



# *Rainbow*

RAMBODA FALLS PLC  
ANNUAL REPORT 2022/2023



*A messy economic climate was worse by an unprecedented pandemic; melancholic dark clouds loomed over grounds of prosperity but thankfully, a **Rainbow** surfaced, a symbol of confidence and renewal for us.*

*The Ramboda Falls PLC, by working as a one team we were able to meet every demands by our valuable guest. By placing a positive perspective on each and every service offered, we transformed the basics into a new and unique lifestyle.*

# FINANCIALS AT A GLANCE

**Profit Before Tax** Rs. 7,543,850

**Revenue** Rs. 122,303,385

For the year ended 31 <sup>st</sup> March	2023 (Rs.000)	2022(Rs.000)
<b>Revenue</b>	<b>122,303</b>	<b>47,565</b>
Profit before Tax	7,544	1,979
Profit/(Loss) after Tax	(11,751)	3,480

## Financial position

Share holders' funds	495,585	580,220
Total Assets	705,187	693,009

## Per Ordinary share

Earnings/(Loss) per share	(0.59)	0.17
Net Asset per share	24.78	29.01

## Ratio

Gross profit (%)	40	28
Net profit/ (Loss) (%)	(9.6)	7
Return on shareholders fund	(2.4)	0.6
Return on Assets %	(1.7)	0.5

# *Our Hotels*

## **Ramboda Falls Hotel**

*Enjoy Unique Nature and Breath of fresh air at Hill country...*

The Ramboda falls hotel is an ideal holiday resort, discern for both local and international clientele. Located in one of the most idyllic settings in the hill country facing the magnificent view of Ramboda falls while surrounded by three other major water falls equipped with 45 luxury rooms, restaurant & bar, coffee shop and a food court.

## **Muwan Palassa Resort**

*Feel the Beauty of Simplistic Living...*

Muwan Palassa Resort is an eco-friendly bird watching paradise surrounded by nature and lush greeneries providing traditional village experience and facing the Polonnaruwa- Habarana main road, including 18 luxury rooms, restaurant, swimming pool and play ground.

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## *Our Vision*

To be a leading, attractive hotel in the hill country known for providing excellent service with unique adventures.

## *Our Mission*

To become the best choice in the hill country for its food, services and lodging catered toward nature lovers, frequent travelers and of honeymooners alike.

## *Our Core Values*

- Best interest of all stake holders
- Passion for good customer service
- Driven by innovation
- Teamwork
- Loyalty
- Exceed expectations





## Chairman's Statement

### Dear Stakeholder,

On behalf of the Board of Directors, it gives me great pleasure to welcome you to the Annual General Meeting of Ramboda Falls PLC and I'm pleased to present to you the 10<sup>th</sup> Annual Report and Audited Financial Statements for the year ended 31<sup>st</sup> March 2023.

### Performance

The Ramboda Falls PLC has seen a positive impact on its operational profitability, and hence the impact of the challenges faced over the financial year in this segment are reflected in the performance of the company. Although the Company recorded 7.5 million profit before Tax, due to the new tax rate imposed by government it has given negative impact for profit after tax. However, The Ramboda Falls PLC revenue increased by 157%, from Rs. 47Mn to Rs.122 Mn in previous financial year.

### Global tourism on a strong recovery path

Having borne the brunt of the COVID-19 pandemic over 2020 and 2021, global tourism demonstrated stronger than expected results in the calendar year of 2022, attributable to the release of pent-up demand and relaxation of travel restrictions across the globe. Over 900 million tourists travelled internationally in 2022, which translated to a 63% recovery compared to pre-pandemic levels in 2019. Middle Eastern and European regions led the pace

of recovery at 83% and 80% respectively, whilst Asia and the Pacific regions posted a more moderate recovery at 23%, owing to stronger pandemic-related restrictions. The year also saw a strong rebound in tourism spending, with income across many destinations recovering to pre-pandemic levels

### Industry Overview of Sri Lanka Tourism

Meanwhile in Sri Lanka, tourist arrivals gradually picked up from mid-2021 due reflecting easing restrictions for vaccinated travelers and the global increase in vaccination rates. The trend continued through the first three months of 2022, peaking in March 2022 with the arrival of 106,500 tourists. Ambitious sights were set on one million tourist arrivals in 2022 with a revenue generation target of USD 1.8 Bn. However, the industry was deeply affected from April 2022, as Sri Lanka experienced significant macro-economic vulnerabilities, which in turn had cascading effects all sectors of the economy.

Inflation rose to unprecedented levels fueled by both supply side effects and demand side pressures, adversely affecting spending capacities of individuals. This resultantly led to reduced demand for leisure and related services. The weakening rupee against the US dollar for most part of the year added on to inflationary pressure. The tightening monetary policy adopted by the Central Bank of Sri Lanka set market interest rates also moving

significantly up. This propelled us to revisit our capital expenditure and investment plans, and curtail them only to spend for essentials to manage our cost of funds. The acute shortage of foreign currency funds and the resultant restrictions imposed on a wide number of imported goods also affected tourism and leisure. Economic hardships inevitably led to social unrest which lasted for several months ultimately leading to a change in political leadership.

Albeit this setback, renewed hope gradually surfaced with political stability, numerous policy interventions and finalization of an Extended Fund Facility (EFF) from the International Monetary Fund (IMF), signaling the country's slow but encouraging path of recovery. Tourism sector with its characteristic agility as demonstrated through many hardships over the years, was swift in rebounding with tourist arrivals progressing during the latter part of 2022 and first quarter of 2023.

### **Overview of the Financial Year**

The Ramboda falls PLC reported an increase in turnover by 157% from LKR 47.6 Mn LKR to 122 Mn. for the financial year under review ended 31st March 2023. Although an increase over the prior year, reduced spending capacities of individuals on account of high inflation and new taxes slowed down the growth in turnover. And given negative impact for overall profit. The Company also saw several booking cancellations during the height of peaceful protests and violence that followed, Cost of sales doubled over the previous financial year. All other expenses such as administrative, marketing and finance expenses also increased exponentially, wiping out prospects of profits.

We also consciously minimized borrowings by reducing credit periods offered to the customers whilst encouraging advance payments, thereby improving the liquidity. Furthermore, continuous control and monitoring measures were taken to improve the recoveries from debtors

### **The Way Forward**

Looking ahead, the company is well-positioned for continued growth. With a strong management team, solid financial position, and a growing market, during the low occupancy period the company is spending for renovate the guest bath rooms and guide accommodation and also build a new hot water swimming pool for targeting upcoming season. These initiatives are expected to drive further growth in the company's revenue and profitability, furthermore in future we hope invest in new initiatives such as the new hotels. And we are excited about the future prospects of our company.

### **Acknowledgements**

I wish to convey my deep appreciation to our management team and staff for their untiring effort, commitment and drive.

I also take this opportunity to wish former chairmen Mr. Takashi Igarshi, former Managing Director Mr.L.S Sigera , Mr. P Sarathchandra and Mr. P A Stewart who resign from their positions and I thanks for their valuable contribution during last difficult year and warmly welcome Ms. Yau Sin Lee and Mr. J. A. D. Viraj Rasanga who join the board during the year,

Finally, I wish to convey my sincere appreciation to thank my colleagues on the Board for their invaluable guidance and constant support. And all our stakeholders including our tour operator partners, guests and shareholders for their continued support.

Mr. Kim Leng Yeoh  
Executive Chairman  
31<sup>st</sup> August 2023



# Board of Directors

## **Mr. Kim Leng Yeoh- Executive Chairman**

Kim Leng Yeoh is a Malaysian citizen (aged 70). He is the Executive Chairman and majority shareholder of several companies including Ramboda Falls PLC in Sri Lanka, ChlorTech Sdn Berhad in Malaysia, Caleb Thai Company Limited in Thailand and Linghai Hetai Equipment and Engineering in China.

He has a background in Chemical Engineering and has experience in starting up companies in water treatment, pollution control, laboratory testing of air and water samples and property investment. He also has experience working with multi-national companies across the globe including stints in USA, Europe, Australia, China, Thailand and Indonesia. He has built up expertise and extensive real estate portfolio in Australia, Indonesia, Malaysia, Singapore, Thailand, China and Sri Lanka. Multilingual in many Asian languages, he will promote Sri Lanka to attract East Asian tourists to experience the beautiful country, rich hospitality and diverse culture.

## **Mr. Ananda Karunarathne -Executive Director**

Mr. I.J. Ananda Karunarathne, 62 years of age, became an Accounts Executive in Starline Shipping and Trading Company. He then joined Tharindu Enterprises as its Manager. Later, he became a managing partner of Ajanee Enterprises. He was then employed as the Managing Director of Marco International (Pvt) Ltd, a company that manufactured garments for the export market. He was a partner of Sikano International and was able to initially start Ramboda Falls Hotel. He too is an active member of the Lions Club.

## **Mr. J.A.D. Viraj Rasanga -Executive Director**

Mr. J. A.D. Viraj Rasanga, 39 years of age, who upon successfully completed Hotel Management three basic in SLITHM. after he completing his education and industrial training in Sri Lanka, he began his career in One & Only Royal Mirage hotel Dubai in Front Office department, He has participated many of customer care Training program in Dubai and Sri Lanka. later he has worked in The Elephant corridor Hotel, Saunter Paradise Hotel and Kassapa Lion Rock Hotel as a Front Office Manager. Then after he has joined to Joes Habarana Village Hotel as a Front Office Manager cum Operation Manager. He now holds the position of General Manager and he is active member of Nuwara-Eliya Hotel Association (NEHA)

## **Mr V.N.D. Wickramasinghe -**

### **Independent Non- Executive Director**

Mr. V. N. D. Wickramasinghe, has obtained a Bachelor's Degree in Civil Engineering from the University of Moratuwa. He is a member of Institute of Engineers Sri Lanka and Project Managers Association. He was a Site Manager at Pet Packaging (Pvt) Ltd and General Manager of Elemech Engineers (Pvt) Ltd. He also holds Directorships at Natural Products Holdings (Pvt) Ltd, Trittech Engineers (Pvt) Ltd, Trittech Marketing Int. (Pvt) Ltd and Get In To Lanka (Pvt) Ltd.

**Mr. Daylamudalige Don Sunil**  
**Independent Non- Executive Director**

Mr. Daylamudalige Don Sunil, 61 years of age, is a focused, committed individual, who upon successfully completing the GCE Advance Level, was selected to University of Sri Jayawardanapura in year 1981. He completed his higher education and graduated in 1985 with a Second-Class degree in Bachelor of Commerce (Special).

While engaging in his higher education, he was able to pass the licentiate exam conducted by the Institute of Chartered Accountants SL in 1981. He is also a member in the Association of Accounting Technicians of Sri Lanka (AAT).

He is a dedicated and compassionate professional, who specializes in accounting and commerce - he received training as an audit trainee for two years in Tissa Weerasingham & Sothiyalingam Co. (Chartered Accountants), in order to enhance his professional career. Then, he joined to Toppan Moore Co. (Pvt) Ltd, a pioneer company for computer forms, for the post of Assistant Accountant for one year. Following that, he served as an Accountant for two years in House and property Traders Limited, Real Estate Company.

Upon expanding the professional experience in his career, he then took over his family business which he still operates while preparing and handling the financial statement, by himself, successfully since 1991 to date. For this, he uses the experience and knowledge he gained.

**Miss Yau Sin Lee - None Executive Director**

Miss Lee is a Malaysian citizen borne in October 1953. she graduated with a Bachelor of Science (Honors) and a Diploma in Education from University of Malaya. Her career started with 13 years as a secondary school teacher of Maths and Science. This was followed by 20 years of experience as Executive Director of a Trading Company dealing in soft furnishing fabrics and local designer brand of custom-made furniture. She ended with 15 years as Head of Administration for an Environment Builder Company executing project management for Hotels, Corporate Offices, Convention Centers and Service apartments.

**Mr. W.G Dhanapala- None Executive Director**

Mr. Walvita Gamage Dhanapala after completing his higher education, joined the Government Service in 1977. He had participated in management training at the Local Government Training Institute at Embilipitiya, while serving in the Government Service. Thereafter, he joined Sri Lanka Customs in 1989 as an Assistant Superintendent of Customs. He has participated in both local and overseas trainings for Customs related matters. Later, he was elevated to the positions of Deputy Superintendent of Customs and Superintendent of Customs, respectively. After completing a term of 38 years in Government Service, he retired in 2015 as a Superintendent of Customs.

# Goals and Strategies

The long-term sustainability of the Company is dependent on the goals and strategies; we have clear targets that we pursue to create sustainable value over the short, medium and long terms.

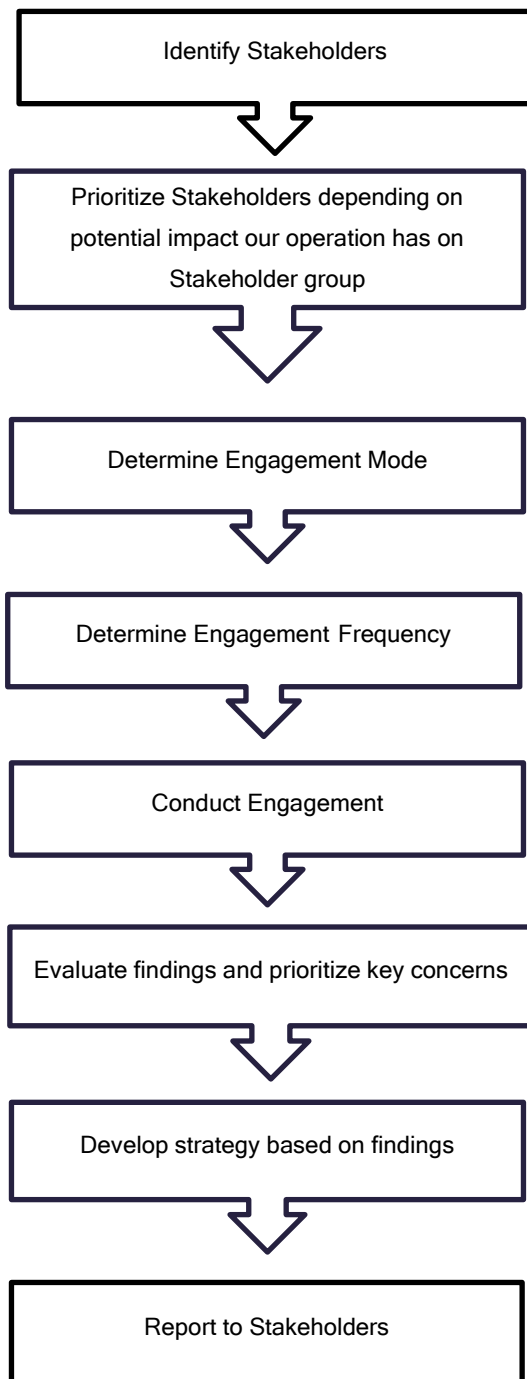
Anyhow the prevailing economic conditions, our marketing and business development teams remain steadfast in all their efforts to explore new business paths. Internally we are reshaping our standard operating procedures for an enhanced experience for our customers and more streamlined and efficient processes. We are also up-skilling and re-skilling our teams particularly as a considerable percentage of our team has joined us within the past 12 months, due to mass migrations of skilled labor the country experienced, which was exact at Ramboda falls hotel as well. We continue to uplift the grandeur of Ramboda Falls PLC through prioritized capital expenditure as previously mentioned These measures will position us favorably for robust growth as the country gradually emerges from the present crisis. Furthermore, we are planning to build new swimming pool at Ramboda falls hotel and increase room revenue and food & beverage income.



## How We Engage with our Stakeholders

The success of Ramboda Falls brand depends on how relevant we are in an increasingly competitive and rapidly evolving environment. How we remain relevant is by constantly engaging with our stakeholders to understand their requirements and concerns. Formal and informal mechanisms are in place for the engagement with each of the stakeholders on an ongoing basis and they are reviewed regularly to ensure that the most effective mechanisms are in place for each stakeholder.

# Our Stakeholder Engagement Process



Shareholders	Employees
<b>Mode of frequency of Engagement</b>	
<ul style="list-style-type: none"> <li>* Annual General Meeting</li> <li>* Annual Report and Quarterly Updates</li> <li>* Website (ongoing)</li> <li>* Open Door Policy for Investors (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>* Staff Meetings (Ongoing)</li> <li>* Annual Performance Appraisal</li> <li>* Employee Surveys (Quarterly)</li> <li>* Collective Agreements (Ongoing)</li> </ul>
<b>Key Topics and Concerns Raised</b>	
<ul style="list-style-type: none"> <li>* Financial Performance</li> <li>* Sustainable Growth</li> <li>* Corporate Governance &amp; Ethics</li> <li>* Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>* Opportunities for Growth</li> <li>* Attractive Remuneration and Benefits</li> <li>* Training &amp; Development</li> <li>* Job Security</li> <li>* Performance Management</li> <li>* Health &amp; Safety Considerations</li> </ul>
<b>Strategic Response</b>	
Performance is guided by a clear business strategy developed in response to market trends	We continue to deliver on our peoples promises in order to attract and retain the best talent.

# Risk Management

Ramboda Falls PLC has adopted a comprehensive Risk Management Process which has been pivotal in ensuring the Company emerged securely from an operating environment defined by unprecedented challenges in the macroeconomic environment. The Risk Management Process provide agile solutions to internal and external risks while safeguarding all stakeholders' interests. Additionally, risk management framework maintains a safe workplace resulting in increased employee productivity and engagement, contributing to the sustainability and success of the organization.

Ramboda Falls PLC bears the responsibility of safeguarding company assets, and managing risks successfully and resourcefully with the best interest of stakeholders in mind. On the implementation processes. As a Company, we are accountable for allocating the required level of resources to manage risks successfully, with the intention of safeguarding company assets on behalf of our shareholders and other stakeholders.

## Risk Management Process

The Ramboda falls PLC Sustainability and Risk Management division. Standardized risk management tools and techniques are used across our both properties

The hotel Business Process Review division together with the outsourced Internal Auditors supports the Audit Committee in performing its assurance role through regular reviews and recommendations on the robustness of the internal control systems in place. Responsibility for effective execution of risk management at executive level lies with the Hotel Risk Management Committee comprising of the Director/General Manager, Executive Director, Accountant and operational managers fostering a high level of risk awareness across the organization.

## Risk Governance

The risk function comes under the overall supervision of the Ramboda falls PLC Board of Directors, who recognize that they are responsible for providing returns to shareholders, which is consistent with the responsible assessment and mitigation of risks. The Board is aware of any internal control systems contain inherent limitations and therefore, the Board takes appropriate action to minimize such situations.

The Company maintains a comprehensive system to identify, measure and mitigate risks.

Both risk and internal control functions work in sync to ensure that the risks are identified in a timely manner and necessary mitigatory steps are taken immediately.

The three main objectives of Internal Controls of the Company are,

1. Ensuring the reliability of Financial Reporting.
2. Improving the effectiveness and the efficiency of Hotel Operations.
3. Compliance with the Laws and Regulations.



## Risk Management

Risk Factor	Potential Impact	Mitigating Actions
<b>1. Country Situation &amp; Economic crisis</b>		
<p>International travel bans to Sri Lanka, high travel insurance premiums to Sri Lanka.</p> <div data-bbox="167 737 560 787" style="border: 1px solid black; padding: 5px; text-align: center;">Risk Assessment</div> <p>Impact - High Likelihood - possible to occur Assessment - Medium</p>	<ul style="list-style-type: none"> <li>• Low tourist arrivals, reducing room rates and other offerings, reducing revenues and profits</li> <li>• Losing confidence of the travelers about Sri Lanka and it will disrupt future travel plans as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Join hands with SLTDA for target promotions to be done in Travel mini mart and Sancharaka Udawa exhibitions.</li> <li>• Aggressive social media awareness campaigns in target markets along with fresh updates about Sri Lanka.</li> <li>• given support to travel agents offering complimentary accommodation and foods for Fam tours</li> <li>• Monthly email campaigns to tour operator partners and target foreign nationals along with repeat customers.</li> </ul>
<b>2. Global pandemic Outbreak</b>		
<p>International travel restrictions, imposition of travel advisories against Sri Lanka and local travel restrictions</p> <div data-bbox="167 1419 560 1480" style="border: 1px solid black; padding: 5px; text-align: center;">Risk Assessment</div> <p>Impact - Minor Likelihood - Likely Assessment - Low</p>	<p>* Loss or closure of business due to travel restrictions, obstructions to business continuity and health and safety of guests and staff</p>	<ul style="list-style-type: none"> <li>• <b>Preventive</b>-Adherence to stringent health and safety regulations including compliance to the Safe &amp; Secure certification issued by the SLTDA, Government of Sri Lanka and Health authorities and maintain recommended hygiene practices.</li> <li>• <b>Detective</b>-Random PCR testing on employees, staff trainings on COVID-19 symptoms, Collection of data on recent health conditions of guests and staff and association declaration relating to COVID-19 measurements daily.</li> </ul>

**3. Threat from Terrorism and Civil Unrest**

Possible attacks on civilians and economic targets by terrorists may lead to civil unrest and imposition of travel advisories against Sri Lanka.

- Loss of Revenue due to tourists choosing alternate travel destinations.
- Property damage
- Loss of staff, guests, patrons

- Additional security arrangements including CCTV.
- check vehicles and monitoring unusual behavior of customers, staff and supplier's
- Monitoring of Political and External Environment
- Business Continuity Plans, signage and evacuation plans, adequate insurance covers, backup plans for data, monitoring of external environment, Emergency preparedness plans in place

**Risk Assessment**

**Impact** - High  
**Likelihood** - Possible  
**Assessment** - Medium

**4. Natural Disaster and Fire**

**Risk of Earthquake/Cyclone/Fire**

Loss of life, injury or destruction and damage to property

- Business Continuity Plans including alternate working arrangements and emergency response plans.
- Conduct of Business Process Recovery drills, fire drills and training.
- Agile work environment.
- Insurance coverage for physical damage of properties

**Risk Assessment**

**Impact** - Minor  
**Likelihood** - possible  
**Assessment** - Low

**5. Retention of skilled employees**

Retention of skilled employees is an ongoing challenge in the hospitality industry due to employment opportunities both locally and internationally.

- Challenges in maintaining service quality.
- Increased cost associated with new recruitments.
- impact on competitive edge and brand loyalty

- Ongoing investment in talent and competency development.
- Strengthening rewards and benefit schemes. Periodic benchmarking is carried out against market remuneration packages.
- Talent management and succession planning programs for critical positions.

**Risk Assessment**

**Impact** - High  
**Likelihood** - Likely  
**Assessment** - High

<p><b>6.Exchange Rate</b></p>		
<p>Impacts on profitability from depreciation of exchange rates.</p>	<p>• Foreign exchange losses on foreign currency-based transactions. Escalation of prices in imported products and raw materials.</p>	<p>• Regular monitoring of fluctuations in exchange rates and hedging the exposure by matching foreign currency earnings and payments.</p> <p>• Regular offering price revisions</p> <p>• Inclusion of terms in third party agreements to mitigate foreign currency exposure</p>
<p><b>Risk Assessment</b></p>		
<p><b>Impact</b> - High</p> <p><b>Likelihood</b> - Likely to occur</p> <p><b>Assessment</b> - High</p>		
<p><b>7.Technology and Data Risks</b></p>		
<p>Risk of financial loss, disruption or damage to the reputation resulting from the failure of cyber security and information technology systems.</p>	<p>* Potential loss of information assets of the company</p> <p>* Impact on customer privacy in the event of a potential loss event</p>	<p>• Well-defined cyber security incident response process addressing the pillars of device, information and user</p> <p>• Training employees and creating staff awareness on the importance of maintaining information security and handling of sensitive information.</p> <p>• Implementation daily data saving process to separate device</p>
<p><b>Risk Assessment</b></p>		
<p><b>Impact</b> - High</p> <p><b>Likelihood</b> - Remote to occur</p> <p><b>Assessment</b> - Low</p>		
<p><b>8. Business Risk</b></p>		
<p>Increased competitiveness in the industry</p>	<p>• Cost increases due to continuously improving product quality standards in line with competitors</p>	<p>•Pricing, refurbishment, retention of talent, training and development of staff, product and service upgrades are carried out to be competitive with industry counterparts</p> <p>• Pricing strategies are scrutinized with competitor pricing and other available offers</p> <p>• Monitoring of guest reviews and rankings, increased marketing efforts including social media strategies and review of pricing strategies</p>
<p><b>Risk Assessment</b></p>		
<p><b>Impact</b> - High</p> <p><b>Likelihood</b> - Possible to occur</p> <p><b>Assessment</b> - High</p>		
<p><b>09. Impacts on Local Community</b></p>		
<p>Our operations impact the communities around our properties through employment generation, environmental bearings and factors among others.</p>	<p>• Inadequate engagement and inability to fully fulfil the expectations of the surrounding communities can lead to reputational losses, community unrest and ultimately impact our social license to operate.</p>	<p>• Maintaining a high level of engagement with neighboring communities.</p> <p>• Creating opportunities for the youth in the local communities.</p> <p>• Sponsorships and donations for education, cultural, religious and other projects in the communities.</p>
<p><b>Risk Assessment</b></p>		
<p><b>Impact</b> - Decrease</p> <p><b>Likelihood</b> - Decrease</p> <p><b>Assessment</b> - Low</p>		



# Report of the Directors on the State of Affairs of the Company

The Board of Directors is pleased to present their Report and the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007 and the Colombo Stock Exchange Listing Rules, and are guided by recommended best accounting practices.

## Review of the Year

The Chairman's Review describes the Company's affairs and mentions important events of the year.

## Principal Activity

The Company owns & operates Ramboda Falls Hotel which carries leisure & hospitality services.

## Financial Statements

The financial statements of the Company are given on pages 34 to 75.

## Auditor's Report

The Auditor's report on the financial statements is given on pages 30 to 33.

## Accounting Policies and Changes during the Year

Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Company's Act No 07 of 2007. The significant Accounting Policies adopted in the preparation of the Financial Statements of the Company are given on pages 38 to 59 of the Annual Report.

## Directors

Mr. Takashi Igarshi who served as the Chairman of the Board of Directors resigned with effect from 19<sup>th</sup> August 2022.

Mr. K.L. Yeoh was appointed as the Executive Chairman of the Board of Directors with effect from 19<sup>th</sup> August 2023.

Mr. L.S. Sigera who served as the Managing Director of the Board of Directors resigned with effect from 19<sup>th</sup> August 2022.

Mr. P. Sarathchandra (None-Executive Director) and Mr. Peter A Stewart (Executive Director) resigned as their position of a Director with effect from 19<sup>th</sup> August 2022.

Miss. Y.S. Lee was appointed as the Non-Executive Director of the Company with effect from 19<sup>th</sup> August 2022.

Mr. J.A.D.Viraj Rasanga was appointed as the Executive Director of the Company with effect from 19<sup>th</sup> August 2022.

Mr. W.G.Danapala who was a Alternate Director to Mr. P.A. Stewart Resigned from the post of Alternate Director on 19<sup>th</sup> August 2022 and Appointed as a None-Executive Director with effect from 19<sup>th</sup> August 2022

### Directors Remuneration and Other Benefits

Directors' remuneration in respect of the Company for the financial year ended, 31<sup>st</sup> March 2023 is given in Note 7 to the financial statements.

### Directors' Shareholding as at 31.03.2023

Name of the Director	No of share as at 31. 03.2023	% of Holding
Mr. Kim Leng Yeoh	12,938,371	64.69
Mr. I.J.A. Karunarathna	1,880,700	9.4
Mr. V.N.D. Wickramasinghe	20,000	0.1
Mr. D.D. Sunil	999	0

### Auditors

The financial statements for the year ended 31st March 2023 have been audited by KPMG, Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No.07 of 2007, a resolution relating to their re- appointment and authorizing the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The Auditors KPMG, Chartered Accountants were paid Rs.535,000 as audit fees by the Company. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

### Property, Plant and Equipment

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

### Capital Commitments

There are no material capital commitments that would require disclosures in the financial statements.

### Stated Capital

The Stated Capital of the Company is Rs.100 Mn.

### Reserves

Total reserves as at 31st March 2023 amount to Rs.396 Mn comprising of retained earnings and revaluation reserves. Movements are shown in the Statement of Changes in Equity in the Financial Statements.

### Employment Policies

The Company is an equal-opportunity employer without any discrimination.

### Taxation

The tax position of the Company is given in Note 9 to the Financial Statements.

## Shareholding

The number of registered shareholders of the Company as at 31st March 2023 was 629. The distribution and analysis of shareholdings are given on page No. 76.

## Major Shareholders

Major shareholders/option holders of the Company as at 31st March 2023, together with an Analysis are given on pages No. 77.

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

## Dividend

The Company did not pay any dividends for the year under review.

## Corporate Governance/Internal Control

The Company has put in place systems and procedures to ensure the implementation of sound corporate governance principles. The Audit Committee Report and the Remuneration Committee Report are given in page No. 25 and page No. 26.

## Contingent Liabilities

There is no contingent liabilities and capital commitments outstanding as at 31st March, 2023 given Note 27 to the financial statements.

## Subsequent to the reporting Date

Subsequent to the reporting date, no circumstances have arisen which would require adjustments to the accounts. Significant events subsequent to the reporting date which in the opinion of the Directors require disclosure are described in Note 26 to the financial statements.

## Annual General Meeting

Annual General Meeting of Ramboda Falls PLC will be held online via a virtual platform on Friday 22th September 2023 at 10.00 am.

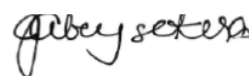
For and on behalf of the Board of Directors of Ramboda Falls PLC



Director



Director



SSP Cooperate  
Service (pvt)Ltd  
Secretaries

# Management Discussion and Analysis

## Global Economic performance

The global economy faced significant challenges in the year under review, driving by the reverberating impacts of the COVID-19 pandemic, as well as an unprecedented rise in geopolitical tensions between major powers during the year ended 31st March 2023.

As per the latest data, global GDP growth has been slowing-primarily as a result of the escalating inflationary pressure across the globe, which has been further exacerbated by the conflict between Russia and Ukraine. Where the lockdowns of the previous two years caused volatile shifts in consumer sentiment leading to frequent mismatches in global supply chains, the economic ramifications of the conflict between Russia and Ukraine primarily resulted in sharp increases in the price of crude oil, and natural gas, which in turn created unprecedented inflationary pressure across the globe

Consequently, Global GDP posted continuous contractions in growth rates, from 6% in 2021 to 3.2% in 2022, while current projections put the global GDP growth at 2.6% in 2023. The economic contractions caused by these factors placed significant constraints on economic performance across both developed and developing countries. As a bellwether of the global economy, the United States of America saw its GDP growth rate fall from 5.9% in 2021 to 2.1% in 2022.

## Global Tourism

On the one hand, pent up demand and a global re-opening of tourist hotspots led to a sharp 182% increase in international tourist arrivals in the first seven months of 2022 compared to the same period of 2021. However, the pace of recovery slowed in the second half of 2022, as the Omicron variant of COVID-19 spread and the war in Ukraine began. International tourist arrivals in 2022 are expected to be around 50% of 2019 levels

The performance of the global tourism industry in 2022 was mixed. On the one hand, pent up demand and a global re-opening of tourist hotspots led to a sharp 182% increase in international tourist arrivals in the first seven months of 2022 compared to the same period of 2021. However, the pace of recovery slowed in the second half of 2022, as the Omicron variant of COVID-19 spread and the war in Ukraine began. International tourist arrivals in 2022 are expected to be around 50% of 2019 levels

## Outlook:

The future outlook for the global tourism industry is positive, but weighed down by significant downside risks. The industry is expected to continue to recover in 2023, but it is unclear how long it will take to return to pre-pandemic levels

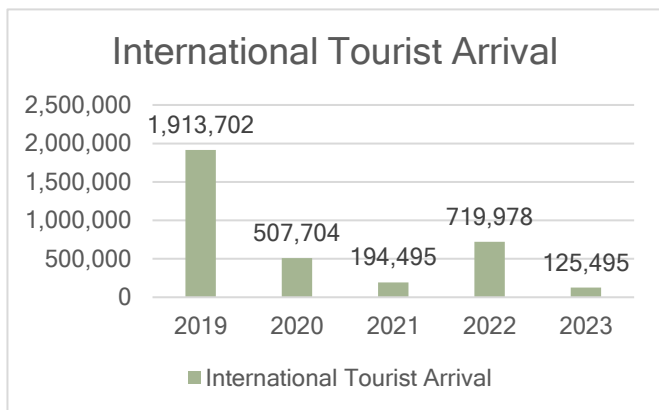
## Sri Lankan Tourism

Sri Lanka's tourism industry faced a double blow in the form of the 2019 Easter Attacks and the COVID-19 pandemic, causing a sharp decline in revenue and tourist arrivals. The pandemic caused a 25.7% YoY drop in revenue, reducing from USD 682 Mn in 2020 to USD 507 Mn in 2021.

In 2020, tourist arrivals plummeted by 61.7% YoY, with only 507,704 visitors recorded, as compared to over 1.9 Mn visitors in 2019, and an all-time high of 2.3 Mn in 2018. However, the industry showed signs of improvement in the final quarter of 2021, with arrivals increasing to 194,495.

Fortunately, the trend gathered momentum in 2022, with tourist arrivals increasing to 719,978 by the end of the year. While this figure is still significantly below pre-pandemic levels, it represents a promising upward trajectory for the industry. By January 2023, arrivals had increased to 102,545, reflecting an increase of 24.5% YoY, but still 43% below the all-time high in January 2018. Consequently, where the industry is projected to generate US\$ 2.8 billion by the end of 2023, putting Sri Lanka tourism on target to make a strong recovery over the coming years.

**Tourist Arrival**



**2019 - 1,913,702**

**2020 - 507,704**

**2021 - 194,495**

**2022- 719,978**

**2023- 125,495 till march only**

**Sri Lankan Economy**

Sri Lanka's economy contracted by 7.8% in 2022, the worst performance since the 1940s. The economy is expected to contract by another 4.2% in 2023. This decline was driven by a combination of unprecedented global headwinds and severe socio-political volatility caused by the resulting economic crisis of 2022. As a result, on a quarterly basis, Sri Lanka's GDP recorded successive contractions, from 0.5% in Q1 to a 5.1% reduction in Q2 and further contraction of 10.1% and 11.2% in Q3 and Q4 respectively.

Where in 2021, the Agriculture sector generated growth of 2.4% YoY, during the year in review the sector recorded a contraction of 4.8% YoY. Similarly, in the industrial sector, growth started to falter. Where in the previous year, the sector posted 2.3% YoY growth, in 2022, the sector posted a sharp 16% YoY reduction growth.

Meanwhile, the services sector-which also includes the nation's resurgent tourism sector, recorded a marginal contraction of 2% YoY, as compared with growth of 5.1% in the previous year. The primary obstacles to growth in the Sri Lankan economy arose from high inflation, a widening current account deficit, and a decline in foreign reserves.

**Inflation:**

Inflation in Sri Lanka recorded an unprecedented and exponential increase during the year in review. Where in 2021, inflation stood at just 7.3%, in 2022, it reached an all-time high of 73.7%, before moderating somewhat to 59.2% by December 2022, and 49.2% in March 2023.

The rise in inflation was driven by a number of factors, including a sharp increase in global commodity prices, a depreciation of the Sri Lankan rupee, and a widening fiscal deficit

**Interest Rates:**

The Central Bank of Sri Lanka raised the key monetary policy rates by a record high level to curb inflation, with interest rates reaching 30 per cent

**Exchange Rate:**

In 2022, the Sri Lankan rupee (LKR) recorded a depreciation of 44.8 per cent against the US dollar. The Sri Lankan rupee, which remained at around Rs. 202-203 per US dollar until early March 2022, depreciated thereafter as a result of the measured adjustment that was allowed in the determination of the exchange rate in the first week of March 2022

**Changing Needs of Travelers**

We will continue to pay close attention to global trends in order to proactively respond to evolving needs of the future travelers.

**Develop People Capability**

Ramboda Falls PLC has an equal opportunity policy in respect of employment and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Company practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability.



# Corporate Governance

Ramboda Falls PLC continues to be committed to conducting the Company's business ethically and in accordance with high standards of good Corporate Governance. We set out below the Corporate Governance practices adopted and practiced by RFL against the background of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Rules set out in Section 7 of the Colombo Stock Exchange's Listing Rules.

Ramboda Falls PLC has a unitary Board. The authority of each Director is exercised at Board Meetings where the Board acts collectively. The Board of Directors are the ultimate governing body of the Company. Their leadership skills, directions provided and controls put in place, ensure the achievement of the objectives of the Company set out in the Corporate Plan and the Budget which aims to satisfy the expectations of the shareholders.

## Executive Directors

- Mr. Kim Leng Yeoh
- Mr. Imiyage Jagath Ananda Karunaratna
- Mr. J.A.D. Viraj Rasanga

## Non-Executive Directors

- Ms. Yau Sing Lee
- Mr. W.G. Danapala

## Independent Non-Executive Directors

- Mr. D.D Sunil
- Mr. V.N.D. Wickramasinghe

The Board comprises of seven directors out of which two Directors are Non-Executives and the other two Directors are Independent. The Board has determined that two Non- Executive Directors satisfy the criteria for "independence" set out in the Listing Rules. Non-Executive Directors' profiles reflect their caliber and the weight their views carry in Board deliberations.

## Company Secretary

SSP Corporate Services (Pvt) Limited functions as secretaries to the Board. They ensure that appropriate Board processes are adopted, board procedures and applicable rules and regulations adhered to and a proper record of all proceedings of Board meetings are maintained.

## Financial Reporting

The Board of Directors confirm that the Financial Statements for the year ended 31<sup>st</sup> March 2023, of Ramboda Falls PLC have been prepared in accordance with the Sri Lanka Financial Reporting Standards and the Companies Act No. 07 of 2007. The Company has duly complied with all the reporting requirements prescribed by the regulatory authorities including the Colombo Stock Exchange and the Registrar of Companies. Financial Statements of the Company were audited by KPMG, Chartered Accountants. The Independent Auditors' Report on the Financial Statements for the year ended 31<sup>st</sup> March 2023 is presented on Page No 30 to 33 of this Annual Report.

### Supply of Information

Directors are provided with quarterly reports on performance and such other reports & documents as are necessary. The Directors confirm that to the best of their knowledge all taxes & dues payable by the Company and contribution levies and taxes payable on behalf of and in respect of the employees of the Company and all other known statutory dues payable as at the date of Financial Position have been paid or are provided for in the accounts.

### Information Technology

The Hotel has introduced a financial information/IT System which has increased the effectiveness and efficiency in the provision of management information, and has implemented a comprehensive IT policy which strengthens control over hotel's IT system and ensure unauthorized access and data loss is prevented.

### Going Concern

The Directors, after making necessary inquiries and reviews including reviews of the budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

### Audit Committee

The Audit Committee consists of three members Two Independent Directors and one Non-Executive Director. Audit Committee members are as follows: Mr. D. D. Sunil - Independent Non- Executive Director, Mr. W.G. Danapala - Non-Executive Director, Mr. V.N.D. Wickramasinghe - Independent Non-Executive Director the Audit Committee, help the Company to achieve a balance between conformance and performance. The Audit Committee recommends the appointment and fees of the External Auditors, having considered their independence and performance. The Audit Committee Report appears on Page 25 of this Report.

### Remuneration Committee

The Company has its own remuneration committee. The committee consists of Two Independent Directors and one Non-Executive Director The remuneration committee report appears on page No. 26 of this report.

### Related Party Transaction Committee

The RPT Committee comprises of Two Independent Directors and one Non-Executive Director. The members of the Related Party Committee are as follows: Mr. D. D. Sunil - Independent Non-Executive Director, Mr.W.G.Danapala - Non-Executive Director, Mr. V.N.D. Wickramasinghe - Independent Non-Executive Director. The RPT committee report appears on page No. 27 of this report.



**Meeting & Attendance**

Attendance at the Board meetings and other committee meeting is given bellow.

Director	Attendance			
	Board Meetings	Audit Committee	Remuneration Committee	RPT Committee
<b>Mr.T.Igarashi(Chairman)</b> (Resigned on 19 <sup>th</sup> August 2022)	2/4	N/A	N/A	N/A
<b>Mr. L.S.Sigera (Managing Director)</b> (Resigned on 19 <sup>th</sup> August 2022)	2/4	N/A	N/A	N/A
<b>Mr. P. Sarathchandra (Director)</b> (Resigned on 19 <sup>th</sup> August 2022)	2/4	N/A	1/2	N/A
<b>Mr. P.A. Stewart (Executive Director)</b> (Resigned on 19 <sup>th</sup> August 2022)	0/4	N/A	N/A	N/A
<b>Mr.Kim Leng Yeoh (Executive Chairman)</b> (Appointed on 19 <sup>th</sup> August 2022)	1/4	N/A	N/A	N/A
<b>Mr.I.J.A. Karunarathna</b>	4/4	N/A	N/A	N/A
Ms. Yau Sing Lee (Director) (Appointed on 19 <sup>th</sup> August 2022)	1/4	N/A	N/A	N/A
Mr.D.D. Sunil	4/4	4/4	2/2	4/4
<b>Mr. Mr. W.G. Danapala-</b> (Alternate Director to Mr. P.A. Stewart)(Resigned from the post of Alternate Director on 19 <sup>th</sup> August 2022)(Appointed as a None -Executive Director with effect from 19 <sup>th</sup> August 2022)	4/4	4/4	1/2	4/4
<b>Mr. J.A. D. Viraj Rasanga</b> (Appointed on 19 <sup>th</sup> August 2022)	2/4	N/A	N/A	N/A
<b>Mr.V.N.D. Wickramasinghe</b>	4/4	4/4	2/2	4/4



# Corporate Governance

7.2.1(a)	Non-Executive Directors	At least one third of the total number of Directors should be Non-Executives.	Complied
7.10.2 (a)	Independent Directors	Two or one third of Non-Executive Directors, whichever is higher should be Independent.	Complied
7.10.2(b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence non-independence in the prescribed format.	Complied
7.10.3(a)	Disclosure relating to Directors	The board shall annually determine the independence or otherwise of the NED. Names of ID should be disclosed in the Annual Report.	Complied
7.10.3(b)	Disclosure relating to Directors	The basis for the Board to determine a Director is Independent when the criteria specified for independence is not met.	Complied
7.10.3(c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including their areas of Expertise.	Complied
7.10.3(d)	Disclosure relating to Directors	Provide a brief resume of new Directors appointed to the Board with details specified I 7.10.3(a, b, c & d) to the CSE.	Complied
7.10.5(a)	Composition of Remuneration Committee	Shall comprise of minimum of two Independent Non-Executive Directors or of Non-Executive Directors a majority of whom shall be Independent.	Complied
7.10.5(b)	Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and Executive Directors.	Complied
7.10.5(c)	Disclosure in the Annual report relating to Remuneration Committee	Names of Directors comprising the Remuneration Committee. Statement of remuneration policy. Aggregated remuneration paid to Executive and Non-Executive Directors.	Complied
7.10.5(d)	Remuneration Committee	A Listed Company shall have a Remuneration Committee.	Complied
7.10.6	Audit Committee	The Company shall have an Audit Committee.	Complied
7.10.6(a)	Composition of Audit Committee	Shall comprise of Non-Executive Directors a majority of whom will be Independent.	Complied
9.2.2	Composition	Two Independent Non-Executive Directors and one Non-Executive Director.	Complied
9.3.2	Related Party Transactions Review Committee	Report by the Related Party Transactions Review Committee.	Complied
	Disclosure in the Annual Report	A declaration by the Board of Directors.	Complied

# Audit Committee Report

## Membership and Appointment

The Audit Committee comprises of three members Two Independent Directors and one Non-Executive Director. Audit Committee members are as follows: Mr. D. D. Sunil - Independent Non- Executive Director, Mr. W.G. Danapala - Non-Executive Director, Mr. V.N.D. Wickramasinghe - Independent Non-Executive Director. The Chairmen of Audit committee is Mr. D.D. Sunil, The Chairman and other members bringing wide-ranging financial, commercial and management experience to the work of the Audit Committee,

## Meetings

The Audit Committee met four times in this year, with The General Manager and the Finance Manager attend meetings under a standing invitation. The Chairman of the Board and other Directors were able to attend meetings of the Committee under the practice that any Director may attend any meeting of a Board Committee provided that they have no conflict of interest in respect of business to be discussed.

- ❖ . The Audit committee note that higher revenue will be able expected in 3<sup>rd</sup> and 4<sup>th</sup> quarter of the financial year.
- ❖ . The chairmen of Audit committee noted that cost of sales has increased during the 2<sup>nd</sup> quarter, and committee realized that arisen due to the increase of raw materials, inflation and escalation of USD rate.

## Terms of Reference

The Terms of Reference of the Audit Committee, which includes the Objectives of the Committee and the detailed Work Plan were tabled and approved at an audit committee meeting.

## Financial Statements

The Committee considered reports from the Accountant, and annual financial statements. It also considered reports from the external auditors, KPMG on the scope and outcome of the annual audit. The review is based on the compliance with the Sri Lanka Accounting Standards and the other related legislation.

## During the period under review the Committee,

- ❖ Reviewed the quarterly financial information of the Company to monitor the integrity of the Financial Statements and the significant financial reporting judgements.
- ❖ Recommended the year-end Financial Statements to the Board for its approval and publication.
- ❖ The Audit Committee noted that the turn over of the company will reach to 80 million per annum therefore decided to register for VAT and SSCL government taxes.

## External Auditors

The Audit committee stated that there will be no changes to the Auditors. The Committee reviewed the services provided by KPMG to evaluate their independence and objectivity. It also reviewed and approved the Scope of non-audit services provided by KPMG, to ensure that there was no impairment of independence. The Committee approved the fees for audit services provided by KPMG and confirmed the wording of the recommendations put forward by the Board to the shareholders on the appointment, and retention of the external auditors.

## Audit Committee Effectiveness

The Audit Committee conducts a review of its effectiveness annually and concluded this year that it was effective and capable of fulfilling its objectives.



*D D Sunil*  
Chairman Audit Committee  
31<sup>st</sup> August 2023

# Remuneration Committee Report

The Remuneration Committee comprises of Two Independent Non-Executive Directors and one Non-Executive Director. The members of the Committee are as follows: Mr. D. D. Sunil - Independent Non- Executive Director, Mr. W.G.Danapala - Non-Executive Director, Mr. V.N.D. Wickramasinghe - Independent Non-Executive Director. The Chairman of Remuneration committee is Mr. D.D. Sunil. The two Non-Executive Independent Directors are independent of management and free from any business or other relationship, which can otherwise interfere with the exercising of their independent judgment. The Executive Directors of the Company attends the meetings by invitation. The Committee met two times in this year. The Company's policy on remuneration is to attract the best available talent and also to motivate and retain the services of the performers in the Company. This policy ensures that, the internal equity and fairness between various employees is maintained and that no discrimination is practiced on account of gender, age, ethnicity or religion.

The Committee recommended to the management to consider offering additional benefits to the staff, once the situation returns to normalcy. And it was implemented in August all the staff including management staff were obtain special living cost allowance. as the Company also recognizes the life style of all employees and cost of living and inflation as well as industry norms.



*D.D.Sunil*  
*Chairman*  
*Remuneration Committee*  
*31<sup>st</sup> August 2023*

# Related Party Transaction Committee

The Related party Transaction Review Committee comprises of Two Independent Directors and one Non-Executive Director. The members of the Related Party Committee are as follows: Mr. D. D. Sunil - Independent Non - Executive Director, Mr.W.G.Danapala - Non-Executive Director, Mr. V.N.D. Wickramasinghe - Independent Non-Executive Director. The Chairman of Related party Transaction Committee is a Mr. D.D. Sunil. Directors are independent of management and free from any business or other relationship, which can otherwise interfere with the exercise of their independent judgment. According to Rule 9.2.4 of the CSE Listings Rules, as it is required for the Related Party Transactions Review Committee to meet at least once in a calendar quarter Committee met 4 times in financial year.

The duties of the Committee:

- Review in advance all proposed related party transactions of the Company.
- Seek any information the Committee requires from management, employees or external parties, with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions, where necessary.
- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- To review the economic and commercial substance of both recurrent/non-recurrent related party transactions.

## Decisions and Summary of Proceedings

- There were no matters arising from the previous minutes to be taken up for discussion.
- The Chairman of the Related Party Transactions Review Committee noted that there were no related party transactions disclosed during the period 2022 /2023.
- The Committee made recommendations to the Board wherever approval of the Board was required to proceed with such related party transactions and also set guidelines for then senior management to follow with regard to on-going related party transactions.

## Declaration by the board of directors

During the year, the Company did not have any related party transactions which required the approval of the shareholders or immediate market disclosure under the rules. The related party transactions are disclosed in note 23 on page 71 of the financial statements.



*D.D. Sunil,  
Chairman,  
Related party Transaction Committee*

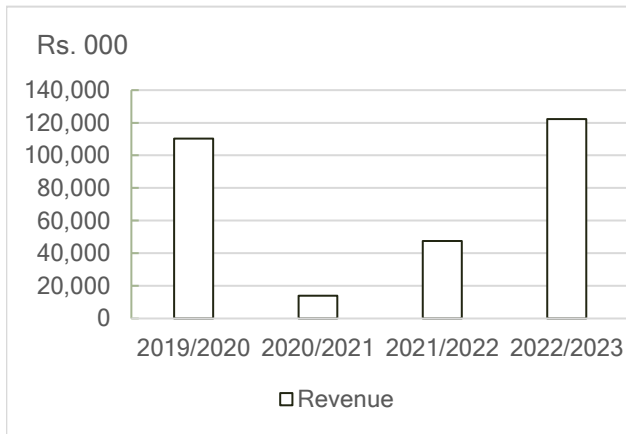
*31<sup>st</sup> August 2023,*

# Financial Review

Ramboda Falls PLC's detailed Financial Review should be read in concurrence with the Audited Financial Statements of the Company for the financial period ended 31st March 2023.

## Revenue

The Ramboda Falls PLC achieved Rs.122.3 million revenue for the year under review with a positive increase compared to year 2021/2022, Considering the exponential improvements in tourist arrivals, the company anticipates a swift return to profitability by the end of the coming financial year.

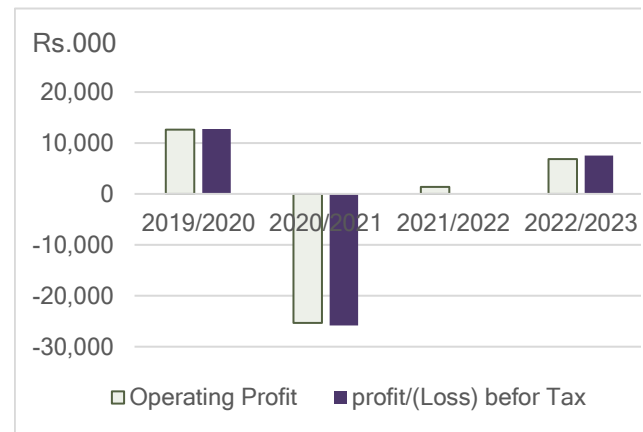


## Market Value per Share

Ramboda falls PLC Market value per share as of 31.03.2023 was Rs. 26.80 compared to the last year Rs. 16

## Operating Profit

The Company recorded an improvement in core performance, with Operating profit amounting to Rs.6.9 Mn from operating profit of Rs.1.4Mn in the previous year.



## Assets / Liabilities

The Company has recorded a non-current asset of Rs. 654Mn at the end of the financial year and noncurrent liabilities stood at Rs.178 Mn. The respective current asset and current liabilities of the Company stood at Rs. 51 Mn and Rs. 31 Mn respectively, which show the resilience of the Company in the short term. Due to the low gearing level of the Company, it was able to maintain high interest cover ratio during the period. This positive financial situation will reduce the long-term risk of the Company and this position will provide an additional leverage for future expansion of the Company.

# Statement of Director's Responsibilities for Preparing the Financial Statements

The Board of Directors is responsible for preparing and presenting the Financial statements, which are set out on page 34 to 75. As per the provisions of the Companies Act, No. 7 of 2007, the Directors are required to prepare the Financial statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year. In preparing the financial statements, the Directors have selected appropriate accounting policies and applied them in a consistent manner. Such policies are supported by reasonable and prudent judgment and all applicable Accounting Standards have been followed. The Directors are also confident that the Company has adequate resources to continue operation, and have applied the going concern basis in preparing these Financial Statements. Furthermore, 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 to ensure that the financial statements presented comply with the requirements of the Companies Act, No. 7 of 2007.

Furthermore, the Directors confirm that, after the review of the Company's Business Plan for the financial year 2022/2023, including cash flows and borrowing facilities, they are of the view that the Company has adequate resources to continue in operation and accordingly, have applied a going concern basis in preparing the financial statements.

The Directors have taken adequate measures to safeguard the assets of the Company and in that context to have proper regard to the establishment of appropriate systems of internal control with a view toward prevention and detection of fraud and other irregularities.

For and on behalf of the Board of Directors of Ramboda Falls PLC,



***J.A.D Viraj Rasanga***  
***Director***



***I.J.A. Karunarathna***  
***Director***

***31<sup>st</sup> August 2023***

# Independent Auditors Report



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

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

## TO THE SHAREHOLDERS OF RAMBODA FALLS PLC REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Ramboda Falls PLC (“the Company”), which comprise the statement of financial position as at 31<sup>st</sup> March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 34 to 75

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31<sup>st</sup> March 2023, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for Opinion

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

### Key Audit Matters

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

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

C.P. Jayatilake FCA	T.J.S. Rajakarier FCA	W.J.C. Perera FCA
Ms. S. Joseph FCA	Ms. S.M.B. Jayasekera FCA	W.K.D.C. Abeyrathne FCA
S.T.D.L. Perera FCA	G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA
Ms. B.K.D.T.N. Rodrigo FCA	R.H. Rajan FCA	M.N.M. Shameel FCA
Ms. C.T.K.N. Perera ACA	A.M.R.P. Alahakoon ACA	Ms. P.M.K. Sumanasekera FCA
Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FTII		



<b>01. Revenue from Contract with Customers</b>	
<b>Refer Accounting Policies in Note 3.2.11 and Note 5 to the financial statements</b>	
<b>Risk Description</b>	<b>Our responses</b>
<p>The Company's net sales comprises revenue from the provision of accommodation, provision of food and beverage and provision of laundry, telephone etc.</p> <p>Revenue from the sale of services is recognized when the service is rendered to the customer.</p> <p>We identified this as a key audit matter because of its significance of the activities explained in note 3.2.11 which the Company adopted in determining the impact of SLFRS 15, especially the application of principal versus agent consideration in the contracts related to the revenue.</p>	<p>Our audit procedures included</p> <ul style="list-style-type: none"> <li>▪ Evaluation of internal control over revenue recognition and testing of key controls.</li> <li>▪ Examined a sample of contracts to assess the relevancy and consistency of revenue recognition method in accordance with SLFRS 15 and whether applied consistently.</li> <li>▪ Assessing the adequacy of the related disclosures in the financial statement and consistency with the accounting policies.</li> </ul>

### **Other Information**

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the





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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.



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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2618.

A handwritten signature in black ink, appearing to be 'K. M. M. C.', written in a cursive style.

### **CHARTERED ACCOUNTANTS**

Colombo, Sri Lanka  
31<sup>st</sup> August 2023

**RAMBODA FALLS PLC****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH**

	Note	2023 Rs.	2022 Rs.
Revenue	5	122,303,385	47,564,705
Cost of Sales		(73,088,823)	(34,092,269)
<b>Gross Profit</b>		<b>49,214,562</b>	13,472,436
Other Operating Income	6	3,297,379	11,722,762
Administration & Other Expenses		(43,834,125)	(23,119,121)
Marketing & Selling Expenses		(1,817,060)	(702,398)
<b>Profit From Operations</b>	7	<b>6,860,756</b>	1,373,679
Finance Income	8.1	1,290,547	1,065,881
Finance Expenses	8.2	(607,453)	(460,393)
<b>Net Finance Income</b>	8	<b>683,094</b>	605,488
<b>Profit Before Taxation</b>		<b>7,543,850</b>	1,979,167
Income Tax Benefit/(Expense)	9	(19,295,023)	1,500,699
<b>Profit/(Loss) for the year</b>		<b>(11,751,173)</b>	3,479,866
<b>Other comprehensive Income / (Expense)</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of Defined Benefit Obligation	17.2	670,538	206,649
Related tax on Remeasurement of Define Benefit Obligation		(201,161)	(28,931)
Revaluation gain on property, plant and equipment	11	-	215,647,995
Related tax on Revaluation gain		(73,353,274)	(30,190,719)
<b>Total Other Comprehensive Income/(Expense)</b>		<b>(72,883,897)</b>	185,634,994
<b>Total Comprehensive Income/(Expenses)</b>		<b>(84,635,070)</b>	189,114,860
<b>Earnings/(Loss) Per Share</b>	10	<b>(0.59)</b>	0.17

The accounting policies and notes on pages 38 through 75 form an integral part of the Financial Statements.  
 Figures in brackets indicate deductions.

**RAMBODA FALLS PLC****STATEMENT OF FINANCIAL POSITION**AS AT 31<sup>ST</sup> MARCH

	Note	2023 Rs.	2022 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	11	653,828,150	674,022,672
Intangible Asset	12	27,722	70,302
<b>Total Non Current Assets</b>		<b>653,855,872</b>	<b>674,092,974</b>
<b>Current Assets</b>			
Inventories	13	6,038,672	2,965,412
Trade & Other Receivables	14	10,663,129	4,618,995
Cash & Cash Equivalents	15	34,629,581	11,331,181
<b>Total Current Assets</b>		<b>51,331,382</b>	<b>18,915,588</b>
<b>TOTAL ASSETS</b>		<b>705,187,254</b>	<b>693,008,562</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	16	100,000,020	100,000,020
Revaluation Reserve		320,920,574	394,273,848
Retained Earnings		74,664,066	85,945,862
<b>Total Equity</b>		<b>495,584,660</b>	<b>580,219,730</b>
<b>Non-Current Liabilities</b>			
Retirement Benefit Obligation	17	3,350,448	4,184,705
Interest Bearings Loans & Borrowings	18	1,900,458	5,384,252
Deferred Tax Liability	19	173,165,522	81,091,885
<b>Total Non-Current Liabilities</b>		<b>178,416,428</b>	<b>90,660,842</b>
<b>Current Liabilities</b>			
Trade & Other Payables	20	20,169,798	14,426,274
Interest Bearings Loans & Borrowings	18	3,806,764	5,549,057
Income Tax Payable	21	783,819	1,259,635
Dividend Payable		652,627	652,627
Bank overdraft	15	5,773,158	240,397
<b>Total Current Liabilities</b>		<b>31,186,166</b>	<b>22,127,990</b>
<b>Total Liabilities</b>		<b>209,602,594</b>	<b>112,788,832</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>705,187,254</b>	<b>693,008,562</b>
<b>Net assets per share</b>		<b>24.78</b>	<b>29.01</b>

The accounting policies and notes on pages 38 through 75 form an integral part of the Financial Statements.

These Financial Statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007



.....  
Kasun Wickramage  
**Finance Manager**

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements.  
Approved and signed for and on behalf of the Board of Directors of Ramboda Falls PLC.



.....  
J.A.D.V. Rasanga  
**Director**



.....  
I. J. A. Karunarathna  
**Director**

Colombo  
31st August 2023

**RAMBODA FALLS PLC****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

	<b>Stated Capital Rs.</b>	<b>Revaluation Reserve Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Equity Rs.</b>
Balance as at 01 <sup>st</sup> April 2021	100,000,020	208,816,572	82,288,278	391,104,870
<b>Total comprehensive income/(expenses) for the year</b>				
Profit for the year	-	-	3,479,866	3,479,866
Other comprehensive income for the year	-	185,457,276	177,718	185,634,994
Total comprehensive expenses for the year net of tax	-	185,457,276	3,657,584	189,114,860
Balance as at 31 <sup>st</sup> March 2022	100,000,020	394,273,848	85,945,862	580,219,730
<b>Balance as at 01<sup>st</sup> April 2022</b>	<b>100,000,020</b>	<b>394,273,848</b>	<b>85,945,862</b>	<b>580,219,730</b>
<b>Total comprehensive Expense for the Year</b>				
Loss for the year	-	-	(11,751,173)	(11,751,173)
Other comprehensive income/ (Expense) for the year	-	(73,353,274)	469,377	(72,883,897)
<b>Total comprehensive Expense for the year net of tax</b>		<b>(73,353,274)</b>	<b>(11,281,796)</b>	<b>(84,635,070)</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>100,000,020</b>	<b>320,920,574</b>	<b>74,664,066</b>	<b>495,584,660</b>

*The accounting policies and notes on pages 38 through 75 form an integral part of the Financial Statements.  
Figures in brackets indicate deductions.*

**RAMBODA FALLS PLC**

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**STATEMENT OF CASH FLOW****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH,**

	Note	2023 Rs.	2022 Rs.
<b>Cash Flows from Operating Activities</b>			
Profit/(Loss) before taxation		7,543,850	1,979,167
<b>Adjustments for:</b>			
Depreciation on property, Plant & Equipment	7	21,154,902	16,293,037
Amortisation of Intangible Assets	7	42,580	46,000
Provision for Employee Benefits	17.1	836,281	559,438
Finance Cost	8.2	607,453	460,393
Finance Income	8.1	(1,172,722)	(183,168)
Profit on Sales of Property Plant & Equipment	6	-	(9,477,973)
Write off of Capital Work in Progress	11	2,812,878	2,132,883
<b>Operating Profit/(Loss) before Working Capital Changes</b>		<b>31,825,222</b>	<b>11,809,777</b>
(Increase)/Decrease in Inventories		(3,073,258)	(2,060,547)
(Increase)/Decrease in Trade & other Receivables		(6,044,134)	(880,775)
Increase/(Decrease) in Trade & other Creditors		5,743,523	1,777,435
<b>Cash generated from/(Used in) operations</b>		<b>28,451,354</b>	<b>10,645,890</b>
Interest Paid		(607,453)	(420,676)
Income tax paid	21	(1,251,639)	-
Gratuity Paid	17	(1,000,000)	(1,725,164)
<b>Net cash generated from/(Used in) operating activities</b>		<b>25,592,262</b>	<b>8,500,050</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(553,418)	(20,414,740)
Purchase of Capital Work in Progress	11	(3,219,840)	(4,213,412)
Sales of Property Plant & Equipment		-	23,650,000
Interest received		1,172,722	183,168
<b>Net cash used in investing activities</b>		<b>(2,600,536)</b>	<b>(794,984)</b>
<b>Cash flows from financing activities</b>			
Borrowings obtained	18.1	-	7,000,000
Repayment of Interest Bearing Borrowings	18.1	(4,450,400)	(4,866,900)
Principal Payment under Finance Lease Liabilities	18.4	(775,687)	(3,061,906)
<b>Net cash used in financing activities</b>		<b>(5,226,087)</b>	<b>(928,806)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>		<b>17,765,639</b>	<b>6,776,260</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Year</b>		<b>11,090,784</b>	<b>4,314,524</b>
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	15	<b>28,856,423</b>	<b>11,090,784</b>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank	15	30,591,331	10,851,383
Cash in hand		4,038,250	479,798
Bank Overdraft		(5,773,158)	(240,397)
		<b>28,856,423</b>	<b>11,090,784</b>

The accounting policies and notes on pages 38 through 75 form an integral part of the Financial Statements.  
Figures in brackets indicate deductions.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023****CORPORATE INFORMATION****1.1. Domicile and Legal Form**

Ramboda Falls PLC, (“The Company”) is a Company domiciled in Sri Lanka. The shares of the Company have a primary listing on the Colombo Stock Exchange. The address of the registered office and the principal place of the business is situated No. 76, Rock Fall Estate, Nuwaraeliya Road, Ramboda.

**1.2. Principal activities and nature of operations**

The principle activity of the Company is hoteliering and leisure related activities. There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

**1.3. Parent enterprise and ultimate parent enterprise**

There is no significant parent company and Company has a related party relationship with its directors.

**1.4. Number of employees**

The Number of employees of the Company at the end of the year was 37 (2021/22 – 25)

**1.5. Responsibilities for financial statements and approval of financial statements**

The Board of directors is responsible for preparation and presentation of the financial statements of the Company as per the provision of Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The directors’ responsibility over financial statements for the year ended 31<sup>st</sup> March 2023 is set out in detail in the statement of directors’ responsibility.

The financial statements of the Company of the year ended 31<sup>st</sup> March 2023 were authorized for issue in accordance with resolution of the Board of Directors on 31<sup>st</sup> August 2023.

**2. BASIS OF PREPARATION****2.1. Statement of compliance**

The Financial Statements of the Company which comprise of the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive income, Statement of Changes in Equity and Statement of Cash Flows have been prepared in accordance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS / LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka, and in compliance with the requirements of the Company’s Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No.15 of 1995. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

The Company did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs, regulations governing the preparation and presentation of the Financial Statements.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023****2.2. Basis of measurement**

The financial statements have been prepared on an accrual basis and under the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position;

Item	Basis of Measurement	Note Number
Freehold land, buildings, motor vehicle, furniture & fittings, office equipment and plant & machinery	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation	11
Defined Benefit Obligations	Measured at the present value of the defined benefit obligation	17

**2.3. Use of estimates and judgments**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Amounts recognized in the Financial Statements included in following notes

Critical accounting assumptions and estimation uncertainties	Note
Fair value of land and buildings	2.4.1
Useful lifetime of the property, plant and equipment	2.4.2
Impairment on non-financial assets	3.2.4.6.3
Measurement of defined benefit obligation: key actuarial assumptions	2.4.3
Provisions for liabilities, commitments and contingencies	3.2.10
Impairment measurement of financial assets: determination of inputs into the ECL measurement model, including key assumptions and incorporation of forward-looking information	3.2.4.6.1
Deferred Taxation and Current Taxation	3.2.14

**2.3.1. Fair value of freehold land, buildings, and other assets**

The Company measures freehold land, buildings, motor vehicle, furniture & fittings, office equipment and plant & machinery at revalued amounts with changes in fair value being recognised in Equity through Other Comprehensive Income (OCI). Valuations are performed every five years to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The Company engages independent professional valuer Mr K.D. Sirisena, Chartered Valuation Surveyor to assess fair value of land and buildings in terms of Sri Lanka Accounting Standard on



## RAMBODA FALLS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

“Fair Value Measurement” (SLFRS13). Based on the valuation techniques and inputs used, land and building were classified at level 3 in the fair value hierarchy.

#### 2.3.2. Useful lifetime of the property, plant and equipment

The Company reviews the residual values, useful lives, and methods of depreciation of property, plant and equipment at each reporting date. Judgement of the Management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty. Refer Note 3.2.1.4 for more details.

#### 2.3.3. Measurement of defined benefit obligation

The cost of defined benefit obligation is determined using internally generated formula. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 17.3 for the assumptions used to determine defined benefit obligations. Sensitivity analysis to key assumptions is disclosed in Note 17.4.

#### 2.4. Measurement of fair values

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

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data. (Unobservable inputs).

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

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

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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Further information about the assumption made in measuring fair value is included in note 22.

**2.5. 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’ and amendments to the LKAS 1 on ‘Disclosure Initiative’.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of 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.

**2.6. Going Concern**

The Directors have made an assessment of the Company’s ability to continue as a going concern in the foreseeable future and they do not foresee a liquidation or cessation of trading.

In preparing these financial statements, the management has assessed the existing and anticipated effect of volatile and uncertain economic conditions and on the Company and appropriateness of the use of the going concern basis.

**2.7. Comparative Information**

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements 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.

**2.8. 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 income statement, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the Significant Accounting Policies of the Company.

**2.9. Rounding**

The amounts in the Financial Statements have been rounded-off to the nearest rupees, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard - LKAS 1 on ‘Presentation of Financial Statements’.

## RAMBODA FALLS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The Company have consistently applied the accounting policies to all periods presented in these financial statements.

##### 3.1. Foreign currency

###### 3.1.1. Functional Currency and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entities operate ('the functional Currency'). These Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

###### 3.1.2. Foreign currency transactions

In preparing the Financial Statements, transactions in currencies other than the entity's functional currency (foreign currency) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions.

At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate.

Non-monetary items measured at fair value are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items measured at historical cost are translated at the rates prevailing on the date of transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences which are recognized in other comprehensive income.

##### 3.2. Assets and the Bases of Their Valuation

Assets classified as current assets in the Statement of Financial Position are cash, bank balance and those which are expected to be realised in cash during the normal operating cycle of the Company's business or within one year from the date of the Statement of Financial Position whichever is earlier. Assets other than current assets are those which the Company intends to hold beyond the period of one year from the reporting date.

###### 3.2.1. Property, plant and equipment

###### 3.2.1.1. Recognition and measurement

###### 3.2.1.1.1. Basis of recognition

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

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023****3.2.1.1.2. Basis of measurements**

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. The cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to the working condition of its intended use. This also includes costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that asset. When parts of an item of Property, Plant and Equipment (major components) have different useful lives, they are accounted for as separate items of property, plant and equipment.

**3.2.1.2. Subsequent measurement**

The Company applies the Revaluation Model for the entire class of freehold land and freehold building and Other assets for measurement after initial recognition. Such properties are carried at revalued amounts, being their fair value at the date of revaluation, less any subsequent accumulated depreciation on buildings and other assets and any accumulated impairment losses charged subsequent to the date of valuation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land and Buildings and other assets do not change other than by a significant amount at each reporting period, the Company will revalue such assets every five years.

Any surplus arising on the revaluation is recognized in other comprehensive income except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognized in income statement, in which case the credit to that extent is recognized in income statement. Any deficit on revaluation is recognized in income statement except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognized in other comprehensive income. Therefore, revaluation increases, and decreases cannot be offset, even within a class of assets.

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and Buildings and other assets owned by the Company 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. The details of land valuation are disclosed in Note 11.10 and 11.11 to the financial statements.

**3.2.1.3. Subsequent cost**

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 Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023****3.2.1.4. Depreciation**

The Company provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on a straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets. Depreciation on revalued classes of assets is based on the remaining useful life of the assets at the time of the revaluation. Land is not depreciated.

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 as an expense in the Income statement.

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

<b>Asset Category</b>	<b>No of Years</b>
Buildings – freehold	70
Plant and machinery	05 - 08
Motor vehicles	08 - 10
Office equipment	04 - 08
Furniture, fittings	10-20
Computer equipments	04 - 08
Cutlery, crockery and glassware	03

**3.2.1.5. Derecognition**

An item of property, plant and equipment is derecognized upon disposal of or when no future economic benefits are expected from its use or disposal. The gains or losses arising on derecognition (disposal or retirement) of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognized net within ‘other income’ in the Statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

**3.2.1.6. Capital work-in-progress**

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital work-in-progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

**3.2.2. Right to use Assets**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified

## RAMBODA FALLS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

#### 3.2.2.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a

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residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and equipment' and lease liabilities in 'Interest Bearings Loans & Borrowings' in the statement of financial position.

**3.2.3. Intangible assets****3.2.3.1. Recognition and measurement**

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply goods or other services, rental to others or for administrative purposes. An intangible asset is initially recognised at cost, if it is probable that future economic benefit will flow to the enterprise, and the cost of the asset can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

**3.2.3.2. Computer software**

All computer software costs incurred, licensed for use by the Company, which are not integrally related to associated hardware, which can be clearly identified, reliability measured and that they will lead to future economic benefits, are included in the Financial Position under the category intangible assets and carried at cost less accumulated amortisation and any accumulated impairment losses.

**3.2.3.3. Subsequent Expenditure**

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

**3.2.3.4. Amortization**

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognised in the 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, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives and amortization rates are as follows:

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, where necessary.

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Asset Category	No of Years
Computer Software	05

**3.2.3.5. De-recognition**

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

**3.2.4. Financial instruments****3.2.4.1. Recognition and initial measurement**

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

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

**Financial Assets****3.2.4.2. Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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

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

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

The Company's financial assets classified under amortised cost includes trade and other receivable, and cash and cash equivalents.



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A debt investment is measured at FVOCI if it meets both of the following conditions and it not designated as at FVTPL.

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets – Business model assessment**

The Company make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Company's management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
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For the purpose of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value for money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs. (e.g. liquidity risk and administrative costs), as well as a profit margin,

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual cash flows such that it would not meet this condition. In marking this assessment, the Company consider:

- Contingent events that would change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features; and
- Terms that limit the company’s claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets – subsequent measurement and gains and losses:**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
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**3.2.4.3. Financial Liabilities – Classification, subsequent measurement and gain and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**3.2.4.4. Derecognition****Financial asset**

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

The Company enter into transactions whereby they transfer assets recognized in its statement of financial position but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

**Financial liabilities**

The Company derecognize a financial liability when its contractual obligation are discharged or cancelled, or expire. The Company derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

**3.2.4.5. Offsetting**

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

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
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The Company recognise loss allowances for ECLs on financial assets measured at amortised cost.

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 120 days past due.

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

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

**Measurement of ECLs**

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

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

**3.2.4.6.2. Credit-impaired financial assets**

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

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

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- Significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default or being more than 120 days past due.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

**3.2.4.6.3. Non-financial assets**

The carrying amount of the Company's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's value in use and its fair value less cost to sale and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the assets are considered impaired and is written down to its' recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risk specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used. Impairment loss of continuing operations are recognized in the Statement of Profit or Loss and Other Comprehensive Income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognized. If that is the case, carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 'exceed' the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss and Other Comprehensive Income

**3.2.5. Inventories**

Inventories are recognized at cost and net realizable value whichever is lower after making due allowance for obsolete and slow-moving items.

The cost of inventories is based on a weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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#### 3.2.6. Cash and cash equivalents

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

Bank overdrafts are shown under current liabilities. For purpose of Cash Flow, Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as components of cash and cash equivalent.

#### 3.2.7. Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved.

#### 3.2.8. Employee benefits

##### 3.2.8.1. 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 recognized for the amount expected to be paid 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.

##### 3.2.8.2. Defined contribution plans - employees' Provident fund and employees' trust fund

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. Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively and is recognized as an expense in profit and loss in the periods during which services are rendered by employees.

##### 3.2.8.3. Defined benefit plans

The Company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by using the internally generated formula. Re-measurement of the net defined benefit liability, which comprise of actuarial gains and losses are recognized immediately in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined liability, taking in to account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

The liability is not externally funded.

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Termination benefits are recognized as an expense when the Company is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**3.2.9. Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

**3.2.10. Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****3.2.11. Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over the goods or services to a customer.

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

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Type of service	Nature and timing of the satisfaction of performance obligation
Provision of accommodation	The main obligation in the customer contract is to provide rooms for guests. accommodation. This is represented in the Room Revenue reported in the financial statements. Revenue under this segment is recognized on the rooms occupied on a daily basis over the period of the stay. Invoice is raised to customer on completion of the duration of the stay.
Provision of Food and beverage	<p>The following services are rendered under this performance obligation:</p> <p>i) Provision of BB/HB/FB meal for guests occupying the hotels which is part and partial of the contract entered into. Revenue is recognized at the time of sale and invoice to the customers on the completion of the duration of the stay.</p> <p>ii) Provision of extra food and beverages - Revenue is recognised at the time of sale and invoice to the customers at the time of consumption.</p>
Provision of Laundry, Telephone, etc	These services are provided to customers as they are implied as business practices in the industry and create a valid expectation of the customer. Revenue is recognised at the time of provision of service and invoice is raised at the time of service is consumed.

**3.2.11.1. Other income**

Other income is recognised on an accrual basis. Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other noncurrent assets, including investments, are accounted for in the statement of profit or loss and comprehensive income, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses. Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

**3.2.11.2. Ramboda Hydro power profit share**

Hydro power profit share which has arisen as a result of lease agreement between the Company (lessor) and Ramboda Falls Hydro (Private) Limited (lessee). Whereas the company is seized and possessed and otherwise well and sufficiently entitled channel path dedicated in plan No.105 dated 16th November 2008 made by K.W.R.L.S Premakumara Ranasinghe. Whereas the lessee has agreed to lease for a 40 years period the said channel path and all other infrastructure currently held possessed and enjoyed by the lessor in the said channel path together with the rights of access to the enter the said channel path. And whereas it has been agreed that it will be leased irrevocably for a period of 40 years commencing from 17<sup>th</sup> September 2010 and ending on 16th September 2050.



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The lessee has agreed with lessor to remit 5% of the profit after the expiry of one year from the date of commercial commencement of the Hydro power project. The said Hydro power project has been commercially commenced on 2014/15 financial year.

**3.2.12. Expenditure recognition**

Expenses are recognised in the statement of profit or loss and other comprehensive income 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 the profit or loss.

**3.2.13. Finance income and finance costs**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in income statement, using the effective interest method.

Finance expenses comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in income statement using the effective interest method. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the asset.

**3.2.14. Income tax expense**

Income tax expense comprises both current and deferred tax. Income tax expense is recognised in income statement except to the extent that it relates to items recognised directly in equity, in which case is recognised in the statement of comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

**3.2.14.1. Current taxation**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

**3.2.14.2. Deferred taxation**

Deferred Tax is recognised by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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Deferred Tax is not recognised for, temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary difference to the extent that it is probable that future taxable profit will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary difference is insufficient to recognised a differed tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans. Deffered tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reduction are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates in enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

**3.2.14.3. Tax exposures**

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

**3.2.15. Cash flow statement**

Interest paid and dividend paid are classified as financing cash flows while interest received and dividend received are classified as investing cash flows, for the purpose of presentation of Cash Flow Statement which has been prepared using the “Indirect Method” of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard LKAS 7.

**3.2.16. Earnings per share (EPS)**

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

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All material and important events which occur after the Reporting date have been considered and disclosed in notes to the financial statements.

**3.2.18. Dividends on ordinary shares**

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

**3.2.19. Segment Reporting**

The Company in the hospitality industry and cannot segment its products and services. The Company manages hotels in two principal geographical areas, Ramboda and Polonnaruwa. In presenting segmental information segment revenue and assets are based on the geographical locations of the assets. The primary segment is considered to be the geographical segments based on the Company's management and internal reporting structure.

Segmental information analysed by geographical segments is disclosed in Note 05 to the financial statements.

**4. NEW STANDARDS AND CHANGES TO ACCOUNTING STANDARDS NOT EFFECTIVE AS AT THE REPORTING DATE**

A number of new standards and amendments to standards are effective for annual periods beginning after 01st April 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

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

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases. The amendments apply for annual reporting periods beginning on or after 01st January 2023.

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

**Definition of Accounting Estimates (Amendments to LKAS 8)**

The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. Additionally, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendment applies to annual reporting periods beginning on or after 01st January 2023.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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**Classification of Liabilities as Current or Non-current (Amendments to LKAS 1). The amendment applies to annual reporting periods beginning on or after 01st January 2023**

The amendments in Classification of Liabilities as Current or Noncurrent (Amendments to LKAS 1) affect only the presentation of liabilities in the statement of financial position not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those item.

The Key amendments are as follows:

the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The standard also clarifies that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not anticipate this amended to have a significant impact.

**Disclosure of Accounting Policies (Amendments to LKAS 1). The amendment applies to annual reporting period beginning on or after 01st January 2023**

The key amendments include,

- requiring companies to disclose their material accounting policies rather than their significant accounting policies.
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to the Company's financial statements. The Company does not anticipate this amended to have a significant impact.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH**

	2023	2022
	Rs.	Rs.
<b>5 REVENUE</b>		
<b>5.1 Revenue Streams</b>		
Restaurant Sales	51,983,893	22,090,155
Beverage & Liquor Sales	18,247,867	4,857,849
Room Sales	51,929,385	20,584,196
Other Revenue	142,240	32,505
<b>Total Revenue</b>	<b>122,303,385</b>	<b>47,564,705</b>

5.1.1 Revenue classified as 'other revenue' above, mainly comprise revenue generated from Tobacco sales and Laundry sales.

	2023	2022
	Rs.	Rs.
<b>5.1.2 Timing of Revenue Recognition</b>		
Products transferred at a point in time	122,303,385	47,564,705
	<b>122,303,385</b>	<b>47,564,705</b>

**5.2 Segmental Information**

The Company manages hotels in two principal geographical areas, Ramboda and Polonnaruwa. In presenting segmental information segment revenue and assets are based on the geographical locations of the assets. The primary segment is considered to be the geographical segments based on the Company's management and internal reporting structure.

Geographical locations	Ramboda		Polonnaruwa		Total	
	2023	2022	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(a) Segment Revenue</b>						
Revenue	112,751,762	43,850,007	9,551,623	3,714,698	122,303,385	47,564,705
Cost of Sales	(61,465,721)	(28,670,675)	(11,623,102)	(5,421,594)	(73,088,823)	(34,092,269)
<b>Segment Results</b>	<b>51,286,041</b>	<b>15,179,332</b>	<b>(2,071,479)</b>	<b>(1,706,896)</b>	<b>49,214,562</b>	<b>13,472,436</b>
Other Income	3,296,369	11,719,172	1,010	3,590	3,297,379	11,722,762
Administrative Expenses	(40,255,853)	(21,229,707)	(3,578,272)	(1,889,414)	(43,834,125)	(23,119,121)
Marketing & Selling Expenses	(1,751,460)	(677,040)	(65,600)	(25,358)	(1,817,060)	(702,398)
<b>Profit/(Loss) from Operating Activities</b>	<b>12,575,097</b>	<b>4,991,757</b>	<b>(5,714,341)</b>	<b>(3,618,078)</b>	<b>6,860,756</b>	<b>1,373,679</b>
Net Finance Income	683,094	605,488	-	-	683,094	605,488
<b>Profit/(Loss) from Operations before Income Tax</b>	<b>13,258,191</b>	<b>5,597,246</b>	<b>(5,714,341)</b>	<b>(3,618,078)</b>	<b>7,543,850</b>	<b>1,979,167</b>
Income Tax Benefit/ (Expense)	(19,295,023)	1,500,699	-	-	(19,295,023)	1,500,699
<b>Profit/(Loss) from Operations after Income Tax</b>	<b>(6,036,832)</b>	<b>7,097,945</b>	<b>(5,714,341)</b>	<b>(3,618,078)</b>	<b>(11,751,173)</b>	<b>3,479,866</b>
<b>Capital Expenditure</b>	<b>3,773,258</b>	<b>24,428,752</b>	<b>-</b>	<b>199,400</b>	<b>3,773,258</b>	<b>24,628,152</b>
<b>Depreciation / Amortisation</b>	<b>16,763,188</b>	<b>12,947,087</b>	<b>4,391,714</b>	<b>3,391,950</b>	<b>21,154,902</b>	<b>16,339,037</b>
<b>(b) Geographical segment analysis of assets and liabilities</b>						
<b>Non Current Assets</b>	<b>596,562,032</b>	<b>615,025,867</b>	<b>57,293,840</b>	<b>59,067,107</b>	<b>653,855,872</b>	<b>674,092,974</b>
<b>Current Assets</b>	<b>44,358,946</b>	<b>16,347,464</b>	<b>6,972,436</b>	<b>2,568,124</b>	<b>51,331,382</b>	<b>18,915,588</b>
<b>Total Assets</b>	<b>640,920,978</b>	<b>631,373,331</b>	<b>64,266,276</b>	<b>61,635,231</b>	<b>705,187,254</b>	<b>693,008,562</b>
<b>Non Current Liabilities</b>	<b>177,845,408</b>	<b>90,432,171</b>	<b>571,020</b>	<b>228,671</b>	<b>178,416,428</b>	<b>90,660,842</b>
<b>Current Liabilities</b>	<b>30,054,159</b>	<b>21,345,545</b>	<b>1,132,006</b>	<b>782,445</b>	<b>31,186,166</b>	<b>22,127,990</b>
<b>Total Liabilities</b>	<b>207,899,567</b>	<b>111,777,716</b>	<b>1,703,026</b>	<b>1,011,116</b>	<b>209,602,594</b>	<b>112,788,832</b>

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH**

	<b>2023</b>	2022
	<b>Rs.</b>	Rs.
<b>6. OTHER OPERATING INCOME</b>		
Profit on disposal of property plant and equipment	-	9,477,973
Green Leaf Sales	<b>757,782</b>	377,411
Income from land lease (Note 6.1)	<b>1,700,688</b>	1,443,040
Elevator & Shuttle Service Income	<b>686,026</b>	369,890
Sales of Scraps	<b>152,883</b>	54,448
	<b>3,297,379</b>	11,722,762
<b>6.1 Income from land lease</b>		
<p>During the financial year, the Company has recorded Rs. 1,700,688/- (2021/2022 - Rs. 1,443,040/-) as land lease income which has arisen as a result of lease agreement between the Company (lessor) and Ramboda Hydro (Private) Limited (lessee).</p> <p>According to the said lease agreement the Company has agreed to lease the channel path (dedicated in plan no.105 dated 16th November 2008 made by K.W.R.L.S Premakumara Ranasinghe) for a 40 years period with all other infrastructure currently held, possessed and enjoyed by the lessor in the said channel path together with the rights of access to enter the said channel path. And whereas it has been agreed that it will be leased irrevocably for a period of 40 years commencing from 17th September 2010 and ending on 16th September 2050.</p> <p>The Lessee as consideration has agreed with lessor to remit 5% of the profit after the expiry of one year from the date of commercial commencement of the Hydro power project. The said Hydro power project has been commercially commenced on 2014/15 financial year and the 5% of profit has been paid on the profit recorded by lessee.</p>		
<b>7. PROFIT/(LOSS) FROM OPERATIONS</b>	<b>2023</b>	2022
	<b>Rs.</b>	Rs.
<i>Profit/(Loss) from operations is stated after charging all expenses including the following:</i>		
Directors Remuneration	<b>5,000,000</b>	1,500,000
Auditors Remuneration	<b>535,000</b>	446,250
Depreciation on property, plant and equipment	<b>21,154,902</b>	16,293,037
Amortization of intangible assets	<b>42,580</b>	46,000
Donations	<b>48,800</b>	24,300
<b>Staff costs :</b>		
Salaries & wages	<b>15,527,826</b>	9,373,446
Employees Provident Fund	<b>816,224</b>	359,124
Employees Trust Fund	<b>206,954</b>	89,781
Provision for employee benefits	<b>836,281</b>	559,438
<b>8. NET FINANCE INCOME/(EXPENSE)</b>	<b>2023</b>	2022
	<b>Rs.</b>	Rs.
<b>8.1 Finance Income</b>		
Interest Income on savings accounts	<b>1,172,722</b>	183,168
Exchange Gain	<b>117,825</b>	882,713
	<b>1,290,547</b>	1,065,881
<b>8.2 Finance Expenses</b>		
Net Interest expenses on Finance Lease (Note 18.5)	<b>372,797</b>	39,717
Interest expenses on bank borrowings	<b>234,656</b>	420,676
	<b>607,453</b>	460,393
<b>Net finance Income</b>	<b>683,094</b>	605,488

**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH**

	2023 Rs.	2022 Rs.
<b>9. INCOME TAX EXPENSE/(BENEFIT)</b>		
<b>9.1 Amounts recognised in Profit or Loss</b>		
Current tax expense (Note 9.3)	775,821	390,290
Under Provision in respect of previous years	-	541,520
Deferred tax charge/(reversed) during the year (Note 19.2)	<u>18,519,202</u>	<u>(2,432,509)</u>
<b>Total Income tax benefit recognised in the Profit or Loss</b>	<u><b>19,295,023</b></u>	<u><b>(1,500,699)</b></u>

**9.2 Amounts recognised in OCI**

**Items that will not be reclassified to profit or loss**

**For The Year Ended 31<sup>st</sup> March 2023**

Revaluation gain on property, plant and equipment  
Remeasurement of Defined Benefit Obligation  
**Total deferred tax recognised in other comprehensive income**

Before Tax	Tax (expense)/ benefit	Net of Tax
-	(73,353,274)	(73,353,274)
<u>670,538</u>	<u>(201,161)</u>	<u>469,377</u>
<u><b>670,538</b></u>	<u><b>(73,554,435)</b></u>	<u><b>(72,883,897)</b></u>

**For The Year Ended 31<sup>st</sup> March 2022**

Revaluation gain on property, plant and equipment  
Remeasurement of Defined Benefit Obligation  
Total income tax recognised in other comprehensive income

215,647,995	(30,190,719)	185,457,276
<u>206,649</u>	<u>(28,931)</u>	<u>177,718</u>
<u><b>215,854,644</b></u>	<u><b>(30,219,650)</b></u>	<u><b>185,634,994</b></u>

**9.3 Reconciliation between the accounting profit and the profit for the tax purposes**

Accounting Profit/(Loss) before taxation	7,543,850	1,979,167
Income not form a part of Business Profit	<u>(2,873,410)</u>	<u>(1,626,208)</u>
Aggregate disallowable items	<u>26,006,026</u>	<u>33,266,268</u>
Aggregate allowable items	<u>(13,797,793)</u>	<u>(27,437,661)</u>
<b>Assessable Income/(Loss) from Business</b>	<u><b>16,878,673</b></u>	<u><b>6,181,566</b></u>
Utilization of tax losses during the year	<u>(16,878,673)</u>	<u>(6,181,566)</u>
Taxable Income from Business	-	-
Assessable Interest Income	<u>2,873,410</u>	<u>1,626,208</u>
<b>Taxable Income</b>	<u><b>2,873,410</b></u>	<u><b>1,626,208</b></u>
<b>Income tax charged at</b>		
Tax on Statutory Income @ 24%	344,809	390,290
Tax on Statutory Income @ 30%	<u>431,012</u>	<u>-</u>
<b>Total Current tax expense</b>	<u><b>775,821</b></u>	<u><b>390,290</b></u>

**9.4 Income tax provisions applicable**

The income tax provision of Ramboda Falls PLC has been calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto and the circular issued by the Department of Inland Revenue on 9th May 2023 (No. SEC/2023/E/03) on the subject "Calculation of Income Tax Payable for the Year of Assessment commencing on April 1, 2022"

As specified in the Inland Revenue (Amendment) Act No. 45 of 2022, certified on December 19, 2022, and the aforementioned circular, the income tax payable for the year of assessment 2022/23 is calculated separately for two periods: the first 6 months ("First Period") from April 1, 2022, to September 30, 2022, and the second 6 months ("Second Period") from October 1, 2022, to March 31, 2023. The separation of business income included under taxable income into two periods can be done either on a pro-rata basis or actual basis

Ramboda Falls PLC, being a Company engaged in the promotion of tourism is liable for tax at a concessionary rate of 14% up to 30th September 2022 and at a standard rate of 30% thereafter in terms of the Inland Revenue (Amendment) Act No. 45 of 2022.

**9.5 Tax Losses Carried Forward**

	2023 Rs.	2022 Rs.
Tax Losses brought forward	18,646,958	24,828,523
Tax Losses during the Year	-	-
Adjustment in respect of prior years	419,445	-
Utilization of tax losses	<u>(16,878,673)</u>	<u>(6,181,566)</u>
Tax Losses carried forward	<u><b>2,187,730</b></u>	<u><b>18,646,958</b></u>

**10. EARNINGS/(LOSS) PER SHARE**

The calculation of the Earnings /(Loss) per share has been derived by dividing profit/(Loss) attributable to equity shareholders of Company by the weighted average number of ordinary shares in issue during the year and calculated as follows :

The following reflects the earnings and share data used for the computation of "Basic earnings per share".

**For the year ended 31<sup>st</sup> March**

	2023	2022
Profit/(Loss) attributable to the ordinary equity holders	(11,751,173)	3,479,866
Weighted average number of ordinary shares outstanding at the year end	20,000,000	20,000,000
<b>Earnings/(Loss) per share (Rs.)</b>	<u><b>(0.59)</b></u>	<u><b>0.17</b></u>

**10.1 Diluted Earnings per share**

There were no potentially dilutive ordinary shares as at 31<sup>st</sup> March 2023 and there have been no transactions involving ordinary shares or potential ordinary shares as at the reporting date which would require restatement of EPS.

## RAMBODA FALLS PLC

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> MARCH 2023

## 11. PROPERTY, PLANT &amp; EQUIPMENT

	Freehold Land		Freehold Building		Motor Vehicle		Furniture & Fittings		Cutlery Crockery Glassware & Linen		Office Equipment		Plant & Machinery		Capital Work in Progress		Right of use Assets Vehicle		Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Balance as at 1st April 2021</b>	176,999,980	251,609,538	5,117,679	16,759,385	4,136,531	1,663,230	24,233,174	11,839,657	31,949,994	524,309,168											
Additions during the Year	-	-	19,150,000	-	462,000	231,400	571,340	4,213,412	-	24,628,152											
Transfers during the Year	-	11,107,308	26,699,994	-	-	-	-	(11,107,308)	(26,699,994)	-											
Disposal during the year	-	-	(26,490,000)	-	-	-	-	-	-	(26,490,000)											
Write off during the year	-	-	-	-	-	-	-	-	-	(2,132,883)											
Accumulated depreciation transferred on Revaluation	-	(27,020,196)	(4,339,716)	(8,692,687)	-	(891,008)	(10,510,226)	-	-	(51,453,833)											
Surplus on revaluation	132,006,320	13,582,423	9,112,043	18,233,833	-	2,268,819	40,444,557	-	-	215,647,995											
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>309,006,300</b>	<b>249,279,073</b>	<b>29,250,000</b>	<b>26,300,531</b>	<b>4,598,531</b>	<b>3,272,441</b>	<b>54,738,845</b>	<b>2,812,878</b>	<b>5,250,000</b>	<b>684,508,599</b>											
Additions during the Year	-	-	-	-	-	157,418	396,000	3,219,840	-	3,773,258											
Write off during the year	-	-	-	-	-	-	-	(2,812,878)	-	(2,812,878)											
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>309,006,300</b>	<b>249,279,073</b>	<b>29,250,000</b>	<b>26,300,531</b>	<b>4,598,531</b>	<b>3,429,859</b>	<b>55,134,845</b>	<b>3,219,840</b>	<b>5,250,000</b>	<b>685,468,979</b>											
<b>ACCUMULATED DEPRECIATION</b>																					
<b>Balance as at 1st April 2021</b>	-	22,945,588	2,707,375	7,535,663	3,620,447	758,791	8,412,999	-	11,983,833	57,964,696											
Charge for the year	-	5,566,084	3,596,896	1,978,916	454,606	239,021	3,801,264	-	656,250	16,293,037											
Transfers during the Year	-	-	11,271,999	-	-	-	-	-	(11,271,999)	-											
Disposals During the year	-	-	(12,317,973)	-	-	-	-	-	-	(12,317,973)											
Accumulated depreciation transferred on Revaluation	(27,020,196)	(4,339,716)	(4,339,716)	(8,692,687)	-	(891,008)	(10,510,226)	-	-	(51,453,833)											
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>1,491,476</b>	<b>918,581</b>	<b>821,892</b>	<b>4,075,053</b>	<b>106,804</b>	<b>1,704,037</b>	<b>-</b>	<b>1,368,084</b>	<b>10,485,927</b>											
Charge for the year	-	6,025,489	3,656,251	3,287,567	268,873	413,992	6,846,480	-	656,250	21,154,902											
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>7,516,965</b>	<b>4,574,832</b>	<b>4,109,459</b>	<b>4,343,926</b>	<b>520,796</b>	<b>8,550,517</b>	<b>-</b>	<b>2,024,334</b>	<b>31,640,829</b>											
<b>Carrying Amount as at 31<sup>st</sup> March 2023</b>	<b>309,006,300</b>	<b>241,762,108</b>	<b>24,675,168</b>	<b>22,191,072</b>	<b>254,605</b>	<b>2,909,063</b>	<b>46,584,328</b>	<b>3,219,840</b>	<b>3,225,666</b>	<b>653,828,150</b>											
<b>Carrying Amount as at 31<sup>st</sup> March 2022</b>	<b>309,006,300</b>	<b>247,787,597</b>	<b>28,331,419</b>	<b>25,478,639</b>	<b>523,478</b>	<b>3,165,637</b>	<b>53,034,808</b>	<b>2,812,878</b>	<b>3,881,916</b>	<b>674,022,672</b>											



## RAMBODA FALLS PLC

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31<sup>ST</sup> MARCH 2023

#### 11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

##### 11.1 Property, plant and equipment under construction

Capital work in progress represents the amount of expenditure recognised under property, plant and equipment during the construction of capital assets.

##### 11.2 Title restriction on property, plant and equipment

There are no restrictions that existed on the title of the PPE of the Company as at the reporting date except assets disclosed under note 11.8.

##### 11.3 Acquisition of property, plant and equipment during the year

During the financial year, the Company acquired PPE to the aggregate value of Rs. 3.8 million (2021/2022 - Rs. 24.6 million) by means of cash.

##### 11.4 Capitalisation of borrowing cost

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2022/2023 (2021/2022 – Nil).

##### 11.5 Temporarily Idle property, plant and equipment

There are no temporarily idle property, plant or equipment as at the reporting date. (2021/2022 - Nil).

##### 11.6 Impairment of property, plant and equipment

The Board of Directors has assessed the potential impairment loss of PPE as at 31 March 2023 by considering the impact from the current economic condition as well. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of PPE (2021/2022 - Nil).

However, capital work in progress amounting to Rs. 2.8Mn has written-off during the year.

##### 11.7 Fully depreciated property, plant and equipment in use

Property, plant and equipment includes fully depreciated assets with a cost of Rs. 4,136,531/- (31 March 2022 - Rs. 3,533,316/-) which were in use during the year.

##### 11.8 Property, plant and equipment pledged as security for liabilities

The value of the property, plant and equipment pledged as security against borrowings as follows,

Loans	Security
HNB 8 Mn	Primary Floating Mortgage Bond of Rs.8,000,000/- to be executed over the immovable property situated at Ramboda (including the existing buildings and/or the buildings which are to be constructed in further together with any further developments, modifications or alterations thereto) with all fixtures fittings, services and such other rights attached or apertaining thereto ("the mortgaged Property")

##### 11.9 Revaluation of land, buildings and other assets

The Company uses the revaluation model of measurement of land, buildings and other assets. The Company has engaged with independent expert valuers to determine the fair value of its land and buildings and other assets. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location, or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The date of the most recent revaluation was carried out on 31<sup>st</sup> December 2021.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS**AS AT 31<sup>ST</sup> MARCH 2023**11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

11.10 The details of freehold Land and Building and Other Assets which are stated at Revaluation are as follows,

Location	Square Feet	Method of Valuation	Effective date of Valuation	Name of the Independent Valuer	Revalued Amount	Net Book Value before revaluation	Revaluation Gain
<b>Freehold Building</b>							
No.76, Rock Fall Estate, Nuwara-Eliya Road, Ramboda	39,582 sq.ft.	Contractor's Method of valuation	31-12-2021	Mr. K.D Sirisena F.I.V Sri Lanka, an independent valuer, Member Private Valuer's Association. Rtd. Chief Municipal Valuation Inspector and Actg. Assistant Municipal assessor.	238,171,765	224,589,342	13,582,423
No.161/2, Mile post, Polonnaruwa Road, Raja Ela, Minneriya	10,867 sq.ft.						
<b>Freehold Land</b>							
No.76, Rock Fall Estate, Nuwara-Eliya Road, Ramboda	09-1R-32P	Market Approach	31-12-2021		309,006,300	176,999,980	132,006,320
No.161/2, Mile post, Polonnaruwa Road, Raja Ela, Minneriya	02-0R-0.21P						
<b>Other Assets*</b>					113,106,617	43,047,365	70,059,252
* Other assets includes Motor vehicles, furniture & fittings, office equipment and plant & machineries.		Depreciation replacement cost	31-12-2021				

**11.11 Fair value measurement****(a) Fair value hierarchy**

The fair value of the freehold Land and Building and Other Assets was determined by an external independent property valuer, having appropriate recognized professional qualifications and experience in the category of the property being valued. The valuer provides the fair value of the property. Based on the valuation techniques used it has been classified under Level 3 in fair value hierarchy.

**(b) Valuation techniques and significant unobservable inputs used in measuring fair value**

The following table shows the valuation techniques used in measuring fair value, as well as the significant unobservable inputs used.

Valuation techniques	No of buildings	Significant unobservable inputs	Range of Estimates for unobservable inputs	Interrelationship between key unobservable inputs & fair value measurements
<b>Freehold Building</b>				
No.76, Rock Fall Estate, Nuwara-Eliya Road, Ramboda	10	Estimated constructed cost per square feet	Rs. 2,000 - Rs. 6,000 (Estimated Price per Sq.ft.)	Positive correlation sensitivity Estimated fair value would increase/(decrease) if price per Square Foot would increase / (decrease).
No.161/2, Mile post, Polonnaruwa Road, Raja Ela, Minneriya	8		Rs. 1,500 - Rs. 4,500 (Estimated Price per Sq.ft.)	
<b>Freehold Land</b>				
No.76, Rock Fall Estate, Nuwara-Eliya Road, Ramboda	-	Market value per perch	Rs. 325,000 - Rs. 550,000 (Tea Land - Rs. 4,000,000 per acre)	Positive correlation sensitivity Estimated fair value would increase/(decrease) if price per perch would increase /(decrease).
No.161/2, Mile post, Polonnaruwa Road, Raja Ela, Minneriya	-		Rs. 30,000 - Rs. 80,000	
<b>Other Assets</b>				
Motor Vehicle	-	Market value after adjusting depreciation.	Rs. 1,850,000 - Rs. 16,500,000	Positive correlation sensitivity Estimated fair value would increase/(decrease) if Market price would increase /(decrease). Depreciation rate for usage lower/ (higher)
Furniture & Fittings	-		Rs. 22,500 - Rs. 2,025,000	
Office Equipment	-		Rs. 20,000 - Rs. 427,000	
Plant & Machinery	-		Rs. 110,000 - Rs. 32,500,000 (Depreciation rate for the usage of assets 10% - 45%)	

**Contractor's Method of valuation**

The valuation method considers the cost of producing substitute property with equal utility, by calculating the current cost of replacing the subject improvements and subtracting an approximate amount for depreciation.

**Market Approach**

This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property. In this process outlier transactions, indicative of particular motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.

11.12 If property, plant and equipment were stated on the historical cost basis, their net book amounts would be as follows :

	Freehold Land	Buildings	Motor Vehicle	Furniture & Fittings	Office Equipment	Plant & Machinery
<b>As at 31 March 2022</b>						
Cost	10,967,078	113,626,240	24,477,679	13,092,826	1,150,114	17,439,626
Accumulated depreciation	-	(67,710,074)	(4,925,436)	(11,377,354)	(971,084)	(11,653,503)
<b>Carrying value</b>	<b>10,967,078</b>	<b>45,916,166</b>	<b>19,552,243</b>	<b>1,715,472</b>	<b>179,030</b>	<b>5,786,123</b>
<b>As at 31 March 2023</b>						
Cost	10,967,078	113,626,240	24,477,679	13,092,826	1,307,532	18,406,966
Accumulated depreciation	-	(69,333,306)	(7,373,204)	(12,250,209)	(1,232,590)	(14,817,474)
<b>Carrying value</b>	<b>10,967,078</b>	<b>44,292,934</b>	<b>17,104,475</b>	<b>842,617</b>	<b>74,942</b>	<b>3,589,492</b>

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS**AS AT 31<sup>ST</sup> MARCH,

	2023 Rs.	2022 Rs.
<b>12. INTANGIBLE ASSETS</b>		
<b>Cost</b>		
Balance as at 1 <sup>st</sup> April	1,860,000	1,860,000
<b>Balance as at 31<sup>st</sup> March</b>	<b>1,860,000</b>	<b>1,860,000</b>
<b>Accumulated Amortization</b>		
Balance as at 1 <sup>st</sup> April	1,789,698	1,743,698
Amortization during the year	42,580	46,000
<b>Balance as at 31<sup>st</sup> March</b>	<b>1,832,278</b>	<b>1,789,698</b>
<b>Net Book Value</b>	<b>27,722</b>	<b>70,302</b>
<b>13. INVENTORIES</b>		
	2023 Rs.	2022 Rs.
Food	3,836,542	2,109,985
Bar stock	1,101,471	344,277
House keeping	578,192	274,349
Stationery	45,162	61,388
Building Maintenance	477,305	175,413
	<b>6,038,672</b>	<b>2,965,412</b>
<b>14. TRADE AND OTHER RECEIVABLES</b>		
	2023 Rs.	2022 Rs.
Trade receivables	7,793,368	2,368,666
Provision For Bad Debtors (Note 14.1)	(90,113)	(90,113)
	<b>7,703,255</b>	<b>2,278,553</b>
Advance and Prepayment	457,934	947,231
WHT Receivables	25,625	16,014
Other receivables	2,476,315	1,377,197
	<b>10,663,129</b>	<b>4,618,995</b>
<b>14.1 Provision for impairment of trade receivables</b>		
Balance at beginning of the year	90,113	529,207
Write off during the year	-	(439,094)
Balance as at the end of the year	<b>90,113</b>	<b>90,113</b>
<i>There is no enforcement activities relating to the write-off of debtors during the year.</i>		
<b>14.2 Other Receivables Suspense</b>		
Other Receivables Suspense (Note 14.2.1)	2,796,670	3,046,670
Provision for Other Receivables Suspense	(2,796,670)	(3,046,670)
Balance as at the end of the year	<b>-</b>	<b>-</b>

**14.2.1** There is an ongoing investigation by the Special Investigation Crime Bureau ("SCIB") - Nuwara - Eliya at the Helboda Magistrate Court bearing the case no, B04/17 on the complaint made by the management against the former employee for cheating and missappropriation of funds of the Company.

SCIB has launched an investigation on this fraud and have recorded statements from suspect, Bank and some witnesses and progress of their investigation were reported to the said case.

Suspect, former accountant was arrested by the SCIB - Nuwara Eliya and he was produced before the Helboda Magistrate Court. He was enlarged on bail.

Due to non-completion of the investigations, formal charge sheet against the said suspect is not yet filed by the end of 31st March 2023. However, estimated loss for the Company is Rs.2,796,670/- which is fully provisioned during the year 2016/2017. However, sum of Rs. 250,000/- has received during the year from the accuse.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS**AS AT 31<sup>ST</sup> MARCH

	2023 Rs.	2022 Rs.
<b>15. CASH &amp; CASH EQUIVALENTS</b>		
Cash at Bank	30,591,331	10,851,383
Cash in Hand	4,038,250	479,798
<b>Total cash and cash equivalents</b>	<b>34,629,581</b>	11,331,181
Bank overdraft	(5,773,158)	(240,397)
<i>Net cash and cash equivalents for the cash flow statement purpose</i>	<b>28,856,423</b>	11,090,784

**16. STATED CAPITAL**

	2023		2022	
	Number of shares	Value of shares Rs.	Number of shares	Value of shares Rs.
Fully paid ordinary shares	20,000,000	100,000,020	20,000,000	100,000,020
	<b>20,000,000</b>	<b>100,000,020</b>	<b>20,000,000</b>	<b>100,000,020</b>

**16.1 Rights, preferences and restrictions of classes of capital**

The holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual

**16.2 Revaluation reserve**

Revaluation reserve relates to the result of surplus on revaluation of land, buildings and other assets of the Company net of related tax.

	2023 Rs.	2022 Rs.
Balance at the beginning of year	394,273,848	208,816,572
Revaluation gain during the year	-	215,647,995
Deferred Tax relating to revaluation of building	(73,353,274)	(30,190,719)
<b>Balance at the end of year</b>	<b>320,920,574</b>	394,273,848

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS****AS AT 31<sup>ST</sup> MARCH**

	2023	2022
	Rs.	Rs.
<b>17. RETIREMENT BENEFIT OBLIGATION</b>		
Balance at the beginning of the year	4,184,705	5,557,080
Current service costs	236,784	429,927
Interest Cost	599,497	129,511
Actuarial gain on defined benefit obligations	(670,538)	(206,649)
Payments made during the year	(1,000,000)	(1,725,164)
<b>Liability for defined benefit obligations as at 31<sup>st</sup> March</b>	<b>3,350,448</b>	<b>4,184,705</b>

**17.1 The amounts recognized in the statement of profit or loss are as follows;**

Current service costs	236,784	429,927
Interest cost	599,497	129,511
	<b>836,281</b>	<b>559,438</b>

**17.2 The amount recognised in the statement of other comprehensive income is as follows;**

Actuarial gain on defined benefit obligations	670,538	206,649
	<b>670,538</b>	<b>206,649</b>

**17.3 The gratuity liability as at 31st March 2023 for the company is made based on the internally generated formula.**

The principal assumptions made are given below;

	2023	2022
Discount rate	18.5%	13.5%

As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rate has been adjusted to convert the coupon bearing yield to a zero coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing Employee benefit obligations as per LKAS 19.

Rate of Salary Increment	15.0%	10.0%
Staff Turnover Factor	15.5%	15.5%
Retirement age	60 years	60 years
Weighted average duration	6.2 Years	6.1 Years

Retirement benefit obligation of Ramboda Falls PLC is not funded externally.

**17.4 Sensitivity of assumptions used**

	2023	2022
	Rs.	Rs.
A quantitative sensitivity analysis for significant assumptions as at 31 <sup>st</sup> March is, as shown below:		
<b>Increase /(decrease) in discount rate</b>		
+1%	(78,825)	(66,528)
-1%	83,668	70,823
<b>Increase /(decrease) in salary Increment rate</b>		
+1%	85,527	72,470
-1%	(81,841)	(69,187)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

**18. INTEREST BEARING LOANS AND BORROWINGS**

	2023	2022
	Rs.	Rs.
<b>Current Liability</b>		
Bank borrowings (Note 18.1)	2,932,700	4,450,400
Finance Lease Liability (Note 18.4)	874,064	1,098,657
	<b>3,806,764</b>	<b>5,549,057</b>
<b>Non-current Liability</b>		
Bank borrowings (Note 18.1)	-	2,932,700
Finance Lease Liability (Note 18.4)	1,900,458	2,451,552
	<b>1,900,458</b>	<b>5,384,252</b>
<b>Total Interest Bearing Borrowings</b>	<b>5,707,222</b>	<b>10,933,309</b>

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS**AS AT 31<sup>ST</sup> MARCH

	2023	2022		
	Rs.	Rs.		
<b>18. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)</b>				
<b>18.1 Movement in Loans And Borrowings</b>				
Balance at the beginning of the year	7,383,100	5,250,000		
Loans received during the year	-	7,000,000		
Loan repayments during the year	(4,450,400)	(4,866,900)		
Balance at the end of the year	<u>2,932,700</u>	<u>7,383,100</u>		
<b>Current</b>	<b>2,932,700</b>	<b>4,450,400</b>		
<b>Non-current</b>	<b>-</b>	<b>2,932,700</b>		
<b>Total Bank borrowings balance at the end of the year</b>	<b><u>2,932,700</u></b>	<b><u>7,383,100</u></b>		
<b>18.2 Maturity Analysis of Loans And Borrowings</b>				
Within 1 year	2,932,700	4,450,400		
Between 1 and 2 years	-	2,932,700		
	<u>2,932,700</u>	<u>7,383,100</u>		
<b>18.3 The Details the bank borrowings as at the reporting date are as follows :</b>				
	<b>Loan Amount</b>	<b>Grant Date</b>	<b>Instalment Amount</b>	<b>Interest p.a.</b>
Hatton National Bank (Loan 1- LKR 4.5 Mn)	4,500,000	Aug-20	250,000	4% Per Annum
Hatton National Bank (Loan 2- LKR 1 Mn)	1,000,000	Feb-21	33,333	4.75% Per Annum
Hatton National Bank (Loan 2- LKR 7 Mn)	7,000,000	May-21	233,367	4.75% Per Annum
<b>18.4 Movement in Finance Lease Liability</b>				
	2023	2022		
	Rs.	Rs.		
Balance at the beginning of the year	3,550,209	6,572,398		
Repayment during the year	(1,148,484)	(3,061,906)		
Interest expense on Finance Lease	372,797	469,388		
Benefit from early settlement of lease	-	(429,671)		
<b>Balance at the end of the year</b>	<b><u>2,774,522</u></b>	<b><u>3,550,209</u></b>		
<b>Current</b>	<b>874,064</b>	<b>1,098,657</b>		
<b>Non-current</b>	<b>1,900,458</b>	<b>2,451,552</b>		
<b>Total Finance Lease balance at the end of the year</b>	<b><u>2,774,522</u></b>	<b><u>3,550,209</u></b>		
<b>18.5 Amounts recognised in statement of profit or loss</b>				
Interest expense on Finance Lease	372,797	469,388		
Benefit from early settlement of lease	-	(429,671)		
	<u>372,797</u>	<u>39,717</u>		
<b>18.6 Amount recognized in statement of cashflows</b>				
Total cash outflows for leases	(1,148,484)	(3,061,906)		
<b>18.7 Maturity Analysis of Finance Lease Liability</b>				
Within 1 year	874,064	1,098,657		
Between 1 and 2 years	984,917	786,404		
Between 2 and 5 years	915,541	1,665,148		
	<u>2,774,522</u>	<u>3,550,209</u>		
<b>18.8 Hatton National Bank PLC Lease</b>				

The Company has obtained a leases amounting to Rs.3 Mn which was subsequently rescheduled to Rs. 3.285 Mn for the purpose of purchase a bus on 24th February 2020. The lease is payable in 49 Monthly installments.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS****AS AT 31<sup>ST</sup> MARCH**

	2023 Rs.	2022 Rs.
<b>19. DEFERRED TAXATION</b>		
<b>19.1 DEFERRED TAX LIABILITY</b>		
Balance at the beginning of the year	81,091,885	53,304,744
Amount recognized/(reversed) during the year - (Note 19.2)	92,073,637	27,787,141
Balance at the end of the year	<u>173,165,522</u>	<u>81,091,885</u>
<b>19.2 Amount recognized during the year</b>		
	2023 Rs.	2022 Rs.
Amount recognized/(reversed) during the year - Other Comprehensive Income	73,554,435	30,219,650
Amount recognized/(reversed) during the year - Profit and Loss	18,519,202	(2,432,509)
<b>Total amount recognized during the year</b>	<u>92,073,637</u>	<u>27,787,141</u>
<b>19.2.1 Provision/ (Reversal) during the year recognized in Profit or Loss</b>		
Effect in change in tax rates charged to Profit or Loss	20,531,875	(2,432,509)
Effect in change in tax base charged to Profit or Loss	(2,012,673)	-
	<u>18,519,202</u>	<u>(2,432,509)</u>
<b>19.2.2 Provision/ (Reversal) during the year recognized in Other Comprehensive Income</b>		
Effect in change in tax rates charged to Other Comprehensive Income	73,320,210	30,219,650
Effect in change in tax base charged to Other Comprehensive Income	234,225	-
	<u>73,554,435</u>	<u>30,219,650</u>

**19.3 Analysis of recognised deferred tax assets / liabilities in the Statement of Financial Position**

	2023		2022	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
<b>Deferred tax liabilities on,</b>				
Property, Plant and Equipment and ROU Assets	583,433,489	175,030,047	587,052,781	82,187,389
	<u>583,433,489</u>	<u>175,030,047</u>	587,052,781	82,187,389
<b>Deferred tax assets on,</b>				
Retirement benefit obligation	3,350,448	1,005,134	4,184,705	585,859
Impairment provision for Trade receivable	90,113	27,034	90,113	12,616
Lease liability on ROU Assets	2,774,522	832,357	3,550,209	497,029
	<u>6,215,083</u>	<u>1,864,525</u>	7,825,027	1,095,504
<b>Net recognised deferred tax liability</b>	<u>577,218,406</u>	<u>173,165,522</u>	579,227,754	81,091,885

92,073.6

**19.4 Unrecognised deferred tax assets on tax losses**

The Company has not recognized the deferred tax assets on following accumulated tax losses since it is not probable that future taxable profits will be available against which the Company can utilise the benefit therefrom.

	2023		2022	
	Temporary Differences	Tax effect on temporary differences	Temporary Differences	Tax effect on temporary differences
	Rs	Rs	Rs	Rs
Carried forward tax losses	2,187,730	656,319	18,646,958	2,610,574
	<u>2,187,730</u>	<u>656,319</u>	18,646,958	2,610,574

**19.5** The average tax rate used to calculate deferred tax liability/asset as at 31st March 2023 is 30% (31st March 2022 - 14%)

Any gains on realization from disposal of lands used in the business are liable for taxation under the business income of the entity. Accordingly, the realization gains shall be the amount by which the sum of the consideration received on the asset that exceeds the acquiring cost and any accumulated allowable costs incurred on improvement thereon at the time of the realization.

The Company has recognized a revaluation reserve on freehold land amounting to Rs. 166,032,902/- as at 31st December 2016 and amounting to Rs. 132,006,320/- as at 31st December 2021, which is considered as the potential gain liable for taxation as at the Balance Sheet date on future realization. Accordingly, the Company has recognized a deferred tax liability of Rs. 89,411,76/- pertaining to revaluation reserve on freehold lands which is computed at the substantively enacted corporate tax rate of 30%.

**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT 31<sup>ST</sup> MARCH**

	2023	2022
	Rs.	Rs.
<b>20. TRADE AND OTHER PAYABLES</b>		
Trade payables	6,431,588	4,545,233
Welfare Fund	130,950	33,750
VAT Payable	364,878	364,878
Accrued expenses	13,242,382	9,482,413
	<b>20,169,798</b>	<b>14,426,274</b>

<b>21. INCOME TAXATION PAYABLES</b>		
Balance as at 01 <sup>st</sup> April	1,259,635	327,825
Under/(Over) in respect of previous years	-	541,520
Income Tax Provision for the year	775,821	390,290
Income Tax payments	(1,251,637)	-
<b>Balance as at 31<sup>st</sup> March</b>	<b>783,819</b>	<b>1,259,635</b>

**22. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**

Financial instruments measured subsequently on the ongoing basis either at fair value or amortized cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized.

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the company's estimate of assumptions that a market participant would make when valuing the instruments. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1 : category of financial assets that are measured in whole or in part by reference to published quotes in an active market

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

As at 31st March 2023	Note	Financial Assets at Amortised cost	Financial Liabilities at Amortised cost	Total	Fair Value			Total
					Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
Trade and other receivables	14	10,205,195	-	10,205,195	-	-	-	-
Cash and cash equivalents	15	34,629,581	-	34,629,581	-	-	-	-
		<b>44,834,776</b>	<b>-</b>	<b>44,834,776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>								
Interest bearing borrowings	18	-	5,707,222	5,707,222	-	-	-	-
Trade payables	20	-	6,431,588	6,431,588	-	-	-	-
Other payables	20	-	495,828	495,828	-	-	-	-
Bank overdraft	15	-	5,773,158	5,773,158	-	-	-	-
		<b>-</b>	<b>18,407,796</b>	<b>18,407,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31st March 2022	Note	Financial Assets at Amortised cost	Financial Liabilities at Amortised cost	Total	Fair Value			Total
					Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
Trade and other receivables	14	3,671,765	-	3,671,765	-	-	-	-
Cash and cash equivalents	15	11,331,181	-	11,331,181	-	-	-	-
		<b>15,002,946</b>	<b>-</b>	<b>15,002,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>								
Interest bearing borrowings	18	-	10,933,309	10,933,309	-	-	-	-
Trade payables	20	-	4,545,233	4,545,233	-	-	-	-
Other payables	20	-	398,628	398,628	-	-	-	-
Bank overdraft	15	-	240,397	240,397	-	-	-	-
		<b>-</b>	<b>16,117,567</b>	<b>16,117,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**23. RELATED PARTY TRANSACTIONS**

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) - "Related party disclosures",

**23.1 Transactions with Key Management Personnel (KMP)**

According to Sri Lanka Accounting Standard (LKAS 24) - "Related party disclosures", Key Management personnel (KMP) are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company (including executive and non-executive directors) and their immediate family members have been classified as Key Management Personnel of the Company.

**Key Management Personnel Compensation**

	2023	2022
	Rs.	Rs.
As at 31 <sup>st</sup> March		
Short term employee benefits	5,000,000	1,500,000
Total	<b>5,000,000</b>	<b>1,500,000</b>

No other transactions have taken place during the year, except as disclosed above, between the Company and its related parties.



**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**24. FINANCIAL RISK MANAGEMENT**

**Overview**

The Company has exposure to the following risks from its use of financial instruments.

1. Credit risk
2. Liquidity risk
3. Market risk

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

**Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management policies to identify and analyze the risks face by the Company and set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly, and aim to develop a disciplinary constructive control environment, in which all employees understand their roles and obligations through training, management standards and procedures.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk face by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee. The committee reports regularly to the board of directors on its activities.

The Board of Directors reviews, verifies, agree the policies for managing each type of risk which are summarized below.

**24.1 Credit Risk**

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents, the company's exposure to credit risk arises from default of the counterparty. The Company manages its operations to avoid any excessive concentration of counterparty risk and the Company takes all reasonable steps to ensure that the counterparties fulfil their obligations.

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Based on the review of their past performance and credit worthiness the Company has obtained deposits and advances from its major customers.

The requirement for impairment is analyzed at each reporting date on an individual basis for major customers. In order to mitigate settlement and operational risks related to cash and cash equivalents, the Company uses several banks with acceptable ratings for its deposits.

**24.1.1 The maximum exposure to credit risk at reporting date**

The Company's maximum exposure to credit risk as at the year end based on the carrying value of financial assets in the statement of financial position is given below. There were no off balance sheet exposure as at the year end date.

As at 31 <sup>st</sup> March	2023 Rs.	2022 Rs.
Trade Receivables	7,703,255	2,278,553
Cash at Bank	30,591,331	10,851,383
	<b>38,294,586</b>	<b>13,129,936</b>

**Mitigation of Credit Risk**

**Trade Receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk.

The Company has established a credit policy under which each customer is analysed individually for creditworthiness, before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring specific approval; these limits are reviewed annually.

The aging of trade receivables as at the end of the reporting period that were not impaired as follows.

**Impairment of receivables**

Impairment for trade receivables is established based on expected credit loss method. The main component of this allowance is a specific loss component that relates to individually significant exposures based on aging of the outstanding's. The loss rate calculated based on the historical provision matrix is adjusted based on the future calibrated probability of default and the loss given default. Forward looking factors that affect customer default rates and macro economic data such as GDP is considered in calculating the probability of default.

**Age analysis of trade receivables**

**As at 31<sup>st</sup> March**

**Not due 0-30 days**

**Past due:**

1-60 days

61-120 days

121 above

**Total Trade receivables**

Gross Receivables		Impairment Allowance		Carrying Value	
2023	2022	2023	2022	2023	2022
4,337,971	1,331,272	-	-	4,337,971	1,331,272
1,973,237	416,864	-	-	1,973,237	416,864
1,392,047	565,015		(34,598)	1,392,047	530,417
90,113	55,515	(90,113)	(55,515)	-	-
<b>7,793,368</b>	<b>2,368,666</b>	<b>(90,113)</b>	<b>(90,113)</b>	<b>7,703,255</b>	<b>2,278,553</b>

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023****24. FINANCIAL RISK MANAGEMENT (CONTD.)****Cash & Cash Equivalents**

The Company held cash at bank of Rs. 30.6 Mn as at 31 March 2023 (31 March 2022 - Rs.10.8 Mn) which represent its maximum credit exposure on these assets. The cash at bank with counterparties, which are reted 'A' based on fitch ratings.

**24.2 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the company has available funds to meet its medium term capital and funding obligations and to meet any unforeseen obligations. The Company holds cash and undrawn committed facilities to enable the company to manage its liquidity risk.

The Company monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Company's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans and overdrafts.

**The following are the contractual maturities of the financial liabilities at its carrying value:**

The following are the remaining contractual maturities of the financial liabilities at the reporting date.

**As at 31<sup>st</sup> March 2023**

Carrying amount	Contractual cash flows				
	Total	Less than 1 Year	1-2 years	2-5 years	
Interest Bearing Borrowings	5,707,222	6,186,746	4,081,184	1,148,484	957,078
Trade Payables	6,431,588	6,431,588	6,431,588	-	-
Bank overdraft	5,773,158	5,773,158	5,773,158	-	-
	<b>17,911,968</b>	<b>18,391,492</b>	<b>16,285,930</b>	<b>1,148,484</b>	<b>957,078</b>

**As at 31<sup>st</sup> March 2022**

Carrying amount	Contractual cash flows				
	Total	Less than 1 Year	1-2 years	2-5 years	
Interest Bearing Borrowings	10,933,309	11,484,777	5,675,303	3,993,088	1,816,386
Trade Payables	4,545,233	4,545,233	4,545,233	-	-
Bank Overdraft	240,397	240,397	240,397	-	-
	<b>15,718,939</b>	<b>16,270,407</b>	<b>10,460,933</b>	<b>3,993,088</b>	<b>1,816,386</b>

**Management of liquidity risk**

The Company'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 Company's reputation. The Company has access to approved short-term financing facilities from commercial banks if required.

The Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and it is estimated that the maturity of trade receivables as at the reporting date would occur in sufficient quantity and timing, given the historical trends, and currently available information which would enable the Company to meet its contractual obligations.

**RAMBODA FALLS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**24. FINANCIAL RISK MANAGEMENT (CONTD.)**

**24.3 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates affecting the Company's Income or the value of its holding instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. All such transactions are carried out within the guidelines set by the Company Management.

Market risk comprise of the following types of risk:

- I. Interest rate risk
- II. Currency risk
- III. Equity price risk

**24.3.1 Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating , due to changes in foreign exchange rates.

The Company, as at the reporting date , holds 'Financial Instruments' denominated in currencies other than its functional/presentation currency, hence dose not get exposed to currency risk arising from transaction of such balances in to the functional /presentation currency, which is Sri Lankan Rupee except for the following.

	<u>2023</u>	<u>2022</u>
HNB Foriegn currency account (USD)	16,111	9,319
People's Bank savings account (USD)	825	-
	<u>16,936</u>	<u>9,319</u>

**The company's exposure to currency risk as at the reporting date are as follows.**

Conversion rate	327	299
Net Foreign Currency Cash and cash Equivalents in LKR	<u>5,540,640</u>	<u>2,786,252</u>
Impact of increase in 15% USD rate - USD denominated borrowings - gain / (loss)	<u>831,096</u>	417,938
Impact of decrease in 15% USD rate - USD denominated borrowings - gain / (loss)	<u>(831,096)</u>	<u>(417,938)</u>

Effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**24.3.2 Interest rate risk**

Interest rate risk mainly arises as a result of the Company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on regular basis and ensures that such risks are managed on a

**Interest rate risk profile**

At the end of the reporting period, the interest rate profile of the Company's interest bearing financial instruments was as follows. There is no variable interest risk in the company.

	<u>Fixed rate interest</u>	<u>Variable rate interest</u>	<u>Variable interest Loan Balance</u>	<u>Effect on Profit before Tax</u>	
				<u>Impact of 1% increase</u>	<u>Impact of 1% decrease</u>
<b>As at 31<sup>st</sup> March 2023</b>					
<b>Financial liabilities</b>					
Interest-bearing borrowings	607,453	-	-	-	-
<b>As at 31<sup>st</sup> March 2022</b>					
<b>Financial liabilities</b>					
Interest-bearing borrowings	460,393	-	-	-	-

**Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023****25. CAPITAL MANAGEMENT**

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Board of directors monitors the return on capital and level of dividends to ordinary

The Company's debt to capital ratio at the end of the reporting period was as follows:

	<b>2023</b>	2022
	<b>Rs.</b>	Rs.
Total Liabilities	<b>209,602,594</b>	112,788,832
Less: Cash and cash equivalents	<b>(34,629,581)</b>	(11,331,181)
<b>Net Liabilities</b>	<b>174,973,013</b>	101,457,651
<b>Equity</b>	<b>495,584,660</b>	580,219,730
Gearing ratio	<b>0.35</b>	0.17

**26. EVENTS OCCURRING AFTER THE REPORTING DATE**

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosures in the financial statements.

**27. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

There have been no Contingent Liabilities and Capital Commitments outstanding as at the reporting date.

**28. DIRECTORS RESPONSIBILITIES**

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

# Investors Information

The information presented here is meant to give you, the reader, a clear picture of our share holder profile and related demographics as well as performance of shareholders in the market.

## The Distribution of Share Holders as at 31. 03.2023

Shareholding category	2023			2022		
	No. of Shareholders	No of Shares	%	No of Share holders	No of Shares	%
1 to 1,000	528	70,201	0.34	579	96,780	0.48
1,001 to 10,000	77	254,675	1.28	135	484,248	2.43
10,001 to 100,000	17	433,718	2.17	44	1,279,197	6.39
100,001 to1,000,000	3	785,383	3.93	7	2,222,123	11.11
Over 1,000,000	4	18,456,023	92.28	3	15,917,652	79.59
<b>Total</b>	<b>629</b>	<b>20,000,000</b>	<b>100.00</b>	<b>768</b>	<b>20,000,000</b>	<b>100.00</b>

## Share Price Movements during the year

Market Price	Quarter Ended				Year Ended	
	30.06.2022	30/09/2022	31/12/2022	31/03/2023	31.03.2023	31.03.2022
Highest Rs.	26.40	35.90	27.10	31.00	35.90	24.50
Lowest Rs.	12.00	19.80	19.50	23.50	12.00	13.10
Closing Rs.	26.10	26.00	26.20	26.80	26.80	16.00

## Categories of share Holders

Category/ No of shareholders	2023	2022
Individual	612	739
Institutions	17	29
<b>Total</b>	<b>629</b>	<b>768</b>

Float adjusted market capitalization as at 31st March 2023

Rs. 87,883,364

Total No of Shareholders representing the public Holding

624

## Share Holdings as at 31st March

Share Holding	2023			2022		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Public Holding	624	3,279,230	16.41	762	5,697,601	28.488%
Directors Holding	4	14,840,070	74.19	6	14,302,399	71.512%
Holding of 5% or more	1	1,880,700	9.49	0	0	0
Total	629	20,000,000	100%	768	20,000,000	100%

The float adjusted market capitalization as at 31st March 2023 is Rs. 87.8 million and minimum public holding requirement is compliant with option-2 as per Sec 7.13.1 (b) of the Listing Rule of CSE.

## 20 Major Shareholders of the Company as at 31st March, 2023

No	Name of Shareholder	No of share	Shareholding %
1	Mr. K.L. Yeoh	12,938,371	64.69
2	Mr. I J A Karunarathna	1,880,700	9.40
3	Mr. L.S.Sigera	1,880,700	9.40
4	Mr. P D Panagoda	1,756,252	8.78
5	Miss. S H Karunarathna	493,753	2.47
6	Mrs. Hng Poh Gin	190,130	0.95
7	MyLand Developments Ltd	101,500	1.51
8	Mr. Takashi Igarashi	100,000	0.50
9	Miss. R.M.I.P. Ranasinghe	30,692	0.15
10	Mr. G.C.Goonetilleke	30,500	0.15
11	Mr.N.A. Withana	26,200	0.13
12	Mr.P.N.C.Gomes	25,000	0.13
13	Mr.S.Ishizuka	24,679	0.12
14	Dr.R.M.N.K.Ranasinghe	23,543	0.12
15	Mr.H.S.Zoysa	21,829	0.11
16	Asseeline Leasing Company Limited /D.P.G.A.S.Fernando	21,530	0.11
17	Mrs.S.C.R.Thambimuttu	20,827	0.10
18	Mr.P.Sarathchandra	20,000	0.10
19	Mr.V.N.D.Wickramasinghe	20,000	0.10
20	Mr.N.C.Jayasundara	19,220	0.10
	Others	19,625,426	98.12
		374,574	1.88
	<b>Total</b>	<b>20,000,000</b>	<b>100</b>

# 10 Years Summery

	2022/20 23	2021/20 22	2020/20 21	2019/20 20	2018/20 19	2017/201 8	2016/20 17	2015/20 16	2014/20 15	2013/20 14
<b>TRADING RESULTS</b>										
Revenue Rs. (000)	122,303	47,565	14,025	110,235	141,449	127,305	125,334	118,853	105,980	83,753
Profit before income Tax Rs. (000)	7,543	1,979	(25,861)	12,769	33,351	24,221	16,609	26,773	28,402	18,002
Income Tax Rs. (000)	(19,295)	1,501	1,766	(4,671)	8,203	(5,985)	(2,765)	(3,223)	(3,689)	(5,942)
Profit after taxation Rs. (000)	(11,751)	3,480	(24,095)	8,097	25,147	18,236	13,844	23,550	24,713	12,060
<b>SHARE CAPITAL AND RESERVES</b>										
Stated Share capital Rs. (000)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Reserves Rs. (000)	395,585	480,220	291,105	314,573	315,902	300,512	317,634	189,334	174,486	159,681
<b>Share holder 's Funds Rs. (000)</b>	<b>495,585</b>	<b>580,220</b>	<b>391,105</b>	<b>414,573</b>	<b>415,902</b>	<b>400,512</b>	<b>417,634</b>	<b>289,334</b>	<b>274,487</b>	<b>259,681</b>
<b>ASSETS EMPLOYED</b>										
Current Assets Rs. (000)	51,331	18,916	9,849	24,477	50,520	39,290	43,440	38,407	35,032	13,839
Current Liabilities Rs. (000)	31,186	22,128	21,487	21,243	28,861	24,593	25,926	26,701	32,537	27,494
Non-Current Assets Rs. (000)	653,856	674,093	466,461	474,994	454,984	446,803	432,055	302,845	297,159	298,780
Long term Liabilities Rs. (000)	178,416	90661	63,718	63,654	60,741	60,988	31,934	(25,217)	25,167	25,444
<b>RATIOS &amp; STATISTICS</b>										
Number of Shares Rs. (000)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Basic Earnings /(Loss) per share	(0.59)	0.17	(1.2)	0.4	1.26	0.91	0.69	1.18	1.24	0.6
Net Assets Value per share Rs.	24.78	29.01	19.56	20.7	20.80	20.02	20.88	14.47	13.72	12.98
Current Ratio (Times)	1.6	0.86	0.46	1.15	1.75	1.60	1.68	1.44	1.08	0.50
Dividend Payout Ratio	-	-	-	1.25	0.40	0.55	0.72	0.42	0.40	0.83
Dividend Paid per share Rs.	-	-	-	0.5	0.50	0.50	0.50	0.50	0.50	0.50

# Corporate Information

<b>Name of the Company</b>	<b>Ramboda Falls PLC</b>
Status & Legal Form	A quoted Public Company with limited liability incorporated in Sri Lanka
Company Registration No.	PV/PB 8234 PQ
VAT Registration No.	114173339-7000
Registered Office	No.76, Rock Fall Estate, Nuwara-Eliya Road, Ramboda, Sri Lanka. Web: <a href="http://www.rambodafalls.com">www.rambodafalls.com</a> Email: rambodafall@gmail.com
Board of Directors	Mr. K.L.Yeoh - Executive Chairman Mr. Imiyage Jagath Ananda Karunarathna Mr. V. N. D. Wickramasinghe Miss. Y.S. Lee Mr. D.D.Sunil Mr. J.A.D.Viraj.Rasanga Mr. W. G. Dhanapala
Secretaries & Registrars	SSP Corporate Services (Pvt) Limited, No. 101, Inner Flower Road, Colombo 03
External Auditor	KPMG, Chartered Accountants, 32A, Sir Mahamed Macan Markar Mawatha, P O Box 186, Colombo 03.
Internal Auditor	Wannigama Associates Chartered Accountants No. 41/25/111, Sampathpura, Watareka, Meegoda
Bankers	Hatton National Bank PLC Sampath Bank PLC Peoples Bank



## RAMBODA FALLS PLC

## Notice of Meeting

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF RAMBODA FALLS PLC WILL BE HELD AS A VIRTUAL MEETING ON 22<sup>ND</sup> SEPTEMBER 2023 AT 10.00 A.M.

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## AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023 with the Report of the Auditors thereon.
2. To re-elect Mr. Immiyage Jagath Ananda Karunaratne who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.
3. To re-elect Mr. Deyalamudalige Don Sunil Mudalige who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.
4. To re-elect Mr. Kim Leng yeoh, who in terms of Article 93 of the Articles of Association of the Company retires at the Annual General Meeting as a Director
5. To re-elect Ms Yau Sin Lee, who in terms of Article 93 of the Articles of Association of the Company retires at the Annual General Meeting as a Director
6. To re-elect Mr. Jayasuriya Arachchige Don Viraj Rasanga, who in terms of Article 93 of the Articles of Association of the Company retires at the Annual General Meeting as a Director
7. To re-elect Mr. Walpita Gamage Dhanapala, who in terms of Article 93 of the Articles of Association of the Company retires at the Annual General Meeting as a Director
8. To re-appoint M/s. KPMG, Chartered Accountants as Auditors to the Company for the ensuing year and authorize the Directors to determine their remuneration.
9. To authorize the Directors to determine donations for the year 2023 / 2024.

BY ORDER OF THE BOARD OF  
RAMBODA FALLS PLC  
S S P CORPORATE SERVICES (PRIVATE) LIMITED



SECRETARIES

Colombo

Date: 31<sup>st</sup> August 2023

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such Proxy need not be a member of the Company.
2. A Form of Proxy accompanies this notice.

The completed Form of Proxy should be deposited at the Registered Office of the Company at No.76, Rock Fall Estate, Nuwara Eliya Road, Ramboda **not later than 48 hours before the time appointed for the meeting.**

RAMBODA FALLS PLC

FORM OF PROXY

I/We\*.....holder of National Identity Card No.....of

.....being a member/\*members of Ramboda Falls PLC hereby appoint Mr/Ms holder of National Identity Card No. ....of.....or failing him/her.

|                           |                           |
|---------------------------|---------------------------|
| Mr. K.L. Yeoh             | of Colombo or Failing Him |
| Mr. I.J.A. Karunaratne    | of Colombo or failing him |
| Mr. D.D. Sunil Mudalige   | of Colombo or failing him |
| Mr. V.N.D. Wickramasinghe | of Colombo or failing him |
| Ms. Y.S. Lee              | of Colombo or failing him |
| Mr. J.A.D.V. Rasanga      | of Colombo or failing him |
| Mr. W.G. Dhanapala        | of Colombo                |

as my/\*our Proxy to represent me/\*us and to vote as indicated below on my/\*our behalf at the Annual General Meeting of the Company to be held as a Virtual Meeting on 22<sup>nd</sup> September 2023 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

|                                                                                                                                                                                                   | <u>FOR</u>               | <u>AGAINST</u>           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 1. To re-elect Mr. Immiyage Jagath Ananda Karunaratne who in terms of Articles 85 of the Articles of Association of the Company retires by rotate on at the Annual General Meeting as a Director. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Mr. Deyalamudalige Don Sunil Mudalige who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To re-elect Mr.Kim Leng yeoh, who in terms of Article 93 of the Articles of Association of the Company retires at the Annual General Meeting as a Director                                     | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To re-elect Ms. Yau Sin Lee, who in terms of Article 93 of the Articles of Association of the Company retires at the Annual General Meeting as a Director                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To re-elect Mr. Jayasuriya Arachchige Don Viraj Rasanga, who in terms of Article 93 of the Articles of Association of the Company retires at the Annual General Meeting as a Director          | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. To re-elect Mr. Walpita Gamage Dhanapala, who in terms of Article 93 of the Articles of Association of the Company retires at the Annual General Meeting as a Director                         | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. To re-appoint M/s. KPMG, Chartered Accountants as Auditors to the Company for the ensuing year and authorize the Directors to determine their remuneration.                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. To authorize the Directors to determine donations for the year 2023 / 2024.                                                                                                                    | <input type="checkbox"/> | <input type="checkbox"/> |

As witness my/our hand/this ..... day of ..... Two Thousand and Twenty-Three.

Signature .....

**Note:** Instructions as to completion appear on the reverse hereto. Please delete the inappropriate words, and mark 'X' in the appropriate cages to indicate your instructions as to voting.

A proxy need not be a member of the Company.

**INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY**

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing in the space provided and filling in the date of signature.
2. Please indicate with an 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company, No.76, Rock Fall Estate, Nuwara Eliya Road, Ramboda not less than 48 hours before the time appointed for holding the meeting.
4. If the form of proxy is signed by an attorney, the relative Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

**Note:**

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No. 07 of 2007 applies to shareholders of Ramboda Falls PLC and Section 138 provides for representation of Companies at meeting of other Companies. A Corporation, whether a Company within the meaning of this Act or not, may where it is a member of another corporation, being a company within the meaning of this Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an Individual shareholder of that other Company.



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