 Rs.000	As at 31st March 2024 Rs.000	As at 31st March 2023 Rs.000	As at 31st March 2024 Rs.000	As at 31st March 2023 Rs.000
	Financial instruments in current assets							
Trade and other receivables	4,012,954	4,824,420	-	-	-	-	4,012,954	4,824,420
Loans to related parties	2,119,188	2,415,846	-	-	-	-	2,119,188	2,415,846
Amounts due from related parties	2,817,231	618,410	-	-	-	-	2,817,231	618,410
Other current financial assets	-	-	1,958,553	1,391,633	55,000	55,000	2,013,553	1,446,633
Cash at bank	569,955	279,964	-	-	-	-	569,955	279,964
Total	9,519,328	8,138,639	1,958,553	1,391,633	55,000	55,000	11,532,881	9,585,273

Both Carrying amounts and fair value of FVOCI financial assets and financial assets at fair value through profit or loss are equal.

The fair value of financial asset and liabilities at amortised cost does not significantly vary from the value based on the amortised cost methodology for the company.

42.4.2 Financial Instruments - Company Contd.

Financial liabilities by categories As at 31st March	Financial liabilities measured at amortised cost	
	2024 Rs.000	2023 Rs.000
Financial instruments in non-current liabilities		
Loans and Borrowings	3,536,484	3,868,333
Total	3,536,484	3,868,333
Financial instruments in current liabilities		
Trade and other payables	3,002,441	5,384,572
Amounts due to related parties	18,557,652	731,547
Loan from Related parties	13,060,734	16,819,118
Short term borrowings	15,120,999	14,952,162
Current portion of borrowings	3,083,178	4,053,037
Other current financial liabilities	5,794	5,839
Bank overdrafts	500,202	883,842
Total	53,331,002	42,830,117

The Company has not designated financial liabilities upon initial recognition, fair value through profit or loss.

The fair value of financial liabilities does not significantly vary from the value based on the amortised cost methodology.

42.4.3 Financial Assets and Liabilities by Fair Value Hierarchy - Group

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs with significant effect on the recorded fair values are observable, either directly or indirectly;

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Fair value of financial instruments by classes that are not carried at fair value and of which carrying amounts are reasonable approximation of fair value are current trade and other financial receivables and payables, current and non-current loans and borrowings at floating rate, other bank deposits and cash and bank balances.

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Notes to the Financial Statements

42 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT CONTD.

42.4.3 Financial Assets and Liabilities by Fair Value Hierarchy - Group contd.

The Group held the following financial instruments carried at fair value in the statement of financial position:

Financial assets by categories	Level 1		Level 2		Level 3	
	As at	As at	As at	As at	As at	As at
	31st March	31st March	31st March	31st March	31st March	31st March
	2024	2023	2024	2023	2024	2023
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial assets						
Fair value through profit or loss	2,921,854	2,114,670	-	-	-	-
Fair Value through Other comprehensive income	-	-	347	452	228,750	238,486
Loans & Receivable	-	-	-	-	1,887,177	2,936,749
Total	2,921,854	2,114,670	347	452	2,115,927	3,175,236

For financial assets at fair value through profit or loss and Fair Value through Other comprehensive income financial assets, the carrying amount and fair value are equal.

The fair value of loans and receivables does not significantly vary from the value based on the amortised cost methodology.

42.4.4 Financial Assets and Liabilities by Fair Value Hierarchy - Company

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted [unadjusted] prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs with significant effect on the recorded fair values are observable, either directly or indirectly;

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The company held the following financial instruments carried at fair value in the statement of financial position:

Financial assets by categories	Level 1		Level 2		Level 3	
	As at	As at	As at	As at	As at	As at
	31st March	31st March	31st March	31st March	31st March	31st March
	2024	2023	2024	2023	2024	2023
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial assets						
Fair value through profit or loss	1,958,553	1,391,633	-	-	-	-
Fair Value through Other comprehensive income	-	-	-	-	55,000	55,000
Total	1,958,553	1,391,633	-	-	55,000	55,000

42.4.5 Valuation techniques and significant unobservable inputs used as follows,

Valuation Technique - Net assets basis/ Market return on a comparable investment.

Significant unobservable inputs - Carrying value of assets and liabilities adjusted for market participant assumptions/ Current market interest rates.

Relationship between inputs and fair value measurement - Variability of inputs are insignificant to have an impact on fair values.

43 COMMITMENTS AND CONTINGENT LIABILITIES

43.1 Commitments

Company

There have been no capital commitments contracted but provided for, or authorised by the board but not contracted for, outstanding as at the reporting date.

Group Companies

There have been no capital commitments contracted but provided for, or authorised by the board but not contracted for, outstanding as at the reporting date other than followings,

a) Bodufaru Beach Resort (Private) Limited

The Board of Directors of Bodufaru Beach Resort Private Limited has approved USD 102 Mn budget for the construction of a tourist resort in Republic of Maldives.

b) NPH Investment (Private) Limited

NPH Investment Private Limited is required to construct and develop a hotel in accordance with development concept submitted by the management and approved by the Government of Maldives, within a maximum period of thirty Six (36) months from the commencement date of the lease agreement entered. However, said agreement has been amended and has extended the construction period until 27th July 2024. The commitment for construction of the city hotel of NPH Investment Private Limited as at the reporting date is USD 11 Mn.

c) Riverina Resorts (Private) Limited

Capital Commitments of Riverina Resort (Private) Limited as at 31st March amounted to Rs. 4,538 Mn.

d) Agstar PLC

Description	Estimated cost	Completion %
Install New Racking System	Rs. 7.9. Mn	90%

Notes to the Financial Statements

43 COMMITMENTS AND CONTINGENT LIABILITIES CONTD.

43.2 Contingent Liabilities

Company

- a. A corporate guarantee has been issued to Hatton National Bank PLC for sum of Rs. 50 Mn, for the Banking facilities obtained by BG Air Services (Pvt) Ltd.
- b. A corporate guarantee has been issued to Seylan Bank PLC for sum of USD. 2,104 Mn for the Banking facilities obtained by Browns Investments PLC.
- c. A corporate guarantee has been issued to Sampath Bank PLC for sum of Rs. 5Bn for the Banking facilities obtained by Browns Investments PLC.
- d. A corporate guarantee has been issued to ZTE Lanka Pvt Limited for sum of USD 20Bn for the Banking facilities obtained by Browns Engineering & Construction (Pvt) Ltd.
- e. A corporate guarantee has been given to DFCC Bank for a sum of Rs.525 Mn for facilities obtained by Browns Agri Solutions (Pvt) Ltd.
- f. A corporate guarantee has been given to People's Bank for a sum of Rs.400 Mn for facilities obtained by Gal-Oya plantation (Pvt) Ltd.
- g. A corporate guarantee has been given to Seylan Bank for a sum of Rs.100 Mn for facilities obtained by Gal-Oya plantation (Pvt) Ltd.
- h. A corporate guarantee has been given to LOLC Factors Ltd for a sum of Rs. 10 Bn for facilities obtained by Rahul Capital.
- i. A corporate guarantee has been given to LOLC Factors Ltd for a sum of Rs. 12 Bn for facilities obtained by Ishara Traders.
- j. A corporate guarantee has been given to LOLC Factors Ltd for a sum of Rs. 6 Bn for facilities obtained by Sathya Capital.
- k. A corporate guarantee has been given to LOLC Factors Ltd for a sum of Rs. 7 Bn for facilities obtained by Lanka Commercial Trading (Pvt) Ltd.
- l. A corporate guarantee has been given to LOLC Factors Ltd for a sum of Rs. 12 Bn for facilities obtained by Kashyapa Capital.
- m. A corporate guarantee has been given to People's Bank for a sum of Rs.775 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.
- n. A corporate guarantee has been given to Commercial Bank for a sum of Rs. 7 Bn for facilities obtained by Gal-Oya plantation (Pvt) Ltd.
- o. A corporate guarantee has been given to Bank of Ceylon for a sum of Rs. 2.2 Bn for facilities obtained by Agstar PLC.

Group Companies

a) Browns Investments PLC

- a. A corporate guarantee has been given to Peoples Bank for a sum of Rs.360 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.
- b. A corporate guarantee has been given to DFCC Bank for a sum of Rs.155 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.
- c. A corporate guarantee has been given to Seylan Bank for a sum of Rs.373 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.
- d. A corporate guarantee has been given to Nations Trust Bank PLC for a sum of Rs.425 Mn for facilities obtained by Ajax Engineers (Pvt) Ltd.
- e. A corporate guarantee has been given to Nations Trust Bank PLC for a sum of Rs.425 Mn for facilities obtained by Brown & Company PLC.
- f. A corporate guarantee has been given to LOLC Finance PLC for a sum of Rs.1Bn for facilities obtained by Brown & Company PLC.
- g. A corporate guarantee has been issued to the Seylan Bank PLC for a sum of Rs. 1.5 Bn for the facility obtained by Browns Engineering and constructions (Pvt) Ltd.
- h. A corporate guarantee has been issued to the Bank of Ceylon for a sum of Rs. 3.4 Bn for the facility obtained by Browns Engineering and constructions (Pvt) Ltd.
- i. A corporate guarantee has been issued to the Sampath Bank PLC for a sum of Rs. 125 Mn for the facility obtained by Matura Plantations Limited.
- j. A corporate guarantee has been issued to the DFCC Bank for a sum of Rs. 100 Mn for the facility obtained by Matura Plantations Limited.

b) Serandib Hotels PLC

An employee has filed a case against Serendib Hotels PLC, charged for non-payment of Budgetary Relief Allowance after resignation.

Bentota Pradeshiya Sabha has filed a case against Serendib Hotels PLC at Magistrate Court- Balapitiya, charged for operating the Hotel without the required permit issued by the Pradeshiya Sabha in the year 2019, 2020, 2021 and 2022.

Wennappuwa Pradeshiya Sabha has filed a case against Club Hotel Dolphin at Magistrate Court- Marawila, charged for operating the Hotel without the required permit issued by the Pradeshiya Sabha in the years 2016, 2017, 2018, 2019 and 2020.

An employee has filed a case against Hotel Sigiriya PLC at Labour Tribunal - Colombo claiming for back compensation and reinstatement on grounds of wrongful termination.

Labour Commissioner has filed a case against Hotel Sigiriya PLC at Magistrate's Court- Dambulla, charged for violation of the provisions of the Industrial Disputes Act.

c) **Agstar PLC**

- a. A bank guarantee has been issued form Commercial Bank PLC to Lanka Postpate Limited for sum of Rs. 11Mn by Agstar PLC.
- b. A bank guarantee has been issued form Commercial Bank PLC to Department of Customs for sum of Rs. 187,000 by Agstar PLC.
- c. A bank guarantee has been issued form Commercial Bank PLC to Secretary Production, Supply and Regulation of Organic Fertiliser of Rs. 500,000 by Agstar PLC.
- d. A corporate guarantee has been given to Commercial Bank for a sum of Rs.127 Mn for facilities obtained by AgStar Seeds (Pvt) Ltd.
- e. A corporate guarantee has been given to Hatton National Bank for a sum of Rs.25 Mn for facilities obtained by AgStar Seeds (Pvt) Ltd.
- f. A corporate guarantee has been given to Bank of Ceylon for a sum of Rs.60 Mn for facilities obtained by AgStar Seeds (Pvt) Ltd.
- g. A corporate guarantee has been given to National Development Bank for a sum of Rs.50 Mn for facilities obtained by AgStar Seeds (Pvt) Ltd.
- h. A corporate guarantee has been given to Commercial Bank for a sum of Rs.79 Mn for facilities obtained by AgStar Cropcare (Pvt) Ltd.
- i. A corporate guarantee has been given to Hatton National Bank for a sum of Rs.100 Mn for facilities obtained by AgStar Cropcare (Pvt) Ltd.
- j. A corporate guarantee has been given to DFCC Bank for a sum of Rs.120 Mn for facilities obtained by AgStar Cropcare (Pvt) Ltd.
- k. A corporate guarantee has been given to National Development Bank for a sum of Rs.50 Mn for facilities obtained by AgStar Cropcare (Pvt) Ltd.
- l. A corporate guarantee has been given to Commercial Bank for a sum of Rs.160 Mn for facilities obtained by AgStar Grains (Pvt) Ltd.
- m. A corporate guarantee has been given to DFCC Bank for a sum of Rs.200 Mn for facilities obtained by AgStar Grains (Pvt) Ltd.
- n. A corporate guarantee has been given to Bank of Ceylon for a sum of Rs.500 Mn for facilities obtained by AgStar Grains (Pvt) Ltd.
- o. A corporate guarantee has been given to Bank of Ceylon for a sum of Rs.150 Mn for facilities obtained by Mahaweli Agro Trading (Pvt) Ltd.
- p. A corporate guarantee has been given to National Development Bank for a sum of Rs.50 Mn for facilities obtained by Mahaweli Agro Trading (Pvt) Ltd.

d) **NPH Investments Pvt Ltd**

A corporate guarantee has been issued to the Bank of Ceylon by LOLC Holdings PLC for a sum of Rs. 2.98 Bn for the facility obtained.

e) **Browns Properties (Pvt) Ltd**

The Company has issued an indemnity in favour of Colombo Municipal Council against any claims or demands of any damages to the adjacent structures and moveable an immovable properties due to the construction and also relating to the boundary disputes and or/ownership disputes including access roads and service line issues relating to the height or number of floors issues at the property at No.19 Dudley Senanayake Mawatha Colombo 08.

44 **EVENTS OCCURRING AFTER THE REPORTING DATE**

No circumstances have arisen since the reporting date which would require adjustments or disclosures in these Financial Statements, except the following.

B Commodities ME FZE, incorporated in United Arab Emirates, a subsidiary of Browns Investments PLC entered into Share Purchase Agreement (SPA) on 6th May 2024 with Ekaterra Holdco UK Limited, a Company Incorporated in England and Wales, Ekaterra Group Holdings B.V. and Ekaterra Group Holdings 2 B.V, Companies incorporated in Netherlands, all acting as sellers to acquire the controlling stakes of the following companies for a consideration to be calculated at completion in accordance with the provision of the said SPA.

Accordingly, B Commodities ME FZE acquired shares in the following companies on 30th July 2024.

Company	Country of Incorporation	Share holding to be acquired %	Annual Tea Production Volume [Kgs]	Estate Area [Hectares]
Lipton Teas and Infusions Kenya PLC	Kenya	98.94	33Mn	14,100
* Limuru Tea PLC	Kenya	51.99	3Mn	282
Lipton Teas and infusions Rwanda Limited	Rwanda	100	**2.6Mn	816

* The 51.99% of Limuru Tea plc is held by Lipton Teas and infusions Kenya PLC.

** The entity is in pre-operational stage and shows the capacity once operational.

The acquisition of Lipton Teas and Infusions Tanzania Limited is yet to be completed, as the approval is pending from the Fair Competition Commission of Tanzania.

Company	Country of Incorporation	Share holding to be acquired %	Annual Tea Production Volume [Kgs]	Estate Area [Hectares]
Lipton Teas and infusions Tanzania Limited	Tanzania	100	9.4Mn	28,572

Notes to the Financial Statements

45 SEGMENTAL INFORMATION

45.1 Primary Segments (Business Segments)

45.1.1 Group

	Trading		Manufacturing & Constructions		Investments		Plantation		
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000	
a) Segment Result									
Revenue	36,127,299	34,649,301	14,166,386	16,346,278	8,459	374,041	19,716,892	16,852,165	
Cost of Sales	(29,588,698)	(24,044,691)	(12,148,683)	(13,355,292)	-	(377,958)	(15,152,116)	(12,538,325)	
Gross Profit/ (Loss)	6,538,601	10,604,610	2,017,703	2,990,986	8,459	(3,917)	4,564,776	4,313,840	
Add : Other Income/(Expenses)	301,956	(193,844)	215,775	4,962	1,934,103	(384,881)	2,258,979	456,318	
Share of Loss of Equity Accounted Investees	-	-	-	-	-	-	-	-	
Change in fair value of Investment Properties	1,041,414	4,389,735	6,500	31,031	11,711,232	13,828,843	-	-	
Change in fair value of consumable biological assets	-	-	-	-	-	-	1,087,485	725,731	
Gain on Disposal of Investment in Equity Accounted Investees	-	-	-	-	-	-	-	-	
Gain on Bargain Purchase of Subsidiaries	-	-	-	-	-	-	-	-	
Gain on Bargain Purchase of Associates	-	-	-	-	-	-	-	-	
Loss on disposal of subsidiaries	-	-	-	-	-	77,764	-	-	
Less : Expenses	(14,014,846)	(12,699,778)	(4,053,757)	(5,088,080)	(21,048,468)	(15,953,942)	(14,973,884)	(10,071,194)	
Profit/ (Loss) before Taxation	(6,132,875)	2,100,723	(1,813,779)	(2,061,101)	(7,394,674)	(2,436,132)	(7,062,644)	(4,575,305)	
Income Tax Expense	2,062,057	(1,848,288)	(56,421)	205,293	(646,814)	(211,004)	(2,822,754)	62,520	
Profit/ (Loss) for the Year	(4,070,818)	252,435	(1,870,200)	(1,855,809)	(8,041,488)	(2,647,136)	(9,885,399)	(4,512,785)	
b) Segment Assets									
Non-current Assets	76,246,565	73,290,371	11,101,264	11,173,240	269,500,911	226,580,356	172,368,818	108,561,052	
Current Assets	23,921,755	22,842,675	38,462,849	33,134,008	95,976,632	86,112,754	18,709,785	10,595,831	
	100,168,319	96,133,046	49,564,113	44,307,248	365,477,542	312,693,110	191,078,602	119,156,883	
c) Segment Liabilities									
Non-current Liabilities	5,138,741	7,749,964	8,962,709	4,516,739	23,045,430	23,646,189	27,600,207	8,536,691	
Current Liabilities	58,217,850	47,245,101	29,451,820	26,814,527	212,507,098	154,219,558	45,791,457	33,020,736	
	63,356,591	54,995,065	38,414,529	31,331,266	235,552,528	177,865,746	73,391,664	41,557,427	

	Leisure		Real Estate		Others		Adjustments		Group Total	
	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000	2024 Rs.000	2023 Rs.000
	10,591,118	5,778,337	604,596	340,650	65,548	112,123	(671,011)	(1,801,053)	80,609,286	72,651,843
	(4,428,246)	(2,910,165)	(134,052)	(30,512)	(946,410)	(58,946)	350,707	1,405,761	(62,047,498)	(51,910,127)
	6,162,872	2,868,172	470,544	310,138	(880,863)	53,177	(320,305)	(395,291)	18,561,788	20,741,716
	635,774	(29,173)	374,456	164,328	(2,306)	(187)	(1,383,622)	(273,903)	4,335,116	(256,381)
	-	-	-	-	-	-	4,530,639	4,241,909	4,530,639	4,241,909
	(2,601)	13,000	830,256	876,061	(94,035)	40,000	-	-	13,492,767	19,178,670
	-	-	-	-	-	-	-	-	1,087,485	725,731
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	20,331,398	-	20,331,398	-
	-	-	-	-	-	-	-	162,458	-	162,458
	-	-	-	-	-	-	(27,242)	-	(27,242)	77,764
	(15,888,798)	(12,194,803)	(695,254)	(610,853)	625,374	(94,580)	1,228,608	733,596	(68,821,025)	(55,979,633)
	(9,092,753)	(9,342,803)	980,002	739,675	(351,827)	(1,590)	24,386,718	4,468,769	(6,509,074)	(11,107,766)
	(266,613)	789,010	(315,082)	(393,655)	24,026	(23,619)	-	-	(2,021,600)	(1,419,743)
	(9,359,366)	(8,553,793)	664,921	346,020	(327,803)	(25,210)	24,386,718	4,468,769	(8,530,675)	(12,527,509)
	97,436,198	90,697,222	16,123,278	15,400,729	8,113,178	10,925,323	(184,193,504)	(158,019,082)	466,696,707	378,609,209
	19,902,255	13,309,450	1,566,123	1,543,048	774,688	469,284	(102,639,521)	(79,762,277)	96,674,561	88,244,768
	117,338,453	104,006,672	17,689,401	16,943,777	8,887,867	11,394,607	(286,833,025)	(237,781,359)	563,371,268	466,853,977
	23,477,629	25,353,401	2,844,273	2,765,988	40,010	1,096,772	(5,940,929)	(4,605,795)	85,168,071	69,059,949
	41,557,186	43,614,483	2,846,996	2,708,220	947,462	1,110,520	(101,860,340)	(83,581,538)	289,459,528	225,151,607
	65,034,815	68,967,884	5,691,268	5,474,208	987,473	2,207,293	(107,801,269)	(88,187,333)	374,627,598	294,211,556

Notes to the Financial Statements

46 NON CONTROLLING INTERESTS

The following table summarises the information relating to Browns Investments PLC that has material NCI. Inter-company eliminations have been made to the information for the Browns Investments PLC subgroup in order to show the interests of NCI in that subgroup as a whole.

As at 31st March	Browns Investments PLC	
	2024	2023
Holding %	64.55%	64.55%
NCI%	35.45%	35.45%
	Rs.000	Rs.000
Total assets	414,809,376	415,902,450
Total liabilities	[242,898,663]	[244,158,513]
Net assets attributable to Equity Holders	[110,968,365]	[78,300,278]
Carrying value of NCI	60,942,348	93,443,659
Gross income	47,429,333	42,015,935
Profit/(Loss) for the year	5,783,364	[12,120,675]
Profit/(Loss) attributable to Equity Holders	10,037,387	[5,898,791]
Profit/(Loss) attributable to NCI	[4,254,024]	[6,221,884]
OCI for the year	1,670,636	2,849,228
Net cash generated from/ [used in] Operating Activities	14,877,594	26,915,860
Net cash used in from Investing Activities	[9,027,627]	[10,341,829]
Net cash generated from Financing Activities	[4,207,613]	[14,952,352]
Total net cash inflow	1,642,354	1,621,679

47 IMPACT OF THE ECONOMIC CRISIS

The Group and the Company incurred a loss of Rs. 8,531 Mn [2023 - Rs 12,528 Mn] and Rs 4,247 [2023 - Rs 1,430 Mn] respectively during the year ended 31 March 2024 and as at that date the Group's and the Company's current liabilities exceeded the current assets by Rs 192,785 Mn [2023 - Rs.136,907 Mn] and Rs. 37,798 Mn [2023 - Rs 27,544 Mn] respectively. The Company and the Group have invested significantly in the long-term investments using the funds borrowed from related companies and financial institutions. The profitability of the Company and the Group was primarily affected by unfavourable macro-economic conditions, including adverse movements in foreign exchange rates, high inflation, and elevated interest rates.

With the stabilisation of macroeconomic variables, management expects a more favourable environment. Additionally, the measures taken by management to improve business performance, including operational optimisation initiatives, are expected to further enhance overall results, as reflected in the Company's forecasted cash flows. Additionally, the parent entity of the Company, LOLC Holdings PLC, has provided an undertaking that amounts due to related parties will not be claimed immediately.

The Group's performance is expected to improve with the acquisition of Lipton Plantations in Kenya, Tanzania, and Rwanda, which was completed after the balance sheet date as explained in Note 44 to the financial statements.

The positive outlook in the tourism industry is expected to further enhance the results generated by the subsidiaries in the leisure sector and make a positive contribution at the Group level. Additionally, at the Group level, strategic initiatives are being implemented to achieve a turnaround of loss-making entities and restructure the Group to improve profitability, reduce liquidity and debt exposure.

The Board of Directors does not intend to cease operations or liquidate the Company or its subsidiary entities in the foreseeable future. The Directors have made a reasonable judgment that the Company and the Group have adequate resources to continue operating for the foreseeable future. This judgment is supported by ongoing risk mitigation initiatives and the monitoring of business continuity and response plans. Consequently, these financial statements have been prepared on the basis that the Company and the Group, as the directors believe that there are no material uncertainties that cast significant doubt on the Company's and the Group's ability to continue as a going concern.

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OUR LEADERS,
EMPLOYEES,
STAKEHOLDERS AND
PARTNERS UNITE
WITH A COMMON
GOAL OF CONTINUING
DEVELOPMENT AND
RESILIENCE IN THE
FACE OF CHALLENGE.

Ten Year Summary

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Group revenue	80,609,286	72,651,843	50,303,640	29,391,036	20,438,843	21,193,726	20,554,110	22,648,082	19,890,181	10,072,684
EBIT	48,309,136	35,778,798	43,136,596	2,799,436	4,448,224	3,979,584	5,402,671	7,330,374	133,830	2,083,560
Finance expenses	(54,818,210)	(46,886,564)	(12,832,521)	(5,582,525)	(5,418,665)	(3,861,751)	(2,970,629)	(2,910,399)	(1,370,381)	(893,396)
Share of results of Equity Accounted Investees	4,530,639	4,241,909	724,383	(122,597)	(278,942)	56,017	77,845	66,225	53,651	83,718
Profit/(Loss) before tax	(6,509,074)	(11,107,766)	30,304,075	(2,783,090)	(970,441)	117,833	2,432,042	4,419,975	(1,236,551)	1,190,164
Tax expense	(2,021,601)	(1,419,743)	(557,500)	(561,334)	(544,230)	(114,889)	(495,569)	(458,499)	(74,201)	(75,793)
Profit/(Loss) for the year	(8,530,675)	(12,527,509)	29,746,575	(3,344,424)	(1,514,671)	2,944	1,936,473	3,961,476	(1,310,752)	1,114,371
Attributable to:										
Equity holders of the parent	2,381,520	(6,230,356)	21,589,061	(16,046)	3,620,315	1,274,458	813,961	1,897,766	(205,109)	1,331,699
Non-Controlling interest	(10,912,195)	(6,297,153)	8,157,514	(3,328,378)	(5,134,986)	(1,271,514)	1,122,512	2,063,710	(1,105,643)	(217,328)
	(8,530,675)	(12,527,509)	29,746,575	(3,344,424)	(1,514,671)	2,944	1,936,473	3,961,476	(1,310,752)	1,114,371
CAPITAL EMPLOYED										
Stated capital	9,093,101	9,093,101	9,093,101	9,093,101	9,093,101	9,093,101	2,005,601	2,005,601	2,005,601	2,005,601
Capital reserves	27,259,918	33,438,204	32,960,336	17,809,193	4,643,864	3,873,928	2,454,529	2,080,753	2,010,848	1,282,743
Revenue reserves	33,838,400	36,572,209	43,154,141	19,985,456	16,520,105	12,753,386	14,900,123	14,123,385	11,997,076	12,200,875
Share holders funds	70,191,419	79,103,514	85,207,578	46,887,750	30,257,070	25,720,415	19,360,253	18,209,739	16,013,525	15,489,219
Non-Controlling interests	118,552,252	93,538,908	98,074,406	50,180,938	46,497,651	20,471,343	17,179,560	15,012,565	18,145,838	17,499,633
Total equity	188,743,671	172,642,422	183,281,984	97,068,688	76,754,721	46,191,759	36,539,813	33,222,304	34,159,363	32,988,852
Total debt	106,305,607	107,151,270	108,616,770	59,473,332	39,124,909	26,128,926	18,011,778	15,405,063	16,098,683	14,083,558
	295,049,278	279,793,692	291,898,754	156,542,019	115,879,630	72,320,685	54,551,591	48,627,367	50,258,047	47,072,410
ASSETS EMPLOYED										
Property, plant and equipment (PPE)	195,621,016	174,129,783	160,992,095	105,513,324	79,958,922	35,302,341	30,939,740	25,271,442	22,499,974	19,464,012
Non-current assets other than PPE	271,075,692	204,479,426	175,517,162	59,646,236	44,656,606	38,120,004	27,615,835	22,345,198	25,322,724	23,331,866
Current assets	96,674,562	88,244,768	78,892,279	30,602,185	23,057,277	19,313,775	16,706,508	18,438,331	13,715,280	11,989,412
Liabilities other than debt	(268,321,992)	(187,060,286)	(123,502,782)	(39,219,725)	(31,793,176)	(20,415,436)	(20,710,492)	(17,427,604)	(11,279,931)	(7,712,880)
	295,049,278	279,793,693	291,898,754	156,542,019	115,879,630	72,320,684	54,551,591	48,627,367	50,258,047	47,072,410
CASH FLOW										
Net cash flows generated from / (used in) operating activities	12,085,701	16,792,709	28,472,522	(985,535)	8,922,656	(6,327,487)	(2,761,368)	6,746,905	714,220	(633,413)
Net cash flows generated from / (used in) investing activities	(7,387,628)	(9,756,432)	(61,126,632)	(6,311,442)	(13,426,033)	(8,870,409)	(4,173,486)	(5,521,737)	(1,826,082)	(2,026,387)
Net cash flows generated from / (used in) financing activities	(1,606,215)	(8,139,033)	34,305,383	9,499,726	5,422,655	14,785,630	2,185,327	2,335,446	1,890,376	2,995,879
Net Increase / (decrease) in Cash and Cash Equivalents during the year	3,091,858	(1,102,756)	1,651,273	2,202,748	919,278	(412,265)	(4,749,526)	3,560,614	778,514	336,079
KEY INDICATORS										
Earnings/ (Loss) per Share (Rs.)	11.20	(29.30)	101.54	(0.08)	17.03	7.22	11.48	26.78	(2.89)	18.79
Net Assets per Share (Rs.)	330.12	372.03	400.74	220.52	142.30	120.97	273.16	256.93	225.94	218.54
Market Price per Share (Rs.)	110.0	119.5	133.5	155.2	42.0	48.0	69.0	71.0	79.8	96.5
Market Capitalisation	23,388,750	25,408,688	28,385,438	33,005,779	8,930,250	10,206,000	4,890,375	5,032,125	5,655,825	6,839,438
Return on Shareholders' funds (%)	3.39	(7.88)	25.34	(0.03)	11.97	4.96	4.20	10.42	(1.28)	8.60
Return on Capital Employed (%)	16.37	12.79	14.78	1.79	3.84	5.50	9.90	15.07	0.27	4.43
Price Earnings Ratio (times)	9.82	(4.08)	1.31	(2.057)	2.47	6.65	6.01	2.65	(27.57)	5.17
Interest Cover (times covered)	0.88	0.76	3.36	0.50	0.82	1.03	1.82	2.52	0.10	2.33
Current Ratio (times)	0.33	0.39	0.47	0.46	0.51	0.58	0.57	0.71	0.81	0.92
Debt to Equity Ratio (%)	56.32	62.07	59.26	61.27	50.97	56.57	49.29	46.37	47.13	41.22
Number of Shares	212,625	212,625	212,625	212,625	212,625	212,625	70,875	70,875	70,875	70,875

Economic Value Statement

As at 31st March	GROUP	
	2024 Rs.000	2023 Rs.000
Economic Value Generated		
Revenue	80,609,286	72,651,843
Interest Income	5,357,459	4,104,539
Dividend Income	223,897	-
Change in Fair Value of Investment Properties	13,492,767	19,178,670
Gain on Bargain Purchase of Subsidiaries	20,331,398	-
Gain/ (Loss) on disposal of subsidiaries	(27,242)	77,764
Gain on Bargain Purchase of Associates	-	162,458
Other Income	5,198,705	469,351
	125,186,269	96,644,625
Economic Value Distributed		
Operating Costs	62,722,234	48,131,501
Employee Wages and Benefits	10,149,290	8,018,029
Payments to Providers of Funds	54,818,210	46,886,564
Payments to Government	2,021,601	1,419,743
	129,711,336	104,455,837
Economic Value Retained		
Depreciation	3,911,804	4,677,581
Amortisation	93,805	38,714
Profit/ (Loss) for the year	(8,530,675)	(12,527,509)
	(4,525,066)	(7,811,214)

Investor Relations

SHARE ANALYSIS AS AT 31ST MARCH 2024

	TOTAL		
	NO. OF SHAREHOLDERS	NO. OF SHARES	[%]
1 to 1,000 shares	3,119	831,820	0.38
1,001 to 10,000 shares	1,232	4,386,487	2.06
10,001 to 100,000 shares	411	10,948,947	5.15
100,001 to 1,000,000 shares	33	6,935,315	3.27
over 1,000,000 shares	11	189,522,431	89.14
Total	4,806	212,625,000	100.00

CATEGORIES OF SHAREHOLDERS

	NO. OF SHAREHOLDERS	NO. OF SHARES	[%]
Individual	4,470	18,326,213	8.62
Institutional	336	194,298,787	91.38
Total	4,806	212,625,000	100
Resident	4,602	206,625,254	97.17
Non-Resident	204	5,999,746	2.83
Total	4,806	212,625,000	100.00

DIRECTORS' SHAREHOLDINGS

NO. OF SHARES	31ST MARCH 2024	31ST MARCH 2023
Sampath Bank PLC/Mr. Ishara Nanayakkara	299,700	299,700
Mr. Kapila Jayawardena	Nil	Nil
Mrs. Kalsha Amarasinghe	Nil	Nil
Mr. Janaka de Silva	Nil	Nil
Mr. Tissa Bandaranayake	Nil	Nil
Mr. Danesh Abeyratne	Nil	Nil
Mr.Thamotharampillai Sanakan	Nil	Nil

SHARE PRICE INFORMATION ON ORDINARY SHARES OF THE COMPANY FOR FIVE YEARS

Year	High [Rs.]	Low [Rs.]	Close [Rs.]
2023-2024	149.00	91.00	110.00
2022- 2023	139.00	107.50	119.50
2021 - 2022	414.75	125.00	133.50
2020 - 2021	285.00	35.00	155.25
2019-2020	92.30	36.90	42.00

LIST OF 20 MAJOR SHAREHOLDERS

31.03.2024 NAME	NO.OF SHARES	%
1.1 SEYLAN BANK/ LOLC HOLDINGS PLC (COLLATERAL)	60,000,000	28.22
1.2 LOLC HOLDINGS PLC	52,092,103	24.50
1.3 HATTON NATIONAL BANK PLC/ LOLC HOLDINGS PLC	30,000,000	4.11
2 ENGINEERING SERVICES (PVT) LIMITED	16,588,962	7.80
3 MASONS MIXTURE LIMITED	13,732,632	6.46
4 EMPLOYEE'S PROVIDENT FUND	6,914,625	3.25
5 BROWNS HOLDINGS LIMITED	4,948,182	2.33
6 ACE BONUS INVESTMENTS LIMITED	1,755,000	0.83
7 S.V.SOMASUNDERAM	1,199,825	0.56
8 VYJANTHI & COMPANY LTD	1,155,897	0.54
9 S.VASUDEVAN	1,135,205	0.53
10 SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	786,990	0.37
11 COMMERCIAL BANK OF CEYLON PLC/S.A. GULAMHUSEIN	716,015	0.34
12 HATTON NATIONAL BANK PLC/ ARUNASALAM SITHAMPALAM	395,695	0.19
13 MRS.P.C.COORAY	331,408	0.16
14 HATTON NATIONAL BANK PLC/ SARRAVANAN NEELAKANDAN	310,098	0.15
15 SAMPATH BANK PLC/ISHARA CHINTHAKA NANAYAKKARA	299,700	0.14
16 HATTON NATIONAL BANK PLC/ PALANIYANDY MURALITHARAN	270,000	0.13
17 B.W.KUNDANMAL	264,678	0.12
18 BANK OF CEYLON NO. 1 ACCOUNT	234,241	0.11
19 SIMONAS TRUST SERVICE (PVT) LTD	200,000	0.09
20 MISS M.P. RADHAKRISHNAN	192,880	0.09
TOTAL	193,524,136	91.02
No. of shares held by public	34,963,421	16.44
No. of public shareholders	4,799	
Float adjusted Market Price	Rs. 3.85 Bn	

31.03.2023 NAME	NO.OF SHARES	%
1.1 SEYLAN BANK/ LOLC HOLDINGS PLC (COLLATERAL)	60,000,000	28.22
1.2 LOLC HOLDINGS PLC	52,092,103	24.50
1.3 HATTON NATIONAL BANK PLC/LOLC HOLDINGS PLC	30,000,000	14.11
2 ENGINEERING SERVICES (PVT) LIMITED	16,588,962	7.80
3 MASONS MIXTURE LIMITED	13,732,632	6.46
4 EMPLOYEE'S PROVIDENT FUND	6,914,625	3.25
5 BROWNS HOLDINGS LIMITED	4,948,182	2.33
6 ACE BONUS INVESTMENTS LIMITED	1,755,000	0.83
7 HATTON NATIONAL BANK PLC/ SUBRAMANIAM VASUDEVAN	1,165,195	0.55
8 VYJANTHI & COMPANY LTD.	1,155,897	0.54
9 S. V. SOMASUNDARAM	1,017,823	0.48
10 SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	786,990	0.37
11 COMMERCIAL BANK OF CEYLON PLC/S.A. GULAMHUSEIN	716,015	0.34
12 HATTON NATIONAL BANK PLC/ ARUNASALAM SITHAMPALAM	395,695	0.19
13 HATTON NATIONAL BANK PLC/ SARRAVANAN NEELAKANDAN	346,011	0.16
14 MRS.P.C.COORAY	331,408	0.16
15 SAMPATH BANK PLC/ISHARA CHINTHAKA NANAYAKKARA	299,700	0.14
16 HATTON NATIONAL BANK PLC/ PALANIYANDY MURALITHARAN	270,000	0.13
17 MR.B.W.KUNDANMAL	247,442	0.12
18 BANK OF CEYLON NO. 1 ACCOUNT	234,241	0.11
19 SIMONAS TRUST SERVICE (PVT) LTD	200,000	0.09
20 MISS M.P. RADHAKRISHNAN	192,880	0.09
TOTAL	192,997,921	90.56
No. of shares held by public	34,963,421	16.44
No. of public shareholders	4,947	
Float adjusted Market Price	Rs. 4.18 Bn	

The Company complies with minimum public holding requirement under Option 1 as set out in the Listing Rules 7.14.1 [b] as at reporting date.

Parent, Subsidiary and Associate Companies

COMPANY	DIRECTORS
LOLC Holdings PLC	Ishara Nanayakkara Kapila Jayawardena Kalsha Amarasinghe Dr. Ravindra Fernando Desamanya M D D Peiris Conrad Dias
Browns Investments PLC	Ishara Nanayakkara Kamantha Amarasekera Stefan Furkhan Mrs.Kalsha Amarasinghe Kapila Jayawardena Dr.Jayanta Swaminathan
Associated Battery Manufacturers Ceylon Limited	Asish Kumar Mukherjee Avik Roy Thamotharampillai Sanakan Manju Gunawardena Ajith De Silva Partha Sarkar Sandeep Bendre
S.F.L.Services [Pvt] Ltd	Mrs.Rohini Nanayakkara Thamotharampillai Sanakan Danesh Abeyrathne
Engineering Services [Pvt] Ltd	Rohini Nanayakkara Thamotharampillai Sanakan Danesh Abeyrathne
Masons Mixture Limited	Rohini Nanayakkara Thamotharampillai Sanakan Danesh Abeyrathne
Browns Group Motels Ltd	Mrs.Rohini Nanayakkara Thamotharampillai Sanakan
C.F.T.Engineering Ltd	Mrs.Rohini Nanayakkara Thamotharampillai Sanakan
Browns Group Industries [Pvt] Ltd	Mrs.Rohini Nanayakkara Thamotharampillai Sanakan
The Hatton Transport And Agency Company [Pvt] Ltd	Rohini Nanayakkara Thamotharampillai Sanakan
Walker & Greig [Pvt] Ltd	Mrs.Rohini Nanayakkara Thamotharampillai Sanakan
Klevenberg [Pvt] Ltd	Danesh Abeyrathne Thamotharampillai Sanakan
Sifang Lanka [Pvt] Ltd	Mrs.Rohini Nanayakkara Thamotharampillai Sanakan
Galoya Holdings [Private] Limited	Kithsiri Gunawardena Danesh Abeyrathne Sanjaya Kalidasa Ananda Wijayaratne

COMPANY	DIRECTORS
Galoya Plantations [Pvt] Ltd	Kithsiri Gunawardena Danesh Abeyrathne Wasantha Batagoda Gayan Dissanayake Dr.Pradeep Uluwaduge Ms.Damitha Rathnayake Prasanna Thewarapperuma Sanjeewa Senewirathne Chinthaka Abeywickrema
Browns Thermal Engineering [Pvt] Ltd	Mrs. Rohini Nanayakkara Damcene Fernando
Browns Health Care Negombo [Pvt] Ltd	Thamotharampillai Sanakan Danesh Abeyrathne
Browns Industrial Park Ltd [Formerly Known as East West Textiles [Pvt] Ltd]	Mrs.Rohini Nanayakkara Thamotharampillai Sanakan Danesh Abeyrathne
Snowcem Products Lanka [Pvt] Ltd	Danesh Abeyrathne Thamotharampillai Sanakan
Browns Holdings Ltd	Kalsha Amarasinghe Kithsiri Gunawardena
Browns Pharma Ltd	Thamotharampillai Sanakan Manju Gunawardena
Browns Agri Solutions [Pvt] Ltd	Danesh Abeyrathne Manju Gunawardena Thamotharampillai Sanakan Wasantha Batagoda
B.I.Holdings [Pvt] Ltd [Formerly known as Browns Pharmaceuticals Limited]	Thamotharampillai Sanakan Mangala Wijesinghe
Browns Leisure [Pvt] Ltd	Danesh Abeyrathne Thamotharampillai Sanakan Gunendra Jayasena
Ceylon Nano Diagnostics [Pvt] Ltd	Danesh Abeyrathne Wasantha Batagoda Manju Gunawardena Nareshkumar Handagama Azeez Mubarak Sanjaya Bathige
Browns Property Holdings [Pvt] Ltd	Gunendra Jayasena Thamotharampillai Sanakan Danesh Abeyrathne
Browns Fabric Limited [Disposed w.e.f. 20th June 2024]	Dulip Samaraweera Charitha Jayasingha Thamotharampillai Sanakan

Parent, Subsidiary and Associate Companies

COMPANY	DIRECTORS
B.G.Air Services (Pvt) Ltd	Thamotharampillai Sanakan Kamantha Amarasekera Danesh Abeyrathne Panduka Weerasingha Gunendra Jayasena
Samudra Beach Resorts (Pvt) Ltd	Kamantha Amarasekera Rohini Nanayakkara Sunjeevani Kotakadeniya
Millennium Development (Pvt) Ltd	Kamantha Amarasekera Thamotharampillai Sanakan Eksath Wijeratne
Excel Global Holdings (Pvt) Ltd	Kamantha Amarasekera Thamotharampillai Sanakan
Taprobane Plantations Ltd	Nilimini Nanayakkara Hewa Maddumage Siripala
Excel Restaurants (Pvt) Ltd	Kamantha Amarasekera Thamotharampillai Sanakan Eksath Wijeratne
Ajax Engineers (Pvt) Ltd	Kamantha Amarasekera Vermy Gunarathne Thamotharampillai Sanakan Charitha Jayasinghe
Green Paradise (Pvt) Ltd	Kamantha Amarasekera Eksath Wijeratne Kalsha Amarasinghe Gunendra Jayasena
B I Zhongtian (Pvt) Ltd	Gunendra Jayasena Kamantha Amarasekera
Browns Global Farm (Pvt) Ltd	Gunendra Jayasena Kamantha Amarasekera
Sun & Fun Resorts Ltd	Gunendra Jayasena Vamsi Vemuru Kamantha Amarasekera Tilak Selviah Eksath Wijeratne
B I Commodities and Logistics (Pvt) Ltd	Kamantha Amarasekera Sunjeevani Kotakadeniya Gunendra Jayasena Danesh Abeyrathne Manju Gunawardena Anura Vithanage

COMPANY	DIRECTORS
Ceylon Roots Lanka [Pvt] Ltd	Gunendra Jayasena Kamantha Amarasekera Nishantha Perera Dishan Perera
Browns Teas [Pvt] Ltd	Kamantha Amarasekera Gunendra Jayasena Panduka Weerasingha
Browns Metal & Sands [Private] Ltd	Kamantha Amarasekera Danesh Abeyrathne Sunjeevani Kotakadeniya Panduka Weerasingha
Browns Engineering and Construction [Pvt] Ltd	Ishara Nanayakkara Kamantha Amarasekera Nimal Lokuge Kithsiri Gunawardena Jagath Pathirena Sunjeevani Kotakadeniya
General Accessories and Coating [Pvt] Ltd	Kamantha Amarasekera Gunendra Jayasena Charitha Jayasinghe
Gurind Accor [Pvt] Ltd	Gurmeet Singh Kamantha Amarasekera Sunjeevani Kotakadeniya
F L P C Management [Pvt] Ltd	Kamantha Amarasekera Gunendra Jayasena Panduka Weerasingha
Browns Power Holdings [Pvt] Ltd	Kamantha Amarasekera Dr. Pradeep Uluwaduge
Browns Properties [Pvt] Ltd	Kamantha Amarasekera Gunendra Jayasena Panduka Weerasingha Wasantha Batagoda
Matura Plantations Ltd	Dr. Pradeep Uluwaduge Kamantha Amarasekera Kithsiri Gunawardena Sunjeevani Kotakadeniya Christine Sriyani Perera Dhamitha Perera
The Tea Leaf Resort Holding [Pvt] Ltd	Priyantha Perera Anton Aloysius Shamendra Panditha Kamantha Amarasekera

Parent, Subsidiary and Associate Companies

COMPANY	DIRECTORS
Serendib Hotels PLC	Kapila Jayawardena Kalsha Amarasinghe Kamantha Amarasekera Dr. Jayanta Swaminathan Thilan Wijesinghe Andrew Chojnacki Dilip Rajakarier
Dolphin Hotels PLC	Kapila Jayawardena Kamantha Amarasekera Dr. Jayanta Swaminathan Stefan Furkhan Eksath Wijerathne
Hotel Sigiriya PLC	Kapila Jayawardena Kalsha Amarasinghe Kamantha Amarasekera Dr. Jayanta Swaminathan
Frontier Capital Lanka (Pvt) Ltd	Kamantha Amarasekera Dr. Jayanta Swaminathan
Sanctuary Resorts Lanka (Pvt) Ltd	Kamantha Amarasekera Dr. Jayanta Swaminathan
Kammala Hoteliers (Pvt) Ltd	Kamantha Amarasekera Dr. Jayanta Swaminathan
NPH Investment (Pvt) Ltd	Kamantha Amarasekera Ibrahim Mohamed Tilak Selviah Ali Niman Kithsiri Gunawardena Sunjeevani Kotakadeniya Mohomed Manik
Serendib Leisure Management Ltd	Kamantha Amarasekera Dr. Jayanta Swaminathan Dillip Rajakarier
Sunbird Bioenergy (SL) Limited	Ishara Nanayakkara Kamantha Amarasekera Danesh Abeyrathne Deepak Kohli Richard Bennett
Grey Reach Investments Ltd	Ishara Nanayakkara Kamantha Amarasekera Danesh Abeyrathne Kithsiri Gunawardena Deepak Kohli Richard Bennett Loc D Nguyen

COMPANY	DIRECTORS
Browns Ari Resort (Pvt) Ltd	Ishara Nanayakkara Kamantha Amarasekera Mohomed Niham S Mohmed Dr.Pradeep Uluwaduge
Browns Raa Resort (Pvt) Ltd	Dr. Pradeep Uluwaduge Kamantha Amarasekera Mohomed Niham
B Commodities ME FZE	BI Commodities & Logistics (Pvt) Ltd
Browns Hotels and Resorts Ltd	Sunjeevani Kotakadeniya Jayantha Kelegama Kamantha Amarasekera
Sri Spice (Private) Limited	Danesh Abeyrathne Manju Gunawardena Janaka Wickramasinghe
Tropical Island Commodities (Private) Limited	Danesh Abeyrathne Manju Gunawardena Janaka Wickramasinghe Danushkha Mallawarachchi Sunjeevani Kotakadeniya
Ceylon Real Estate Holdings (Pvt) Ltd	Imraz Iqbal Kamantha Amarasekera Kithsiri Gunawardena
Colombo Marina Development (Pvt) Ltd	Imraz Iqbal Kamantha Amarasekera Kithsiri Gunawardena
Marina Hotel Holdings (Pvt) Ltd	Imraz Iqbal Kamantha Amarasekera Kithsiri Gunawardena
Marina Hotel (Pvt) Ltd	Dulip Samaraweera Shehan Bartholomeuz Imraz Iqbal
Colombo Marina International (Pvt) Ltd	Dulip Samaraweera Shehan Bartholomeuz Imraz Iqbal
Hapugastenne Plantations PLC	Dr. Pradeep Uluwaduge Dushanth Ratwatte Sunjeevani Kotakadeniya Kamantha Amarasekera Anusha Perera Thiyagarajah Dharmarajah Ebert Silva Dhamitha Perera

Parent, Subsidiary and Associate Companies

COMPANY	DIRECTORS
Udapussellawa Plantations PLC	Dr.Pradeep Uluwaduge Dushanth Ratwatte Sunjeevani Kotakadeniya Kamantha Amarasekera Anusha Perera Thiyagarajah Dharmarajah Ebert Silva Dhamitha Perera
Newburgh Green Teas [Pvt] Ltd	Dr. Pradeep Uluwaduge Dushanth Ratwatte Niwantha Amarasinghe Jayantha Karunaratne Anusha Perera Sisira Pushpakumara Abhaya Gurusinghe Chandana De Silva Amrit Dayananda
Iconic Trust [Pvt] Ltd	Kamantha Amarasekera Kithsiri Gunawardena Sunjeevani Kotakadeniya Panduka Weerasingha
Agstar PLC	Indika Gunawardhana Sunjeevani Kotakadeniya Ishara Nanayakkara Pasad Weerasekera Kamantha Amarasekera Athula Ranaweera Dr. Damitha De Zoysa Siromi Wickramasinghe Danesh Abeyrathne Panduka Weerasingha Manju Gunawardena
Sierra Cables PLC	Priyantha Perera Kamantha Amarasekera Nimal Rupasinghe Prof. Ananda Jayawardena Buwanekabahu Perera Shamendra Panditha Panduka Weerasingha Sunjeevani Kotakadeniya Gunendra Jayasena

COMPANY	DIRECTORS
Browns Pilling (Private) Limited	Kamantha Amarasekera Panduka Weerasingha Jagath Pathirana Nimal Lokuge
Sansun Boutique Hotels Ltd	Panduka Weerasingha Eksath Wijeratne Gunendra Jayasena Kamantha Amarasekara
Browns Developments Limited	Wasantha Batagoda Kamantha Amarasekara Panduka Weerasingha
Agstar Seeds (Pvt) Ltd	Pasad Weerasekera Danesh Abeyarathne Panduka Weerasingha Indika Gunawardena
Agstar Grains (Pvt) Ltd	Pasad Weerasekera Indika Gunawardena Danesh Abeyarathne Panduka Weerasingha
Mahaweli Agro Trading (Pvt) Ltd	Pasad Weerasekera Danesh Abeyarathne Panduka Weerasingha Indika Gunawardena
Agstar Exports (Pvt) Ltd	Pasad Weerasekera Danesh Abeyarathne Panduka Weerasingha Indika Gunawardena
Prith Seeds (Pvt) Ltd	Pasad Weerasekera Danesh Abeyarathne Panduka Weerasingha Indika Gunawardena
Agstar Cropcare (Pvt) Ltd	Pasad Weerasekera Danesh Abeyarathne Panduka Weerasingha Indika Gunawardena
Royal Seed Company (Pvt) Ltd	Pasad Weerasekera Danesh Abeyarathne Panduka Weerasingha Indika Gunawardena
Eden Hotel Lanka PLC	Kapila Jayawardena Kalsha Amarasinghe Kamantha Amarasekara Stefan Furkhan Dr Jayantha Swaminathan

Parent, Subsidiary and Associate Companies

COMPANY	DIRECTORS
Palm Garden Hotels PLC	Kapila Jayawardena Kalsha Amarasinghe Kamantha Amarasekara Dr Jayantha Swaminathan Eksath Wijeratne
Dickwella Resorts (Pvt) Ltd	Jayantha Kelegama Gunendra Jayasena
B I Leisure Holdings (FZE)	Ishara Nanyakkara Kamantha Amarasekara
Bodufaru Beach Resort (Pvt) Ltd	Kamantha Amarasekara Kithsiri Gunwardena Mohamed Niham
Browns Kaafu N Resorts (Pvt) Ltd	Kamantha Amarasekara Ishara Nanayakkara A. Razzak
LOLC Investment Holdings Four (Pvt) Ltd	Kamantha Amarasekara Gunendra Jayasena Danesh Abeyrathne
PL Resorts Ltd	Kamantha Amarasekara Kalsha Amarasinghe Shantha Kurumbalapitiya A.M.Y. Abdul Latiff
Riverina Resorts (Pvt) Ltd	Kalsha Amarasinghe Kamantha Amarasekara
Tropical Villas (Pvt) Ltd	Kamantha Amarasekera Jayantha Kelegama Gunendra Jayasena
Hatton National Bank PLC	Nihal Jayawardene S. Renganathan W.M.M.D. Ratnayake S.Shah Devaka Cooray Prasad Samarasinghe Osman Chandrawansa Rimoe Saldin Kithsiri Gunawardena Rasitha Gunawardana
NPH Developments (Pvt) Ltd	Ibrahim Mohomed Ali Niman Sanjaya Vajirabuddhi Dulanga Asanthi

Glossary of Financial Terms

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

Shareholders' funds plus non-controlling interests and debt.

CONTINGENT LIABILITIES

A condition or situation existing at the balance sheet date due to past events, where the obligation is crystallised by the occurrence or nonoccurrence of one or more future events.

CURRENT RATIO

Current assets divided by current liabilities.

DEBT/EQUITY RATIO

Debt as a percentage of shareholders' funds and non-controlling interests.

DIVIDEND PAYABLE

Final dividend per share multiplied by the latest available total number of shares as at the date of the report.

DIVIDEND PAYOUT RATIO

Dividend as a percentage of company profits.

EARNINGS PER SHARE

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

EBIT

Earnings Before Interest and Tax (includes other income).

INTEREST COVER

Consolidated profit before interest and tax over finance expenses.

MARKET CAPITALISATION

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

NET ASSETS

Total assets minus current liabilities minus long term liabilities minus noncontrolling interests.

NET ASSETS PER SHARE

Net assets as at a particular financial year end divided by the number of shares in issue as at the current financial year end.

PRICE EARNINGS RATIO

Market price per share over earnings per share.

PUBLIC HOLDING

Percentage of shares held by the public calculated as per the Colombo Stock Exchange's Listing Rules as of the date of the Report.

RETURN ON CAPITAL EMPLOYED (ROCE)

Consolidated profit before interest and tax as a percentage of capital employed.

RETURN ON SHAREHOLDERS' FUND

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

SHAREHOLDERS' FUNDS

Total of stated capital, capital reserves and revenue reserves.

TOTAL DEBT

Long term loans plus short term loans plus overdrafts.

TOTAL EQUITY

Shareholders' funds plus non-controlling interest.

Notice of the Annual General Meeting

BROWN AND COMPANY PLC - REG. NO. PQ 25

NOTICE IS HEREBY GIVEN that the 132nd ANNUAL GENERAL MEETING of the Company will be held on Thursday, 26th of September 2024 at 11.00 a.m. as a virtual meeting with arrangements for the on-line meeting platform made at LOLC Holdings PLC, No.100/1, Sri Jayawardanapura Mawatha, Rajagiriya.

The business to be brought before the meeting will be:

- » To receive and consider the Report of the Directors and Statement of Accounts of the Company for the Financial Year ended 31st March 2024 with the Auditors' Report thereon.
- » To re-elect Mr. Danesh Abeyrathne as an Executive Director who retires by rotation in accordance with Article 24(6) of the Articles of Association of the Company.
- » To re-appoint Mr. Janaka de Silva as a Director. A Notice has been received from a shareholder in terms of Section 211 of the Companies Act No. 7 of 2007 of the intention to propose the following Resolution as an Ordinary Resolution:

RESOLUTION

"That Mr. Janaka De Silva who has reached the age of 80 years on 24th August 2024 be and is hereby re-appointed as a Director of the Company for a period of one year or until the conclusion of the next Annual General Meeting whichever occurs first and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director"

- » To re-appoint Mr. Tissa Bandaranayake as a Director. A Notice has been received from a shareholder in terms of Section 211 of the Companies Act No. 7 of 2007 of the intention to propose the following Resolution as an Ordinary Resolution:

RESOLUTION

"That Mr. Tissa Bandaranayake who has reached the age of 81 years on 3rd January 2024 be and is hereby re-appointed as a Director of the Company for a period of one year or until the conclusion of the next Annual General Meeting whichever occurs first and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director"

- » To re-appoint M/s. Deloitte Partners, Chartered Accountants, as the External Auditors of the Company for the ensuing financial year at a remuneration to be fixed by the Directors.
- » To approve in terms of the Companies [Donations] Act No. 26 of 1951, the making of donations by the Directors as determined by them for the current Financial Year and until the next Annual General Meeting of the Company

By order of the Board
BROWN AND COMPANY PLC



LOLC CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries
30th August 2024

Notes:

- 1 A member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote in his stead
- 2 A proxy need not be a member of the Company. A Form of Proxy is found at the end of this Annual Report'
- 3 The completed Form of Proxy must be addressed to "LOLC Corporate Services (Pvt) Ltd, Secretaries for Brown and Company PLC" and posted to No. 34, Sir Mohamed Macan Marikar Mawatha, Colombo 3 or scanned and emailed to the email address, corporateservices@lolc.com or sent by facsimile to +94112865602 (with the email subject titled "BCL AGM PROXY" not later than 48 hours before the time appointed for the holding of the meeting.

Stakeholder Feedback Form

Brown and Company PLC values your opinions and feedback. We invite you to share your thoughts to help us enhance our governance, operations, financial condition, and future prospects. Please take a moment to fill out this form with your comments and suggestions. Your feedback will be treated confidentially and used solely for the purpose of improving our stakeholder communication and overall performance.

Contact Information

Name :

Email :

Phone :

Company/Organization :

WHICH STAKEHOLDER GROUP/S DO YOU BELONG TO? (You may tick more than one)

- | | | |
|---|--|---|
| <input type="checkbox"/> Shareholder | <input type="checkbox"/> Employee | <input type="checkbox"/> Service Provider |
| <input type="checkbox"/> Customer | <input type="checkbox"/> Student | <input type="checkbox"/> Supplier |
| <input type="checkbox"/> Community | <input type="checkbox"/> Regulatory Body | <input type="checkbox"/> Special Interest Group |
| <input type="checkbox"/> Public Authority | <input type="checkbox"/> Journalist | |

GENERAL FEEDBACK

1. How would you rate your overall satisfaction with the Company's communication practices?

- Very Satisfied
 Satisfied
 Neutral
 Dissatisfied
 Very Dissatisfied

2. How often do you feel the Company provides timely and accurate information?

- Always
 Often
 Sometimes
 Rarely
 Never

3. How effective do you find the Company's use of its website and social media for communication?

- Very Effective
 Effective
 Neutral
 Ineffective
 Very Ineffective

SPECIFIC FEEDBACK

1. What specific aspects of the Company's communication do you find most useful?

- Financial Reports
 Annual Reports
 Press Releases
 Investor Briefings
 Social Media Updates
 Website Content
 Other (please specify):

2. How would you rate the accessibility of the Company's spokespersons for providing information and responding to queries?

- Very Accessible
 Accessible
 Neutral
 Inaccessible
 Difficult to Access

3. How effectively does the Company address your concerns and queries?

- Very Effective
 Effective
 Neutral
 Ineffective
 Very Ineffective

Stakeholder Feedback Form

Forward-Looking Information & Major Developments

1. How useful do you find the Company's forward-looking comments and information on future prospects?

- Very Useful
- Useful
- Neutral
- Not Useful
- Not Useful at All

2. How effectively does the Company handle the communication of major corporate developments [e.g., mergers, acquisitions, new products]?

- Very Effectively
- Effectively
- Neutral
- Ineffectively
- Very Ineffectively

Crisis Communication & Confidentiality

1. How confident are you in the Company's ability to manage crisis communications?

- Very Confident
- Confident
- Neutral
- Not Confident
- Not Confident at All

2. How well does the Company maintain the confidentiality of sensitive information?

- Very Effectively
- Effectively
- Neutral
- Ineffectively
- Very Ineffectively

Additional Comments

Please provide any additional comments or suggestions you have for improving the Company's communication practices.

.....

.....

Submission

Please return the completed form to:

Investor Relations/ Communications

Brown and Company PLC
No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 03.
Email: prasanna.g@brownsgroup.com

Form of Proxy

BROWN AND COMPANY PLC - REG. NO. PQ 25

I/We.....
 holder of NIC/ Reg. No.
 of.....
 being a member/members of Brown and Company PLC hereby appoint
 of.....whom failing

Ishara Nanayakkara	or failing him
Kapila Jayawardena	or failing him
Kalsha Amarasinghe	or failing her
Danesh Abeyrathne	or failing him
Thamotharampillai Sanakan	or failing him
Janaka de Silva	or failing him
Tissa Bandaranayake	

as my/our proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held as an online meeting on Thursday, 26th September 2024 at 11.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

Please indicate your preference by placing an 'X' against the Resolution.

	For	Against
» To re-elect Mr. Danesh Abeyrathne as an Executive Director, who retires by rotation in accordance with Article 24(6) of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
» To re-appoint Mr. Janaka de Silva as a Director	<input type="checkbox"/>	<input type="checkbox"/>
» To re-appoint Mr. Tissa Bandaranayake as a Director	<input type="checkbox"/>	<input type="checkbox"/>
» To re-appoint M/s. Deloitte Partners, Chartered Accountants, as the Auditors of the Company for the ensuing financial year at a remuneration to be fixed by the Directors	<input type="checkbox"/>	<input type="checkbox"/>
» To authorise the Directors to make donations	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of Two Thousand Twenty Four

.....
 Signature/s of shareholder/s

Please provide the following details:

Shareholder's NIC No. :

No. of shares held :

Proxy holder's NIC No. :
[if not a Director of this Company]

Form of Proxy

1. Please return the completed Form of Proxy after filling in legibly your full name and address, signing on the space provided and filling in the date of signature.
2. The Proxy shall
 - a) In the case of an individual, be under the hand of the shareholder or his or /her attorney, and if signed by an attorney a notarially certified copy of the Power of Attorney should be attached to the completed Form of Proxy if it has not already been registered with the Company.
 - b) If the shareholder is a company or a corporation, be either under its common seal or under the hand of an officer or attorney authorised by such organisation on that behalf in accordance with its Articles of Association or Constitution
3. Please indicate with an 'X' how the proxy should vote on each Resolution. If no indication is given, the proxy shall exercise his/her discretion and vote as he/she thinks fit.
4. The Completed Form of Proxy should be deposited at LOLC Corporate Services [Pvt] Ltd, Secretaries to Brown and Company PLC, 4th Floor, No.34, Sir Mohamed Macan Markar Mawatha, Colombo 3, or scanned and emailed to corporateservices@lolc.com with the email subject titled "BCL AGM PROXY" or sent by facsimile to +94112865602 [with the email subject titled "BCL AGM PROXY" not later than 48 hours before the time appointed for the holding of the meeting.

Corporate Information

BROWN AND COMPANY PLC - REG. NO. PQ 25

LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka on 17th August 1892 under the Joint Stock Companies Ordinance 1861 and re-registered under the Companies Act No. 07 of 2007. The Company was listed on the Colombo Stock Exchange on 25th April 1991.

COMPANY REGISTRATION NO.

PQ 25

DIRECTORS

Ishara Nanayakkara
Executive Chairman

Kapila Jayawardena
Non-Executive Director

Mrs. Kalsha Amarasinghe
Non-Executive Director

Danesh Abeyrathne
Executive Director

Thamotharampillai Sanakan
Executive Director/CEO

Janaka de Silva
Senior Interdependent Director (SID)

Tissa Bandaranayake
Independent Non-Executive Director

SECRETARIES

L O L C Corporate Services (Private) Limited,
No.100/1, Sri Jayewardenepura Mawatha,
Rajagiriya.

Tel: 011 5063000

Fax: 011 2865602

Email: corporateservices@lolc.com

REGISTRARS

S S P Corporate Services (Pvt) Ltd
101, Inner Flower Road,
Colombo 03

Tel: 011 2573894

Fax: 011 2573609

REGISTERED OFFICE

No. 481, T. B. Jayah Mawatha (Darley Road),
P. O. Box 200, Colombo 10.

Tel: 011 5063000

Fax: 011 2865602

Website: www.brownsgroup.com

BUSINESS OFFICE

No. 34, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

Tel: 011 5063000.

Fax: 011 2865602

Website: www.brownsgroup.com.

AUDITORS

Messrs Deloitte Partners,
Chartered Accountants,
No. 100, Braybrooke Place, Colombo 02.

Tel: 011 7719838

Fax: 011 2303197

Website: www.deloitte.com/lk

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
Cargills Bank Ltd.
DFCC Bank PLC
Hatton National Bank PLC
MCB Bank Ltd.
National Development Bank PLC
Peoples Bank
Pan Asia Banking Corporation PLC
Standard Chartered Bank
Sampath Bank PLC
Seylan Bank PLC
Union Bank of Colombo PLC
Nations Trust Bank
National Savings Bank
Amana Bank PLC
Bank of China Limited
State Mortgage & Investment Bank

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www.brownsgroup.com

BROWN AND COMPANY PLC

No. 481, T. B. Jayah Mawatha (Darley Road), P. O. Box 200, Colombo 10.

Tel: 011 5063000 Fax: 011 2307380

Website: www.brownsgroup.com