

Renaissance

Ramboda Falls Annual Report 2019/2020



The last year that was, revealed not only the indecisiveness of the world, but also the wonderful persistence of the Sri Lankan people in winning the challenges that impeded our growth. While we slowly but surely rebuilt ourselves from the external barriers that affected the industry, we remain unwavering in our enthusiasm and willpower to bounce back, better than ever. We are on the path of a Renaissance as we continue our perfect dedication to hospitality and overall Superiority.

FINANCIALS AT A GLANCE			
Profit after Tax Revenue		Rs.8,097,180 Rs.110,235,455	
For the year ended 31st March	2020 (Rs.000)	2019 (Rs.000)	Growth%
Revenue	110,235	141,449	(22.1)
Profit before Tax	12,769	33,351	(61.7)
Profit after Tax	8,097	25,147	(67.8)
Financial position			
Shareholder's Funds	414,573	415,903	(0.3)
Total Assets	499,472	505,505	(1.2)
Per Ordinary share			
Earning per share	0.4	1.3	(69.2)
Net Asset per share	20.7	20.8	(0.48)
Ratios			
Gross Profit (%)	58	62.7	(7.5)
Net Profit (%)	7.3	17.7	(58.7)
Return on share holders funds	2	6	(66.6)
Return on Assets (%)	1.7	5	(66)

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 is discern for both local and international clientele. Located in one of the idyllic setting in the hill country with facing to magnificent view of Ramboda falls while surrounded by three other major water falls including 45 luxury rooms, Restaurant & bar, coffee shop and food court.

Muwan Palassa Resort

feel the beauty of simplicity...

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

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Our Vision

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

Our Mission

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

Our Core Values

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





Chairman's Statement

Dear Stakeholder,

On behalf of the Board of Directors, it gives me great pleasure to welcome you to the Annual General Meeting of Ramboda Falls PLC and I'm pleased to present to you the 7th Annual Report and Audited Financial Statements for the year ended 31st March 2020.

Performance

The Ramboda Falls PLC has seen a negative impact on its overall profitability. The turbulent operating environment of the year saw Ramboda Falls PLC recording a significant decline in revenue to Rs110 Mn from Rs141 Mn which was achieved in the previous financial year. The company recorded a decrease of Rs.17Mn, against a net profit of Rs.25 Mn in the previous year.

Industry Overview of Sri Lanka Tourism

Tourist arrivals to Sri Lanka stood at 1,913,702 for CY2019 - a decrease of 18% against CY2018, primarily on account of the impact of the Easter Sunday terrorist attacks across the country on 21st of April 2019, and the resultant adverse travel advisories imposed by key tourism source markets in the immediate aftermath of the incident.

However, the month-on-month recovery in arrivals was faster than anticipated and forward bookings for the Sri Lankan hotels exhibited a continuous upward trend with bookings with the peak season being in line with that of the corresponding period of the previous year, albeit at moderately lower room rates.

However, arrivals in the fourth quarter of 2019/20 was yet again hampered due to the global travel advisories in the wake of the COVID-19 pandemic. Suspension of visa on arrival to Chinese tourists in January 2020 contributed to a decline in tourist arrivals from China. The first domestic case of COVID-19 was reported in the country in mid-March 2020 and the Government implemented stringent measures to control the transmission of the virus which included the suspension of all inward international commercial passenger flights from 19th of March 2020 onwards, to-date. The recovery of arrivals to Sri Lanka will depend on the policy measures implemented by the Government with regard to travel guidelines. The Sri Lanka Tourism Development Authority (SLTDA) has a post recovery plan to revive the tourism industry.

Overview of the Financial Year

The year had dual shocks in store for the travel and tourism industry, beginning with the Easter Sunday terrorist attacks that took place in April 2019 and ending with the devastating COVID-19 global pandemic from the fourth quarter of the financial year. Global travel and tourism is one of the hardest hit industries by the COVID-19 crisis. However, tourism in the post-pandemic era remains promising and we are determined to prevail in these difficult times and emerge stronger as a true Sri Lankan hospitality brand.

The Way Forward

COVID-19 poses extensive challenges to the local and global tourism sectors, given its sweeping impact on the world and the resultant containment measures. However, governments around the world have since opened its borders and are in the process of lifting restrictions while simultaneously managing the spread of COVID-19.

The industry too needs to respond to this ever-changing environment with the adoption of best practices. The health and safety of our guests and employees is a key priority and we have strengthened our processes in line with recommendations made by local and international bodies such as The World Health Organization (WHO), The Ministry of Health and Indigenous Medical Services Sri Lanka and the Sri Lanka Tourism Development Authority (SLTDA).

As a truly Sri Lankan hospitality brand, we will focus mainly on a local-market strategy to generate revenue. Ramboda Falls PLC has experienced significant financial difficulties during the first half of the year; however, we have evaluated the impact on the business and taken steps to implement cost minimization strategies in order to

sustain our business while providing value to the industry as well as our stakeholders.

Acknowledgements

In conclusion, I take this opportunity to thank my colleagues on the Board for their invaluable guidance and constant support.

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

The Board, and I, wish to express our appreciation for the invaluable contribution made by Independent Non-Executive Director Mr. K.D. Arun Fernando who retired from the Board in November 2019 and wish him the very best in all his future endeavors. We also warmly welcome Mr. D.V.N. Wickramasinghe who joined the Board as Independent Non-Executive and also Mr. W.G. Danapala as an Alternative Director in August 2019.

Finally, I wish to convey my sincere appreciation to all our stakeholders including our tour operator partners, guests and shareholders for their continued support.

Mr. Takashi Igarashi
Chairman
07th October 2020

Board of Directors

Mr. Takashi Igarashi - Chairman

Mr. Takashi Igarashi 65 years of age, commenced his business life in 1983. His main industry of work was in the trading business for exporting vehicles and heavy machineries to New Zealand and Australia. He developed an account administration system for collecting bills and also started a business providing services in New Zealand that deals with Japanese exporters. He also established a legal service firm in New Zealand. In 1996, Mr. Igarashi started the test plantation in Watawara and exported plants to Japan successfully.

In 2011, Mr. Igarashi established New World Securities (PVT) Ltd., a trading member firm of the Colombo stock exchange as a funder and chairman. Mr. Igarashi is also the chairman of NWS Holdings (PVT) Ltd., NWS Management Services (PVT) Ltd. That led to his acquisition of Expo Lanka PLC by Sagawa Holdings Limited which has a top market share in the logistics sector in Japan. Moreover, Mr. Igarashi holds other directorships including in Pan Asia Banking Corporation PLC and Prime Ocean Foods (PVT) Ltd.

Mr. Sasanka Sigera - Managing Director

Mr. L. Sasanka Sigera, 58 years of age, after completing his education, began his career at Lanka Oberoi in Colombo (presently known as Cinnamon Grand Hotel owned by John Keells Holdings) in the accounts division and later worked at Ramada Renaissance Hotel in Colombo (presently named Cinnamon Lakeside) for thirteen years as an Executive in the accounts field. With his hard work and enthusiasm, he now holds the position of Managing Director having been in the hotel industry for 33 years. He is an active member of the Lions Club of Enderamulla and was a former president of the club in 2004/05.

Mr. Ananda Karunaratne Executive Director

Mr. I.J. Ananda Karunaratne, 59 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. Daylamudalige Don Sunil
Independent Non- Executive Director

Mr. Daylamudalige Don Sunil, 58 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.

Mr. Peter A Stewart - Executive Director

Peter A. Stewart has been working across Asia for the past 20 years in the adventure & travel industry. He has pioneered first hand, many activities in the region and worked in Nepal, Bhutan and Sri Lanka. He is a resource person and guest speaker for PATA travel trade shows on the topic of adventure tourism in Asia. He has conducted many international sporting events with major network

coverage in 2003. He pioneered Hot Air Ballooning in Sri Lanka and also Commercial Rock Climbing in the first Rock Climbing Wall in Colombo and later built walls for International Schools and a mobile wall for island wide climbing competitions.

He conducts corporate training programs for Sri Lanka's top multi-nationals and takes them on high adventure excursions across the island integrating business and self-development lessons to the experiences.

He is the owner of Himalayan Mountain Bike Nepal - the pioneer of mountain biking in the region (Est. 1988). He has worked alongside other experts in their endeavors to advance other extreme adventure activities and has contributed to the 'adventure chapters' of five travel books including Lonely Planet and one in Sri Lanka.

Mr. P Sarathchandra Non-Executive Director

Mr. P. Sarathchandra, has obtained a Bachelor's Degree in Chemical and Process Engineering and a PG Diploma in (ENV) Engineering from the University of Moratuwa. He is a Chartered Engineer, a member of Institute of Engineers Sri Lanka and Lanka Building service Engineers Association and a consultant of Cleaner Production and Waste Water Treatments in Central Environmental Authority. He was a Senior Chemical and Process Engineer at United Tractor and Equipment Ltd, Director in Fnance and Administration and Director of Environment and Process Engineering at Trittech Engineers (Pvt) Ltd. He is also the Managing Director of Natural Products Holdings (Pvt) Ltd. and holds directorships at Trittech Marketing International (Pvt) Ltd and Get In To Lanka (Pvt) Ltd.

Mr V.N.D. Wickramasinghe -**Independent Non- Executive Director**

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

Mr. W.G Dhanapala- Alternative Director

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

Goals and Strategies

The long term sustainability of the company is dependent on the goals and strategies; we have clear targets that we pursue to create sustainable value over the short, medium and long terms. Even in this crisis period, we are focused on achieving the breakeven, minimizing operating costs and increasing occupancy ratio and revenue of the hotel by promoting through local mediums - via social media and TV programs (Facebook promotions and Travel Girl TV program) and focusing on sustainable development and to nourish the environment and encourage people to be more ecologically responsible.

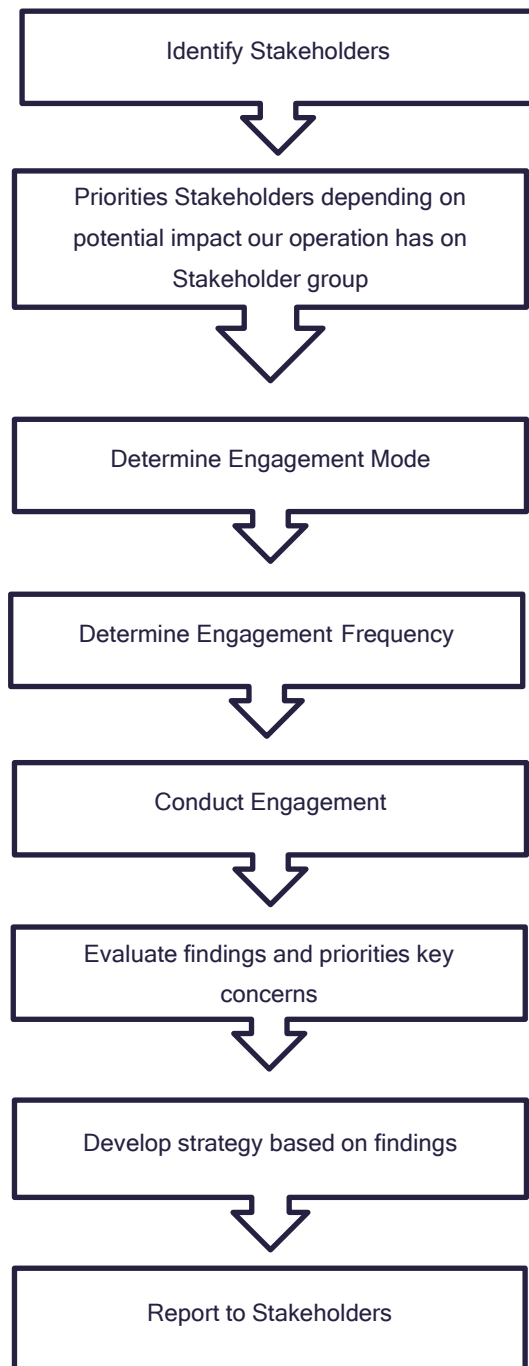
Our strategies not only focus on the above goals, but are set to enhance each and every aspect of our business in order to bring about a renaissance, whilst delivering value to all our stake holders.



How We Engage with our Stakeholders

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

Our Stakeholder Engagement Process



Shareholders	Employees
Mode of frequency of Engagement	
<ul style="list-style-type: none"> • Annual General Meeting • Annual Report and Quarterly Updates • Website (ongoing) • Open Door Policy for Investors (Ongoing) 	<ul style="list-style-type: none"> • Staff Meetings (Ongoing) • Annual Performance Appraisal • Employee Surveys (Quarterly) • Collective Agreements (Ongoing)
Key Topics and Concerns Raised	
<ul style="list-style-type: none"> • Financial Performance • Sustainable Growth • Corporate Governance & Ethics • Risk Management 	<ul style="list-style-type: none"> • Opportunities for Growth • Attractive Remuneration and Benefits • Training & Development • Job Security • Performance Management • Health & Safety Considerations
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.

Risk Management

To bring about a Renaissance in our business, we believe we must anticipate and adapt to the changes in our markets and operating environment with the practice of new things. Managing the associated risks prudently and systematically is key to creating and protecting value, for all our stakeholders.



The Financial year under review was extremely challenging and volatile. Firstly, we suffered from Easter Sunday terrorist attack, resulting in long term loss to the business. Despite that, we successfully increased our occupancy since beginning of the December 2019. During the last quarter of the financial year the world experienced the initial impact of COVID-19 pandemic, which resulted in serious loss of business. With other risk factors such as Health & Safety being heightened to greater levels.

With this report, we aim to highlight the risks involved and the mitigations taken to lessen the impact of the risks, whilst staying true to the business's core acumen.

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 migratory steps are taken immediately.

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

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

Risk Management Processes

Today's businesses work in an increasingly dynamic yet challenging environment and are influenced by many external factors, some of which are not controllable. These different spheres include governmental, financial, social, technological, industrial, legal and environmental factors etc.

Following the Easter Sunday terrorist attacks in April 2019 and the pandemic outbreak of COVID-19 towards the end of the financial year, the Ramboda Falls PLC conducted a comprehensive review of the risk management register where "Terrorism" and "Global Pandemic Outbreak" were added as new risk categories. Appropriate mitigation measures were identified, and respective risks regularly reviewed, monitored and managed.

Risk Management

Risk Trend	Increase Δ	Decrease ∇	No change $>$
Net Risk Assessment	High \bullet	Medium \square	Low \circ

Risk Factor	Potential Impact	Mitigating Actions
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1. Global pandemic Outbreak

Description

International travel restrictions, imposition of travel advisories against Sri Lanka, and local travel restrictions.

• Lower tourist arrivals places pressure on room rates and ARR's, squeezing margins and reducing profits.

Risk Trend Compared to 2018/2019

Impact Δ Likelihood Δ
Net Risk Assessment \bullet

- Follow latest guidance and recommendations of government, global health agencies (i.e. WHO) and public health officials on the implementation of appropriate health and safety measures for staff and guests, to curb the spread of disease at both properties.
- Adhere to latest protocols on hygiene and cleaning at both properties.
- Reassure employees and existing and potential guests of Ramboda Falls PLC, of the company's commitment to their safety and well-being.
- Business Continuity Plan (BCP) in place.

2. International- Economic Risk

Description

The macro economic environment in Sri Lanka has changed dramatically since the outbreak of the COVID-19 pandemic. The effectiveness and efficiency of measures taken by the respective Government will be a key consideration on how fast the economy recovers.

- Fluctuations in interest rates, exchange rates, and inflation directly impacts profitability.
- Recession will negatively impact customer spending propensity and affordability, affecting local demand for our service.

Risk trend compared to 2018/19

Impact Δ Likelihood Δ
Net Risk Assessment \bullet

3. Shift in Source Markets

Description

The COVID-19 pandemic is expected to significantly impact the economies of several key source markets including China, India, UK, Russia and the EU region. Shifts in source markets could be expected.

Arrivals from emerging markets, particularly China and India have in the past been increasing, accounting for a higher proportion of tourists into the country.

- Inability to effectively respond to market dynamics could result in a decline in competitiveness and overall market share.

- Focused market strategies to pursue growth in non-traditional markets, particularly China and India.
- Customizing service levels and product offerings to cater to emerging market expectations.

Risk trend compared to 2018/19

Impact	Δ	Likelihood	Δ
Net Risk Assessment			●

4. Changing Needs of Travelers

Description

Post COVID-19, pay cuts and financial difficulties may result in shift in consumer mindsets towards more frugal lifestyles and safer experiences. Proactively responding to changing customer preferences and offering a guest experience that meets their needs is essential in increasing customer satisfaction and growing market share.

- Difficulties in building brand loyalty.
- Erosion of market share.
- Impact on profitability margins.

- High level of guest engagement through satisfaction surveys, social media platforms and face to face interactions which includes positioning staff with multilingual skills in guest interface areas.
- Reviewing and innovating our experiential offerings to cater to evolving requirements.

Risk trend compared to 2018/19

Impact	Δ	Likelihood	Δ
Net Risk Assessment			●

5. Competitive Pressures

Description

Increased competition from capacity expansions by both the formal and informal sectors and the increasing popularity of alternative hospitality models (such as home-stay and apartments).

- Pressure on room rates and ARR's thereby impacting profitability margins.
- Difficulties in building brand loyalty.
- Intense competition for industry talent.

- Brand development initiatives to enhance loyalty.
- Proactively monitoring our capacity utilization.
- Multi-channel distribution with increased focus on online channels.
- Strengthened relationships with travel agents.
- Guaranteed inventory agreements with direct operators.

Risk trend compared to 2018/2019

Impact	Δ	Likelihood	Δ
Net Risk Assessment			●

6. Threat from Terrorist Activities

Description

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

- Lower tourist arrivals places pressure on room rates and ARRs, squeezing margins and reducing profits.

Risk trend compared to 2018/2019

Impact > Likelihood v Net
Risk Assessment o

- Increase security checks on vehicles and guests.
- Business interruption insurance cover in place.
- Property all risk insurance in place.
- Business Continuity Plan (BCP) in place.

7. Talent Attraction and Retention

Description

The shortage of skilled hospitality industry personnel in the country continues to be a key risk factor for leisure sector operators. The comprehensive training, we provide our employees makes them sought-after talent in the industry.

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

Risk trend compared to 2018/19

Impact > Likelihood >
Net Risk Assessment o

- Ongoing savings in talent and capability development.
- Collaboration with Nuwara Eliya Hotel Association (NEHA) and organizing staff training and motivation programs.
- Opportunities for career progression.
- Strengthening rewards and benefit schemes.

8. Impacts on Local Communities

Description

Our operations impact the communities around our properties through employment generation, environmental bearings and factors among others.

- 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.

Risk trend compared to 2018/2019

Impact v Likelihood v Net
Risk Assessment o

- Maintaining a high level of engagement with neighboring communities.
- Creating opportunities for youth in the local communities.
- Sponsorships and donations for cultural, religious and other projects in the communities.

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 31st March, 2020. 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 on leisure & hospitality services.

Financial Statements

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

Auditor's Report

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

Accounting Policies and Changes during the Year

The Company's Financial Statements have been prepared in accordance with new Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Company's Act No 07 of 2007. The significant Accounting Policies adopted in the preparation of the Financial Statements of the Company are given on pages 38 to 58 of the Annual Report.

Directors Interest

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 23 to the financial statements.

Directors Remuneration and Other Benefits

Directors' remuneration in respect of the Company for the financial year ended, 31st March 2020 is given in Note 7 to the financial statements.

Directors' Shareholding as at 31.03.2020

Name of the Director	No of share as at 31. 03.2020	% of Holding
Mr. Takashi Igarashi	100,000	0.5
Mr. L.S. Sigera	7,080,700	35.4
Mr. I.J.A. Karunarathna	7,080,700	35.4
Mr. P. Sarathchandra	20,000	0.1
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 2020 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.446, 250 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.100mn.

Reserves

Total reserves as at 31st March 2020 amount to Rs.314.5 Mn comprising of retained earnings. 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 21 to the Financial Statements.

Shareholding

The number of registered shareholders of the Company as at 31st March, 2020 was 581. The distribution and analysis of shareholdings are given on page No. 76.

Major Shareholders

Major shareholders/option holders of the Company as at 31st March 2020, together with an Analysis are given on pages No. 77.

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

Environment Health and Safety

All the laws and regulations in this regard are strictly adhered to.

Corporate Governance/Internal Control

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

Contingent Liabilities

There is no contingent liabilities and capital commitments outstanding as at 31st March, 2020 given Note 26 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 25 to the financial statements.

Annual General Meeting

The Annual General Meeting of the Company will be held on 29th October at 10.00 am at the Sasakawa Hall, NO. 04, 22nd Lane, Colombo 03.

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



Director



Director

SSP Cooperate
Service (PVT) Ltd.
Secretaries

Management Decisions and Analysis

Global Tourism

Recording a growth for the 10th consecutive year, international tourist arrivals increased by 4% to 1.5 billion in 2019. All regions saw a rise in international arrivals in 2019. However, uncertainty surrounding Brexit, the collapse of Thomas Cook, geopolitical and social tensions and the global economic slowdown all contributed to a slower growth in 2019, when compared to the exceptional rates of 2017 (+7%) and 2018 (+6%). This slowdown affected mainly advanced economies and particularly Europe and Asia and the Pacific. The Middle East continued to lead the growth (+8%) followed by Asia and the Pacific (+5%). International arrivals in Europe and Africa (both +4%) increased in line with the world average, while the Americas saw growth of 2%.

Sri Lanka Tourism

Tourist arrivals during the Calendar Year (CY) amounted to Rs. 1.9 Mn, an 18% decline from the record achievement of Rs. 2.33 Mn in CY2018. Following the Easter Sunday terrorist attacks, tourist arrivals to Sri Lanka slumped sharply, but improved gradually during the winter season from October to December. India, United Kingdom, China, Germany, and Australia were Sri Lanka's top five international tourist generating markets during the CY2019 although arrivals from all these markets recorded a decline compared to the previous year. India was the largest source of tourist traffic to Sri Lanka with 19% of the total traffic during this period. UK accounted for 10% of the total traffic; while China, Germany and Australia accounted for 9%, 7% and 5% respectively.

COVID 19- IMPACT

The global tourism industry has been thrown into turmoil as a result of the ongoing COVID-19 pandemic. The tourism industry is one of the most impacted industries due to wide-spread travel restrictions. As of early April, it was estimated that the number of flights globally was down by 80% compared to 2019;- www.iata.org

Total room capacity as at the end of September 2019 stood at 39,759 out of which 8,278 (21%) comprise of four and five-star category rooms. Despite the setback in tourist arrivals as a result of a tumultuous start to the year, the industry continued to attract investments, further increasing room inventory in the country. During the first half of 2019, the Sri Lanka Tourism Development Authority (SLTDA) granted approvals for 32 new hotel projects worth US dollars 26 Mn. As at the end of June 2019, 107 approved hotel projects were under construction, while 68 were yet to commence construction. Upon completion of these projects, the room capacity will increase by 9,007.

The Government implemented a range of concessions to help the revival of the leisure industry, including working capital loans, moratorium on loans taken by the tourism related businesses and a reduction in Value Added tax (VAT) from 15% to 7% in effect from 1st June 2019 and Tourism businesses where at least 60% of total inputs are sourced from local suppliers/sources were zero rated for VAT with effect from 1 December 2019. Despite this, profitability of the sector was significantly impacted during the year.

COVID-19 IMPACT

Tourist arrivals during the first three months of 2020 witnessed a sharp decline of almost 32% compared to the comparable period last year as a result of travel restrictions caused by COVID-19.

	2019	2020	Increase/(Decrease)
January	244,239	228,434	(6%)
February	252,033	207,507	(21%)
March	244,328	71,370	(71%)
Total	740,600	507,311	(32%)

Developments

We newly restored and re-developed the previous Peacock Solitude Hotel (now named as Muwan Palassa resort, Minneriya). It commenced operation from October 2019 with 18 luxury rooms, including a restaurant and swimming pool which was designed a theme of simple village-style setup.

Our Response of the Outbreak of the COVID-19 pandemic

The health and safety of our employees and guests will continue to be our utmost priority. Therefore, we will ensure all mandated social distancing protocols and health checks are in place before recommencing operations that have now been halted.

Enhanced Commercial Operations

Improving our commercial operations through revenue management was a key focus during the year. We continued to drive online sales and social media promotion through our own website and Facebook pages. Meanwhile, we are increasingly adopting a more data driven approach to sales and marketing decisions in order to maximize revenue by accurately predicting customer behavior. We are currently working on developing a customized data analytics program with an external consultant which will further enhance our sales prediction capabilities.

Shifts in Source Markets

With the COVID-19 pandemic expected to significantly impact the economies of several of our key source markets including Russia, India, China, UK, and the EU region. We continue to review our marketing strategies and customer value proposition to attract a more diverse guest base from non-traditional markets. We will however continue to engage closely with our key markets in order to ensure that when the situation normalizes, we will continue to be a top choice for travelers.

Changing Needs of Travelers

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

Develop People Capability

During the year we entered into partnerships with Nuwara Eliya Hotel Association (NEHA) to provide exceptional training opportunities to our employees. Key among these are the “National Bartender 2019 & Training Bar Program (NBT)” organized by (CHSGA) with Rockland Distilleries, and food festival with culinary competition, programs carried out in collaboration with (NEHA) and the “HR Training program” conducted by Ceylon Hotel School Graduate Association (CHSGA).



Corporate Governance

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

Board of Directors

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 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. Liyanage Sasanka Sigera
- Mr. Imiyage Jagath Ananda Karunaratna
- Mr. Peter A Stewart

Non-Executive Directors

- Mr. Takashi Igarashi Mr. P. Sarathchandra

Independent Non-Executive Directors

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

Alternative Director

Mr. W.G Dhanapala

Board Balance

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

Company Secretary

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

Financial Reporting

The Board of Directors confirm the Financial Statements for the year ended 31st March 2020, 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 2020 is presented on Page No 30 and 33 of this Annual Report.

Supply of information

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

Information Technology

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

Going Concern

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

Meeting & Attendance

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

Director	Attendance			
	Board Meetings	Audit Committee	Remuneration Committee	RPT Committee
Mr.Takashi Igarshi	2/2	N/A	N/A	N/A
Mr.L.S. Sigera	2/2	N/A	N/A	N/A
Mr.I.J.A. Karunarathna	2/2	N/A	N/A	N/A
Mr.D.D. Sunil	2/2	2/2	2/2	2/2
Mr.P.Sarathchandra	2/2	2/2	2/2	2/2
Mr. Peter A Stewart	N/A	N/A	N/A	N/A
Mr.V.N.D. Wickramasinghe	2/2	2/2	2/2	2/2
Mr. W.G. Danapala	N/A	1/1	1/1	1/1

basis has been adopted in the preparation of the Financial Statements.

Audit Committee

The Audit Committee comprises of two Non-Executive Directors. The members of the Audit Committee are as follows: Mr. D. D. Sunil -Independent Non-Executive Director Mr. P. Sarathchandra- Non-Executive Director the Audit Committee, help the Company to achieve a balance between conformance and performance. The Audit Committee recommends the appointment and fees of the External Auditors, having considered their independence and performance. The Audit Committee Report appears on Page 25 of this Report.

Remuneration Committee

The company has its own remuneration committee. The committee consists of two Non-Executive Directors. The remuneration committee report appears on page No. 26 in this report.

Related Party Transaction Committee

The RPT Committee comprises of two Non-Executive Directors. The members of the Related Party Committee are as follows: Mr. P. Sarathchandra- Non-Executive Director Mr. D. D. Sunil -Independent Non-Executive Director.

Cooperate Governance

7.2.1.(a)	Non-Executive Directors	At least one third of the total number of Directors should be Non-Executives	Complied
7.10.2(b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence non-independence in the prescribed format.	Complied
7.10.3(a)	Disclosure relating to Directors	The board shall annually determine the independence or otherwise of the NED. Names of ID should be disclosed in the Annual Report	Complied
7.10.3(b)	Disclosure relating to Directors	The basis for Board to determine a Directors as independent, if specified criteria for independence is not met.	Complied
7.10.3©	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the areas of Expertise.	Complied
7.10.3(d)	Disclosure relating to Directors	Provide a brief resume of new Directors appointed to the Board with details specified I 7.10.3(a, b, c & d) to the CSE	Complied
7.10.5(d)	Remuneration Committee	A Listed Company shall have a Remuneration Committee.	Complied
7.10.5(a)	Composition of Remuneration Committee	Shall comprise of Non-Executive Directors a majority of whom will by independent	Complied
7.10.5(b)	Functions of Remuneration Committee	Remuneration Committee shall recommend the remuneration of Chief Executive officer (CEO) and NED	Complied
7.10.5(c)	Disclosure in the Annual report relating to Remuneration Committee	The Annual Report should set out; a) Names of directors comprising the RC b) Statement of Remuneration policy c) Aggregated remuneration paid to NED/NID/ID Statement of remuneration committee	Complied
7.10.6	Audit Committee	The Company shall have an Audit Committee	Complied



Audit Committee Report

Membership and Appointment

The Audit Committee comprises of two Non-Executive Directors and members bringing wide-ranging financial, commercial and management experience to the work of the Audit Committee, during the period under review. Mr. D.D. Sunil was appointed as the Chairman of the Audit Committee while Mr. P. Sarathchandra was appointed as the other member of the committee.

Meetings

Due to the COVID 19 pandemic and lockdown situation of the country the Audit Committee meets only twice in this year, the General Manager and the Accountant attend meetings under a standing invitation. The Chairman of the Board and other Directors are 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. Two meetings were held during the period under review.

Terms of Reference

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

Financial Statements

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

Risk Management and Internal Control

The Committee reviewed the process by which the company evaluated its control environment, its risk assessment process and the way in which significant business risks were managed.

The Committee also reviewed arrangements by which staff could, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. This was achieved through using existing reporting procedures.

External 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 able to fulfill its objectives.

D D Sunil

Chairman Audit Committee

07th October 2020

Remuneration Committee Report

The Remuneration Committee consists of two Non-Executive Directors one of whom functions as the Chairman of the Committee. 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 Managing Director of the Company attends the meetings by invitation due to the COVID 19 pandemic and lockdown situation of the country, The Remuneration Committee formally met only twice during the year under review. 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, no discrimination is practiced on account of gender, age, ethnicity or religion. The Company also recognizes the life style of all employees and cost of living and inflation as well as industry norms. Competitive remuneration packages, in line with industry norms, are offered and whenever required, the Remuneration Committee obtains market information from various fields. No director take part in deciding his or her own remuneration. The Directors' emoluments are disclosed on note no 23.

P. Sartahchandra
Chairman
Remuneration Committee
07th October 2020

Related Party Transaction Committee

The related party transactions Committee consists of two Non-Executive Directors one of whom functions as the Chairman of the Committee. The two Non-Executive Directors are independent of management and free from any business or other relationship, which can otherwise interfere with the exercise of their independent judgment.

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.

The related party transactions Committee formally met twice during the year under review. And there were no any related party transactions to be identified during the year under reviewed.

Declaration

The committee confirms that the company has complied with the rules pertaining to related party transactions as stipulated by the Colombo Stock Exchange.

P. Sarathchandra

Chairman

Related party Transaction Committee

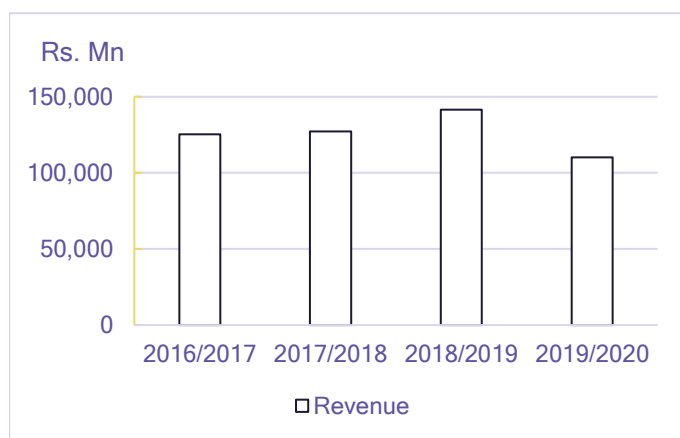
07th October 2020,

Financial Review

Ramboda Falls PLC's detail financial review should be read in concurrence with the Audited financial statements of the Company for the financial period ended 31st March 2020.

Revenue

The Ramboda Falls PLC achieved Rs.110 million revenue for the year under review with a narrow decrease compared to year 2019 though it was disastrous mainly due to the Easter Attack 2018 and COVID-19 impact. Several improved strategies were used for cost management. (Refer the Managing Director's review).

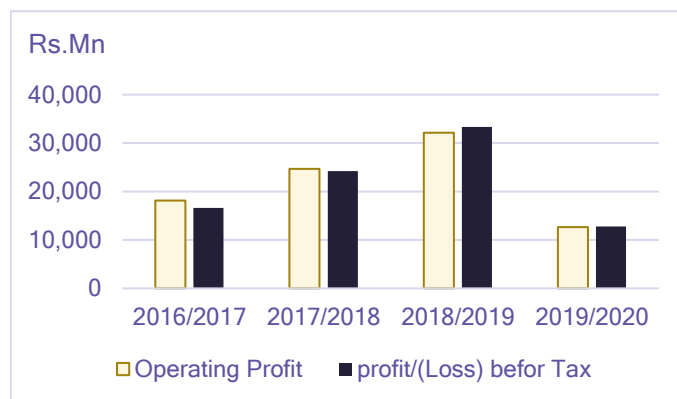


Market Value per Share

Ramboda falls PLC Market value per share as of 31.03.2020 was Rs. 19.50 compared to the last year Rs. 22.20

Operating Profit

Impact to the revenue for the year directly affected the Ramboda Falls PLC's profit, as the hotel compelled to reduce the selling rates in order to increase occupancy after the terrible first two months.



Assets / Liabilities


The company has recorded a non-current asset of Rs. 474.9 mn at the end of the financial year and noncurrent liabilities stood at Rs. 63.6 mn. The respective current asset and current liabilities of the company stood at Rs. 24 mn and Rs. 21 mn respectively, which show the resilience of the company in the short term. Due to the low gearing level of the company, it was able to maintain high interest cover ratio during the period. This positive financial situation will reduce the long term risk of the company and this position will provide an additional leverage for future expansion of the company.

Statement of Director's Responsibilities for Preparing the Financial Statements

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

The Directors have taken reasonable steps to safeguard the assets of the Company and established appropriate internal control systems with the intention of prevention and for the detection of fraud and other irregularities. The Directors are confident that they have discharged their responsibility as set out in this statement. They also confirm that to the best of their knowledge, all statutory payments payable by the Company as at the balance sheet date have been paid or where relevant, provided for.

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


L.S. Sigera
Director

I.J.A. Karunarathna
Director

7th October 2020

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 31st March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 34 to 75.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31st March 2020, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative

(“KPMG International”), a Swiss entity.

M.R. Mhitar FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Avishakoon ACA

P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyaratne FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shamsel ACA

C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA

Principals - S.R.L. Perera FCMA (UK), LL.B., Attorney-at-Law, H. 8. Goonewardene ACA,
Ms. P.M.K. Sumanasekara FCA



01. Management assessment of the potential impacts of Coronavirus outbreak (COVID-19) on the Company ability to continue as going concern.	
Refer the Note 29 to the financial statements	
Risk Description	Our Response
<p>The financial statements have been prepared on a going concern basis. In adopting the going concern basis of preparation of the financial statements, the directors have reviewed the company's cash flow projections prepared by the management. The cash flow projections were based on management's assumptions and estimation of future cash inflows and outflows, also taking into consideration the impact of COVID-19 related estimate uncertainty.</p> <p>Note to the financial statements, describes the impact of COVID-19 outbreak to the current year financial statements and possible effects to the Company's, future prospects, performance and cash flows. Further, the management considered it appropriate to adopt the going concern basis of accounting in preparing financial statements and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.</p> <p>We identified the management assessment of potential impact of COVID-19 to the Company's ability to continue as going concern as a key audit matter because the cash flow projections referred to above involves consideration of future events and circumstances which are inherently uncertain, and effect of those uncertainties may significantly impact the resulting accounting estimates. Therefore, the assessment requires the exercise of significant management judgement in assessing future cash inflows and outflows which could be subject to potential management bias.</p>	<p>Our audit procedures included,</p> <ul style="list-style-type: none"> • Obtaining the Company's cash flow projections covering period of not less than twelve months from the reporting period end date and assessing these key assumptions used in preparing the projections. • Evaluating the sensitivity of the projected available cash by considering downside scenarios together with reasonably plausible changes to the key assumptions and considering whether there were any indicators of management bias in the selection of the assumptions. • Inspecting the facility agreements for the Company's long-term loans to identify any financial covenants or similar terms and assessing the implication of these on the Company's liquidity. • Assessing the adequacy of disclosures in the financial statements in relation to the potential impact of COVID-19 to the Company's ability to continue as going concern with reference to the requirements of the prevailing accounting standards.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have



performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

7th October 2020

RAMBODA FALLS PLC**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 31st March	Note	2020 Rs.	2019 Rs.
Revenue	5	110,235,455	141,448,707
Cost of Sales		(46,406,233)	(52,767,702)
Gross Profit		63,829,222	88,681,005
Other Operating Income	6	4,606,655	3,302,707
Profit from Operations		68,435,877	91,983,712
Administration & Other Expenses		(52,963,616)	(52,913,087)
Marketing & Selling Expenses		(2,833,693)	(6,916,605)
Profit From Operations	7	12,638,568	32,154,020
Finance Income	8.1	1,024,972	2,361,525
Finance Expenses	8.2	(894,570)	(1,164,332)
Net Finance Income/ Expense		130,402	1,197,193
Profit Before Taxation		12,768,970	33,351,212
Income Tax Expences	9	(4,671,790)	(8,203,934)
Profit for the year		8,097,180	25,147,278
Other Comprehensive Income			
Items that will not be reclassified to profit ot loss			
Remeasurement of Defined Benefit Obligation		667,146	282,921
Related tax on Remeasurement of Define Benefit Obligation		(93,400)	(39,609)
Total Other Comprehensive Income		573,746	243,312
Total Comprehensive Income		8,670,926	25,390,590
Earnings Per Share	10	0.40	1.26

The notes on pages 38 to 75 are an intregal part of these Financial Statements.

Figures in brackets indicate deductions.

RAMBODA FALLS PLC
STATEMENT OF FINANCIAL POSITION

As at 31st March

	Note	2020 Rs.	2019 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	11	474,832,125	454,923,906
Intangible Asset	12	162,302	60,581
Total Non Current Assets		474,994,427	454,984,487
Current Assets			
Inventories	13	2,045,721	4,096,970
Trade & Other Receivables	14	10,247,339	11,923,572
Cash & Cash Equivalents	15	12,184,788	34,499,956
Total Current Assets		24,477,848	50,520,498
TOTAL ASSETS		499,472,275	505,504,985
EQUITY AND LIABILITIES			
Equity			
Stated Capital	16	100,000,020	100,000,020
Revaluation Reserve		208,816,572	210,566,572
Retained Earnings		105,756,963	105,336,037
Total Equity		414,573,555	415,902,629
Non-Current Liabilities			
Retirement Benefit Obligation	17	5,453,059	5,360,481
Interest Bearings Loans & Borrowings	18	2,476,860	2,667,686
Deferred Tax Liability	19	55,724,807	52,712,807
Total Non-Current Liabilities		63,654,726	60,740,974
Current Liabilities			
Trade & Other Payables	20	15,952,567	20,452,104
Interest Bearings Loans & Borrowings	18	3,301,634	3,597,670
Income Tax Payable	21	1,123,293	3,246,869
Dividend Payable		652,627	585,437
Bank overdraft	15	213,872	979,302
Total Current Liabilities		21,243,993	28,861,382
Total Liabilities		84,898,719	89,602,356
TOTAL EQUITY & LIABILITIES		499,472,275	505,504,985

Net assets per share

20.73

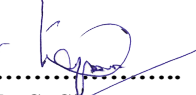
20.80


The notes on pages 38 to 75 are an integral part of these Financial Statements.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.


 Kavishka Hewa Gamage
Accountant

The Board of Directors is responsible for the preparation and presentation of these financial statement approved and signed for and on behalf of the Board.



 L. S. Sigera
Director


 I. J. A. Karunaratna
Director

07th October, 2020

RAMBODA FALLS PLC
STATEMENT OF CHANGES IN EQUITY

For the Year ended 31st March

	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
As at 01st April, 2018	100,000,020	210,566,572	89,945,447	400,512,039
Total comprehensive income for the period				
Profit for the year	-	-	25,147,278	25,147,278
Other comprehensive income			243,312	243,312
Total comprehensive income for the period	-	-	25,390,590	25,390,590
Transactions with owners - Contributions & Distributions				
Dividend Paid	-	-	(10,000,000)	(10,000,000)
Total transactions with owners	-	-	(10,000,000)	(10,000,000)
As at 31st March, 2019	100,000,020	210,566,572	105,336,037	415,902,629
As at 01st April, 2019	100,000,020	210,566,572	105,336,037	415,902,629
Total comprehensive income for the period				
Profit for the year	-	-	8,097,180	8,097,180
Other comprehensive income		-	573,746	573,746
Realization on Revalued assets disposal		(1,750,000)	1,750,000	-
Total comprehensive income for the period	-	(1,750,000)	10,420,926	8,670,926
Transactions with owners - Contributions & Distributions				
Dividend Paid	-	-	(10,000,000)	(10,000,000)
Total transactions with owners	-	-	(10,000,000)	(10,000,000)
As at 31st March 2020	100,000,020	208,816,572	105,756,963	414,573,555

Figures in brackets indicate deductions.

RAMBODA FALLS PLC
STATEMENT OF CASH FLOW

For the Twelve Months ended 31st March

	2020 Rs.	2019 Rs.
Cash Flows from Operating Activities		
Profit before taxation	12,768,970	33,351,213
Adjustments for:		
Depreciation on property, Plant & Equipment	14,533,303	12,050,426
Amortisation of Intangible Asset	48,279	29,226
Depreciation on Investment Property	-	495,641
Provision for Employee Benefits	968,086	1,251,419
Finance Cost	894,570	1,164,332
Finance Income	(1,024,972)	(2,361,525)
Profit on Sales of Property Plant & Equipment	(1,987,115)	-
Provision/(Reversal) For Bad Debts	286,474	(681,816)
Inventory Written off	113,760	-
Operating Profit before Working Capital Changes	26,601,355	45,298,916
 (Increase)/decrease in Inventories	 2,165,010	 (866,759)
Decrease in Trade & other Receivables	1,389,760	2,347,948
Increase/(decrease) in Trade & other Creditors	(4,857,952)	3,991,713
Cash generated from operation	25,298,173	50,771,818
Less:		
Interest Paid	(894,570)	(1,164,332)
Income tax paid	(3,644,795)	(4,938,207)
Gratuity Paid	(208,362)	(270,484)
Net cash generated from operating activities	20,550,446	44,398,795
 Cash flows from/ (used in) investing activities		
Purchase and Construction of Property, Plant & Equipment	(32,246,172)	(20,757,133)
Purchase of intangible assets	(150,000)	-
Sales of Property Plant & Equipment	2,791,764	-
Interest received	923,895	2,055,109
Net cash used in investing activities	(28,680,513)	(18,702,024)
 Cash flows from financing activities		
Repayment of Interest Bearing Borrowings	-	(2,000,000)
Principal Payment under Finance Lease Liabilities	(3,486,862)	(3,022,673)
Dividend Paid	(9,932,810)	(9,929,573)
Net cash flows (used in) from financing activities	(13,419,672)	(14,952,246)
 Net Increase/(Decrease) in Cash & Cash Equivalents	(21,549,738)	11,732,752
Cash & Cash Equivalents at the Beginning of the Period	33,520,654	21,787,902
Cash & Cash Equivalents at the End of the Period	11,970,916	33,520,654
 Analysis of cash and cash equivalents		
Cash at bank	11,089,936	33,276,626
Cash in hand	1,094,852	1,223,330
Bank Overdraft	(213,872)	(979,302)
	11,970,916	33,520,654

Figures in brackets indicate deductions.

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

1.3. Parent enterprise and ultimate parent enterprise

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

1.4. Number of employees

The Number of employees of the Company at the end of the year was 52 (2019 - 63)

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 31st March 2020 is set out in detail in the statement of directors’ responsibility.

The financial statements of the Company of the year ended 31st March 2020 were authorized for issue in accordance with resolution of the Board of Directors on 07th October 2020.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The Financial statements of the Company comprise the statement of financial position, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow together with the notes to the financial statements.

The Company's Financial Statements have been prepared and presented in accordance with the Sri Lanka Auditing Standards (LKASs/SLFRSs) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act No 07 of 2007 and the listing rules of the Colombo Stock Exchange.

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;

- All fixed assets other than the Lease hold vehicles are measured at revalued amounts according to the revalue carried out by Mr. P. P. T. Mohideen in December 2016 (Refer the Note 11.6 to the financial statements).
- Liability for defined benefit obligation recognized in financial position (LKAS 19) (Refer the Note 17 to the financial statements).

2.3. Functional 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. All financial information presented in Sri Lankan Rupee has been rounded to the nearest rupee.

2.4. 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 estimate/ judgment	Disclosure reference (Note)
Income tax expense	09
Property Plant and Equipment	11
Intangible Assets	12
Deferred Tax Assets/Liability	19
Employee Benefit	17
COVID-19 Disclosure	29

2.5. 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.

Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, 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.

Significant valuation issues are reported to the Company's Audit Committee.

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 22.

2.6. Materiality and aggregation

Each material class of similar items is presented in aggregate in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.7. Going Concern

The Ramboda PLC operate in the tourism sector that has been significantly affected by the outbreak of COVID - 19.

As a result of spread of the virus worldwide in mid-March 2020 and the severe measures taken by the respective Governments including the travel restrictions, quarantine efforts, lockdowns and curfews, have forced the provisional shutting of the Company.

In preparing these financial statements, based on accessible evidence, the management has evaluated the prevailing and predicted effects of COVID-19 on the Company considering a extensive aspects such as current and expected profitability, the ability to defer non-essential capital expenditure, debt repayment schedules, if any, cash reserves and potential sources of financing facilities, if required, and the ability to continue providing goods and services and the appropriateness of the use of the going concern basis.

Accordingly, the Directors are satisfied that the Company, has satisfactory funds to continue its operations for the foreseeable future. Further concluded that the aspects 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. Further explanation about Covid-19 impact highlighted in note 29.

2.8. Comparative Information

The comparative information has been reclassified/ restated where necessary to conform to the current year's classification in order to provide a better presentation.

2.9. Offsetting

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

3. SIGNIFICANT ACCOUNTING POLICIES

Except for the changes below, the Company have consistently applied the accounting policies to all periods presented in these financial statements.

3.1. Change in significant accounting policies

The Company initially applied SLFRS 16 Leases from 1 April 2019. A number of other new standards are also effective from 1 April 2019, but they do not have a material effect on the Company's Financial Statements. Adoption of SLFRS 16 did not have a major impact on the Company as the Company is the lessor of the lease transaction.

3.2. Foreign currency

3.2.1.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.

3.2.2.Foreign currency transactions

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

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

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

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

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

3.3. Assets and the Bases of Their Valuation

3.3.1.Property, plant and equipment

3.3.1.1. 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 the cost can be reliably measured. Items of property, plant and equipment are measured at cost/ fair value less accumulated depreciation and any accumulated impairment losses.

3.3.1.2. Basis of measurement

All items of Property, Plant and Equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued at fair value. The Company applies revaluation model to property, plant and equipment, and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses. The carrying values of Property Plant and Equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The Company applies the re-valuation model to land, buildings and other assets. The Company has adopted a policy of revaluing assets every five years.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

3.3.1.3. 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.

3.3.1.4. Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets. The estimated useful life of assets are as follows:

Asset Category	No of Years
Buildings - freehold	70
Plant and machinery	05 - 08
Motor vehicles	08 - 10
Office equipment	04 - 08
Furniture, fittings	10 - 20
Computer equipment's	08 - 04
Cutlery, crockery and glassware	03

Depreciation of an asset begins when it is available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

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.

3.3.1.5. De-recognition

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.

3.3.1.6. 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.

3.3.2. Intangible assets

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.

3.3.2.1. Computer software

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

3.3.2.2. Subsequent Expenditure

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

3.3.2.3. Amortisation

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

Amortisation 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:

Amortisation 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

3.3.2.4. De-recognition

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.3.3. Financial instruments

3.3.3.1. 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 and Company become a party to the contractual provisions of the instrument.

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

Financial Assets

3.3.3.2. Classification and subsequent measurement

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

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

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

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

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

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

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

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

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

Financial assets - Business model assessment

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

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

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

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

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.

- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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

Financial assets - subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3.3.3.3. Financial Liabilities - Classification, subsequent measurement and gain and losses

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

3.3.3.4. De-recognition

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.

3.3.3.5. Offsetting

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

3.3.3.6. Impairment

3.3.3.6.1. 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 30 days past due.

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

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

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

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

Measurement of ECLs

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

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

3.3.3.6.2. Credit-impaired financial assets

At each reporting date, the Company assess whether financial assets carried at amortised 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 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

3.3.3.6.3. Non-financial assets

The carrying amount of the Company's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. . An impairment loss is recognized if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognized in Profit or Loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.3.4. 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.

3.3.5. 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.

3.3.6.Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3.7.Employee benefits

3.3.7.1. 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.

3.3.7.2. 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.

3.3.7.3. 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 a qualified actuary using the projected unit credit method. 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.

3.3.7.4. 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.

3.3.8.Provisions

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

3.3.9.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

3.3.10. 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 guest's accommodation. This is represented in the Room Revenue reported in the financial statements. Revenue under this segment is recognised 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 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 of Laundry, Telephone, etc	These services are provided to customers as they are implied as business practices in the industry and create a valid expectation of the customer. Revenue is recognised at the time of provision of service and invoice is raised at the time of service is consumed.

3.3.10.1. 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. Any losses arising from guaranteed rentals are accounted for in the year of incurring the same. A provision is recognised if the projection indicates a loss.

3.3.10.2. 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 seised and possessed and otherwise well and sufficiently entitled channel path dedicated in plan No.105 dated 16th November 2008 made by K.W.R.L.S Premakumara Ranasinghe. Whereas the lessee has agreed to lease for a 40 years period the said

channel path and all other infrastructure currently held possessed and enjoyed by the lessor in the said channel path together with the rights of access to the enter the said channel path. And whereas it has been agreed that it will be leased irrevocably for a period of 40 years commencing from 17th September 2010 and ending on 16th September 2050.

The lessee as consideration agrees with lessor to remit 5% of the profit after the expiry of one year from the date of commercial commencement of the Hydro power project. The said Hydro power project has been commercially commenced on 2014/15 financial year and the 5% of profit has been paid from the financial year ended 2015/16.

3.3.11. 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.

3.3.12. Finance income and finance costs

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

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

3.3.13. 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.

3.3.13.1. 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. Current tax payable also includes any tax liability arising from the declaration of dividends.

3.3.13.2. Deferred taxation

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized 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;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates 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.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.3.13.3. 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.

3.3.14. 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.

3.3.15. 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.

3.3.16. Events after the reporting period

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

3.3.17. Dividends on ordinary shares

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

3.3.18. Segment Reporting

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

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

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

Several amendments to Accounting Standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements.

- **Amendments to References to Conceptual Framework for financial reporting**

CA Sri Lanka has issued a revised Conceptual Framework which will be used in standard setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

- **Amendments to LKAS 1 and LKAS 8**

In November 2018, the CA Sri Lanka issued amendments to LKAS 1 and Sri Lanka Accounting Standard - LKAS 8 on “Accounting Policies, Changes in Accounting Estimates and Errors” to align the definition of ‘material’ across the standards and to clarify certain aspects of the term ‘definition’. The new definition states that, ‘Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose Financial Statements make on the basis of those Financial Statements, which provide financial information about a specific reporting entity.’ The Company shall apply those amendments prospectively for annual financial periods beginning on or after January 1, 2020.

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March

5. REVENUE	2020	2019
	Rs.	Rs.
5.1 Revenue Streams		
Restaurant Sales	52,639,495	65,352,257
Beverage & Liquor Sales	11,454,930	14,542,638
Room Sales	45,815,960	61,122,145
Other Revenue	325,070	431,667
Total Revenue	110,235,455	141,448,707

Revenue tax- As instructed by the Ministry of Finance and approved by the Cabinet of Ministers, NBT has been abolished with effect from December 01, 2019, pending parliamentary approval for amendment to the Nation Building Tax Act, No. 9 of 2009.

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

5.1.1 Timing of Revenue Recognition	2020	2019
	Rs.	Rs.
Products transferred at a point in time	110,235,455	141,448,707

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	
	2020	2019	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Segment Revenue						
Revenue	107,479,569	141,448,707	2,755,886	-	110,235,455	141,448,707
Cost of Sales	(45,460,921)	(52,767,702)	(945,312)	-	(46,406,233)	(52,767,702)
Segment Results	62,018,648	88,681,005	1,810,574	-	63,829,222	88,681,005
Other Income	4,606,655	3,302,707	-	-	4,606,655	3,302,707
Administrative Expenses	(50,524,446)	(52,913,087)	(2,439,170)	-	(52,963,616)	(52,913,087)
Marketing & Selling Expenses	(2,843,017)	(6,916,605)	9,324	-	(2,833,693)	(6,916,605)
<i>Profit/(Loss) from Operating Activities</i>	<i>13,257,840</i>	<i>32,154,020</i>	<i>(619,272)</i>	<i>-</i>	<i>12,638,568</i>	<i>32,154,020</i>
Net Finance Cost	130,402	1,197,193	-	-	130,402	1,197,193
<i>Profit/(Loss) from Operations before Income Tax</i>	<i>13,388,242</i>	<i>33,351,213</i>	<i>(619,272)</i>	<i>-</i>	<i>12,768,970</i>	<i>33,351,213</i>
Tax Expense					(4,671,790)	(8,203,934)
<i>Profit/(Loss) from Operations after Income Tax</i>	<i>13,388,242</i>	<i>33,351,213</i>	<i>(619,272)</i>	<i>-</i>	<i>8,097,181</i>	<i>25,147,279</i>
Capital Expenditure	24,123,173	20,757,133	8,122,999	-	32,246,172	20,757,133
Depreciation / Amortisation	13,411,778	12,050,426	1,121,525	-	14,533,303	12,050,426
(b) Geographical segment analysis of assets and liabilities						
Non Current Assets	422,370,992	454,984,487	52,623,435	-	474,994,427	454,984,487
Current Assets	24,141,491	50,520,498	336,357	-	24,477,848	50,520,498
Total Assets	446,512,483	505,504,984	52,959,792	-	499,472,275	505,504,985
Non Current Liabilities	63,229,479	60,740,974	425,247	-	63,654,726	60,740,974
Current Liabilities	20,378,541	28,861,382	865,452	-	21,243,993	28,861,382
Total Liabilities	83,608,020	89,602,356	1,290,699	-	84,898,719	89,602,356

The Company has started operation a new hotel in Polonnaruwa which was previously rented out to a third party. Therefore, 2020 year onwards company decides to present segmental results.

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st March

	2020	2019
	Rs.	Rs.
6 Other Operating Income		
Rent Income	-	404,786
Shop Rent - Gem, Spa & Tea	338,967	845,350
Profit on disposal of property plant and equipment	1,987,115	-
Green Leaf Sales	341,879	442,246
Income from land lease (Note 6.1)	1,732,035	1,295,232
Elevator & Shuttle Service Income	206,659	315,093
	4,606,655	3,302,707

6.1 Income from land lease

During the financial year, the Company has recorded Rs.1,732,035/- (2019 - Rs. 1,295,232/-) 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 profit after the expiry of one year from the date of commercial commencement of the Hydro power project. The said Hydro power project has been commercially commenced on 2014/15 financial year and the 5% of profit has been paid on the profit recorded by lessee.

	2020	2019
	Rs.	Rs.
7 Profit From Operations		
Profit from operations is stated after charging all expenses including the following:		
Directors Remuneration	5,526,864	5,370,000
Salaries wages	21,341,478	20,990,400
Employees Provident Fund	2,053,391	1,982,264
Employees Trust Fund	513,348	495,475
Provision for employee benefits	968,086	1,251,419
Auditors Remuneration	446,250	425,000
Depreciation	14,533,303	12,050,426
Amortization	48,279	29,226
Provision/ (reversal) For Bad Debtors	286,474	(681,816)
Donation	114,458	199,674
Bad debt write-off	-	681,816
Inventory Written off	113,760	-
8 Net Finance Income		
8.1 Finance Income		
Interest on savings accounts	923,895	2,055,109
Exchange Gain	101,077	306,416
	1,024,972	2,361,525
8.2 Finance Expenses		
Interest on Overdraft	185	4,268
Interest on lease	894,385	1,066,999
Interest on term loan	-	93,065
	894,570	1,164,332
Net finance Income	130,402	1,197,193

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March	2020 Rs.	2019 Rs.
9. Income Tax Expense		
Current tax expense (Note 9.1)	1,753,190	5,227,461
Under Provision in respect of previous years	-	469,048
Deferred tax charge (Note 19.1 & 19.2)	2,918,600	2,507,425
	4,671,790	8,203,934
9.1 Reconciliation between the accounting profit and the profit for the tax purposes		
Accounting profit before taxation	12,768,970	33,351,212
Income not form a part of Busniess Profit	(2,757,007)	(3,350,341)
Aggregate disallowable expenses	17,130,511	15,908,234
Aggregate allowable expenses	(17,275,619)	(11,920,437)
Income from other sources	2,655,930	-
Adjusted profit from operations for tax purposes	12,522,785	33,988,668
Income tax charged at		
Concessionary rate @ 14% (2019 -14%)	1,753,190	5,227,461
Current tax expense	1,753,190	5,227,461

9.2 Income tax provisions applicable

- (a) In terms of section 2 of the Inland Revenue Act, No. 24 of 2017, income tax shall be calculated by applying the relevant rate set out under the First Schedule. As per the First Schedule, companies predominantly engaged in an undertaking for the promotion of tourism is liable to income tax at special rate of 14%. The term “predominantly” is defined as 80% or more of the Company’s gross income should be derived from such sources. During the year ended 31st March 2020 the Company recorded more than 80% of their gross income from hotel activities. Therefore, taxable income of the Company are liable to income tax at 14%. (2019 - 14%).
- (b) As explained in Note 9.2 (a) above, Company will be liable to pay tax at 14% effective from 1st April 2018. Accordingly, deferred tax has been computed using the rate of 14% (2019 - 14%) for Company.

10. Earnings Per Share

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

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

For the year ended 31st March	2020	2019
Profit attributable to the ordinary equity holders	8,097,180	25,147,278
Weighted average number of ordinary shares outstanding at the beginning of the year	20,000,000	20,000,000
Earnings per share (Rs.)	0.40	1.26

10.1 Diluted Earnings per share

There were no potentially dilutive ordinary shares as at 31st March 2020 and there have been no transactions involving ordinary shares or potential ordinary shares as at the reporting date which would require restatement of EPS.

10.2 Dividend Per Share

For the year ended 31st March	2020	2019
Gross dividend	10,000,000	10,000,000
Number of shares	20,000,000	20,000,000
Dividend per share (Rs.)	0.50	0.50

RAMBODA FALLS PLC

NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st March 2020

11. Property, Plant & Equipment

	Freehold Land	Freehold Building	Motor Vehicle	Furniture & Fittings	Cutlery Glassware & Linen	Office Equipment	Plant & Machinery	Capital Work in Progress	Right of use Assets Vehicle	Total 2020	Total 2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/valuation											
Balance as at beginning of the year	176,999,980	224,630,753	6,633,429	12,794,518	3,533,516	1,216,230	12,836,436	18,837,819	26,699,994	484,182,675	442,208,478
Additions During the Year	-	4,448,567	470,000	1,869,710	603,015	447,000	5,028,035	17,129,844	5,250,000	35,246,172	20,757,132
Transfers during the Year	-	22,530,218	-	2,024,770	-	-	6,368,703	(30,923,691)	-	-	21,217,065
Disposals	-	-	(1,985,750)	-	-	-	-	-	-	(1,985,750)	-
Balance as at the end of the year	176,999,980	251,609,538	5,117,679	16,688,998	4,136,531	1,663,230	24,233,174	5,043,972	31,949,994	517,443,097	484,182,675
Depreciation											
Balance as at beginning of the year	-	12,744,477	2,457,454	4,270,854	1,676,309	403,830	3,108,846	-	4,596,999	29,258,769	12,143,899
Charge for the year	-	4,768,300	876,812	1,693,929	1,267,494	179,782	2,353,902	-	3,393,084	14,533,303	12,050,426
Transfers during the Year	-	-	-	-	-	-	-	-	-	-	5,064,444
Disposals During the year	-	-	(1,181,101)	-	-	-	-	-	-	(1,181,101)	-
Balance as at the end of the year	-	17,512,777	2,153,165	5,964,783	2,943,803	583,612	5,462,748	-	7,990,083	42,610,971	29,258,769
Carrying Amount as at 31/03/2020	176,999,980	234,096,761	2,964,514	10,724,215	1,192,728	1,079,618	18,770,426	5,043,972	23,959,911	474,832,125	454,023,906
Carrying Amount as at 31/03/2019	176,999,980	211,886,276	4,175,975	8,523,664	1,857,207	812,400	9,727,590	18,837,819	22,102,995	454,923,906	

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	2020	2019
	Rs.	Rs.
11.1 Analysis of Capital work-in-progress		
Freehold building	5,043,972	12,373,996
Furniture and fittings	-	1,840,520
Equipment	-	10,250
Plant and machinery	-	4,613,053
	<u>5,043,972</u>	<u>18,837,819</u>

11.2 Details of fully depreciated assets in property, plant and equipment

As at 31st March	2020	2019
	Rs.	Rs.
Plant & Machinery	955,120	832,480
Equipment, furniture and fittings	1,941,950	710,150
Office equipment	243,650	199,175
Cutlery Crockery Glassware & Linen	997,515	-
	<u>4,138,235</u>	<u>1,741,805</u>

11.3 Capitalization of borrowing costs in to property, plant and equipment

There were no borrowing costs capitalized during the year on property, plant and equipment (2019 - Nil) for the Company.

11.4 Restrictions on title of property, plant and equipment

There are no restrictions on title of the property, plant and equipment held by the Company.

11.5 Property, plant and equipment pledged as security for liabilities

There are no items of property, plant and equipment pledged as security for liabilities as at the reporting date, of the Company.

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

11.6 Freehold land and freehold building of the Company were last revalued by Mr. P.P.T Mohideen, an independent valuer, Chartered Valuation Surveyor, fellow member of Royal Institute of Chartered surveyors of the United Kingdom and fellow member of the institute of Valuers in Sri Lanka as at 31st December 2016. The details of carrying amounts of revalued assets and the carrying value, if such assets were carried at historical cost less depreciations are as follows;

Property	Method of revaluation	Carrying value of revalued assets if carried at historical cost as at 31st December 2016	Revalued Asset Value
Freehold Land	Market Approach	113,400,000	169,000,000
Freehold Building	Contractor's Method of valuation	122,113,062	206,000,000
Other Assets*	Contractor's Method of valuation	28,930,944	23,716,516

* Other assets includes vehicles, furniture & fittings, office equipment and plant & machineries.

11.7 Fair Value

i) Fair Value Hierarchy

The fair value of all property plant & equipment (except for leased vehicles) was determined by external independent property valuer having appropriate recognized qualifications and recent experience in the location and category of the property being valued as explained in the note 11.6. The fair value measurement for all of property plant & equipment (except for leased vehicles) has been categorized as level 03 fair based on the input to the valuation technique used.

ii) Valuation technique and significant unobservable techniques

The following table shows the valuation technique used in measuring the fair value of property plant & equipment, as well as the significant unobservable inputs used;

Method of Valuation	Significant unobservable input	Inter-relationship between key unobservable inputs and fair value measurements
Contractor's Method of valuation	Estimated replacement cost and applicable depreciation rates	Positively correlated sensitivity
Investment method of valuation	Estimated net landlord rent	Positively correlated sensitivity

11.8 Details of Company's Land and Building stated at valuation are indicated below:

Property	Extent	Location
Freehold Land	09-1R-32P	No.76, Rock Fall Estate, Nuwara-Eliya Road, Ramboda
Freehold Building	27,305 sq.ft.	No.76, Rock Fall Estate, Nuwara-Eliya Road, Ramboda

11.9 Impairment

The Company does not foresee any indications of impairment as at the reporting date due to the COVID-19 pandemic, and business unit functions under the business continuity plans as per the Company risk management strategy, allowing operations to function through alternate working arrangements, whilst strictly adhering to and supporting government directives.

11.10 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. 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 31st December 2016. As a result of the COVID-19 outbreak in Sri Lanka during the last part of the quarter ending 31st March 2020, a reassessment of the valuation was obtained by the same independent professional valuers who determined no significant change to the revalued carrying amount provided as at 31st December 2016

As at 31st March	2020 Rs.	2019 Rs.
12. Intangible Assets		
<u>Cost</u>		
As at 01 st April	1,710,000	1,710,000
Additions	150,000	-
As at 31st March	1,860,000	1,710,000
<u>Accumulated Amortization</u>		
As at 01 st April	1,649,419	1,620,193
Amortization for the Period	48,279	29,226
As at 31st March	1,697,698	1,649,419
Net Book Value	162,302	60,581

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	2020 Rs.	2019 Rs.
13. Inventories		
Food	1,199,043	2,007,067
Bar stock	314,912	1,395,883
House keeping	252,562	290,631
Stationery	75,578	68,575
Building Maintennace	203,626	334,814
	2,045,721	4,096,970
14. Trade & Other Receivables		
Trade receivables	8,997,471	9,142,120
Provision For Bad Debtors (Note 14.1)	(376,553)	(90,079)
	8,620,918	9,052,041
Other receivables	1,626,421	2,871,531
	10,247,339	11,923,572
14.1 Provision for impairment of trade receivables		
Balance at beginning of the year	90,079	771,895
Provision made during the year	286,474	(681,816)
Balance as at the end of the year	376,553	90,079
14.2 Other Receivables Suspense		
Other Receivables Suspense (Note 14.2.1)	3,046,670	3,046,670
Provision for Other Receivables Suspense	(3,046,670)	(3,046,670)
Balance as at the end of the year	-	-

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

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

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

Due to non-completion of the investigations, formal charge sheet against the said suspect is not yet filed by the end of 31st March 2020. However, estimated loss for the Company is Rs.3,046,670 which is fully provisioned during the year 2016/2017.

15 Cash & Cash Equivalents

Cash at Bank	11,089,936	33,276,626
Cash in Hand	1,094,852	1,223,330
Total cash and cash equivalents	12,184,788	34,499,956
Bank overdraft	(213,872)	(979,302)
Net cash and cash equivalents for the cash flow statement purpose	11,970,916	33,520,654

16 Stated Capital

	2020		2019	
	Number of shares	Value of shares Rs.	Number of shares	Value of shares Rs.
Fully paid ordinary shares	20,000,000	100,000,020	20,000,000	100,000,020
	20,000,000	100,000,020	20,000,000	100,000,020

16.1 Rights, preferences and restrictions of classes of capital

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

16.2 Revaluation reserve

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

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	2020	2019
	Rs.	Rs.
17. Retirement Benefit Obligation		
Liability for defined benefit obligations as at 1st April	5,360,481	4,662,468
Current service costs	740,033	1,008,279
Interest Cost	228,053	243,140
Actuarial gain	(667,146)	(282,921)
Payments made during the year	(208,362)	(270,484)
Liability for defined benefit obligations as at 31st March	5,453,059	5,360,481

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

Current service costs	740,033	1,008,279
Interest on obligation	228,053	243,140
	968,086	1,251,419

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

Actuarial gain	(667,146)	(282,921)
	(667,146)	(282,921)

17.3 The gratuity liability as at 31st March 2020 for the company is made based on the internally generated formula.

The principal assumptions made are given below;

	2020	2019
Discount rate	9.5%	10.5%
Rate of Salary Increment	8.0%	11.4%
Staff Turnover Factor	24.5%	29.3%
Retirement age	55 years	55 years

17.4 Sensitivity of assumptions used

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

Increase /(decrease) in discount rate	2020	2019
	Rs.	Rs.
+1%	(97,837)	(85,724)
-1%	102,413	89,186
Increase /(decrease) in salary Increment rate		
+1%	102,894	87,664
-1%	(100,070)	(85,815)

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

18 Interest bearing loans and borrowings

	2020	2019
	Rs.	Rs.
Balance as at 01st April	6,265,356	9,288,029
New leases obtained during the year	3,000,000	-
Repayment during the year	(3,486,862)	(3,022,673)
Balance as at 31st March	5,778,494	6,265,356
Current	3,301,634	3,597,670
Non-current	2,476,860	2,667,686
Balance as at 31st March	5,778,494	6,265,356

18.1 Hatton National Bank PLC Lease

The Company has obtained two leases amounting to Rs.8Mn for the purpose of purchase two Outlander Jeeps for traveling purpose on 25th January 2018. The company has obtained a leases amounting to Rs.3Mn for the purpose of purchase a bus. The lease is payable in 48 Monthly installments.

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED TAXATION	2020	2019
	Rs.	Rs.
19.1. DEFERRED TAX LIABILITY		
Balance at the beginning of the year	52,712,807	50,165,773
Amount recognized during the year - (Note 19.2)	3,012,000	2,547,034
Balance at the end of the year	55,724,807	52,712,807
	Rs.	Rs.
19.2. Amount recognized during the year		
Charge /(Reversal) for the year - Other Comprehensive Income	93,400	39,609
Charge /(Reversal) for the year - Comprehensive Income (Profit & Loss)	2,918,600	2,507,425
Total amount recognized during the year	3,012,000	2,547,034

	2020		2019	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
Property, Plant and Equipment	403,863,945	56,540,952	381,880,529	53,463,274
Employee Benefits	(5,453,059)	(763,428)	(5,360,481)	(750,467)
Bad debt provision for Trade receivable	(376,553)	(52,717)	-	-
	398,034,334	55,724,807	376,520,048	52,712,807

- 19.2.1** As per the Inland Revenue Act, No 24 of 2017 which is effective from the year of assessment 2018/19, the Company is liable to pay income tax at the rate of 14% for its business income, as the Management of the Company has assessed that the Company predominantly engaged in an undertaking for the promotion of tourism.

Any gains on realization from disposal of lands used in the business are liable for taxation under the business income of the entity.

Accordingly, the realization gains shall be the amount by which the sum of the consideration received on the asset that exceeds the acquiring cost and any accumulated allowable costs incurred on improvement thereon at the time of the realization.

The Company has recognized a revaluation reserve on freehold land amounting to Rs. 166,032,902/- as at 31st December 2016, which is considered as the potential gain liable for taxation as at the Balance Sheet date on future realization. Accordingly, the Company has recognized a deferred tax liability of Rs. 23,244,606/- pertaining to revaluation reserve on freehold lands which is computed at the substantively enacted corporate tax rate of 14%.

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

	2020	2019
	Rs.	Rs.
20. Trade & Other Payables		
Trade payables	6,348,678	8,817,917
Welfare Fund	38,639	92,124
VAT Payable	359,736	1,271,321
Accrued expenses	9,205,514	10,270,742
	15,952,567	20,452,104
21. Current Taxation Payables		
Balance as at the beginning of the year	3,246,869	2,488,567
Under/(Over) in respect of previous years	(231,971)	469,048
Charge for the year	1,753,190	5,227,461
Payments Made	(3,644,795)	(4,938,207)
Balance as at the end of the year	1,123,293	3,246,869

22. Financial Instruments

The following table sets out the fair values of financial instruments not measured at fair value and analyse them by the level in the fair value hierarchy into which each fair value measurement is categorised. The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows;

As at 31st March 2020		Note	Financial Assets at Amortised cost	Financial Liabilities at Amortised cost	Total	Fair Value			Total
						Level 1	Level 2	Level 3	
Financial Assets									
Trade and other receivables	14		10,247,339	-	10,247,339	-	-	-	-
Cash and cash equivalents	15		12,184,788	-	12,184,788	-	-	-	-
			22,432,127	-	22,432,127	-	-	-	-
Financial Liabilities									
Interest bearing borrowings	18		-	5,778,494	5,778,494	-	5,778,494	-	5,778,494
Trade payables	20		-	6,348,678	6,348,678	-	-	-	-
Provisions and other payables	20		-	398,375	398,375	-	-	-	-
Bank overdraft	15		-	213,872	213,872	-	-	-	-
			-	12,739,419	12,739,419	-	5,778,494	-	5,778,494

As at 31st March 2019		Note	Financial Assets at Amortised cost	Financial Liabilities at Amortised cost	Total	Fair Value			Total
						Level 1	Level 2	Level 3	
Financial Assets									
Trade and other receivables	14		11,923,572	-	11,923,572	-	-	-	-
Cash and cash equivalents	15		34,499,956	-	34,499,956	-	-	-	-
			46,423,528	-	46,423,528	-	-	-	-
Financial Liabilities									
Interest bearing borrowings	18		-	6,265,356	6,265,356	-	6,265,356	-	6,265,356
Trade payables	20		-	8,817,917	8,817,917	-	-	-	-
Provisions and other payables	20		-	11,634,187	11,634,187	-	-	-	-
Bank overdraft	15		-	979,302	979,302	-	-	-	-
			-	27,696,763	27,696,763	-	6,265,356	-	6,265,356

23 Related Party Transactions

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

23.1 Transactions with Key Management Personnel (KMP)

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

Key Management Personnel Compensation

As at 31st March

	2020	2019
	Rs.	Rs.
Short term employee benefits	4,416,200	4,590,000
Cash benefits	1,110,664	780,000
Total	5,526,864	5,370,000

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

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

24 Financial Risk Management

Overview

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

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

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

Risk management framework

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

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

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

24.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

24.1.1 Exposure to credit risk

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

As at 31st March	2020 Rs.	2019 Rs.
Trade Receivables	8,997,471	9,142,120
Cash and cash equivalents	12,184,788	33,520,654
	21,182,259	42,662,774

Mitigation of Credit Risk

Trade Receivables

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

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

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

Impairment of receivables

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for Company's of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Age analysis of trade receivables

as at 31 st March	2020	2019
1–30 days	2,308,811	5,443,997
31–60 days	3,217,942	2,707,243
61–90 days	1,842,322	647,992
91–120 days	1,251,843	252,809
121 above	376,553	90,079
	8,997,471	9,142,120

A provisions of Rs. 376,553 have been made by the Company as impairment of trade receivables as at the year end (2019 - Rs.90,079).

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

24 Financial Risk Management (Cont.)

Cash & Cash Equivalents

The Company held cash and cash equivalents of Rs. 12,184,788 as at 31 March 2020 (2019: Rs. 34,499,956), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institutions with good credit ratings.

24.2 Liquidity risk

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

Cash flow forecasting is done by the Company on a regular basis. The finance division monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

Maturity profile

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

As at 31 st March 2020	Carrying amount	6 months or less	Contractual cash flows		
			6-12 months	1-2 years	2-5 years
Financial assets					
Trade & Other Receivables	10,247,339	10,247,339	-	-	-
Cash & Cash Equivalents	12,184,788	12,184,788	-	-	-
	22,432,127	22,432,127	-	-	-
Financial liabilities					
Interest Bearing Borrowings	5,778,494	2,173,711	1,127,923	714,352	1,762,508
Trade & Other Payables	15,952,567	15,952,567	-	-	-
Bank overdraft	213,872	213,872	-	-	-
	21,944,933	18,340,150	1,127,923	714,352	1,762,508

As at 31 st March 2019	Carrying amount	6 months or less	Contractual cash flows		
			6-12 months	1-2 years	2-5 years
Financial assets					
Trade & Other Receivables	11,923,572	11,923,572	-	-	-
Cash & Cash Equivalents	34,499,956	34,499,956	-	-	-
	46,423,528	46,423,528	-	-	-
Financial liabilities					
Interest Bearing Borrowings	6,265,356	1,790,837	1,806,833	2,667,686	-
Bank Overdraft	979,302	979,302	-	-	-
	7,244,658	2,770,139	1,806,833	2,667,686	-

Management of liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company had cash & cash equivalents of Rs.12,184,788 and Trade & other receivables amounted to Rs.10,247,339 will generate cash flows to the company.

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS
24 Financial risk management (Cont.)
24.3 Market risk

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

Market risk comprise of the following types of risk:

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

24.3.1 Currency risk

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

The Company, as at the reporting date, holds 'Financial Instruments' denominated in currencies other than its functional/presentation currency, hence does 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.

	2020	2019
HNB Foreign currency account (USD)	5,880	263

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

	USD	
	2020	2019
Cash & Cash Equivalents	5,880	263
Net Foreign Currency Cash and cash Equivalents	5,880	263

Conversion rate	187	175
Net Foreign Currency Cash and cash Equivalents in LKR	1,101,537	45,908

As at 31st March

	2020	
	Profit	Equity
	LKR	LKR
USD (1 percent strengthening)	11,015	11,015

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

24.3.2 Interest rate risk

Interest rate risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates. The Company's interest bearing financial liabilities are factored on variable rates of interest, hence the Company is exposed to interest rate risk.

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 31st March

	2020	2019
Variable rate instruments	-	-
Fixed rate instruments	5,778,494	6,265,356
	5,778,494	6,265,356

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

25 Events Occurring after the Reporting Date

There were no material events occurring after the reporting date as at 31st March 2020 that require adjustments apart from the temporary closure of hotels due to COVID-19 outbreak as stated in note 29 in the Financial Statements.

26 Capital Commitments and Contingent Liabilities

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

27 Comparative Information

Comparative Information has been reclassified where necessary to confirm to current years presentation.

28 Directors Responsibilities

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

29 Impact of COVID 19

On 11 March 2020 the World Health Organization declared the coronavirus outbreak a pandemic, and the Sri Lankan government declared a state of emergency on 18th March 2020. Responding to the potentially serious threat the COVID - 19 presents to public health, the Sri Lankan government authorities have taken measures to contain the outbreak, including introducing B34 and the 'lock- down' of certain industries, pending further developments. In particular, airlines and railways suspended international transport of people, schools, universities, restaurants, hotels, cinemas, theaters and museums and sport facilities, retailers excluding food retailers, grocery stores and pharmacies were closed.

29.1 The impact of COVID - 19 pandemic on the business/ operations of the Company and responses to the impact on COVID-19

Ramboda Falls PLC operate in the tourism sector that has been significantly affected by the outbreak of COVID - 19.

With the spread of the virus on a global scale in mid-March 2020 and rightly the stringent measures taken by the respective Governments including the closure of airports, border entry barriers and lock downs, have compelled the temporary closure of all the hotel.

However, hotel is currently being manned by a small team headed by the hotel General Manager to ensure safety of our people. The team is entrusted with the responsibility to ensure safety of the property, carry out regular maintenance and cleaning in order to maintain the buildings, plant and equipment, and other assets in good order.

The management has assessed the impact on the performance and cash flows of the Company in the 1st quarter of the financial year and taken several measures to cut costs including voluntary salary reductions at all levels with minimum hardship to low income staff. Plans have been made to commence hotel operations to the domestic markets in Sri Lanka.

The Company is also in discussion with several lending institutions to avail ourselves of the relief measures that have been recommended by the Central Bank to the industry including moratoriums on the servicing of debt. This would relieve the Company of the cash constraints that would be borne during the next few months. The Company along with the rest of the industry in Sri Lanka is lobbying the Government for concessions to the hotel industry in order to help the Company sustain the payment of staff salaries until the hotels re-commence operations.

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

29.2 The Company's expectation of the future impact of COVID - 19 on the Company's future operations and financial conditions.

Due to the closure of the hotels, the Company is deprived of revenue and hence will report a loss in the 1st and 2nd quarters of the financial year 2020/21. However, the cost reduction methods being implemented, the freezing of capital expenditure and the support offered by lenders would help to mitigate the adverse impact on the profitability and cashflow of the Company.

Our efforts also extend to exploring measures to support local businesses and communities to the fullest extent possible, to survive the economic impacts of COVID-19.

The global situation is extremely volatile at present and since the impact of the pandemic on the Company's business is closely linked to the situation in the countries we operate, the source markets and the international airline industry, an estimate of the medium to long term outlook may not be realistic at this stage. However, Company will continue to monitor developments both locally and globally and take timely action to mitigate any risks to the financial stability of the Company.

The Company is working through a strategy to gradually reopen the properties based on the opening of source markets and international travel.

29.3 Use of estimates, assumptions and judgements due to COVID 19 pandemic

The preparation of these financial statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies. Such estimates and judgements are reviewed on an ongoing basis.

A brief explanation of the key estimates, assumptions and judgements that have changed during year ended 31 March 2020 follows.

Coronavirus (COVID-19) pandemic

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these Financial Statements.

The estimation uncertainty is associated with:

- the extent and duration of the disruption to business arising from the actions by governments, businesses and consumers to contain the spread of the virus;
- the extent and duration of the expected economic downturn (and forecasts for key economic factors including GDP, employment and house prices). This includes the disruption to capital markets, deteriorating credit, liquidity concerns, increasing unemployment, declines in consumer discretionary spending, reductions in production because of decreased demand, and other restructuring activities; and
- the effectiveness of government and central bank measures that have and will be put in place to support businesses and consumers through this disruption and economic downturn.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2020 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to fair value measurement, and recoverable amount assessments of non-financial assets.

The impact of the COVID-19 pandemic on each of these accounting estimates were discussed further in the relevant notes to 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. 03.2020

Shareholding category	2020			2019		
	No. of Shareholders	No of Shares	%	No of Share holders	No of Shares	%
1 to 1,000	462	63,714	0.31	434	59,696	0.30
1,000 to 10,000	83	286,365	1.44	77	278,132	1.40
10,000 to 100,000	29	715,823	3.58	29	728,074	3.64
100,000 to 1,000,000	3	1,046,814	5.23	3	1046,814	5.23
Over 1,000,000	4	17,887,284	89.44	4	17,887,284	89.43
Total	581	20,000,000	100%	547	20,000,000	100%

Share Price Movements during the year

Market Price	Quarter Ended				Year Ended	
	30.06.2019	30/09/2019	31/12/2019	31/03/2020	31.03.2020	31.03.2019
Highest Rs.	19.80	21.00	19.50	19.50	19.50	22.20
Lowest Rs.	15.30	16.00	17.20	15.00	15.00	15.90
Closing Rs.	17.00	17.90	19.50	15.60	15.60	19.00

Categories of share Holders

Category/ No of shareholders	2020	2019
Individual	564	527
Institutions	17	20
Total	581	547

Float adjusted market capitalization as at 31st March 2020

Rs. 88,882,575

Total No of Shareholders representing the public holding

575

Share Holdings as at 31st March

Share Holding	2020			2019		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Public Holding	575	5,697,601	28.488%	541	5,697,601	28.49%
Directors Holding	6	14,302,399	71.512%	6	14,302,399	71.51%
Total	581	20,000,000	100%	547	20,000,000	100%

The float adjusted market capitalization as at 31st March 2020 is Rs. 88.8 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, 2020

No	Name of Shareholder	No of share	Shareholding %
1	Mr. L S Sigera	7,080,700	35.4
2	Mr. I J A Karunarathna	7,080,700	35.4
3	Miss. S H Karunarathna	1,925,884	9.63
4	Mr. P D Panagoda	1,800,000	9.00
5	Mrs. P K Amaradasa	650,823	3.25
6	Dr. G D S Gamage	205,861	1.03
7	Mrs. Hng Poh Gin	190,130	0.95
8	Mr. Takashi Igarashi	100,000	0.50
9	Mr. P G G S Yapa	98,179	0.49
10	Miss. R M I P Ranasinghe	30,692	0.15
11	Mr. G C Goonetilleke	30,500	0.15
12	Mr. N A Withana	26,200	0.13
13	Mr. C A D S Woodward	25,000	0.13
14	Mr. P N C Gomes	25,000	0.13
15	Mr. S Ishizuka	24,679	0.12
16	Mr. K Jayawila	24,384	0.12
17	Mr. H M K Banda	24,210	0.12
18	Mr. R M N K Ranasinghe	24,085	0.12
19	Assetline Leasing Company Ltd	21,530	0.12
20	Mrs. S C R Thambimuttu	20,827	0.10
	Others	19,409,384	97.05
		590,616	2.95
		20,000,000	100

Nine Year Summary

	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
TRADING RESULTS									
Revenue Rs. (000)	110,235	141,449	127,305	125,334	118,853	105,980	83,753	86,286	70,025
Profit before income tax Rs. (000)	12,769	33,351	24,221	16,609	26,773	28,402	18,002	23,907	11,639
Income tax Rs. (000)	(4,671)	8,203	(5,985)	(2,765)	(3,223)	(3,689)	(5,942)	(369)	(1,732)
Profit after taxation Rs. (000)	8,097	25,147	18,236	13,844	23,550	24,713	12,060	23,538	9,907
SHARE CAPITAL AND RESERVES									
Stated Share capital Rs. (000)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Reserves Rs. (000)	314,573	315,902	300,512	317,634	189,334	174,486	159,681	158,572	135,034
Shareholder's Funds Rs. (000)	414,573	415,902	400,512	417,634	289,334	274,487	259,681	258,572	233,370
ASSETS EMPLOYED									
Current Assets Rs. (000)	24,477	50,520	39,290	43,440	38,407	35,032	13,839	27,285	10,560
Current Liabilities Rs. (000)	(21,243)	(28,861)	(24,593)	(25,926)	(26,701)	(32,537)	(27,494)	(23,014)	(20,583)
Non-Current Assets Rs. (000)	474,994	454,984	446,803	432,055	302,845	297,159	298,780	279,930	280,490
Long term Liabilities Rs. (000)	(63,654)	(60,741)	(60,988)	(31,934)	(25,217)	(25,167)	(25,444)	(25,629)	(37,096)
RATIOS & STATISTICS									
Number of Shares Rs. (000)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Basic Earnings /(Loss) per share	0.4	1.26	0.91	0.69	1.18	1.24	0.6	1.18	0.5
Net Assets Value per share Rs.	20.7	20.80	20.02	20.88	14.47	13.72	12.98	12.93	11.67
Current Ratio (Times)	1.15	1.75	1.60	1.68	1.44	1.08	0.50	1.19	0.51
Dividend Payout Ratio	1.25	0.40	0.55	0.72	0.42	0.40	0.83	0.42	-
Dividend Paid per share Rs.	0.5	0.50	0.50	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: www.rambodafalls.com Email: rambodafall@gmail.com
Board of Directors	Mr. Takashi Igarashi - Chairman Mr. Liyanage Sasanka Sigera - Managing Director Mr. Imiyage Jagath Ananda Karunarathna Mr. Peter A. Stewart Mr. P. Sarathchandra Mr. V. N. D. Wickramasinghe Mr. D. D. Sunil Mr. W. G. Dhanapala (Alternative Director)
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

RAMBODA FALLS PLC

Notice of Meeting

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF RAMBODA FALLS PLC WILL BE HELD AT THE SASAKAWA HALL, NO.04, 22ND LANE, COLOMBO 03 ON 29TH OCTOBER 2020 AT 10.00 A.M.

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### AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2020 with the Report of the Auditors thereon.
2. To re-elect Mr. Pathirannehalage Sarathchandra who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.
3. To re-elect Mr. Deyalamudalige Don Sunil Mudalige who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.
4. To re-appoint M/s. KPMG, Chartered Accountants as Auditors to the Company for the ensuing year and authorize the Directors to determine their remuneration.
5. To authorize the Directors to determine donations for the year 2020 / 2021.

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

### SECRETARIES

Colombo

Date: 07<sup>th</sup> October 2020

### 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.**
4. Shareholders attending the meeting are kindly requested to bring with them their National Identity Card or other similar form of identification for production at the reception desk.

# 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. Takashi Igarashi

Mr. Liyanage Sasanka Sigera

Mr. Imiyage Jagath Ananda Karunaratne

Mr. Peter Stewart

Mr. Pathirannehalage Sarathchandra

Mr. Deyalamudalige Don Sunil Mudalige

Mr. Viraj Nishantha Deepal Wickremasinghe

of Colombo or failing him

of Colombo or failing him

of Colombo or failing him

of Colombo or failing him

of Colombo or failing him

of Colombo or failing him

of Colombo or failing him

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 on 29<sup>th</sup> October 2020 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

|                                                                                                                                                                                                                                                 | <u>FOR</u>               | <u>AGAINST</u>           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31 <sup>st</sup> March 2020 with the Report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Mr. Pathirannehalage Sarathchandra who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.                                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To re-elect Mr. Deyalamudalige Don Sunil Mudalige who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.                                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To re-appoint M/s. KPMG, Chartered Accountants as Auditors to the Company for the ensuing year and authorize the Directors to determine their remuneration.                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To authorize the Directors to determine donations for the year 2020 / 2021.                                                                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> |

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

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.
2. 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.
3. 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.





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

