

# Growing Together

## Ramboda Falls PLC Annual Report 2023/2024

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*In the Fast-paced and ever-evolving world of hospitality, it's no secret that things can get over whelming. We Ramboda Falls PLC Stepping up to success by accepting new challenges and learning lessons from failure.*

*We are not only a Company we are a group of people who agree to **Growing Together** until meet our ambitions. We working as a one team for create raving fans not just satisfied customers.*

## FINANCIALS AT A GLANCE

Profit Before Tax	Rs. 25,870,927
Revenue	Rs. 198,984,153

For the year ended 31 <sup>st</sup> March	2024 (Rs.000)	2023(Rs.000)
<b>Revenue</b>	<b>198,984</b>	<b>122,303</b>
Profit before Tax	25,871	7,544
Profit/(Loss) after Tax	16,649	(11,751)
<b>Financial position</b>		
Share holders' funds	511,808	495,585
Total Assets	731,016	705,187
<b>Per Ordinary share</b>		
Earnings/(Loss) per share	0.83	(0.59)
Net Asset per share	25.59	24.78
<b>Ratio</b>		
Gross profit (%)	40.15	40
Net profit/ (Loss) (%)	8.36	(9.6)
Return on shareholders fund	3.3	(2.4)
Return on Assets %	2.3	(1.7)

# 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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## Vision, Mission and Core Values

### *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 Shareholders,

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 11<sup>th</sup> Annual Report and Audited Financial Statements for the year ended 31<sup>st</sup> March 2024.

### Global tourism

The 2023 United Nations World Tourism Organization (UNWTO) World Tourism Barometer indicates a significant rebound in international tourism with destinations worldwide welcoming global travelers and reaching 88% of pre-pandemic levels. In 2023, Asia and the Pacific recorded arrivals of 65% of pre-pandemic levels, with South Asia and Northeast Asia recording arrivals at 87% and 55% respectively. By October 2023, international air capacity and passenger demand had recovered to 90% of pre-pandemic levels, with global occupancy rates reaching 65% by November 2023.

Preliminary estimates indicate that international tourism receipts totaled USD 1.4 trillion in 2023, representing 93% of the USD 1.5 trillion earned in 2019. The pent-up demand for global travel, improved air connectivity, and a stronger rebound in Asian markets are expected to drive global tourism to full recovery by the end of 2024.

### Sri Lanka Economic Overview

Sri Lanka's economic outlook improved in 2023 with the assistance of the International Monetary Fund (IMF) and other credit lines, resulting in a reduced economic contraction rate of 2.3%. The Central Bank's accommodative monetary stance led to a reduction in the Standing Lending Facility Rate (SLFR) and the Standing Deposit Facility Rate (SDFR) to 9.50% and 8.50%, respectively, by the end of the financial year. Inflation was also tamed to lower single-digit levels, while the exchange rate strengthened due to the easing of external sector pressures. However, the increase in the Value-Added Tax and other tax adjustments dampened consumer spending and general business activities. While the current economic trajectory is promising, it is imperative to implement comprehensive reforms to ensure long-term economic resilience and growth.

## Industry Overview of Sri Lanka Tourism

The Sri Lankan economy recorded a gradual recovery during the latter part of calendar year 2023, marking the end of a prolonged period of economic contraction spanning six consecutive quarters. The relative stabilization of the economic, social, and political environment aided by the improved air connectivity, resulted in a resurgence in tourist arrivals close to 1.5 million in 2023, a 106.6% growth from approximately 720 thousand arrivals recorded in 2022. Arrivals for the month of December 2023 reached 210,352 for the first time since 2019 and the momentum was sustained in the first quarter of CY 2024. This underscores the industry's resilience and the enduring allure of Sri Lanka's culture, scenery, and renowned hospitality. India emerged as the top source market with 302,844 arrivals, recording a 146% year-on-year increase and constituting 20.3% of total arrivals. Russia followed with 197,498 arrivals, comprising 13.27% of total arrivals. Additionally, the United Kingdom and Germany also made significant contributions.

## Overview of the Financial Year

Despite the challenging operating environment, Ramboda Falls PLC achieved commendable revenue growth, with total revenue reaching Rs. 199 Mn, an increase of 63%. We reported a net profit of Rs.16.6 Mn, it is exceeding expectations following losses for the past few years.

This performance reflects the effectiveness of our strategic initiatives and the agility of our business model, which have allowed us to adapt seamlessly to evolving market conditions and deliver shareholder value. Our rigorous approach to cost management in the form of effective measures and optimized resource allocation, has enhanced resilience against potential risks. Liquidity levels also improved considerably this year, which in turn has supported our financial stability and capacity to respond to market opportunities. In a strategic move to expand our footprint, the company built new infinity swimming pool and inaugurated new outlet named the pool bar & café. This new venture has made a notable contribution to our revenue growth, underscoring our commitment to growth, diversification and innovation in key business areas`

## 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 rooms floor tiling, and also other renovation and modification in restaurant, guest rooms and public area. Furthermore, Ramboda falls PLC planning to invest in features that attract nature lovers and ecotourists.

These projects will be selected based on ROI, while the natural beauty of our surroundings are maintained. Where one can be immersed in mindful replenishment of the inner being away from the modern-day hassles of life.

One project is under consideration is to create a series of humble glamping units intertwined by spiraling footpaths to delightful experiences, The team of Ramboda Falls PLC is super excited and hopeful to bring several projects to life to serve the blooming hospitality industry while being respectful and thankful to nature's blessings. These initiatives are expected to drive growth in the hotel operations to enhance revenue and profitability.

## Acknowledgements

I take this opportunity to thank my colleagues on the Board for their invaluable guidance and constant support. I also wish to convey my appreciation to our management team and staff for their untiring effort, commitment and drive. Finally, I wish to convey my sincere appreciation to all our stakeholders including our tour operator partners, guests and stakeholders for their continued support.

Mr. Kim Leng Yeoh  
Executive Chairman  
28<sup>th</sup> August 2024



## Board of Directors

### Mr. Kim Leng Yeoh- Executive Chairman

Kim Leng Yeoh is a Malaysian citizen (aged 71) and a permanent resident in Singapore. He is the Executive Chairman and majority shareholder of several companies including Ramboda Falls PLC in Sri Lanka. After he graduated with a degree in chemistry, he had hands-on experience in Engineering. His major experiences are in membrane and electrolyzer technologies relevant to chloralkali and fuel cell industries. He is also an international property investor. He has experience working with multi-national companies across the globe including stints in USA, Europe, Australia, China, Thailand and Indonesia. He Worked with DuPont (USA), ELTECH (USA), Akzo-Nobel (Sweden) and CAC (Germany). He has build up expertise and an extensive real estate portfolio in Australia, Indonesia, Malaysia, Singapore, Thailand, China and Sri Lanka.

He has new vision to transform the PLC from a Hotel only PLC to become successful operator of agrobased ecotouristic Hotels and plantation PLC. He also is committed to build a corporate headquarters for the PLC.

### Mr. Ananda Karunarathne -Executive Director

Mr. I.J. Ananda Karunarathne, 63 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, 40 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 - Senior Independent Non- Executive Director**

Mr. V. N. D. Wickramasinghe, 58 years of age. 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.

In his professional career as an entrepreneur, he serves as the Managing Director of Trittech Engineering, a well reputed Civil Engineering Construction Company in the country, Director - Trittech Marketing International (Pvt) Ltd, Director - Enviro Trittech (Pvt) Ltd, in Trittech Group, Director - Natural Products Holding (Pvt) Ltd, and Director - Maldivian Trittech (Pvt) Ltd.

At the 3rd annual District Convention of Lions Club in 2007/2008, he was adjudged the Dedicated Lion of the Year. By recognizing his services to the District, he was awarded as the Lion of the year in 2008/2009.

To his credit in the Lions International arena, since 2009/2010, over nine years, he has been holding the position of LCIF Coordinator, Team Leader & Consultant of the District, and LCIF Coordinator and Consultant in 2010/2011, appointed by Lions International.

Lion Viraj is graduated at the Senior Lions Leadership Institute in Pune, India in the year 2011/2012.

He has participated in twelve International Conventions and in five ISSAME Forums.

Finally, he reached to the top rung of the Lionistic Ladder, today he serves as the District Governor 2024/2025, in District 306B2.

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

Mr. Daylamudalige Don Sunil, 64 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 - Non Executive Director**

Miss Lee is a Malaysian citizen borne in October 1953 and 71 years of age. 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- Non Executive Director**

Mr. Walvita Gamage Dhanapala 68 years of age. 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.

## Human Development

The success of our Ramboda falls PLC is dependent upon the commitment and professionalism of our talented employees. We priorities investing on our employees through wide-ranging training programs, skill development initiatives, and career development opportunities. Our diverse team of hospitality professionals represents the spirit of Sri Lankan hospitality, providing personalized service and creating unforgettable experiences for our valued guests. Employee engagement initiatives, such as recognition programs, stand-in a positive work culture and contribute to high levels of guest satisfaction.

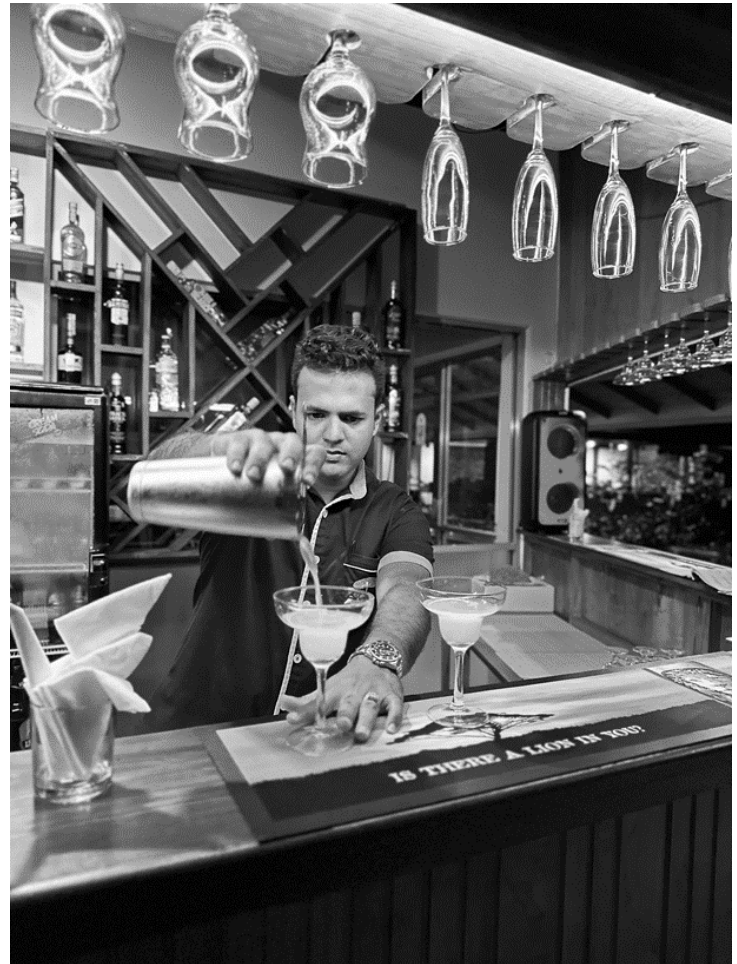
### Gender Diversity

Gender Diversity We are committed to fostering gender diversity throughout our organization, from recruitment, performance evaluations, rewards, and recognition to career development opportunities. The most qualified candidates are selected for roles based solely on their qualifications, experience, and competence, without any gender bias. Female representation at The Ramboda falls PLC continues to increase across all employee grades. We believe that a diverse workforce enriches our company culture and contributes to our overall success.

The Company continued to upskill its employees through relevant and timely training and development programs. And directing the staff to training competition programs.

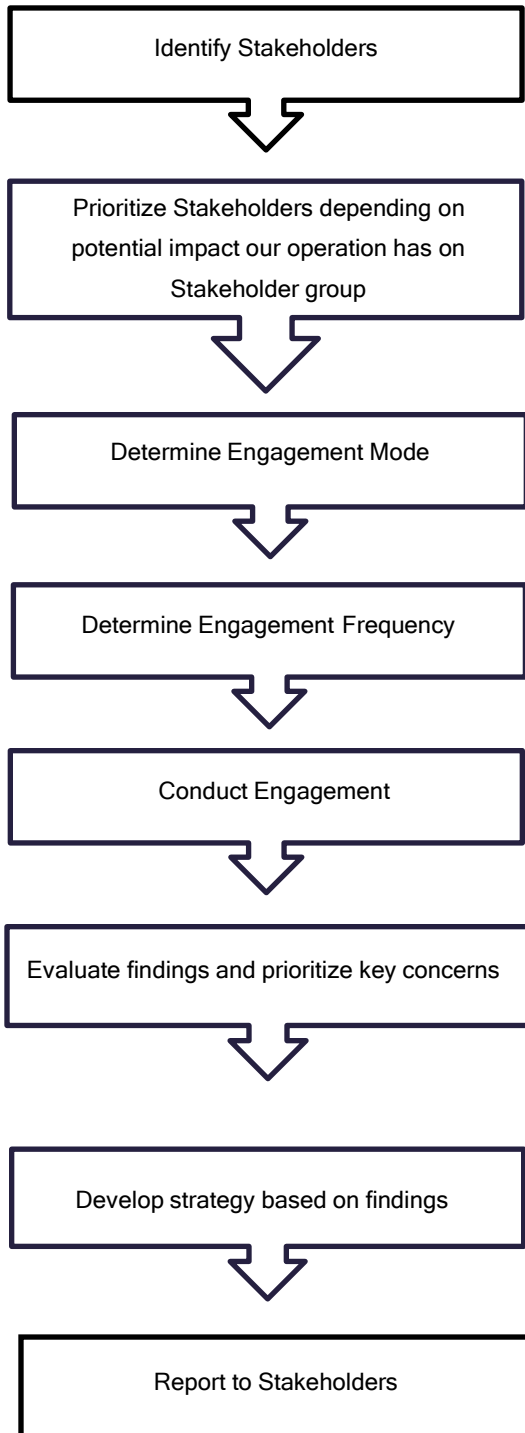
The following are key features of The Ramboda Falls PLC's training and development initiatives;

- Directed our bar staff to national bartender competition.
- Arranged official visit for kitchen staff to participate chef Grill program which was held in BMICH.
- Training by External Experts - We are planning to organize long-term staff training program training by external industry experts.
- Department training - Each head of department indenies the training needs at the beginning of the year. Periodic assessments are carried out to ensure emerging needs. Training needs are met trough internal and external trainers.



*“Our aim is to produce excellence through long term and short-term training. Our Investment in this will be used to expand the reputation of the institute and provide excellent service to our valued guest”*

## Our Stakeholder Engagement Process



Shareholders	Employees
Mode of frequency of Engagement	
<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>
Key Topics and Concerns Raised	
<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>
Strategic Response	
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.

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 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 Factor	Potential Impact	Mitigating Actions
<b>1. Market Risk</b>	<ul style="list-style-type: none"> <li>Inability to achieve business objectives due to market volatility.</li> <li>Recent changes in the macro-economic environment of Sri Lanka will have a direct impact on the business activities of the Ramboda Falls PLC.</li> <li>Intense competition from other hotels and new swimming pool can impact the business.</li> </ul>	<ul style="list-style-type: none"> <li>The Group manages this risk by means of the following actions and procedures.</li> <li>Maintains and builds relationships with tour operators.</li> <li>Participates in relevant trade and business promotions,</li> <li>Maintains value and standard of the hotels through regular refurbishments and training and development of employees.</li> <li>Develops and monitors comprehensive business plans.</li> <li>Diversification of revenue base</li> </ul>
<b>2. Liquidity Risk</b>	<ul style="list-style-type: none"> <li>Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are to be settled by delivering cash or any other financial asset</li> </ul>	<ul style="list-style-type: none"> <li>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 damages to the company's reputation.</li> <li>The company monitors the expected cash inflows on trade and other receivables and cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as COVID 19 pandemic</li> </ul>
<b>3. Credit Risk</b>	<ul style="list-style-type: none"> <li>Potential for loan defaults resulting in financial losses.</li> <li>Negative cash flows straining operational working capital.</li> </ul>	<ul style="list-style-type: none"> <li>In place of Credit policy with strong credit limits, payment terms, and regular reviews of customer creditworthiness</li> <li>Vigilant oversight of payment systems and security measures</li> <li>Engaging in strategic negotiations with suppliers to secure advantageous over payment terms</li> </ul>

<p><b>4. Food &amp; Hygiene Safety</b></p>	<ul style="list-style-type: none"> <li>• Non-compliance with food and hygiene safety regulations can lead to negative publicity</li> <li>• Food born illness</li> <li>• Water quality</li> </ul>	<ul style="list-style-type: none"> <li>• Allergen Management</li> <li>• Adequate training in food safety, proper handling, storage, and preparation method</li> <li>• Maintain records</li> </ul>
<p><b>5. Natural Disaster and Fire</b>  Risk of Earthquake/Cyclone/Fire</p>	<ul style="list-style-type: none"> <li>• Loss of life, injury or destruction and damage to property</li> </ul>	<ul style="list-style-type: none"> <li>• Business Continuity Plans including alternate working arrangements and emergency response plans.</li> <li>• Conduct of Business Process Recovery drills, fire drills and training.</li> <li>• Agile work environment.</li> <li>• Insurance coverage for physical damage of properties</li> </ul>
<p><b>6. Employee turnover risk</b></p>	<ul style="list-style-type: none"> <li>• Ongoing challenges in the industry has resulted in employees looking for alternative employment, locally and internationally</li> <li>• Challenges in attracting, developing, and retaining skilled employees</li> </ul>	<ul style="list-style-type: none"> <li>• Salary and benefits benchmarked to industry</li> <li>• Constant offering of training and development programs</li> <li>• Defined, structured career paths for key employees</li> </ul>
<p><b>7. Local Community Risk</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining a high level of engagement with neighboring communities.</li> <li>• Creating opportunities for the youth in the local communities.</li> <li>• Sponsorships and donations for education, cultural, religious and other projects in the communities.</li> </ul>



<p><b>8.Exchange Rate</b></p>	<ul style="list-style-type: none"> <li>• Pose challenges to the company’s revenue and profitability</li> <li>• A decrease in the exchange rate directly affects the balance of the company USD Fixed deposit account</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor exchange rate dynamics and key economic indicators</li> <li>• Effective cost management</li> </ul>
<p><b>9.Technology and Data Risks</b></p>	<ul style="list-style-type: none"> <li>• Potential loss of information assets of the company</li> <li>• Impact on customer privacy in the event of a potential loss event</li> </ul>	<ul style="list-style-type: none"> <li>• Well-defined cyber security incident response process addressing the pillars of device, information and user</li> <li>• Training employees and creating staff awareness on the importance of maintaining information security and handling of sensitive information.</li> <li>• Maintain auto file backup server</li> <li>• Implementation daily data saving process to separate device</li> </ul>
<p><b>10. Competitor risk</b></p>	<ul style="list-style-type: none"> <li>• Fragmentation of market share due to extreme competition from emerging hotel chains</li> <li>• Pricing and Value for Money, offer similar experiences at lower costs which can attract budget-conscious travelers</li> </ul>	<ul style="list-style-type: none"> <li>• Pricing, refurbishment, retention of talent, training and development of staff, product and service upgrades are carried out to be competitive with industry counterparts</li> <li>• Pricing strategies are scrutinized with competitor pricing and other available offers</li> <li>• Monitoring of guest reviews and rankings, increased marketing efforts including social media strategies and review of pricing strategies</li> </ul>
<p><b>11. Legal &amp; Regulatory Compliance Risk</b></p>	<ul style="list-style-type: none"> <li>• Failure to comply with the regulatory and legal framework applicable to the Company.</li> </ul>	<ul style="list-style-type: none"> <li>• The management proactively identifies and establishes appropriate systems and processes for legal regulatory compliance with respect to the Ramboda Falls PLC operations.</li> <li>• Arranging training programs and circulating updates for key employees on new / revised laws and regulations on a need basis.</li> <li>• Further, company decided to use third-party specialists to review areas in future.</li> </ul>

## 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, 2024. 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 39 to 81.

### Auditor's Report

The Auditor's report on the financial statements is given on pages 35 to 38.

### 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 43 to 63 of the Annual Report.

### Directors Interest

None of the Directors had a direct or indirect interest in any contracts of proposed contracts with the company, other than as disclosed in Note 25 to the financial statements.

### Directors Remuneration and Other Benefits

Directors' remuneration in respect of the Company for the financial year ended, 31<sup>st</sup> March 2024 is given in Note 7 to the financial statements.

Directors' Shareholding as at 31.03.2024

Name of the Director	No of share as at 31. 03.2024	% 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 2024 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.642,000 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 2024 amount to Rs.412 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 31<sup>st</sup> March 2024 was 643 . The distribution and analysis of shareholdings are given page No.82.

**Major Shareholders**

Major shareholders/option holders of the Company as at 31st March 2024, together with an Analysis are given on pages No. 83.

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. 27 and page No. 28.

**Contingent Liabilities**

There is no contingent liabilities and capital commitments outstanding as at 31st March 2024 given Note 29 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 28 to the financial statements.

**Annual General Meeting**

Annual General Meeting of Ramboda Falls PLC will be held online via a virtual platform on Friday 26th September 2024 at 10.00 am.

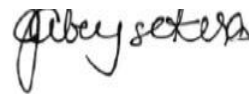
For and on behalf of the Board of Directors of Ramboda Falls PLC



Director



Director



SSP Cooperate  
Service (pvt)Ltd  
Secretaries

## Management Discussion and Analysis

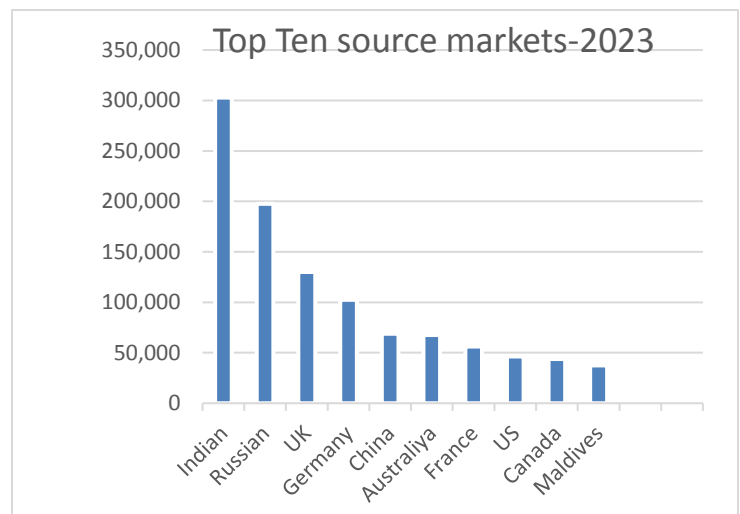
The Lankan tourism industry is on the path to recovery, with 1.4 Mn tourist arrivals recorded for the year a 103% increase compared to 2022. Tourism revenue recorded USD 2 Bn in revenue for the 2023 calendar year. The tourism revenue exceeded USD 1Bn alone just for the 1st quarter of 2024. The top 3 source markets for the year were India, the Russian Federation, the United Kingdom respectively.

### Sri Lanka Tourism

- **Total tourist arrivals during calendar year (CY) 2023- 1,487,303**
- **Total tourist arrivals Jan – Mar 2024 - 635,784**
- **Total tourism revenue 2023- USD 2,068**
- **Total tourism revenue Jan – Mar 2024 USD 1,026**

### Global Tourism

- An estimated 1,286 million international tourists
- International tourism recovered 88% of pre-pandemic levels in 2023, supported by strong pent-up demand.
- Middle East -122% above pre-pandemic
- Europe 94% of pre-pandemic
- Africa 96%
- Americas 90%.
- Asia and the Pacific reached 65%



**Our Operational Framework**

Our business landscape improved in the financial year 2023/24 in line with favorable market conditions. The total no of guest at Ramboda Falls Hotel (RFH) increased to 17,033 compared to 7,297 in the previous year. The main source markets were Russia, France, India, Germany and Australia, while the traditional Western markets recovered only towards the winter season. Unfortunately, the hotel's historically second-largest market, China, did not rise to anticipated levels. Meanwhile, the Online Travel Agent (OTA) segment also played a considerable role in driving room business. Throughout the year, we placed greater emphasis on expanding our market reach and pursuing future business opportunities by actively participating in national trade fairs and strengthening agent relationships.

**Financial Performance**

Ramboda Falls PLC grew its Revenue by 63% to Rs 199 Mn during the financial year 2023/24. This growth was driven by increased room revenues, particularly during the year's third & last quarter, increased business due to the waterfall's excursion tours, village trekking, Special bungalow lunch and other food and beverage revenue.

**Cost Analysis and Remediation**

The hotel's total administrative expenses increased by 33% year over-year to reach Rs.58 Mn due to increased personnel expenses, staff salary increments, higher insurance premiums and security costs.

Also, sales and promotional expenses has increased with amounted to Rs. 2.5 Mn.

By hiring experienced employees and increasing employee salaries and increasing employee satisfaction, we have been able to provide commendable service to our customers.

Also due to the effectiveness of the expenses incurred by us for Sales & Marketing and the good reviews of the guest, a strong demand was created for Ramboda Falls hotel. As a result, we have been able to increase room rates and food & Beverage prices, so we see our increment of administrative expenses as a successful investment.

**Group Decision & Analysis**

Ramboda Falls Hotel (RFH) Consolidated Revenue for the financial year 2023/24 was Rs.199 Mn, a 63 % increase over the previous year. Muwan palassa Resort's revenue for the period was Rs3.5 Mn and the operational loss for the financial year 2023/2024 was Rs.2.7 Mn . Demand for hotels in Polonnaruwa are has decreased with the popularity of sigiriya and Habarana as a tourist stops among foreign and local tourist. The continue loss of Muwan palassa Resort will affect the revenue of Ramboda Falls PLC, so we optimism to take a suitable decision in the near future.

**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.

**Future Outlook**

As we look ahead to the upcoming year with optimism, we envision a revitalized economic landscape that will effectively mitigate any potential headwinds on the growth of domestic businesses. We also anticipate resilient tourist demand, propelling the industry toward a period of growth. Our unwavering focus will be on strategic investments, including RFH Luxury glamping project, which has been briefly described in chairman statements page no 08 and future new property and resource enhancements, to drive business growth and maximize shareholder returns.

## 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. The Company complies with the requirements set out in the Code of Best practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and Rules of Corporate Governance set out in the Listing Rules of the Colombo Stock Exchange.

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 Karunarathna
- Mr. J.A.D. Viraj Rasanga

### Non-Executive Directors

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

### Senior Independent Non-Executive Director

- Mr. V.N.D. Wickramasinghe

### Independent Non-Executive Director

- Mr. D.D. Sunil

The Board comprises of seven directors out of which two Directors are Non-Executives and the other two Directors being 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

### Senior Independent Director

Chairman is an Executive Director, according to comply with revised listing rules of Corporate Governance set out by the Colombo Stock Exchange. The board has appointed Mr.V.N.D. Wickramasinghe as the Senior Independent director (SID) is included in page 31 of the Annual Report

### 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 31st March 2024, 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 31st March 2024 is presented on Page No 35 to 38 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.

**The 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 - Senior 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 27 of this report

**Meeting & Attendance**

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

Director	Attendance			
	Board Meetings	Audit Committee	Remuneration Committee	RPT Committee
Mr.Kim Leng Yeoh	5/5	N/A	N/A	N/A
Mr.I.J.A. Karunarathna	5/5	N/A	N/A	N/A
Ms. Yau Sing Lee	5/5	N/A	N/A	N/A
Mr.D.D. Sunil	5/5	4/4	2/2	4/4
Mr. Mr. W.G. Danapala-	5/5	4/4	2/2	4/4
Mr.J.A.D.Viraj Rasanga	5/5	N/A	N/A	N/A
Mr.V.N.D. Wickramasinghe	5/5	3/4	1/2	3/4

**Remuneration Committee**

The Company has its own remuneration committee. The committee consists of Two independent Directors and One Non-Executive Director. The Remuneration committee appears on page No 28 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 (Senior Independent Non-Executive Director)

The RPT committee appears on page No 29 of Annual Report.

**Nomination and Governance Committee**

The board appointed Nomination and Governance Committee, and the composition was established to comply with Rule 9.11 of the Listing Rules of the Colombo Stock Exchange. The NAG 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 - Senior Independent Non-Executive Director.



## Corporate Governance

### Compliance with CSE Continuing Listing Rules - Section 9

CSE Rules Reference	Subject	Compliance Status	Extent of Adoption
9.2.1	Policies	Complied	Considering the effective date of 01 <sup>st</sup> of October 2024, the Company is in the process of reviewing existing policies and establishing new policies to comply with the stipulated timeline.
9.3	Board Committees	Complied	The Company has established an Audit Committee, Nominations and Governance Committee, Remuneration Committee and Related Party Transactions Review Committee.
9.3.3	Chairperson of Board Committees	Complied	Chairperson of Board Committees is not the Chairperson of the Board.
9.4.1	Meeting Procedures	Complied	The Company Secretaries maintain records of all resolutions and requisite information.
9.4.2	Communication and Relations with Shareholders	Complied	The Company has a Shareholder Communication and Relations policy and it is published on the corporate website. The contact person is mentioned. The policy includes a process whereby Directors are informed of major issues and concerns of Shareholders.
9.5	Policy on matters relating to the Board of Directors	Complied	Considering the effective date of 01 <sup>st</sup> October 2024, the Company is in the process of introducing policies to comply within the stipulated timeline.
9.6.3	Senior Independent Director	Complied	As the Chairman is an Executive Director, The Company appointed Senior Independent Director (SID)
9.6.3. (c)	Senior Independent Director	Complied	The SID holds a meeting once a year with the Non-Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.
9.6.3. (e)	Senior Independent Director	Complied	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in page 31.
9.7.1	Fitness of Directors and CEO	Complied	The Company ensures that the persons recommended by the Nominations and Governance Committee of the Company fulfil the assessment criteria set out in the Listing Rules.
9.7	Fitness of Directors and CEO	Complied	The Company obtained an annual declaration from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. All Directors met the fit and proper assessment criteria stipulated in the Listing Rules of the CSE
9.8.1	Board Composition	Complied	The Board consisted of 7 Directors as at 31 <sup>st</sup> March 2024.
9.8.2	Independent Directors	Complied	Two Directors are Independent.
9.8.3	Independent Directors	Complied	All NEDs have submitted their confirmations on Independence, which is in line with the regulatory requirements.

CSE Rules Reference	Subject	Compliance Status	Extent of Adoption
9.8.5	Disclosure relating to Directors	Compliant	All independent NEDs have submitted declarations as to their independence, and a determination of their independence is evaluated.
9.10.3	Disclosure relating to Directors	Compliant	All changes to Board Committees were immediately informed to the Colombo Stock Exchange.
9.11.1-3	Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 30
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises 3 NEDs.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 30
9.12. 1	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 28
9.12.7	Functions of Remuneration Committee	Compliant	The Remuneration Committee recommends the remuneration payable to the Executive Directors
9.13.3	Composition of Audit Committee	Compliant	Refer Audit Committee Report on page 27.
9.13.4	Audit Committee Functions	Compliant	Refer Audit Committee Report on page 27.
9.14. 2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The RPTRC comprises 3 Directors out of which 2 Directors are Independent. Please see the Report of the Related Party Transaction Review Committee in page 29.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 04 times during the Financial year 2023/24.

# 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 Senior 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 Accountant 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 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.

## Key responsibilities of the Audit Committee

- Recommend appointment, dismissal, service period and audit fee of the external auditors.
- Establish and maintain a direct communication channel with the external auditors.
- Resolve any issues regarding financial reporting between the management and the external auditor.
- Pre-approve all audit and non-audit services performed by the external audit firm and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations.
- Meet with the management, external auditors as necessary to carry out the assigned duties.

## 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.

- ❖ Recommended to the Board of Directors the appointment and audit fee of the external auditors.
- ❖ Monitored and reviewed the adequacy and effectiveness of the Company's internal control system that has been designed to provide reasonable assurance to the directors that assets are safeguarded and that the financial reporting system can be relied upon in preparing and presenting the financial statements.
- ❖ Discussed and approved the Internal Audit Plan for the ensuing year.
- ❖ Reviewed the reports of the internal auditors covering, all sectors of the hotel and considered the major findings of internal investigations and management's responses thereto.

## 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  
28th August 2024

## 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 - Senior 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.

### Activities in 2023/24

- ❖ With the aim of providing excellent guest service, it was recommended to recruit executive and non executive staff as required for all departments.
- ❖ Recommended the paying of staff breakages and annual increments to be paid to Executive and Non-Executive staff based on the ratings of the Performance Management System.



D.D.Sunil  
Chairman  
Remuneration Committee  
28<sup>th</sup> August 2024

## 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 - Senior 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 9.14.4 (1) 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

- The Chairman of the Related Party Transactions Review Committee noted that there were no related party transactions disclosed during the period 2023 /2024.
- 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 25 on page 77 of the financial statements.



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

28<sup>th</sup> August 2024,

# Nominations and Governance Committee Report

The Company formally established Nominations and Governance Committee on 15th July 2024. The New Committee will review its scope and responsibilities in terms of the Revised Listing Rules of the CSE which came into effect from 01st October 2023. The Committee has well defined Terms of Reference. The Composition of the Committee is as follows:

- ❖ Mr. D. D. Sunil - Independent Non - Executive Director (Chairman of NAG Committee)
- ❖ Mr. W.G.Danapala - Non-Executive Director
- ❖ Mr. V.N.D. Wickramasinghe - Senior Independent Non-Executive Director

## Duties of the Nominations and Governance Committee

- Evaluate and recommend the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.
- Consider and recommend (or not recommend) the re- election of current directors considering the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principle commitments.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re-appoint Directors of the Company.
- Establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- Develop succession plans for the Board of Directors and Key Management Personnel.
- Review and recommend the overall corporate governance framework of the Company considering the Listing Rules and other applicable regulatory requirements and industry best practices.
- Review and update the corporate governance policies/framework in line with regulatory and legal developments relating to same.
- Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

The Board performance evaluation has been carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.



Mr. D.D.Sunil,  
Chairman,  
Nominations and Governance Committee,

28<sup>th</sup> August 2024,

## Statement by The Senior Independent Director

The Senior Independent Director of The Ramboda Falls PLC is Mr.V.N.D.Wickramasinghe and his profile is given on page 10 of this report.

In order to comply with Section 9. 6. 3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 1st October 2023.

Section 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka provide that in situations where the Chairman is an Executive Chairman a SID shall be appointed. At the Ramboda Falls PLC Chairman is not an Independent Director.

### Role of the Senior Independent Director

- The SID provides guidance to the Chairman on matters of governance of the Company.
- The role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board.
- The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise,

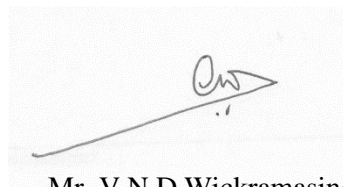
### Activities During the Year

In line with the governing requirements, I headed over the following meeting and exercised my voting rights where necessary

- ❖ A meeting was held with only the Independent Directors and discussions were held on matters relating to the Company and the operation of the Board

The outcome of these meetings together with recommendations were duly informed to the Chairman and the Board.

I believe that I have fulfilled the obligations entrusted to the SID in accordance with the Corporate Governance guidelines.



Mr. V.N.D.Wickramasinghe  
Senior Independent Director

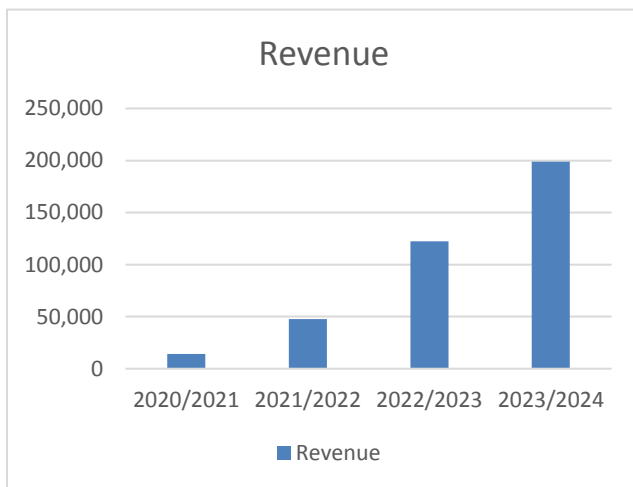
28<sup>th</sup> August 2024,

## 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 2024.

### Revenue

The Ramboda Falls PLC achieved Rs.199 million revenue for the year under review with a positive increase compared to year 2022/2023, Considering the exponential improvements in tourist arrivals, the company anticipates a swift return to profitability by the end of the coming financial year.

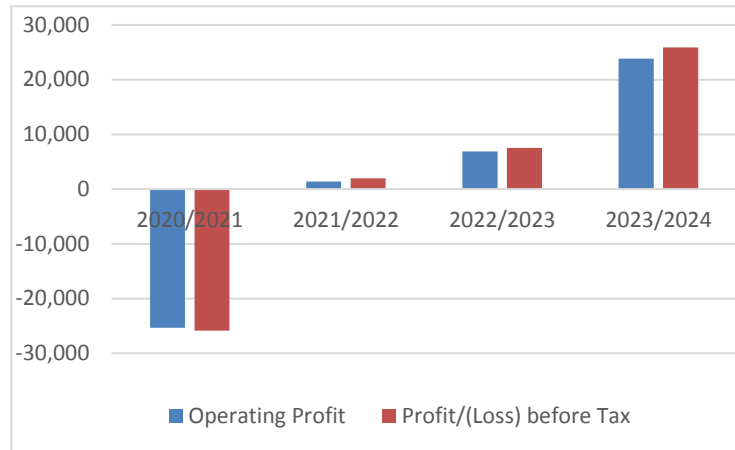


### Market Value per Share

Ramboda Falls PLC Market value per share as of 31.03.2024 was Rs. 27.10 compared to the last year Rs. 26.80

### Operating Profit

The Company recorded an improvement in core performance, with Operating profit amounting to Rs.23.8 Mn from operating profit of Rs.6.9 Mn in the previous year.



### Assets / liabilities

The Company has recorded a non-current asset of Rs. 652Mn at the end of the financial year and non-current liabilities stood at Rs.177 Mn. The respective current asset and current liabilities of the Company stood at Rs. 79 Mn and Rs. 42 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 39 to 81. 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 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.

## Principal Activities of the Company

The principal activities of the Company are to engage in hotel 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.

## Review of the Operations and Future Development

The Chairman's Statement and the Management Discussion & Analysis provide an overall assessment of the business performance of the Company and its future developments. These reports together with the audited financial statements reflect the state of affairs of the Company.

## Financial Statements

The financial statements which comprise of the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements for the year ended 31st March 2024 are set out on pages 39 to 81. These financial statements comply with the requirements of the Companies Act, No. 07 of 2007

## Revenue

Detailed analysis of revenue of the Company are set out in note 05 to the Financial Statements.

## Stated Capital

The Stated Capital of the Company as at 31st March 2024 is Rs. 100,000,020/-

## Taxation

The tax position of the Company is given in Notes 09 to the Financial Statements

## Dividend

There were no dividend payments made during the financial year. .

## Solvency Test

Since there is no recommendation for a payment of a dividend for the year ended 31st March 2024, it is not required to prepare a Solvency Statement in accordance with Section 56 of the Companies Act, No. 07 of 2007.

### **Directors of the Company**

The names of the Directors who served during the year are given below and their brief profiles appear on pages 09 and 11 of this Annual Report.

### **Policies**

Considering the effective date of 01st October 2024, the Company is in the process of reviewing existing policies and establishing new policies to comply with the stipulated timeline.

### **Internal controls**

The Directors acknowledge their responsibility for the Company's system of internal controls. The system is designed to give assurance, inter alia, regarding safeguarding the assets, the maintenance of proper accounting records and the reliability of financial information generated. However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period.

### **Going Concern**

The Board of Directors is satisfied that the Company have adequate resources to continue their operations in the foreseeable future. Accordingly, these financial statements are prepared based on the going Concern concept

### **Annual Report**

The information provided herein is in pursuance of the requirements of the Companies Act, No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange and The Board of Directors has approved the Financial Statements of the Company.

The appropriate number of copies of the Annual Report would be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standard Monitoring Board and the Registrar of Companies within the applicable time frames.

### **Annual General Meeting**

The 11th Annual General Meeting of the Company will be held on Thursday, 26th September 2024 at 10.00 a.m. as a Zoom virtual meeting. The Notice of the Annual General Meeting is on page No 86 of the Annual Report.

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



J.A.D Viraj Rasanga  
Director



I.J.A. Karunarathna  
Director

# 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 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information set out on pages 39 to 81.

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

### Key Audit Matters

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

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C P. Jayatilake FCA  
Ms S. Joseph FCA  
R.M.D.B. Rajapakse FCA  
M N M. Shameel FCA  
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakerier FCA  
W.K.D.C. Abeyrathne FCA  
Ms B.K.D.T.N. Rodrigo FCA  
Ms. C.T.K.N. Perera ACA  
R.W.M.O.W.D.B. Rathnadiwakara FCA

W.W.J.C. Perera FCA  
G.A.U. Karunaratne FCA  
R.H. Rajan FCA  
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasunderam ACMA(UK), R.G.H. Raddella ACA



<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 comprise 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>▪ Verification of revenue transactions at the year-end to determine whether transactions have been recorded in the correct period.</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 will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charge with governance. 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.

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

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

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

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

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

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

**CHARTERED ACCOUNTANTS**

Colombo, Sri Lanka

28<sup>th</sup> August 2024

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

	Note	2024 Rs.	2023 Rs.
<b>Revenue</b>	5	198,984,153	122,303,385
Cost of Sales		(119,091,579)	(73,088,823)
<b>Gross Profit</b>		79,892,574	49,214,562
Other Operating Income	6	4,752,469	3,297,379
Administration & Other Expenses		(58,344,415)	(43,834,125)
Marketing & Selling Expenses		(2,490,462)	(1,817,060)
<b>Profit From Operations</b>	7	23,810,166	6,860,756
Finance Income	8.1	2,732,636	1,290,547
Finance Expenses	8.2	(671,874)	(607,453)
<b>Net Finance Income</b>	8	2,060,762	683,094
<b>Profit Before Taxation</b>		25,870,928	7,543,850
Income Tax Expense	9	(9,221,709)	(19,295,023)
<b>Profit/(Loss) for the year</b>		16,649,219	(11,751,173)
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of Defined Benefit Obligation	19.2	(608,798)	670,538
Related tax on Remeasurement of Defined Benefit Obligation		182,639	(201,161)
Related tax on Property Revaluation gain		-	(73,353,274)
<b>Total Other Comprehensive Expense</b>		(426,159)	(72,883,897)
<b>Total Comprehensive Income/(Expenses)</b>		16,223,060	(84,635,070)
<b>Earnings/(Loss) Per Share</b>	10	0.83	(0.59)

The accounting policies and notes on pages 39 through 81 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	2024 Rs.	2023 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	11	651,719,487	653,828,150
Intangible Asset	12	-	27,722
<b>Total Non Current Assets</b>		<b>651,719,487</b>	<b>653,855,872</b>
<b>Current Assets</b>			
Inventories	13	7,784,821	6,038,672
Trade & Other Receivables	14	19,270,753	10,663,129
Financial Assets Measured at Amortised Cost	15	7,529,500	-
Cash & Cash Equivalents	16	44,711,018	34,629,581
<b>Total Current Assets</b>		<b>79,296,092</b>	<b>51,331,382</b>
<b>TOTAL ASSETS</b>		<b>731,015,579</b>	<b>705,187,254</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	17	100,000,020	100,000,020
Revaluation Reserve	18	320,920,574	320,920,574
Retained Earnings		90,887,126	74,664,066
<b>Total Equity</b>		<b>511,807,720</b>	<b>495,584,660</b>
<b>Non-Current Liabilities</b>			
Retirement Benefit Obligation	19	4,873,597	3,350,448
Interest Bearings Loans & Borrowings	20	583,696	1,900,458
Deferred Tax Liability	21	171,538,445	173,165,522
<b>Total Non-Current Liabilities</b>		<b>176,995,738</b>	<b>178,416,428</b>
<b>Current Liabilities</b>			
Trade & Other Payables	22	29,840,363	20,169,798
Interest Bearings Loans & Borrowings	20	858,400	3,806,764
Income Tax Payable	23	10,848,400	783,819
Dividend Payable		652,627	652,627
Bank Overdraft	16	12,331	5,773,158
<b>Total Current Liabilities</b>		<b>42,212,121</b>	<b>31,186,166</b>
<b>Total Liabilities</b>		<b>219,207,859</b>	<b>209,602,594</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>731,015,579</b>	<b>705,187,254</b>

Net assets per share

25.59

24.78

The accounting policies and notes on pages 39 through 81 form an integral part of the Financial Statements.

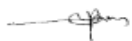
These Financial Statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007



.....  
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 Viraj Rasanga  
**Director**



.....  
I. J. A. Karunaratna  
**Director**

Colombo

28<sup>th</sup> August 2024



**RAMBODA FALLS PLC****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

	<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 2022	100,000,020	394,273,848	85,945,862	580,219,730
<b>Total comprehensive income/(expenses) for the year</b>				
Loss for the year	-	-	(11,751,173)	(11,751,173)
Other comprehensive income for the year	-	(73,353,274)	469,377	(72,883,897)
<b>Total comprehensive expenses for the year</b>	-	(73,353,274)	(11,281,796)	(84,635,070)
Balance as at 31 <sup>st</sup> March 2023	100,000,020	320,920,574	74,664,066	495,584,660
<b>Balance as at 01<sup>st</sup> April 2023</b>	<b>100,000,020</b>	<b>320,920,574</b>	<b>74,664,066</b>	<b>495,584,660</b>
<b>Total comprehensive income/(expenses) for the year</b>				
Profit for the year	-	-	<b>16,649,219</b>	<b>16,649,219</b>
Other comprehensive income for the year	-	-	<b>(426,159)</b>	<b>(426,159)</b>
<b>Total comprehensive income for the year</b>	-	-	<b>16,223,060</b>	<b>16,223,060</b>
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>100,000,020</b>	<b>320,920,574</b>	<b>90,887,126</b>	<b>511,807,720</b>

*The accounting policies and notes on pages 39 through 81 form an integral part of the Financial Statements.  
Figures in brackets indicate deductions.*

**RAMBODA FALLS PLC****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH,**

	Note	2024 Rs.	2023 Rs.
<b>Cash Flows from Operating Activities</b>			
Profit before taxation		25,870,928	7,543,850
<b>Adjustments for:</b>			
Depreciation on Property, Plant & Equipment and amortisation of ROU Assets	11	21,704,425	21,154,902
Amortisation of Intangible Assets	12	27,722	42,580
Provision for Employee Benefits	19.1	914,351	836,281
Finance Cost	8.2	302,910	607,453
Finance Income	8.1	(2,732,636)	(1,172,722)
Write off of Capital Work in Progress	11	-	2,812,878
Profit on Sales of Property Plant & Equipment	6	(233,333)	-
Provision for Impairment of Trade receivables	14.1	59,287	-
Unrealized Exchange Loss	15	580,000	-
<b>Operating Profit before Working Capital Changes</b>		<b>46,493,654</b>	<b>31,825,222</b>
Increase in Inventories		(1,746,149)	(3,073,258)
Increase in Trade & Other Receivables		(8,413,175)	(6,044,134)
Increase in Trade & Other Payables		9,670,563	5,743,524
<b>Cash Generated from Operations</b>		<b>46,004,893</b>	<b>28,451,354</b>
Interest Paid	8.2	(302,910)	(607,453)
Income Tax Paid	23	(601,566)	(1,251,639)
Gratuity Paid	19	-	(1,000,000)
<b>Net Cash Generated from Operating Activities</b>		<b>45,100,417</b>	<b>25,592,262</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property Plant & Equipment	11	(9,928,445)	(553,418)
Purchase of Capital Work in Progress	11	(13,833,981)	(3,219,840)
Proceeds from Sales of Property Plant & Equipment		4,400,000	-
Interest Received	8.1	2,478,899	1,172,722
Investment in Fixed Deposits	15	(8,109,500)	-
<b>Net Cash Used in Investing Activities</b>		<b>(24,993,027)</b>	<b>(2,600,536)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of Interest Bearing Borrowings	20.1	(2,932,700)	(4,450,400)
Principal Payment under Finance Lease Liabilities	20.4	(1,332,426)	(775,687)
<b>Net Cash used in Financing Activities</b>		<b>(4,265,126)</b>	<b>(5,226,087)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>		<b>15,842,264</b>	<b>17,765,639</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Year</b>		<b>28,856,423</b>	<b>11,090,784</b>
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	16	<b>44,698,687</b>	<b>28,856,423</b>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank	16	42,060,392	30,591,331
Cash in hand	16	2,650,626	4,038,250
Bank Overdraft	16	(12,331)	(5,773,158)
		<b>44,698,687</b>	<b>28,856,423</b>

The accounting policies and notes on pages 39 through 81 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 2024**

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**1. 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 principal 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 62 (2022/23 – 56).

**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 2024 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 2024 were authorized for issue in accordance with resolution of the Board of Directors on 28<sup>th</sup> August 2024.

**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 2024**

**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	19

**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, buildings and other assets	2.3.1
Useful lifetime of the property, plant and equipment	2.3.2
Impairment on non-financial assets	3.2.4.4
Measurement of defined benefit obligation: key actuarial assumptions	2.3.3
Provisions for liabilities, commitments and contingencies	3.2.9
Impairment measurement of financial assets: determination of inputs into the ECL measurement model, including key assumptions and incorporation forward-looking information	3.2.4.4
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, buildings and other assets in terms of Sri Lanka Accounting Standard on “Fair Value Measurement” (SLFRS13). Based on the valuation techniques and inputs used land, building and other assets were classified at level 3 in the fair value hierarchy.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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**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 19.3 for the assumptions used to determine defined benefit obligations. Sensitivity analysis to key assumptions is disclosed in Note 19.4.

**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. Further information about the assumption made in measuring fair value is included in Note 24.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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**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 Company has prepared the financial statements for the year ended 31st March 2024 on the basis that it will continue to operate as a going concern.

In determining the basis of preparing the financial statements for the year ended 31st March 2024, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Company and the appropriateness of the use of the going concern basis.

The management has formed judgment that the Company has adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalization of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level.

Based on the publicly available information at the date these financial statements were authorised for issue, management considered a number of severe but plausible scenarios with respect to possible impact of the downside economic scenarios and climate related matters.

Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Having presented the outlook of the Company to the Board, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future.

Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

**2.7. 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 2024**

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**2.8 Changes in material accounting policies**

The Company adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

**3. MATERIAL ACCOUNTING POLICIES**

The Company have consistently applied the accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Company adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1<sup>st</sup> April 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves

**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.

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**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 recognized 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.

**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.



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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, building and other assets valuation are disclosed in Note 11.9 and 11.10 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.

**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	40
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

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**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 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.

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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 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.

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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.

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.

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On initial recognition, a financial asset is classified as measured at: amortised cost.

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.

**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.

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**Financial Assets – Assessment whether contractual cash flows are solely payments of principal and interest**

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 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.
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**Financial Liabilities – Classification, subsequent measurement and gain and losses**

Financial liabilities are classified as measured at amortised cost. 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.

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**3.2.4.3. 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.

**3.2.4.4. Impairment****Non-derivative financial assets**

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.

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**3.2.4.4 Impairment (Cont.)**

**Non-derivative financial assets (Cont.)**

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.

**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: –

- 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.



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**Impairment policy: 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 sell 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

**3.2.4. 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.

**3.2.5. 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.

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**3.2.6. Share capital**

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

**3.2.7. 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.

**3.2.8.4 Termination benefits**

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.

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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.

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	The following services are rendered under this performance obligation:  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

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	time of sale and invoice to the customers on the completion of the duration of the stay. 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.
Provision 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 16<sup>th</sup> 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 16<sup>th</sup> September 2050.

The lessee has agreed with lessor to remit 5% of the adjusted operating 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 cost**

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.

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**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.

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. Deferred 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 recognised 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.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024****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.

**3.2.17. 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 5.2 to the financial statements.

**4. AMENDMENTS TO ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE**

A number of new accounting standards are effective for annual periods beginning after 1<sup>st</sup> April 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

**➤ Classification of liabilities as current or non-current (Amendments to LKAS 01)**

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1st January 2023. However, the IASB has subsequently proposed further amendments to LKAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1st January 2024. Due to these ongoing developments, the Company is unable to determine the impact of these amendments on the financial statements in the period of initial application. The Company is closely monitoring the developments.

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024****➤ Classification of liabilities as current or non-current (Amendments to LKAS 01) (Cont.)**

The amendments in classification of liabilities as current or non-current (Amendments to LKAS 01) 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 items.

**➤ Supplier Finance Arrangements (Amendments to LKAS 7 and SLFRS 7)**

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

**➤ Other Accounting Standards**

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

- Lease Liability in a Sale and Leaseback (Amendments to SLFRS 16)

The amendment is intended to improve the requirements for sale and leaseback transactions in SLFRS 16. It does not change the accounting for leases unrelated to sale and leaseback transactions. The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024.

- Lack of Exchangeability (Amendments to LKAS 21)

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments apply to annual reporting periods beginning on or after 1 January 2025.

- General requirements for disclosure of sustainability related financial information (SLFRS S1) and climate related disclosures (SLFRS S2)

In June 2023 the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 and IFRS S2. During the year, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Company from 1 April 2025. No financial impact is expected on the Company except for additional disclosures.

**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

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

	2024 Rs.	2023 Rs.
<b>5 REVENUE</b>		
<b>5.1 Revenue Streams</b>		
Restaurant Sales	62,957,418	51,983,893
Beverage & Liquor Sales	21,664,871	18,247,867
Room Sales	114,059,393	51,929,385
Other Revenue	302,471	142,240
<b>Total Revenue</b>	<b>198,984,153</b>	<b>122,303,385</b>

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

	2024 Rs.	2023 Rs.
<b>5.1.2 Timing of Revenue Recognition</b>		
Products & services transferred at a point in time	198,984,153	122,303,385
	<b>198,984,153</b>	<b>122,303,385</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	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>(a) Segment Revenue</b>						
Revenue	195,481,430	112,751,762	3,502,723	9,551,623	198,984,153	122,303,385
Cost of Sales	(115,737,821)	(61,465,721)	(3,353,758)	(11,623,102)	(119,091,579)	(73,088,823)
<b>Segment Results</b>	<b>79,743,609</b>	51,286,041	<b>148,965</b>	(2,071,479)	<b>79,892,574</b>	49,214,562
Other Income	4,730,889	3,296,369	21,580	1,010	4,752,469	3,297,379
Administrative Expenses	(55,514,638)	(40,255,853)	(2,829,777)	(3,578,272)	(58,344,415)	(43,834,125)
Marketing & Selling Expenses	(2,432,071)	(1,751,460)	(58,392)	(65,600)	(2,490,462)	(1,817,060)
<b>Profit/(Loss) from Operating Activities</b>	<b>26,527,790</b>	12,575,097	<b>(2,717,624)</b>	(5,714,341)	<b>23,810,166</b>	6,860,756
Net Finance Income/ (Expense)	2,060,762	683,094	-	-	2,060,762	683,094
<b>Profit/(Loss) from Operations before Income Tax</b>	<b>28,588,551</b>	13,258,191	<b>(2,717,624)</b>	(5,714,341)	<b>25,870,928</b>	7,543,850
Income Tax Expense/ (Benefit)	(9,221,709)	(19,295,023)	-	-	(9,221,709)	(19,295,023)
<b>Profit/(Loss) from Operations after Income Tax</b>	<b>19,366,842</b>	(6,036,832)	<b>(2,717,624)</b>	(5,714,341)	<b>16,649,219</b>	(11,751,173)
<b>Capital Expenditure</b>	<b>23,762,429</b>	3,773,258	-	-	<b>23,762,429</b>	3,773,258
<b>Depreciation / Amortisation</b>	<b>19,091,311</b>	16,805,768	<b>2,640,836</b>	4,391,714	<b>21,732,147</b>	21,197,482
<b>(b) Geographical segment analysis of assets and liabilities</b>						
<b>Non Current Assets</b>	<b>597,851,579</b>	596,562,032	<b>53,867,908</b>	57,293,840	<b>651,719,487</b>	653,855,872
<b>Current Assets</b>	<b>78,900,239</b>	44,358,946	<b>395,853</b>	6,972,436	<b>79,296,092</b>	51,331,382
<b>Total Assets</b>	<b>676,751,818</b>	640,920,978	<b>54,263,761</b>	64,266,276	<b>731,015,579</b>	705,187,254
<b>Non Current Liabilities</b>	<b>176,995,738</b>	177,845,408	-	571,020	<b>176,995,738</b>	178,416,428
<b>Current Liabilities</b>	<b>41,430,360</b>	30,054,159	<b>781,761</b>	1,132,007	<b>42,212,121</b>	31,186,166
<b>Total Liabilities</b>	<b>218,426,098</b>	207,899,567	<b>781,761</b>	1,703,027	<b>219,207,859</b>	209,602,594



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

<b>6. OTHER OPERATING INCOME</b>	<b>2024</b>	<b>2023</b>
	<b>Rs.</b>	<b>Rs.</b>
Profit on disposal of property plant and equipment	233,333	-
Green Leaf Sales	100,183	757,782
Income from land lease (Note 6.1)	605,440	1,700,688
Elevator & Shuttle Service Income	2,566,890	686,026
Scrap Sales	210,677	152,883
Shop Rent - Gem & Jewellery	510,000	-
Writeback of customer advances	525,946	-
	<b>4,752,469</b>	<b>3,297,379</b>

**6.1 Income from land lease**

During the financial year, the Company has recorded Rs. 605,440/- (2022/2023 - Rs. 1,700,688/-) as land lease income which has arisen as a result of lease agreement between the Company (lessor) and Ramboda Hydro (Private) Limited (lessee).

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.

The Lessee as consideration has agreed with lessor to remit 5% of the adjusted operating 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 adjusted operating profit has been paid on the profit recorded by lessee.

**7. PROFIT FROM OPERATIONS**

	<b>2024</b>	<b>2023</b>
	<b>Rs.</b>	<b>Rs.</b>
<i>Profit from operations is stated after charging all expenses including the following:</i>		
Directors Remuneration	7,200,000	5,000,000
Auditors Remuneration	642,000	535,000
Depreciation on property, plant and equipment	21,704,425	21,154,902
Amortization of intangible assets	27,722	42,580
Donation	149,246	48,800
<b>Staff costs :</b>		
Salaries wages	19,780,755	15,527,826
Employees Provident Fund	1,336,000	816,224
Employees Trust Fund	334,000	206,954
Provision for employee benefits	914,351	836,281

**8. NET FINANCE INCOME**

	<b>2024</b>	<b>2023</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>8.1 Finance Income</b>		
Interest income on savings accounts	2,478,899	1,172,722
Interest income on fixed deposits	253,737	-
Net exchange gain	-	117,825
	<b>2,732,636</b>	<b>1,290,547</b>
<b>8.2 Finance Expenses</b>		
Net exchange loss	368,964	-
Interest expenses on finance lease (Note 20.5)	232,852	372,797
Interest expenses on bank borrowings	70,058	234,656
	<b>671,874</b>	<b>607,453</b>
<b>Net Finance Income</b>	<b>2,060,762</b>	<b>683,094</b>

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

	2024 Rs.	2023 Rs.
<b>9. INCOME TAX EXPENSE</b>		
<b>9.1 Amounts recognised in Profit or Loss</b>		
Current tax expense (Note 9.3)	10,666,147	775,821
Deferred tax charge/(reversed) during the year (Note 21.2)	(1,444,438)	18,519,202
<b>Total Income tax benefit recognised in the Profit or Loss</b>	<b>9,221,709</b>	<b>19,295,023</b>

**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 2024**

	Before Tax	Tax (expense)/ benefit	Net of Tax
Remeasurement of defined benefit obligation	(608,798)	182,639	(426,159)
<b>Total income tax recognised in other comprehensive income</b>	<b>(608,798)</b>	<b>182,639</b>	<b>(426,159)</b>

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

Revaluation gain on property, plant and equipment	-	(73,353,274)	(73,353,274)
Remeasurement of defined benefit obligation	670,538	(201,161)	469,377
<b>Total income tax recognised in other comprehensive income</b>	<b>670,538</b>	<b>(73,554,435)</b>	<b>(72,883,897)</b>

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

Accounting Profit/(Loss) before taxation	25,870,928	7,543,850
Income not form a part of Business Profit	(3,338,076)	(2,873,410)
Aggregate disallowable items	24,029,576	26,006,026
Aggregate allowable items	(12,348,585)	(13,797,793)
<b>Assessable Income from Business</b>	<b>34,213,843</b>	<b>16,878,673</b>
Utilization of tax losses during the year	(2,221,618)	(16,878,673)
<b>Taxable Income from Business</b>	<b>31,992,225</b>	<b>-</b>
Other Source of Income	3,338,076	2,873,410
<b>Taxable Income</b>	<b>35,330,301</b>	<b>2,873,410</b>
<b>Income tax charged at</b>		
Tax on Statutory Income @ 24%	-	344,809
Tax on Statutory Income @ 30%	10,599,090	431,012
<b>Total Current tax expense</b>	<b>10,599,090</b>	<b>775,821</b>

**9.4 Income tax provisions applicable**

Ramboda Falls PLC, being a Company engaged in the promotion of tourism is liable for tax at a standard rate of 30% in terms of the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

The Company has adjusted any adjustments relating to income tax payable or receivable balances in respect of previous years.

**9.5 Tax Losses Carried Forward**

	2024 Rs.	2023 Rs.
Tax Losses brought forward	2,187,730	18,646,958
Tax Losses during the Year	-	-
Adjustment in respect of prior years	33,888	419,445
Utilization of tax losses	(2,221,618)	(16,878,673)
<b>Tax Losses carried forward</b>	<b>-</b>	<b>2,187,730</b>

**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/ (loss) per share".

<b>For the year ended 31<sup>st</sup> March</b>	<b>2024</b>	<b>2023</b>
Profit/(loss) attributable to the ordinary equity holders	16,649,219	(11,751,173)
Weighted average number of ordinary shares outstanding at the year end	20,000,000	20,000,000
<b>Earnings/ (loss) per share (Rs.)</b>	<b>0.83</b>	<b>(0.59)</b>

**10.1 Diluted Earnings per share**

There were no potentially dilutive ordinary shares as at 31<sup>st</sup> March 2024 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 2024**

**11. PROPERTY, PLANT & 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 1<sup>st</sup> April 2022</b>	309,006,300	249,279,073	29,250,000	26,300,531	4,598,531	3,272,441	54,738,845	2,812,878	5,250,000	684,508,599											
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>	309,006,300	249,279,073	29,250,000	26,300,531	4,598,531	3,429,859	55,134,845	3,219,840	5,250,000	685,468,979											
<b>Balance as at 01<sup>st</sup> April 2023</b>	309,006,300	249,279,073	29,250,000	26,300,531	4,598,531	3,429,859	55,134,845	3,219,840	5,250,000	685,468,979											
Additions during the Year	-	-	8,050,000	523,962	-	120,551	1,233,935	13,833,981	-	23,762,429											
Disposal during the year	-	-	(5,000,000)	-	-	-	-	-	-	(5,000,000)											
CWIP transfers	-	16,454,538	-	289,283	-	-	310,000	(17,053,821)	-	-											
<b>Balance as at 31<sup>st</sup> March 2024</b>	309,006,300	265,733,611	32,300,000	27,113,776	4,598,531	3,550,410	56,678,780	-	5,250,000	704,231,408											
<b>ACCUMULATED DEPRECIATION</b>																					
<b>Balance as at 1<sup>st</sup> April 2022</b>	-	1,491,476	918,581	821,892	4,075,053	106,804	1,704,037	-	1,368,084	10,485,927											
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>	-	7,516,965	4,574,832	4,109,459	4,343,926	520,796	8,550,517	-	2,024,334	31,640,829											
<b>Balance as at 1<sup>st</sup> April 2023</b>	-	7,516,965	4,574,832	4,109,459	4,343,926	520,796	8,550,517	-	2,024,334	31,640,829											
Charge for the year	-	6,186,212	3,992,186	3,324,177	152,460	446,678	6,946,462	-	656,250	21,704,425											
Disposals during the year	-	-	(833,333)	-	-	-	-	-	-	(833,333)											
<b>Balance as at 31<sup>st</sup> March 2024</b>	-	13,703,177	7,733,685	7,433,636	4,496,386	967,474	15,496,979	-	2,680,584	52,511,921											
<b>Carrying Amount as at 31<sup>st</sup> March 2024</b>	309,006,300	252,030,434	24,566,315	19,680,140	102,145	2,582,936	41,181,801	-	2,569,416	651,719,487											
<b>Carrying Amount as at 31<sup>st</sup> March 2023</b>	309,006,300	241,762,108	24,675,168	22,191,072	254,605	2,909,063	46,584,328	3,219,840	3,225,666	653,828,150											

**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS**AS AT 31<sup>ST</sup> MARCH 2024**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.

**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. 23 million (2022/2023 - Rs. 3 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 2023/2024 (2022/2023 – Nil).

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

There are no temporarily idle property, plant or equipment as at the reporting date. (2022/2023 - 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 2024. 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 (2022/2023 - Nil).

**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 2023 - Rs. 4,136,531/-) 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 at the reporting date is Nil.

**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 2024

## 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 as at 31st December	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 Srisena 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	132,006,320.00
No.161/2, Mile post, Polonnaruwa Road, Raja Ela, Minneriya	02-0R-0.21P						
<b>Other Assets*</b>							
* Other assets includes Motor vehicles, furniture & fittings, office equipment and plant & machineries.	N/A	Depreciation replacement cost	31-12-2021		113,106,617	43,047,365	70,059,252

## 11.11 Fair value measurement

## (a) Fair value hierarchy

The fair value of the freehold land, 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.

**RAMBODA FALLS PLC**

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

**11.11 Fair value measurement (Cont.)**

**(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	Positive correlation sensitivity Estimated fair value would increase/ (decrease) if price per Square Foot would increase / (decrease).
No.161/2, Mile post, Polonmaruwa Road, Raja Ela,	8		Rs. 1,500 - Rs. 4,500	
<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, Polonmaruwa Road, Raja Ela,	-		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).
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% - 25%)	

**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.

**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
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>As at 31 March 2024</b>						
Cost	10,967,078	113,626,240	27,527,679	13,616,788	1,428,083	19,640,901
Accumulated depreciation	-	(72,173,962)	(8,291,930)	(13,011,114)	(1,346,231)	(16,060,331)
<b>Carrying value</b>	<b>10,967,078</b>	<b>41,452,278</b>	<b>19,235,749</b>	<b>605,674</b>	<b>81,852</b>	<b>3,580,570</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,

	2024 Rs.	2023 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	1,832,278	1,789,698
Amortization during the year	27,722	42,580
<b>Balance as at 31<sup>st</sup> March</b>	<b>1,860,000</b>	<b>1,832,278</b>
<b>Net Book Value</b>	<b>-</b>	<b>27,722</b>
<b>13. INVENTORIES</b>		
Food	4,532,814	3,836,542
Bar stock	2,208,398	1,101,471
House keeping	730,975	578,192
Stationery	110,908	45,162
Building maintainance	201,726	477,305
	<b>7,784,821</b>	<b>6,038,672</b>
<b>14. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	14,883,306	7,793,368
Provision for Impairment of Trade Receivables (Note 14.1)	(149,400)	(90,113)
	<b>14,733,906</b>	<b>7,703,255</b>
Advance and Prepayment	581,472	457,934
WHT Receivables	149,529	25,625
Other receivables	3,805,846	2,476,315
	<b>19,270,753</b>	<b>10,663,129</b>
<b>14.1 Provision for Impairment of Trade Receivables</b>		
Balance as at 1 <sup>st</sup> April	90,113	90,113
Provision made during the year	59,287	-
<b>Balance as at 31<sup>st</sup> March</b>	<b>149,400</b>	<b>90,113</b>

*There is no enforcement activities relating to the write-off of debtors during the year.*

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

<b>15 FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>	<b>2024</b>	2023
	<b>Rs.</b>	Rs.
Balance as at 1st April	-	-
During the year additions	<b>8,109,500</b>	-
Exchange gain/(loss)	<b>(580,000)</b>	-
Balance as at 31st March	<b>7,529,500</b>	-

During the year, the Company has invested in Fixed Deposits amounting to USD 25,000/-

<b>16 CASH &amp; CASH EQUIVALENTS</b>	<b>2024</b>	2023
	<b>Rs.</b>	Rs.
Cash at Bank	<b>42,060,392</b>	30,591,331
Cash in Hand	<b>2,650,626</b>	4,038,250
<b>Total cash and cash equivalents</b>	<b>44,711,018</b>	34,629,581
Bank overdraft	<b>(12,331)</b>	(5,773,158)
<i>Net cash and cash equivalents for the cash flow statement purpose</i>	<b>44,698,687</b>	28,856,423

**17 STATED CAPITAL**

	<b>2024</b>		2023	
	<b>Number of shares</b>	<b>Value of shares Rs.</b>	Number of shares	Value of shares Rs.
Fully paid ordinary shares	<b>20,000,000</b>	<b>100,000,020</b>	20,000,000	100,000,020
	<b>20,000,000</b>	<b>100,000,020</b>	20,000,000	100,000,020

**17.1 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 assets.

**18 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.

	<b>2024</b>	2023
	<b>Rs.</b>	Rs.
Balance at the beginning of year	<b>320,920,574</b>	394,273,848
Deferred Tax relating to revaluation of building	-	(73,353,274)
Balance at the end of year	<b>320,920,574</b>	320,920,574



**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

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

	2024 Rs.	2023 Rs.
<b>19 RETIREMENT BENEFIT OBLIGATION</b>		
Balance at the beginning of the year	3,350,448	4,184,705
Current service costs	765,994	599,497
Interest Cost	148,357	236,784
Actuarial gain on defined benefit obligations	608,798	(670,538)
Payments made during the year	-	(1,000,000)
<b>Liability for defined benefit obligations as at 31<sup>st</sup> March</b>	<b>4,873,597</b>	<b>3,350,448</b>

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

Current service costs	765,994	236,784
Interest cost	148,357	599,497
	<b>914,351</b>	<b>836,281</b>

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

Actuarial gain/(loss) on defined benefit obligations	(608,798)	670,538
	<b>(608,798)</b>	<b>670,538</b>

**19.3 The gratuity liability as at 31st March 2024 is made based on the internally generated formula.**

The principal assumptions made are given below;

	2024	2023
Discount rate	11%	18.5%
In the absence of a deep market in long-term bonds in Sri Lanka, a long-term interest rate of 11% p.a. (2022/2023 – 18.5% p.a.) has been used to discount future liabilities considering yield available on government bonds with a tenure equivalent to the average future working life of the employees.		
Rate of Salary Increment	12%	15%
Based on the actual salary increment rates of the Company over the past few years and the future economic outlook of the country, an increase in the long term salary increment rate is factored into the valuation for the current year.		
Staff Turnover Factor	20%	15.5%
Retirement age	60 years	60 years
Weighted average duration	4.8 Years	6.2 Years

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

**19.4 Sensitivity of assumptions used**

A quantitative sensitivity analysis for significant assumptions as at 31<sup>st</sup> March is, as shown below:

**Increase /(decrease) in discount rate**

+1%	(119,855)	(78,825)
-1%	126,324	83,668

**Increase /(decrease) in salary Increment rate**

+1%	124,030	85,527
-1%	(119,855)	(81,841)

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.

**20 INTEREST BEARING LOANS AND BORROWINGS**

**Current Liability**

Bank borrowings (Note 20.1)	-	2,932,700
Finance Lease Liability (Note 20.4)	858,400	874,064
	<b>858,400</b>	<b>3,806,764</b>

**Non-current Liability**

Bank borrowings (Note 20.1)	-	-
Finance Lease Liability (Note 20.4)	583,696	1,900,458
	<b>583,696</b>	<b>1,900,458</b>

<b>Total Interest Bearing Loans and Borrowings</b>	<b>1,442,096</b>	<b>5,707,222</b>
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**RAMBODA FALLS PLC****NOTES TO THE FINANCIAL STATEMENTS**AS AT 31<sup>ST</sup> MARCH

	2024 Rs.	2023 Rs.		
<b>20. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)</b>				
<b>20.1 Movement in Loans And Borrowings</b>				
Balance at the beginning of the year	2,932,700	7,383,100		
Loan repayments during the year	(2,932,700)	(4,450,400)		
Balance at the end of the year	-	2,932,700		
<b>Current</b>	-	2,932,700		
<b>Non-current</b>	-	-		
<b>Total Bank borrowings balance at the end of the year</b>	-	2,932,700		
<b>20.2 Maturity Analysis of Loans And Borrowings</b>				
Within 1 year	-	2,932,700		
	-	2,932,700		
<b>20.3 The details of the bank borrowings as at the reporting date are as follows :</b>				
	<b>Loan</b>	<b>Grant</b>	<b>Instalment</b>	<b>Interest p.a.</b>
	<b>Amount</b>	<b>Date</b>	<b>Amount</b>	
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>20.4 Movement in Finance Lease Liability</b>				
	2024 Rs.	2023 Rs.		
Balance at the beginning of the year	2,774,522	3,550,209		
Repayment during the year	(1,565,278)	(1,148,484)		
Interest expense on Finance Lease	232,852	372,797		
<b>Balance at the end of the year</b>	<b>1,442,096</b>	<b>2,774,522</b>		
<b>Current</b>	<b>858,400</b>	874,064		
<b>Non-current</b>	<b>583,696</b>	1,900,458		
<b>Total finance lease balance at the end of the year</b>	<b>1,442,096</b>	<b>2,774,522</b>		
<b>20.5 Amounts recognised in statement of profit or loss</b>				
Interest expense on Finance Lease	232,852	372,797		
	232,852	372,797		
<b>20.6 Amount recognized in statement of cashflows</b>				
Total cash outflows for leases	(1,565,278)	(1,148,484)		
<b>20.7 Maturity Analysis of Finance Lease Liability</b>				
Within 1 year	858,400	874,064		
Between 1 and 2 years	583,696	984,917		
Between 2 and 5 years	-	915,541		
	1,442,096	2,774,522		
<b>20.8 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 on 31<sup>st</sup> December 2021) for the purpose of purchase a bus on 24th February 2021. The lease is payable in 49 monthly installments.

**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

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

	2024 Rs.	2023 Rs.
<b>21 DEFERRED TAXATION</b>		
<b>21.1 DEFERRED TAX LIABILITY</b>		
Balance at the beginning of the year	173,165,522	81,091,885
Amount recognized/(reversed) during the year - (Note 21.2)	(1,627,077)	92,073,637
Balance at the end of the year	<u>171,538,445</u>	<u>173,165,522</u>
<b>21.2 Amount recognized during the year</b>		
	2024 Rs.	2023 Rs.
Amount recognized/(reversed) during the year - Other Comprehensive Income	(182,639)	73,554,435
Amount recognized/(reversed) during the year - Profit and Loss	(1,444,438)	18,519,202
<b>Total amount recognized during the year</b>	<u>(1,627,077)</u>	<u>92,073,637</u>
<b>21.2.1 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
Effect in change in tax base charged to profit or loss	(1,444,438)	(2,012,673)
	<u>(1,444,438)</u>	<u>18,519,202</u>
<b>21.2.2 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
Effect in change in tax base charged to other comprehensive income	(182,639)	234,225
	<u>(182,639)</u>	<u>73,554,435</u>

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

	2024		2023	
	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	578,259,911	173,477,973	583,433,489	175,030,047
	<u>578,259,911</u>	<u>173,477,973</u>	583,433,489	175,030,047
<b>Deferred tax assets on,</b>				
Retirement benefit obligation	4,873,597	1,462,079	3,350,448	1,005,134
Impairment provision for Trade receivable	149,400	44,820	90,113	27,034
Lease liability on ROU Assets	1,442,096	432,629	2,774,522	832,357
	<u>6,465,093</u>	<u>1,939,528</u>	6,215,083	1,864,525
<b>Net recognised deferred tax liability</b>	<u>571,794,818</u>	<u>171,538,445</u>	577,218,406	173,165,522

**21.4 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 as at 31<sup>st</sup> March 2023.

	2024		2023	
	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
	-	-	<u>2,187,730</u>	<u>656,319</u>

**21.5** The tax rate used to calculate deferred tax liability/asset as at 31st March 2024 is 30% (31st March 2023 - 30%)

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 valuation reserve on freehold land amounting to Rs.166,032,902/-as at 31st December 2016 and amounting to Rs.132,006,320/ as at December 2021, which is considered as the potential gain liable for taxation at the Balance Sheet date on future realization. Accordingly, the Company has recognized deferred tax liability of Rs. 73.3 Mn pertaining to revaluation reserve on freehold lands which is computed at the corporate tax rate of 30% as at 31st March 2023.

**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

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

	2024 Rs.	2023 Rs.
<b>22 TRADE AND OTHER PAYABLES</b>		
Trade payables	9,926,319	6,431,588
Welfare Fund	-	130,950
VAT Payable	4,845,550	364,878
Accrued expenses	15,068,494	13,242,382
	<u>29,840,363</u>	<u>20,169,798</u>
<b>23 INCOME TAXATION PAYABLES</b>		
Balance as at 01 <sup>st</sup> April	783,819	1,259,635
Income Tax Provision for the year	10,666,147	775,821
Income Tax payments	(601,566)	(1,251,637)
<b>Balance as at 31<sup>st</sup> March</b>	<u>10,848,400</u>	<u>783,819</u>

**24 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 2024	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	18,689,281	-	18,689,281	-	-	-	-
Financial Assets measured at amortised cost	15	7,529,500	-	7,529,500	-	-	-	-
Cash and cash equivalents	16	44,711,018	-	44,711,018	-	-	-	-
		<u>70,929,799</u>	-	<u>70,929,799</u>	-	-	-	-
<b>Financial Liabilities</b>								
Interest bearing borrowings	20	-	1,442,096	1,442,096	-	-	-	-
Trade payables	22	-	9,926,319	9,926,319	-	-	-	-
Other payables	22	-	4,845,550	4,845,550	-	-	-	-
Bank overdraft	16	-	12,331	12,331	-	-	-	-
		-	<u>16,226,296</u>	<u>16,226,296</u>	-	-	-	-

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	16	34,629,581	-	34,629,581	-	-	-	-
		<u>44,834,776</u>	-	<u>44,834,776</u>	-	-	-	-
<b>Financial Liabilities</b>								
Interest bearing borrowings	20	-	5,707,222	5,707,222	-	-	-	-
Trade payables	22	-	6,431,588	6,431,588	-	-	-	-
Other payables	22	-	495,828	495,828	-	-	-	-
Bank overdraft	16	-	5,773,158	5,773,158	-	-	-	-
		-	<u>18,407,796</u>	<u>18,407,796</u>	-	-	-	-

**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

**25 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”,

**25.1 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**

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

	<b>2024</b>	2023
	<b>Rs.</b>	Rs.
Short term employee benefits	7,200,000	5,000,000
Total	<b>7,200,000</b>	<b>5,000,000</b>

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

**26. 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.

**26.1 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.

**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

**26. FINANCIAL RISK MANAGEMENT (CONT.)**

**26.1 Credit Risk (Cont.)**

**26.1.1 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.

<b>As at 31<sup>st</sup> March</b>	<b>2024</b>	2023
	<b>Rs.</b>	Rs.
Trade Receivables	<b>14,733,906</b>	7,703,255
Financial Assets Measured at Amortised Cost	<b>7,529,500</b>	-
Cash at Bank	<b>42,060,392</b>	30,591,331
	<b><u>64,323,798</u></b>	<u>38,294,586</u>

**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 trade 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:**

30–60 days

61–120 days

121 above

**Total Trade receivables**

<b>Gross Receivables</b>		<b>Impairment Allowance</b>		<b>Carrying Value</b>	
<b>2024</b>	2023	<b>2024</b>	2023	<b>2024</b>	2023
<b>8,186,644</b>	4,337,971	-	-	<b>8,186,644</b>	4,337,971
<b>2,394,489</b>	1,973,237	-	-	<b>2,394,489</b>	1,973,237
<b>3,605,263</b>	1,392,047	-	-	<b>3,605,263</b>	1,392,047
<b>696,910</b>	90,113	<b>(149,400)</b>	(90,113)	<b>547,510</b>	-
<b>14,883,306</b>	7,793,368	<b>(149,400)</b>	(90,113)	<b>14,733,906</b>	7,703,255

A provisions of Rs. 59,287/- have been made by the Company as impairment of trade receivables as at the year ended 31st March 2024 (2022/2023 - Nil).

**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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

**Cash & Cash Equivalents**

The Company held cash at bank of Rs. 42 Mn as at 31 March 2024 (31 March 2023 - Rs.30.5 Mn) which represent its maximum credit exposure on these assets. The cash at bank with counterparties, which are reted A, based on fitch ratings.

**26.2 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 2024**

	Carrying amount	Contractual cash flows			
		Total	Less than 1 Year	1-2 years	2-5 years
Interest Bearing Borrowings	1,442,096	1,568,697	990,756	577,941	
Trade Payables	9,926,319	9,926,319	9,926,319	-	-
Bank overdraft	12,331	12,331	12,331	-	-
	<b>11,380,746</b>	<b>11,507,347</b>	<b>10,929,406</b>	<b>577,941</b>	<b>-</b>

**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>

**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 2024****26 FINANCIAL RISK MANAGEMENT (CONTD.)****26.3 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

**26.3.1 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.

The Sri Lankan Rupee (LKR) experienced significant volatility against the US Dollar (USD) during the first half of the financial year. However during the 3rd quarter, there were signs of stabilisation in the exchange rate. As the 3rd quarter progressed, LKR appreciated steadily against the US Dollar. Overall, the LKR strengthened by 8.16% against the USD during the financial year. To account for this fluctuating exchange rate, a 15% threshold is used in sensitivity analysis for this year.

	<u>2024</u>	<u>2023</u>
HNB Foriegn currency account (USD)	61	16,111
People's bank savings account (USD)	14,904	825
People's bank fixed deposit (USD)	25,000	-
	<u>39,965</u>	<u>16,936</u>

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

Conversion rate	301	327
Net Foreign Currency Cash and cash Equivalents in LKR	<u>12,036,807</u>	<u>5,540,640</u>

Impact of increase in 15% USD rate - USD denominated borrowings - gain / (loss)	<u>1,805,521</u>	831,096
Impact of decrease in 15% USD rate - USD denominated borrowings - gain / (loss)	<u>(1,805,521)</u>	<u>(831,096)</u>

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

**26.3.2 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 timely manner.



**RAMBODA FALLS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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

**26.3 Market risk (Cont.)**

**26.3.2 Interest rate risk (Cont.)**

**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.

As at 31 <sup>st</sup> March 2024	Fixed rate interest	Variable rate interest	Variable interest Loan Balance	Effect on Profit before Tax	
				Impact of 1% increase	Impact of 1% decrease
<b>Financial liabilities</b>					
Interest-bearing borrowings	302,910	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>					
<b>Financial liabilities</b>					
Interest-bearing borrowings	607,453	-	-	-	-

**27. 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 shareholders.

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

	2024 Rs.	2023 Rs.
Total Liabilities	219,207,859	209,602,594
Less: Cash and cash equivalents	(44,711,018)	(34,629,581)
<b>Net Liabilities</b>	<b>174,496,841</b>	174,973,013
<b>Equity</b>	<b>511,807,720</b>	495,584,660
Gearing ratio	<b>0.34</b>	0.35

**28. 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.

**29. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

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

**Tax Assessment**

The Company has received an income tax assessment dated 9th October 2023 from the Commissioner General of Inland Revenue imposing an additional income tax liability of Rs. 1.8 Mn and a penalty of Rs. 1.5 Mn against the Company for the years of assessment 2015/16 & 2016/17 in relation to the dividen payments. The Company has appealed against the assessment, and is awaiting the hearing of these appeals. The Board of Directors is of the opinion that there is only a remote possibility of an obligation arising.

**30. 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. 03.2024

Shareholding category	2024			2023		
	No. of Shareholders	No of Shares	%	No of Share holders	No of Shares	%
1 to 1,000	550	67,537	0.33	528	70,201	0.34
1,001 to 10,000	68	238,780	1.20	77	254,675	1.28
10,001 to 100,000	16	453,953	2.27	17	433,718	2.17
100,001 to1,000,000	6	3,037,984	15.19	3	785,383	3.93
Over 1,000,000	3	16,201,746	81.01	4	18,456,023	92.28
Total	643	20,000,000	100.00	629	20,000,000	100.00

Share Price Movements during the year

Market Price	Quarter Ended				Year Ended	
	30.06.2023	30.09.2023	31.12.2023	31.03.2024	31.03.2024	31.03.2023
Highest Rs.	33.90	34.00	29.50	30.00	34.00	35.90
Lowest Rs.	24.30	27.00	23.50	24.20	23.50	12.00
Closing Rs.	26.40	29.00	24.30	27.10	27.10	26.80

Categories of share Holders

Category/ No of shareholders	2024	2023
Individual	623	612
Institutions	20	17
Total	643	629

Float adjusted market capitalization as at 31st March 2024

Rs. 139,834,103

Total No of Shareholders representing the public Holding

639

## Share Holdings as at 31st March

Share Holding	2024			2023		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Public Holding	639	5,159,930	25.81	624	3,279,230	16.41
Directors Holding	4	14,840,070	74.19	4	14,840,070	74.19
Holding of 5% or more	0	0	0	1	1,880,700	9.49
Total	643	20,000,000	100%	629	20,000,000	100%

The float adjusted market capitalization as at 31st March 2024 is Rs. 139.8 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, 2024

No	Name of Shareholder	No of share	Shareholding %
1	Mr. K.L. Yeoh	12,938,371	64.69
2	Mr. I J A Karunaratna	1,880,700	9.40
3	Mr. P D Panagoda	1,382,675	6.91
4	Mr. L.S.Sigera	751,427	3.76
5	Mrs. L. D.H.Sigera	751,425	3.76
6	Ms. L.D.N. Sigera	751,425	3.76
7	Mr. P.T. Karunaratne	299,824	1.50
8	Miss. S H Karunaratna	293,753	1.47
9	Mrs. H. P. Gin	190,130	0.95
10	Mr. T. Igarashi	100,000	0.50
11	Mr. U.D.M. Fernando	46,106	0.23
12	Mr. R.T.S. Fernando	36,394	0.18
13	Ms.R.M.I.P.Ranasinghe	30,692	0.15
14	Mr. G.C.Gonethilake	30,500	0.15
15	Mr.N.A. Withana	26,200	0.13
16	Mr. P.N.C. Gomes	25,000	0.13
17	Mr.S.Ishizuka	24,679	0.12
18	Mrs. S.C.R. Thambimuttu	20,827	0.10
19	Mr.V.N.D.Wickramasinghe	20,000	0.10
20	Mr.P.Sarathchandra	20,000	0.10
	Others	19,620,128	98.09
	Total	379,872	1.91
		20,000,000	100

## 10 Years Summery

	2023/20 24	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
<b>TRADING RESULTS</b>										
Revenue Rs. (000)	198,984	122,303	47,565	14,025	110,235	141,449	127,305	125,334	118,853	105,980
Profit before income Tax Rs. (000)	25,871	7,543	1,979	(25,861)	12,769	33,351	24,221	16,609	26,773	28,402
Income Tax Rs. (000)	(9,222)	(19,295)	1,501	1,766	(4,671)	8,203	(5,985)	(2,765)	(3,223)	(3,689)
Profit after taxation Rs. (000)	16,649	(11,751)	3,480	(24,095)	8,097	25,147	18,236	13,844	23,550	24,713
<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)	411,807	395,585	480,220	291,105	314,573	315,902	300,512	317,634	189,334	174,486
<b>Shareholder's Funds</b> Rs. (000)	511,808	495,585	580,220	391,105	414,573	415,902	400,512	417,634	289,334	274,487
<b>ASSETS EMPLOYED</b>										
Current Assets Rs. (000)	79,296	51,331	18,916	9,849	24,477	50,520	39,290	43,440	38,407	35,032
Current Liabilities Rs. (000)	42,212	31,186	22,128	21,487	21,243	28,861	24,593	25,926	26,701	32,537
Non-Current Assets Rs. (000)	651,719	653,856	674,093	466,461	474,994	454,984	446,803	432,055	302,845	297,159
Long term Liabilities Rs. (000)	176,996	178,416	90,661	63,718	63,654	60,741	60,988	31,934	(25,217)	25,167
<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	0.83	(0.59)	0.17	(1.2)	0.4	1.26	0.91	0.69	1.18	1.24
Net Assets Value per share Rs.	25.59	24.78	29.01	19.56	20.7	20.80	20.02	20.88	14.47	13.72
Current Ratio (Times)	1.9	1.6	0.86	0.46	1.15	1.75	1.60	1.68	1.44	1.08
Dividend Payout Ratio	-	-	-	-	1.25	0.40	0.55	0.72	0.42	0.40
Dividend Paid per share Rs.	-	-	-	-	0.5	0.50	0.50	0.50	0.50	0.50

## Corporate Information

Name of the Company	Ramboda Falls PLC
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

## Notice of Meeting

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 26TH SEPTEMBER 2024 AT 10.00 A.M.

### 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 31st March 2024 with the Report of the Auditors thereon.
2. To re-elect Mr. Viraj Nishantha Deepal Wickremasinghe 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. Walpita Gamage Dhanapala 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 has attained the age of 70 years, in compliance with Section 211 of the Companies Act No. 07 of 2007 and to pass the following Resolution.
5. Ordinary Resolution "It is hereby resolved that Mr. Kim Leng Yeoh who has attained the age of 70 years be and is hereby re-appointed as a Director of the Company and that it is hereby declared as provided for in Section 211 of the Companies Act No. 07 of 2007 that the age limit of 70 years referred to in Section 210 of the said Companies Act shall not apply to Mr. Kim Leng Yeoh."
6. 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.
7. To authorize the Directors to determine donations for the year 2024 / 2025.

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

SECRETARIES

Colombo Date: 30<sup>th</sup> August 2024

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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.
3. 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.

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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 26th September 2024 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

- |  | FOR                      | AGAINST                  |
|--|--------------------------|--------------------------|
| 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 or the year ended 31st March 2024 with the Report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
|  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Mr. Viraj Nishantha Deepal Wickremasinghe 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.                                |                          |                          |

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- 3. To re-elect Mr. Walpita Gamage Dhanapala 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 has attained the age of 70 years, in compliance with Section 211 of the Companies Act No. 07 of 2007 and to pass the following Resolution.

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**Ordinary Resolution**

“It is hereby resolved that Mr. Kim Leng Yeoh who has attained the age of 70 years be and is hereby re-appointed as a Director of the Company and that it is hereby declared as provided for in Section 211 of the Companies Act No. 07 of 2007 that the age limit of 70 years referred to in Section 210 of the said Companies Act shall not apply to Mr. Kim Leng Yeoh.”

- 5. 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.
- 6. To authorize the Directors to determine donations for the year 2024 / 2025.

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

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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[www.rambodafalls.com](http://www.rambodafalls.com)