

RAMBODA FALLS PLC

Annual Report
2021/2022



The period under review has seen us remain not just resolute but resilient too. With our foundation of quality, excellent service and value system centered on quality without compromise, we remain undeterred.

The supremacy of true Sri Lankan hospitality intertwines care, understanding, warmth and friendliness; and at The Ramboda Falls PLC, we are built upon these values to recommence the way our stakeholders experience the unique hospitality of our nation. Come what may, we are mindful and prepped to take on the road ahead. Our effort will remain fixated on the silver lining-being the best we can be, in any possibility.

FINANCIALS AT A GLANCE

Profit after Tax Rs. 3,479,866

Revenue Rs. 47,564,705

For the year ended 31 st March	2022 (Rs.000)	2021(Rs.000)
Revenue	47,565	14,025
Profit before Tax	1,979	(25,861)
Profit after Tax	3,480	(24,095)

Financial position

Share holders' funds	580,220	391,105
Total Assets	693,009	476,310

Per Ordinary share

Earnings/(Loss) per share	0.17	(1.2)
Net Asset per share	29.01	19.56

Ratio

Gross profit (%)	28	18
Net profit/ (Loss) (%)	7	(171.8)
Return on shareholders fund	0.6	(6.2)
Return on Assets %	0.5	(5.1)

Our Hotels

Ramboda Falls Hotel

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

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

Muwan Palassa Resort

Feel the Beauty of Simplistic Living...

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

TABLE OF CONTENTS

<u>Vision, Mission and Core Values</u>	5
<u>Chairman's Review</u>	6
<u>Board of Directors</u>	8
<u>Goals and Strategies</u>	11
<u>Risk Management</u>	13
<u>Director's Responsibility for Affairs of the Company</u>	17
<u>Management Discussion and Analysis</u>	20
<u>Corporate Governance</u>	22
<u>Report of Audit Committee</u>	25
<u>Report of Remuneration Committee</u>	26
<u>Report of Related party Transactions Review Committee</u>	27
<u>Financial Review</u>	28
<u>Director's Responsibility for Financial Reporting</u>	29
<u>Independent Auditor's Report</u>	30
<u>Statement of Profit or Loss and other Comprehensive Income</u>	35
<u>Statement of Financial position</u>	36
<u>Statement of Changes in Equity</u>	37
<u>Statement of Cash Flow</u>	38
<u>Notes to the Financial Statement</u>	39
<u>Share Holder's information</u>	81
<u>Ten Years Summary</u>	82
<u>Corporate Information</u>	83
<u>Notice of Meeting</u>	84
<u>Proxy Form</u>	85

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 9th Annual Report and Audited Financial Statements for the year ended 31st March 2022.

Performance

The Ramboda Falls PLC has seen a little bit positive impact on its overall profitability, and hence the impact of the challenges faced over the financial year in this segment are reflected in the performance of the company. The Ramboda Falls PLC revenue increased by 239% to Rs. 47.6Mn from Rs. 14.Mn in the previous financial year.

Whilst international tourist arrivals were marginal towards the beginning of the year, we were able to increase traction with domestic customers through multiple attractive offers given through social media flat forms. It is encouraging to note that by November 2021, our occupancy levels at the hotels showed a steady growth, mirroring the increase in foreign tourist arrivals into the Country.

Industry Overview of Sri Lanka Tourism

As Sri Lanka reopened its borders to international tourists on 21st January 2021, arrivals during the first quarter of CY2021 remained subdued, reflecting the lower demand globally for international travel. The surge in COVID-19 positive cases from late April 2021 and resultant border and mobility restrictions imposed by the Government in May 2021 continued to dampen arrivals in the second quarter as well.

the country re-opened its borders for fully vaccinated travelers and removed mandatory on-arrival PCR tests with effect from September 2021. The easing of restrictions for vaccinated travelers together with increased vaccination rates globally resulted in a resurgence in tourist arrivals commencing September 2021, with the country welcoming a total of 106,500 tourists in March 2022, the highest number of arrivals achieved since the COVID-19 outbreak in March 2020. Whilst the emergence of the new COVID-19 variant resulted in a slight decline in arrivals in January 2022, this trend reversed in February and March 2022.

Overview of the Financial Year

As I reflect back on 2021, there is seems bit growth reflecting increase in foreign tourist arrival in to the country by November 2021 but last 7 months of first & second quarters in financial year 2021/2022 have been one of the most difficult periods our industry has ever faced. we could not have scripted a more challenging period for the industry than the global health pandemic that caused demand. Furthermore, our financial performance reflected the continued stress of a sri Lanka economic crisis that began at the end of this financial year. The Ramboda falls PLC ended the year reporting an overall profit of Rs.3.5 Mn on revenue of Rs.47.6 Mn.

The Way Forward

Whilst global tourist arrivals may record a recovery, continued uncertainty and volatility on the macroeconomic stability of the country and resultant social unrest, further exacerbated by the ongoing fuel and power crisis, may pose challenges for the country in attracting foreign arrivals in the immediate-term. Hence, ensuring continued political and social stability coupled with clear and transparent communication with the global community would be pivotal in attracting foreign arrivals to the country Given ongoing discussions to strengthen Sri Lanka's fiscal position, such impacts are envisaged to diminish in the next few months as this is expected to stabilize the macroeconomy and address the social unrest. Accordingly, the impact to arrivals is envisaged to be largely managed, particularly in time for the upcoming peak season of the year.

Continued focus will be placed on prioritizing the development of market specific strategies aimed at local market for generate revenue. Ramboda Falls PLC has experienced significant financial difficulties during the first and second quarters 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.

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

Sign

Mr. Takashi Igarashi
Chairman
15th July 2022

Board of Directors

Mr. Takashi Igarashi - Chairman

Mr. Takashi Igarashi 67 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, 60 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, 61 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, 60 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 France 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.

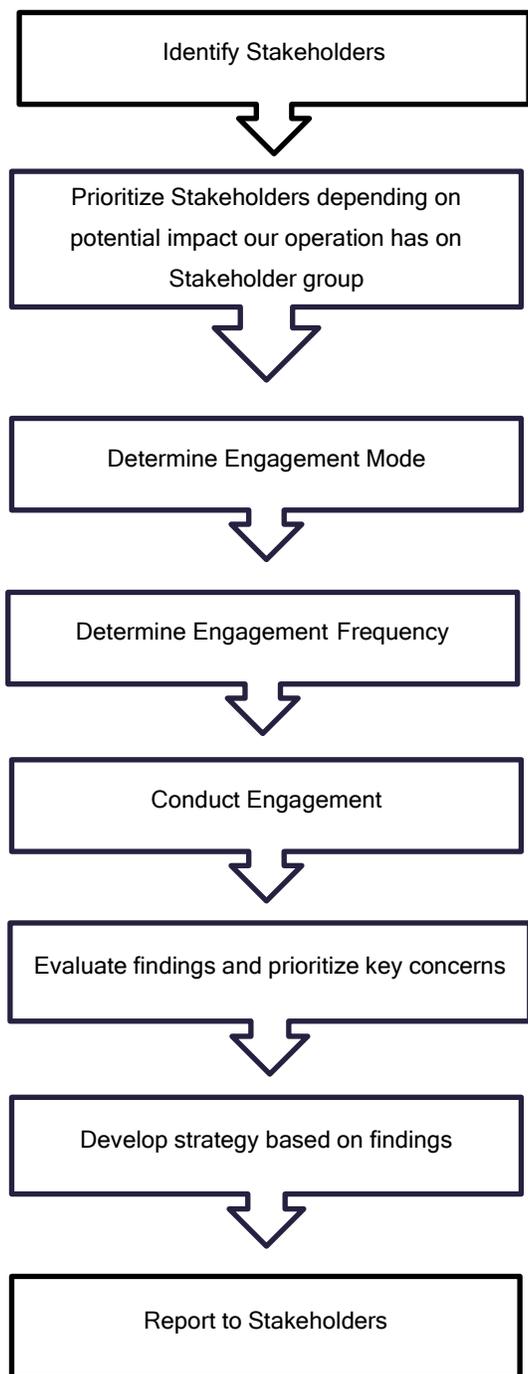
In view of the prevailing economic and political instability in the country, predicting future prospects have become extremely challenging. While TFSL remain hopeful of a steady recovery of political stability, we will continue to strategies accordingly to attract guests, grow business opportunities and create sustainable value for all stakeholders. TFSL's growth strategies for the year 2022 and beyond pivots on a multi-pronged approach that looks to identify niche markets and reach out to the relevant audience via social media platforms, TV programmed such as Travel girl as well as nurturing our various partnerships such as accommodation contracts with TUI serious, I LOVE SRI LANKA and CIDM group serious to sustainably grow our reach. Meanwhile, we will look into widen our reach to local market with special focus on the wedding industry.



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

Risk management plays a pivotal and important role in the operations of the Ramboda falls PLC. The ambiguous operating environment grappling with the local and global economic uncertainties in parallel with the new normal as the world emerges from the COVID-19 contagion, has emphasized on the need for a strong risk management process



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

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

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

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

Risk Management Process

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

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

Risk Governance

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

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.

The following aspects are perceived as the most dynamic risks and therefore, are proactively managed and monitored by the senior management.

Risk Management

Risk Factor	Potential Impact	Mitigating Actions
1. Global Pandemic Outbreak		
<p>International Travel restriction and local Travel restriction</p> <div data-bbox="167 564 558 617" style="border: 1px solid black; padding: 5px; margin: 10px 0;">Risk Assessment</div> <p>Impact - High Likelihood - possible to occur Assessment - High Δ</p>	<ul style="list-style-type: none"> • Lower tourist arrivals places pressure on average room rates, squeezing margins and reducing profits 	<ul style="list-style-type: none"> • Business Continuity Plans (BCP) on action to be taken in the event of an active case within a business unit. • Continue to follow latest guidance and recommendations of Government, global and local health officials on implementation of appropriate health and safety measures for staff and guests at hotel and mall.
2. Threat from Terrorism & Civil Unrest		
<p>Risk of Instability, Ideology/ extremism, Breakdown of Law and Order, Global terrorism.</p> <div data-bbox="167 1092 558 1144" style="border: 1px solid black; padding: 5px; margin: 10px 0;">Risk Assessment</div> <p>Impact - High Likelihood - Possible to occur Assessment - High</p>	<ul style="list-style-type: none"> * Loss of Revenue due to tourists choosing alternate travel destinations. * Hindrance to business continuity * Property damage * Loss of staff, guests, patrons 	<ul style="list-style-type: none"> * Establishment of protocols as per the BCP on action to be taken in such an event. * Appointment of Vigilance Officers at each location and establishment of reporting protocols * Establishment of direct link with local intelligence for information on potential risks * Review/implementation of Emergency Response Plans for armed intrusions/hostage handling/isolation/bomb threat.
3. Fuel/Gas supply shortages		
<p>Disruption to business due to fuel and Gas crisis.</p> <div data-bbox="167 1709 558 1761" style="border: 1px solid black; padding: 5px; margin: 10px 0;">Risk Assessment</div> <p>Impact - High Likelihood - Likely to offer Assessment - High</p>	<ul style="list-style-type: none"> * Shortage of supplies due to transporting issues. * Inability to run the generator during power cuts/failures. * Disruption to operations. * Increased Cost. * Inability for staff to report to work due to transportation issues. 	<ul style="list-style-type: none"> * Frequent/bulk fuel purchases. * Increase inventory par levels. * Provide accommodation for staff within the premises. * Seek for alternative products and suppliers. * Increase storage capacity.

4. Business Risk

Increased competitiveness in the industry.

- * Loss of market share
- * Increased price competition
- * Decrease in revenue
- * Increased Cost

- * Continues monitoring of competitors.
- * Adaptation of competitive pricing strategies
- * Enhancement of product offerings / Refurbishments
- * Retention of talent
- * Training and development of staff

Risk Assessment

Impact - High
Likelihood - Likely to offer
Assessment - High

5. Financial risks

Potential Liquidity constraints arising from operational losses

- * Inability to make operational payments

- * Regular review of cash flow forecasts and obtaining funding on a timely manner
- * Availing debt moratoriums offered by the Government
- * Strategies in place to improve business volumes, operational efficiencies and margins
- * Organization wide cost reduction initiatives to improve margins and cash flow

Risk Assessment

Impact - High
Likelihood - Remote to occur
Assessment - Low

6. Exchange Rate

Impact depreciation of the rupee

- * Foreign exchange losses on foreign currency-based transactions.
- * Increased Cost

- * Regular monitoring of fluctuations in exchange rates and hedging the exposure by matching foreign currency earnings and payments.
- * Regular offering price revisions
- * Inclusion of terms in third party agreements to mitigate foreign currency exposure

Risk Assessment

Impact - High
Likelihood - Likely to occur
Assessment - High

<h3>7. Technology and Data Risks</h3>		
<p>Risk of financial loss, disruption or damage to the reputation resulting from the failure of cyber security and information technology systems.</p>	<ul style="list-style-type: none"> * Potential loss of information assets of the company * Impact on customer privacy in the event of a potential loss event 	<ul style="list-style-type: none"> * Well-defined cyber security incident response process addressing the pillars of device, information and user * Training employees and creating staff awareness on the importance of maintaining information security and handling of sensitive information. * Implementation daily data saving process to separate device
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Risk Assessment</div>		
<p>Impact - High</p> <p>Likelihood - Remote to occur</p> <p>Assessment - Low</p>		
<h3>8. Retention of Skilled Employees</h3>		
<p>Retention of skilled employees is an ongoing challenge in the hospitality industry due to employment opportunities both locally and internationally</p>	<ul style="list-style-type: none"> * Challenges in maintaining service quality * Increased costs associated with new recruitments * Impact on competitive edge and brand loyalty 	<ul style="list-style-type: none"> * Ongoing investment in talent and competency development * Strengthening rewards and benefit schemes. Periodic benchmarking is carried out against market remuneration packages * Talent management and succession planning programmed for critical positions
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Risk Assessment</div>		
<p>Impact - High</p> <p>Likelihood - Possible to occur</p> <p>Assessment - High</p>		
<h3>9. Impacts on Local Community</h3>		
<p>Our operations impact the communities around our properties through employment generation, environmental bearings and factors among others.</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Maintaining a high level of engagement with neighboring communities. • Creating opportunities for the youth in the local communities. • Sponsorships and donations for cultural, religious and other projects in the communities.
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Risk Assessment</div>		
<p>Impact - Decrease</p> <p>Likelihood - Decrease</p> <p>Assessment - Low</p>		

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

The Board of Directors is pleased to present their Report and the Audited Financial Statements of the Company for the year ended 31st March, 2022. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007 and the Colombo Stock Exchange Listing Rules, and are guided by recommended best accounting practices.

Review of the Year

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

Principal Activity

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

Financial Statements

The financial statements of the Company are given on pages 35 to 79.

Auditor's Report

The Auditor's report on the financial statements is given on pages 30 to 34.

Accounting Policies and Changes during the Year

Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Company's Act No 07 of 2007. The significant Accounting Policies adopted in the preparation of the Financial Statements of the Company are given on pages 39 to 63 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 2022 is given in Note 7 to the financial statements.

Directors' Shareholding as at 31.03.2022

Name of the Director ⁰	No of share as at 31. 03.2021	% 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 2022 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.100 Mn.

Reserves

Total reserves as at 31st March 2022 amount to Rs.480 Mn comprising of retained earnings and revaluation reserves. Movements are shown in the Statement of Changes in Equity in the Financial Statements.

Employment Policies

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

Taxation

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

Shareholding

The number of registered shareholders of the Company as at 31st March, 2022 was 768. The distribution and analysis of shareholdings are given on page No. 81.

Major Shareholders

Major shareholders/option holders of the Company as at 31st March 2022, together with an Analysis are given on pages No. 81.

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

Health and safety of guests, and employees were a key concern and stringent safe & secure protocols were adhered at all three locations (Main Entrance, Hotel lobby, Restaurant).

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, 2022 given Note 27 to the financial statements.

Subsequent to the reporting Date

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

Annual General Meeting

Annual General Meeting of Ramboda Falls PLC will be held online via a virtual platform on Thursday 18th August 2022 at 10.00 am as a virtual meeting

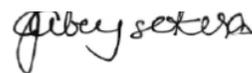
For and on behalf of the Board of Directors of Ramboda Falls PLC



Director



Director



SSP Cooperate
Service (PVT) Ltd.
Secretaries

Management Discussion and Analysis

Global Tourism

industry demonstrated slow recovery in the calendar year (CY) 2021, with international tourism arrivals increasing by 4% in CY 2021 in comparison to CY 2020, although remaining 72% below the pre-pandemic levels in 2019. The slow rate of recovery is attributed to varying vaccination rates, easing of mobility restrictions as well as traveler confidence across the world. Asia and the Pacific saw the slowest level of recovery as arrivals were still 94% lower than the pre-pandemic volumes.

The pandemic appears to be loosening its grip on the world albeit gradually, as the COVID-19 related deaths worldwide appear to be abating. That said, the recovery has seen setbacks with the emergence of high-transmissible variants, which have led to periodic surges in infections resulting in border closures and travel restrictions. Wider access to vaccinations, together with increasing adaptability to post-pandemic realities, have driven recovery of economic activity and global travel across the world. Presently, more than 5.13 Billion people worldwide, which accounts for around 66.9% of the world population, have received at least one dose of COVID-19 vaccine.

Sri Lanka Tourism

The Sri Lankan tourism industry experienced its third consecutive year of challenges, following the Easter Sunday attacks and political instability in 2019, the COVID-19 pandemic in 2020 and 2021 and severe macro-economic stress in the year under review. As Sri Lanka entered the second year of the pandemic, the surge in infections in April 2021 led to periodic lockdowns, adversely impacted travel sentiments. That said, the industry demonstrated its characteristic resilience towards the latter part of the CY 2021 and early 2022, with tourist arrivals recording gradual recovery. Total arrivals neared 195,000 in the CY 2022 and improved further in the first quarter of the CY 2022 with total arrivals of 285,334 up to March 2022. Russia, India, United Kingdom, Germany and France were Sri Lanka's top five tourist generating markets from September 2021 to March 2022, with India maintaining its position as the largest single market. Arrivals from Russia recorded a steady increase until February 2022, before slowing down in March 2022 due to the Russia-Ukraine conflict.

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 etc.

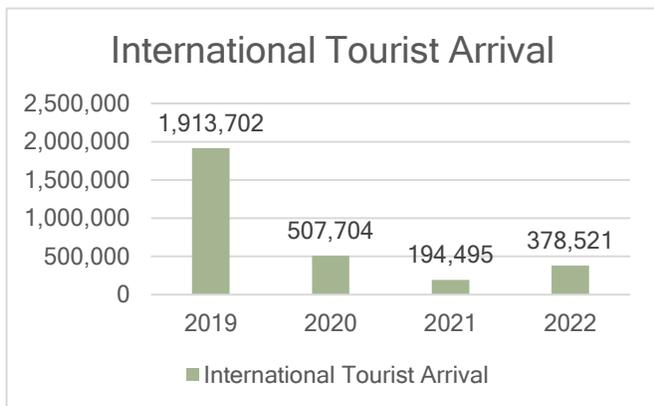
Outlook:

The ongoing economic crisis and political instability is likely to have inevitable implications on the tourism industry, overshadowing the momentum gained during the last quarter of the financial year. The shortage in essential items including energy, fuel and medicines remain a key concern and is likely to decrease of international arrivals. That said, a resolution to the country's political crisis and the gradual recovery of economic conditions with appropriate policy measures could signal a rapid turnaround for the tourism industry.

Global Economic Growth

Global economic growth firmed to 5.9% in the CY 2021, with advanced economies showing good recovery following unprecedented fiscal stimulus measures and the gradual easing of restrictions. Recovery remained uneven however, reflecting partial mobility restrictions across borders at different intervals, volatility in commodity prices, supply chain disruptions and geopolitical tensions. These pressures together with potential economic scarring from the Ukrainian-Russian conflict has dimmed the outlook for 2022, with the IMF projecting growth to moderate at 4.4% during the year.

Tourist Arrival



2019 - 1,913,702

2020 - 507,704

2021 - 194,495

2022- 378,521 till May 2022

Sri Lankan Economy

Sri Lanka’s current economic crisis resents the most significant risk to the tourism industry and the Company in the immediate term. The country’s GDP growth recovered to 3.7% in the CY 2021 (from a contraction of 3.6% in 2020); following strong rebound in the first quarter of the year, economic activity moderated following the surge in COVID-19 infections and lockdowns in the 2nd quarter. While pandemic-led disruptions eased towards the latter part of the year, this recovery was overshadowed by Sri Lanka’s deepening macro-economic vulnerabilities.

Inflation:

Sri Lanka’s inflationary pressures escalated during the year, reaching its highest level since October 2008. High aggregate demand, domestic supply disruptions, the increase in global commodity prices, and the sharp devaluation of the local currency led to escalation inflation levels, with the NCPI reaching 21.5% as at March 2022, compared to 5.1% in March 2021. Much of the inflationary pressure in March 2022 is weighing in from food items such as bread, seafood, vegetables (30.2%) and non-food items such as electricity, gas and housing (13.4%).

Exchange Rate:

The Sri Lankan Rupee traded within a relatively tight band for most of the FY 2021/22 against the US Dollar. However, as the Central Bank of Sri Lanka allowed greater flexibility in the exchange rate and floated the currency on the 7th of March 2022, the Rupee recorded sharp depreciation during the last month of the financial year, falling by 30% year on year (March 2022 versus March 2021) against the US Dollar. The Rupee weakened further in ensuing weeks.

Interest Rates:

Interest rates increased during the year in review, as monetary policy measures were refocused to address the demand driven inflationary pressures, preserve foreign exchange for the importation of essentials and stabilize the exchange rate of the currency. Accordingly, a tightening monetary policy stance was adopted by the Central Bank of Sri Lanka, with several increase in policy rates during the year, which resulted in the gradual uptick of market interest rates by end of financial year (FY) 2021/22.

Changing Needs of Travelers

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

Develop People Capability

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



Corporate Governance

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

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

Executive Directors

- Mr. 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. Danapala

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

Company Secretary

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

Financial Reporting

The Board of Directors confirm that the Financial Statements for the year ended 31st March 2022, 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 2022 is presented on Page No 30 to 34 of this Annual Report.

Supply of Information

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

Information Technology

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

Going Concern

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

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	3/3	N/A	N/A	N/A
Mr.L.S. Sigera	3/3	N/A	N/A	N/A
Mr.I.J.A. Karunarathna	3/3	N/A	N/A	N/A
Mr.D.D. Sunil	3/3	3/3	3/3	3/3
Mr.P.Sarathchandra	3/3	3/3	3/3	3/3
Mr. Peter A Stewart	N/A	N/A	N/A	N/A
Mr.V.N.D. Wickramasinghe	3/3	3/3	3/3	3/3
Mr. W.G. Danapala	2/3	N/A	N/A	N/A

Audit Committee

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

Remuneration Committee

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

Related Party Transaction Committee

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

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

Audit Committee Report

Membership and Appointment

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

Meetings

Due to the several of Directors and senior managers of the hotel having to be in quarantine in time to time, Audit Committee met only three times in this year, with The General Manager and the Accountant attend meetings under a standing invitation. The Chairman of the Board and other Directors were able to attend meetings of the Committee under the practice that any Director may attend any meeting of a Board Committee provided that they have no conflict of interest in respect of business to be discussed.

- ❖ The Chairman, Audit Committee advised the Management to look at the internal control systems. He noted that presently the Company is running the operations with minimum staff, which should also be considered, with the business picking up in the near future.
- ❖ The Audit Committee noted that the liquidity position should also be monitored closely. And advised the Management to have a market strategy in place.

Terms of Reference

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

Financial Statements

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

During the period under review the Committee,

- ❖ Audit Committee noted that Revenue of Rs. 13 Mn. and a Net Profit of Rs. 3.7 Mn. was recorded for the 3rd Quarter, which is an improvement from the previous quarter but Audit Committee observed that a profit has been recorded as a result of the profit of Rs. 4 Mn received from the sale of vehicles. And Committee noted that the impact of the Pandemic has affected the performance of the Company.

External Auditors

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

Audit Committee Effectiveness

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

D D Sunil
Chairman Audit Committee
15th July 2022

Remuneration Committee Report

The Remuneration Committee comprises of Two Independent Non-Executive Directors and one Non-Executive Director. The members of the Committee are as follows: Mr. D. D. Sunil - Independent Non-Executive Director, Mr. P. Sarathchandra - Non-Executive Director, Mr. V.N.D. Wickramasinghe - Independent Non-Executive Director. The Chairman of Remuneration committee is Mr. D.D. Sunil. The two Non-Executive Independent Directors are independent of management and free from any business or other relationship, which can otherwise interfere with the exercising of their independent judgment. The Managing Director of the Company attends the meetings by invitation. Due to the travel restriction situation of the country, and time to time members and hotel senior management having to be in quarantine, Committee met only 3 times in this year. The Company's policy on remuneration is to attract the best available talent and also to motivate and retain the services of the performers in the Company. This policy ensures that, the internal equity and fairness between various employees is maintained and that no discrimination is practiced on account of gender, age, ethnicity or religion.

However due to the restricted operation of the hotel and considering the current financial situation of the Company, The Managing Director informed the Committee in first and second quarter that they were compelled to reduce the number of staff and reduction of the salaries for all employees in the different categories by up to 65%. It was placed on record that the Directors have opted not to obtain any remuneration benefits from March 2020 onwards due to the revenue drop. Furthermore, the Committee recommended to the management to consider offering additional benefits to the staff, once the situation returns to normalcy. And it was implemented in third quarter with increasing lower staff salary with reasonable amount and management staff were obtain their full salary without any deduction from last quarter. as the Company also recognizes the life style of all employees and cost of living and inflation as well as industry norms.



*D.D.Sunil
Chairman
Remuneration Committee
15th July 2022*

Related Party Transaction Committee

The Related party Transaction Review Committee comprises of Two Independent Directors and one Non-Executive Director. The members of the Related Party Committee are as follows: Mr. D. D. Sunil - Independent Non - Executive Director, Mr. P. Sarathchandra - Non-Executive Director, Mr. V.N.D. Wickramasinghe - Independent Non-Executive Director. The Chairman of Related party Transaction Committee is a Mr. D.D. Sunil. Directors are independent of management and free from any business or other relationship, which can otherwise interfere with the exercise of their independent judgment. According to Rule 9.2.4 of the CSE Listings Rules, it is required for the Related Party Transactions Review Committee to meet at least once in a calendar quarter but due to the country travel restriction and time to time members and hotel senior management having to quarantine, Committee met only 3 times in this year.

The duties of the Committee:

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

Decisions and Summary of Proceedings

- There were no matters arising from the previous minutes to be taken up for discussion.
- The Chairman of the Related Party Transactions Review Committee noted that there were no related party transactions disclosed during the period 2021 /2022.
- The Committee made recommendations to the Board wherever approval of the Board was required to proceed with such related party transactions and also set guidelines for then senior management to follow with regard to on-going related party transactions.

Declaration by the board of directors

During the year, the Company did not have any related party transactions which required the approval of the shareholders or immediate market disclosure under the rules. The related party transactions are disclosed in note 23 on page 75 of the financial statements.



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

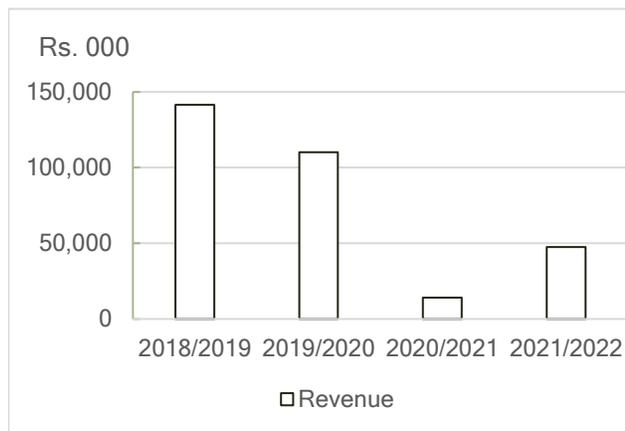
15th July 2022,

Financial Review

Ramboda Falls PLC's detailed Financial Review should be read in concurrence with the Audited Financial Statements of the Company for the financial period ended 31st March 2022.

Revenue

The Ramboda Falls PLC achieved Rs.47.6million revenue for the year under review with a positive increase compared to year 2021 though it was disastrous mainly due to the COVID-19 impact. Several improved strategies were used for cost management. (Refer the Managing Director's review).

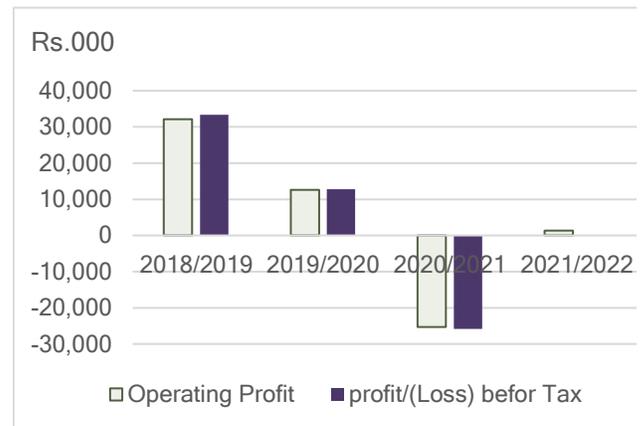


Market Value per Share

Ramboda falls PLC Market value per share as of 31.03.2022 was Rs. 16.00 compared to the last year Rs. 16.10

Operating Profit

The Company recorded a little improvement in core performance, with Operating profit amounting to Rs.1.4 Mn from a loss of Rs. 25 Mn in the previous year.



Assets / Liabilities

The Company has recorded a non-current asset of Rs. 674Mn at the end of the financial year and noncurrent liabilities stood at Rs. 91 Mn. The respective current asset and current liabilities of the Company stood at Rs. 19 Mn and Rs. 22 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 35 to 79. As per the provisions of the Companies Act, No. 7 of 2007, the Directors are required to prepare the Financial statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year. In preparing the financial statements, the Directors have selected appropriate accounting policies and applied them in a consistent manner. Such policies are supported by reasonable and prudent judgment and all applicable Accounting Standards have been followed. The Directors are also confident that the Company has adequate resources to continue operation, and have applied the going concern basis in preparing these Financial Statements. Furthermore, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and to ensure that the financial statements presented comply with the requirements of the Companies Act, No. 7 of 2007.

Furthermore, the Directors confirm that, after the review of the Company's Business Plan for the financial year 2021/2022, including cash flows and borrowing facilities, they are of the view that the Company has adequate resources to continue in operation and accordingly, have applied a going concern basis in preparing the financial statements.

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

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



L.S. Sigera
Director



I.J.A. Karunarathna
Director

15th July 2022

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 2022, 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 35 to 79.

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 2022, 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.



01. Management assessment of the Company ability to continue as going concern.	
Refer Accounting Policies in Note 2.7 and 29 to the financial statements	
Risk Description	Our Response
<p>The Company earned a marginal net profit of Rs. 3.5 Mn for the year ended 31st March 2022. Further, the Company's current liabilities exceeded its current assets by Rs 3.2 Mn and total interest-bearing loan and borrowings of Rs. 10.9 Mn as at the reporting date.</p> <p>However, these financial statements have been prepared on a going concern basis. In adopting the going concern basis in 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 events and the prevailing uncertain macro-economic environment.</p> <p>Note 29 to the financial statements, describes the impact of COVID-19 outbreak and the prevailing uncertain macro-economic environment to the current year financial statements and possible effects to the Company's, future prospects, performance and cash flows.</p> <p>We identified the management assessment of 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. • 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 and the prevailing uncertain macro-economic environment to the Company's ability to continue as going concern with reference to the requirements of the prevailing accounting standards.



02. Revaluation of Freehold Land, Buildings and Other assets	
Refer Accounting Policies in Note 3.2.1 and Note 11 to the financial statements	
Risk Description	Our responses
<p>The Company's Freehold Land, Building and Other assets are stated in the financial statements at their fair values which totaled to Rs. 666.8 Mn as at 31st March 2022 and represented 96% of the Company's total assets as at that date. A revaluation gain, net of tax of Rs.185 Mn was recorded in the statement of other Comprehensive income for the year ended 31st March 2022.</p> <p>The Company has engaged an independent professional Valuer with appropriate expertise to determine the fair value of the freehold land, buildings and other assets in accordance with recognized industry standards.</p> <p>We identified this as a key audit matter because of the magnitude of the Freehold Land, Building and Other assets, and amounts recognized in the financial statements and because the valuation can be inherently subjective and requires the exercise of significant judgments and estimation, in particular in determining the appropriate valuation methodology, capitalization rates, which increases the risk of error or potential management bias.</p>	<p>Our audit procedures included</p> <ul style="list-style-type: none"> ▪ Assessing the objectivity, independence, competence and qualifications of the external Valuer. ▪ With the assistance of our own valuation specialists assessing the key assumptions applied and conclusions made in deriving the fair value of the Freehold land buildings. In addition to that, we have assessed the valuation methodologies with reference to recognized industry standards. ▪ Assessing the adequacy of disclosures in relation to fair value of Freehold land, buildings and other assets in the financial statements in accordance with the relevant 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

15th July 2022

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

	Note	2022 Rs.	2021 Rs.
Revenue	5	47,564,705	14,024,885
Cost of Sales		(34,092,269)	(11,527,083)
Gross Profit		13,472,436	2,497,802
Other Operating Income	6	11,722,762	1,158,909
Administration & Other Expenses		(23,119,121)	(28,603,142)
Marketing & Selling Expenses		(702,398)	(403,577)
Profit/(Loss) From Operations	7	1,373,679	(25,350,008)
Finance Income	8.1	1,065,881	469,643
Finance Expenses	8.2	(460,393)	(980,288)
Net Finance Income/(Expense)	8	605,488	(510,645)
Profit/(Loss) Before Taxation		1,979,167	(25,860,653)
Income Tax Benefit	9	1,500,699	1,765,808
Profit/(Loss) for the year		3,479,866	(24,094,845)
Other comprehensive Income / (Expense)			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of Defined Benefit Obligation	17.2	206,649	728,093
Related tax on Remeasurement of Define Benefit Obligation		(28,931)	(101,933)
Revaluation gain on property, plant and equipment		215,647,995	-
Related tax on Revaluation gain		(30,190,719)	-
Total Other Comprehensive Income		185,634,994	626,160
Total Comprehensive Income/(Expenses)		189,114,860	(23,468,685)
Earnings/(Loss) Per Share	10	0.17	(1.20)

The accounting policies and notes on pages 39 through 79 form an integral part of the Financial Statements.

RAMBODA FALLS PLC**STATEMENT OF FINANCIAL POSITION****AS AT 31ST MARCH**

	Note	2022 Rs.	2021 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	11	674,022,672	466,344,472
Intangible Asset	12	70,302	116,302
Total Non Current Assets		674,092,974	466,460,774
Current Assets			
Inventories	13	2,965,412	904,865
Trade & Other Receivables	14	4,618,995	3,738,220
Cash & Cash Equivalents	15	11,331,181	5,205,791
Total Current Assets		18,915,588	9,848,876
TOTAL ASSETS		693,008,562	476,309,650
EQUITY AND LIABILITIES			
Equity			
Stated Capital	16	100,000,020	100,000,020
Revaluation Reserve		394,273,848	208,816,572
Retained Earnings		85,945,862	82,288,278
Total Equity		580,219,730	391,104,870
Non-Current Liabilities			
Retirement Benefit Obligation	17	4,184,705	5,557,080
Interest Bearings Loans & Borrowings	18	5,384,252	4,856,345
Deferred Tax Liability	19	81,091,885	53,304,744
Total Non-Current Liabilities		90,660,842	63,718,169
Current Liabilities			
Trade & Other Payables	20	14,426,274	12,648,839
Interest Bearings Loans & Borrowings	18	5,549,057	6,966,053
Income Tax Payable	21	1,259,635	327,825
Dividend Payable		652,627	652,627
Bank overdraft	15	240,397	891,267
Total Current Liabilities		22,127,990	21,486,611
Total Liabilities		112,788,832	85,204,780
TOTAL EQUITY & LIABILITIES		693,008,562	476,309,650
Net assets per share		29.01	19.56

The accounting policies and notes on pages 39 through 79 form an integral part of the Financial Statements.

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



.....
Kasun Wickramage
Finance Manager

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



.....
L. S. Sigera
Director



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

RAMBODA FALLS PLC**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2022**

	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01 st April 2020	100,000,020	208,816,572	105,756,963	414,573,555
Total comprehensive income/(expenses) for the year				
Loss for the year	-	-	(24,094,845)	(24,094,845)
Other comprehensive income for the year	-	-	626,160	626,160
Total comprehensive expenses for the year	-	-	(23,468,685)	(23,468,685)
Balance as at 31 st March 2021	100,000,020	208,816,572	82,288,278	391,104,870
Balance as at 01st April 2021	100,000,020	208,816,572	82,288,278	391,104,870
Total comprehensive income for the Year				
Profit for the year	-	-	3,479,866	3,479,866
Other comprehensive income for the year	-	185,457,276	177,718	185,634,994
Total comprehensive income for the year		185,457,276	3,657,584	189,114,860
Balance as at 31st March 2022	100,000,020	394,273,848	85,945,862	580,219,730

*The accounting policies and notes on pages 39 through 79 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.*

RAMBODA FALLS PLC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH,

	Note	2022 Rs.	2021 Rs.
Cash Flows from Operating Activities			
Profit/(Loss) before taxation		1,979,167	(25,860,653)
Adjustments for:			
Depreciation on property, Plant & Equipment	7	16,293,037	15,353,725
Amortisation of Intangible Assets	7	46,000	46,000
Provision for Employee Benefits	17.1	559,438	832,114
Finance Cost	8.2	460,393	980,288
Finance Income	8.1	(183,168)	(409,625)
Profit on Sales of Property Plant & Equipment	6	(9,477,973)	-
Provision for impairment of Trade receivables	14.1	-	152,654
Write off of Capital Work in Progress	11	2,132,883	-
Operating Profit/(Loss) before Working Capital Changes		11,809,777	(8,905,497)
(Increase)/Decrease in Inventories		(2,060,547)	1,140,856
(Increase)/Decrease in Trade & other Receivables		(880,775)	5,928,103
Increase/(Decrease) in Trade & other Creditors		1,777,435	(3,303,729)
Cash generated from/(Used in) operations		10,645,890	(5,140,267)
Interest Paid		(420,676)	(114,212)
Income tax paid	21	-	(1,123,293)
Gratuity Paid	17	(1,725,164)	-
Net cash generated from/(Used in) operating activities		8,500,050	(6,377,772)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(20,414,740)	(70,387)
Purchase of Capital Work in Progress	11	(4,213,412)	(6,795,685)
Sales of Property Plant & Equipment		23,650,000	-
Interest received		183,168	409,625
Net cash used in investing activities		(794,984)	(6,456,447)
Cash flows from financing activities			
Borrowings obtained	18.1	7,000,000	5,500,000
Repayment of Interest Bearing Borrowings	18.1	(4,866,900)	(250,000)
Principal Payment under Finance Lease Liabilities	18.4	(3,061,906)	(72,173)
Net cash (used in)/generated from financing activities		(928,806)	5,177,827
Net Increase/(Decrease) in Cash & Cash Equivalents		6,776,260	(7,656,392)
Cash & Cash Equivalents at the Beginning of the Year		4,314,524	11,970,916
Cash & Cash Equivalents at the End of the Year	15	11,090,784	4,314,524
Analysis of cash and cash equivalents			
Cash at bank	15	10,851,383	3,941,740
Cash in hand		479,798	1,264,051
Bank Overdraft		(240,397)	(891,267)
		11,090,784	4,314,524

The accounting policies and notes on pages 39 through 79 form an integral part of the Financial Statements.
 Figures in brackets indicate deductions.

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

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 36(2020/21 – 41)

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 2022 is set out in detail in the statement of directors’ responsibility.

The financial statements of the Company of the year ended 31st March 2022 were authorized for issue in accordance with resolution of the Board of Directors on 15th July 2022.

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****2.2. Basis of measurement**

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

Item	Basis of Measurement	Note Number
Freehold land and buildings and other assets	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation	11
Defined Benefit Obligations	Measured at the present value of the defined benefit obligation	17

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

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

2.4.1. Fair value of land and buildings and other assets

The Company measures land and buildings and other assets at revalued amounts with changes in fair value being recognised in Equity through Other Comprehensive Income (OCI). Valuations are performed every five years to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The Company engages independent professional valuer Mr. K.D Sirisena, Chartered Valuation Surveyor to assess fair value of land and buildings in terms of Sri Lanka Accounting Standard on “Fair Value Measurement” (SLFRS13). Based on the valuation techniques and inputs used, land and building were classified at level 3 in the fair value hierarchy.

The valuation techniques, significant unobservable inputs, key assumptions used to determine the fair value of the land and building are provided in Note 11.10 and 11.11.

2.4.2. Useful lifetime of the property, plant and equipment

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

2.4.3. Measurement of defined benefit obligation

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

2.5. 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.

The 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.

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).

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****2.5. Measurement of fair values (Contd.)**

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 separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on ‘Presentation of Financial Statements’ and amendments to the LKAS 1 on ‘Disclosure Initiative’.

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

2.7. Going Concern

The Company operates in the tourism sector that has been significantly affected by the COVID – 19 pandemics. Further, the challenging economic environment faced by Sri Lanka due to the current shortage of foreign currency reserves and political instability may create economic uncertainties and thus impact the normal operations of the businesses in the country.

In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of COVID-19 and current challenging economic environment on the Company and the appropriateness of the use of the going concern basis.

In March 2022, the management has evaluated the resilience of the business of the Company, considering a wide range of factors such as current and expected profitability, the ability to defer non- essential capital expenditure, debt repayment schedules, cash reserves and potential sources of financing facilities, if required, and the ability to continue providing goods and services.

Having presented the outlook of the Company to the Board, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. Refer Note 29 to the Financial Statements for impact of Current economic condition on the Financial Statements of the Company.

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****2.8. Comparative Information**

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

2.9. 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.

2.10. Rounding

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Foreign currency**3.1.1. Functional Currency and Presentation Currency**

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

3.1.2. Foreign currency transactions

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

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

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****3.1.2. Foreign currency transactions (Contd.)**

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

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

3.2. Assets and the Bases of Their Valuation

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

3.2.1. Property, plant and equipment**3.2.1.1. Recognition and measurement****3.2.1.1.1. Basis of recognition**

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

3.2.1.1.2. Basis of measurements

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

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

3.2.1.2. Subsequent measurement

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

3.2.1.2 Subsequent measurement (Contd.)

Other assets do not change other than by a significant amount at each reporting period, the Company will revalue such land every five years.

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

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and Buildings and other assets owned by the Company based on market values, this is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The details of land valuation are disclosed in Note No. 11.10 and 11.11 to the financial statements.

3.2.1.3. Subsequent cost

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

3.2.1.4. Depreciation

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

Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised as an expense in the Income statement.

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****3.2.1.4. Depreciation (Contd.)**

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	04 - 08
Cutlery, crockery and glassware	03

3.2.1.5. Derecognition

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

3.2.1.6. Capital work-in-progress

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

3.2.2. Right to use Assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

3.2.2.1 As a lessee

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****3.2.2.1 As a lessee (Contd.)**

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

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

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****3.2.3. Intangible assets****3.2.3.1. Recognition and measurement**

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

3.2.3.2. Computer software

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

3.2.3.3. Subsequent Expenditure

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

3.2.3.4. 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

3.2.3.5. De-recognition

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****3.2.4. Financial instruments****3.2.4.1. Recognition and initial measurement**

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

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

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

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

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

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

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

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

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****3.2.4.2 Classification and subsequent measurement (Cont.)**

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,

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****Financial Assets – Assessment whether contractual cash flows are solely payments of principal and interest (Contd.)**

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 flow such that it would not meet this condition. In marking this assessment, the Company consider:

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

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

Financial assets – subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at 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.

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

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

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

3.2.4.4. Derecognition**Financial asset**

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

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

Financial liabilities

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

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

3.2.4.5. Offsetting

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

3.2.4.6. Impairment**3.2.4.6.1. 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.

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****3.2.4.6.2. 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 another financial reorganisation.

3.2.4.6.3. Non-financial assets

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

For impairment testing, assets are grouped together into the smallest group 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.

RAMBODA FALLS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

3.2.5. Inventories

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

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

3.2.6. Cash and cash equivalents

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

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

3.2.7. Share capital

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

3.2.8. Employee benefits

3.2.8.1. Short-term employee benefits

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

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

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively and is recognized as an expense in profit and loss in the periods during which services are rendered by employees.

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

3.2.8.3. Defined benefit plans

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

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

The liability is not externally funded.

3.2.8.4. Termination benefits

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

3.2.9. Provisions

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

3.2.10. Contingent liabilities and contingent assets

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

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****3.2.10. Contingent liabilities and contingent assets (Contd.)**

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

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

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

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

Type of service	Nature and timing of the satisfaction of performance obligation
Provision of accommodation	The main obligation in the customer contract is to provide rooms for guests. accommodation. This is represented in the Room Revenue reported in the financial statements. Revenue under this segment is 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.

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

3.2.11.1. Other income

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

3.2.11.2. Ramboda Hydro power profit share

Hydro power profit share which has arisen as a result of lease agreement between the Company (lessor) and Ramboda Falls Hydro (Private) Limited (lessee). Whereas the Company is seized and possessed and otherwise well and sufficiently entitled channel path dedicated in plan No.105 dated 16th November 2008 made by K.W.R.L.S Premakumara Ranasinghe. Whereas the lessee has agreed to lease for a 40 year 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 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 from the financial year ended 2015/16.

3.2.12. Expenditure recognition

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

3.2.13. Finance income and finance costs

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

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

3.2.14. Income tax expense

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

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

3.2.14.1. Current taxation

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

3.2.14.2. Deferred taxation

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

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

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

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

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

3.2.14.3. Tax exposures

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

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

3.2.15. Cash flow statement

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

3.2.16. Earnings per share (EPS)

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

3.2.17. 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.

3.2.18. Dividends on ordinary shares

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

3.2.19. Segment Reporting

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

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****4. NEW STANDARDS AND CHANGES TO ACCOUNTING STANDARDS NOT EFFECTIVE AS AT THE REPORTING DATE**

A number of new standards and amendments to standards are effective for annual periods beginning after 1st April 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

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

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g., leases. The amendments apply for annual reporting periods beginning on or after 1 January 2023.

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

- **Reference to Conceptual Framework (Amendments to SLFRS 3). The amendment applies to annual reporting period beginning on or after 1 January 2022**

Key amendments are as follow:

- add to SLFRS 3 a requirement that, for transactions and other events within the scope of LKAS 37 or IFRIC 21, an acquirer applies LKAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination. The Company does not anticipate this amended to have a significant impact.
- add to SLFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The Company does not anticipate this amended to have a significant impact.

- **Annual Improvements to SLFRS Standards 2018–2020. The amendments are effective for annual reporting periods beginning on or after 1 January 2022**

As part of its process to make non-urgent but necessary amendments to accounting Standards, the IASB International Accounting Standards Board (the Board) has issued the Annual Improvements to SLFRS Standards 2018–2020. Key Aspects covered is as follows.

- SLFRS 1 First-time Adoption of International Financial Reporting Standards.

This amendment simplifies the application of SLFRS 1 for a subsidiary that becomes a first-time adopter of SLFRS Standards later than its parent. The Company does not anticipate this amended to have a significant impact.

- SLFRS 9 Financial Instruments.

This amendment clarifies that – for the purpose of performing the ‘10 per cent test’ for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. The Company does not anticipate this amended to have a significant impact.

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

- **Annual Improvements to SLFRS Standards 2018–2020. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 (Contd.)**

- LKAS 41 Agriculture

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in LKAS 41 with those in SLFRS 13 Fair Value Measurement.

- SLFRS 16 Leases

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

- **Property, Plant and Equipment: Proceeds before Intended Use (Amendments to LKAS 16).**

This amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The Company does not anticipate this amendment to have a significant impact.

- **Onerous contracts – Cost of Fulfilling a Contract (Amendments to LKAS 37)**

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1st January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The Company does not anticipate this amendment to have a significant impact.

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

The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. Additionally, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendment applies to annual reporting periods beginning on or after 1 January 2023

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

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

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

The Key amendments are as follows:

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

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

The key amendments include,

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH**

	2022	2021
	Rs.	Rs.
5 REVENUE		
5.1 Revenue Streams		
Restaurant Sales	22,090,155	6,997,040
Beverage & Liquor Sales	4,857,849	332,432
Room Sales	20,584,196	6,682,121
Other Revenue	32,505	13,292
Total Revenue	47,564,705	14,024,885

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

	2022	2021
	Rs.	Rs.
5.1.2 Timing of Revenue Recognition		
Products transferred at a point in time	47,564,705	14,024,885
	47,564,705	14,024,885

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	
	2022	2021	2022	2021	2022	2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Segment Revenue						
Revenue	43,850,007	11,835,693	3,714,698	2,189,192	47,564,705	14,024,885
Cost of Sales	(28,670,675)	(9,848,918)	(5,421,594)	(1,678,165)	(34,092,269)	(11,527,083)
Segment Results	15,179,332	1,986,774	(1,706,896)	511,027	13,472,436	2,497,802
Other Income	11,719,172	1,158,909	3,590	-	11,722,762	1,158,909
Administrative Expenses	(21,229,707)	(23,510,141)	(1,889,414)	(5,093,001)	(23,119,121)	(28,603,142)
Marketing & Selling Expenses	(677,040)	(392,512)	(25,358)	(11,065)	(702,398)	(403,577)
Profit/(Loss) from Operating Activities	4,991,757	(20,756,968)	(3,618,078)	(4,593,040)	1,373,679	(25,350,008)
Net Finance Income/(Expense)	605,488	(510,645)	-	-	605,488	(510,645)
Profit/(Loss) from Operations before Income Tax	5,597,246	(21,267,613)	(3,618,078)	(4,593,040)	1,979,167	(25,860,653)
Income Tax Benefit	1,500,699	1,765,808	-	-	1,500,699	1,765,808
Profit/(Loss) from Operations after Income Tax	7,097,945	(19,501,805)	(3,618,078)	(4,593,040)	3,479,866	(24,094,845)
Capital Expenditure	24,428,752	6,866,072	199,400	-	24,628,152	6,866,072
Depreciation / Amortisation	12,947,087	11,775,195	3,391,950	3,624,530	16,339,037	15,399,725
(b) Geographical segment analysis of assets and liabilities						
Non Current Assets	615,025,867	413,856,529	59,067,107	52,604,245	674,092,974	466,460,774
Current Assets	16,347,464	9,071,824	2,568,124	777,052	18,915,588	9,848,876
Total Assets	631,373,331	422,928,353	61,635,231	53,381,297	693,008,562	476,309,650
Non Current Liabilities	90,432,171	62,994,928	228,671	723,241	90,660,842	63,718,169
Current Liabilities	21,345,545	20,421,140	782,445	1,065,471	22,127,990	21,486,611
Total Liabilities	111,777,716	83,416,068	1,011,116	1,788,712	112,788,832	85,204,780

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH**

	2022	2021
	Rs.	Rs.
6. OTHER OPERATING INCOME		
Profit on disposal of property plant and equipment	9,477,973	-
Green Leaf Sales	377,411	414,597
Income from land lease (Note 6.1)	1,443,040	728,926
Elevator & Shuttle Service Income	369,890	15,386
Sales of Scraps	54,448	-
	<u>11,722,762</u>	<u>1,158,909</u>

6.1 Income from land lease

During the financial year, the Company has recorded Rs. 1,443,040/- (2020/2021 - Rs. 728,926/-) 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 Septemehr 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.

	2022	2021
	Rs.	Rs.
7. PROFIT/(LOSS) FROM OPERATIONS		
<i>Profit/(Loss) from operations is stated after charging all expenses including the following:</i>		
Directors Remuneration	1,500,000	-
Auditors Remuneration	446,250	335,000
Depreciation on property, plant and equipment	16,293,037	15,353,725
Amortization of intangible assets	46,000	46,000
Impairment Provision for Trade Receivables	-	152,654
Donation	24,300	1,285
Staff costs :		
Salaries wages	9,373,446	8,901,656
Employees Provident Fund	359,124	761,337
Employees Trust Fund	89,781	184,247
Provision for employee benefits	559,438	832,114

	2022	2021
	Rs.	Rs.
8. NET FINANCE INCOME/(EXPENSE)		
8.1 Finance Income		
Interest Income on savings accounts	183,168	409,625
Exchange Gain	882,713	60,018
	<u>1,065,881</u>	<u>469,643</u>
8.2 Finance Expenses		
Interest expenses on Bank Overdraft	-	6,192
Net Interest expenses on Finance Lease (Note 18.5)	39,717	866,077
Interest expenses on bank borrowings	420,676	108,019
	<u>460,393</u>	<u>980,288</u>
Net finance Income /(Expenses)	<u>605,488</u>	<u>(510,645)</u>

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH**

	2022	2021
	Rs.	Rs.
9. INCOME TAX EXPENSE/(BENEFIT)		
9.1 Amounts recognised in Profit or Loss		
Current tax expense (Note 9.3)	390,290	273,252
Under Provision in respect of previous years	541,520	482,936
Deferred tax charge/(reversed) during the year (Note 19.2)	<u>(2,432,509)</u>	<u>(2,521,996)</u>
Total Income tax benefit recognised in the Profit or Loss	<u>(1,500,699)</u>	<u>(1,765,808)</u>

9.2 Amounts recognised in OCI**Items that will not be reclassified to profit or loss****For The Year Ended 31st March 2022**

Revaluation gain on property, plant and equipment

Before Tax	Tax (expense)/ benefit	Net of Tax
215,647,995	(30,190,719)	185,457,276
206,649	(28,931)	177,718
215,854,644	(30,219,650)	185,634,994

Remeasurement of Defined Benefit Obligation

Total income tax recognised in other comprehensive income**For The Year Ended 31st March 2021**

Remeasurement of Defined Benefit Obligation

Total income tax recognised in other comprehensive income

728,093	(101,933)	626,160
<u>728,093</u>	<u>(101,933)</u>	<u>626,160</u>

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

Accounting Profit/(Loss) before taxation	1,979,167	(25,860,653)
Income not form a part of Business Profit	(1,626,208)	(1,138,551)
Aggregate disallowable items	33,266,268	17,440,257
Aggregate allowable items	<u>(27,437,661)</u>	<u>(15,269,576)</u>
Assessable Income/(Loss) from Business	6,181,566	(24,828,523)
Utilization of tax losses during the year	<u>(6,181,566)</u>	<u>-</u>
Taxable Income from Business	-	-
Assessable Interest Income	1,626,208	1,138,551
Taxable Income	<u>1,626,208</u>	<u>1,138,551</u>
Income tax charged at		
Tax on Statutory Income @ 24%	390,290	273,252
Total Current tax expense	<u>390,290</u>	<u>273,252</u>

9.4 Income tax provisions applicable

In accordance with the provisions of the Inland Revenue (Amendment) Act No 10 of 2022, the Company is liable for Income Tax at the rate of 14% on its taxable Business income. (2020/2021 - 14%). Income Tax for any other income is computed at 24%.

9.5 Tax Losses Carried Forward

	2022	2021
	Rs.	Rs.
Tax Losses brought forward	24,828,523	-
Tax Losses during the Year	-	24,828,523
Utilization of tax losses	<u>(6,181,566)</u>	<u>-</u>
Tax Losses carried forward	<u>18,646,958</u>	<u>24,828,523</u>

10. EARNINGS/(LOSS) PER SHARE

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

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

For the year ended 31st March	2022	2021
Profit/(Loss) attributable to the ordinary equity holders	3,479,866	(24,094,845)
Weighted average number of ordinary shares outstanding at the year end	20,000,000	20,000,000
Earnings/(Loss) per share (Rs.)	<u>0.17</u>	<u>(1.20)</u>

10.1 Diluted Earnings per share

There were no potentially dilutive ordinary shares as at 31st March 2022 and there have been no transactions involving ordinary shares or potential ordinary shares as at the reporting date which would require restatement of EPS.

MBODA FALLS PLC
IES TO THE STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2022

PROPERTY, PLANT & EQUIPMENT

	Freehold Land		Freehold Building		Motor Vehicle		Furniture & Fittings		Cutlery Crockery Glassware & Linen		Office Equipment		Plant & Machinery		Capital Work in Progress		Right of use Assets Vehicle		Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Balance as at 1 st April 2020	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	517,443,096											
Additions during the Year	-	-	-	70,387	-	-	-	-	-	-	6,795,685	-	-	-	-	-	-	-	-	6,866,072	
Balance as at 31st March 2021	176,999,980	251,609,538	5,117,679	16,759,385	4,136,531	1,663,230	24,233,174	11,839,657	31,949,994	524,309,168											
Additions during the Year	-	-	19,150,000	-	462,000	231,400	571,340	4,213,412	-	24,628,152											
Transfers during the Year	-	11,107,308	26,699,994	-	-	-	-	(11,107,308)	-	(26,699,994)											
Disposal during the year	-	-	(26,490,000)	-	-	-	-	-	-	-											
Write off during the year	-	-	-	-	-	-	-	(2,132,883)	-	(2,132,883)											
Accumulated depreciation transferred on Revaluation	-	(27,020,196)	(4,339,716)	(8,692,687)	-	(891,008)	(10,510,226)	-	-	(51,453,833)											
Surplus on revaluation	132,006,320	13,582,423	9,112,043	18,233,833	-	2,268,819	40,444,557	2,812,878	5,250,000	684,508,599											
Balance as at 31st March 2022	309,006,300	249,279,073	29,250,000	26,300,531	4,598,531	3,272,441	54,738,845	2,812,878	5,250,000	684,508,599											
ACCUMULATED DEPRECIATION																					
Balance as at 1 st April 2020	-	17,512,777	2,153,165	5,964,783	2,943,803	583,612	5,462,748	-	7,990,083	42,610,971											
Charge for the year	-	5,432,811	554,210	1,570,880	676,644	175,179	2,950,251	-	3,993,750	15,353,725											
Balance as at 31st March 2021	-	22,945,588	2,707,375	7,535,663	3,620,447	758,791	8,412,999	-	11,983,833	57,964,696											
Charge for the year	-	5,566,084	3,596,896	1,978,916	454,606	239,021	3,801,264	-	656,250	16,293,037											
Transfers during the Year	-	-	11,271,999	-	-	-	-	-	(11,271,999)	-											
Disposals During the year	-	-	(12,317,973)	-	-	-	-	-	-	(12,317,973)											
Accumulated depreciation transferred on Revaluation	(27,020,196)	(4,339,716)	(4,339,716)	(8,692,687)	-	(891,008)	(10,510,226)	-	-	(51,453,833)											
Balance as at 31st March 2022	-	1,491,476	918,581	821,892	4,075,053	106,804	1,704,037	-	1,368,084	10,485,927											
Carrying Amount as at 31st March 2022	309,006,300	247,787,597	28,331,419	25,478,639	523,478	3,165,637	53,034,808	2,812,878	3,881,916	674,022,672											
Carrying Amount as at 31st March 2021	176,999,980	228,663,950	2,410,304	9,223,722	516,084	904,439	15,820,175	11,839,657	19,966,161	466,344,472											

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2022

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.1 Property, plant and equipment under construction

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

11.2 Title restriction on property, plant and equipment

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

11.3 Acquisition of property, plant and equipment during the year

During the financial year, the Company acquired PPE to the aggregate value of Rs. 24.6 million (2020/2021 - Rs. 6.8 million) by means of cash.

11.4 Capitalisation of borrowing cost

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2021/2022 (2020/2021 – Nil).

11.5 Temporarily Idle property, plant and equipment

There are no temporarily idle property, plant or equipment as at the reporting date. (2020/2021 - Nil).

11.6 Impairment of property, plant and equipment

The Board of Directors has assessed the potential impairment loss of PPE as at 31 March 2022 by considering the impact from the current economic condition as well. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of PPE (2020/2021 - Nil).

11.7 Fully depreciated property, plant and equipment in use

Property, plant and equipment includes fully depreciated assets with a cost of Rs. 3,533,516/- (31 March 2021 - Rs. 6,831,946/-) which were in use during the year.

11.8 Property, plant and equipment pledged as security for liabilities

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

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

11.9 Revaluation of land, buildings and other assets

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

RAMBODA FALLS PLC

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2022

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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

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

11.11 Fair value measurement

(a) Fair value hierarchy

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

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

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

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

Contractor's Method of valuation

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

Market Approach

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

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

	Freehold Land	Buildings	Motor Vehicle	Furniture & Fittings	Office Equipment	Plant & Machinery
As at 31 March 2021						
Cost	10,967,078	102,518,932	4,737,679	13,092,826	918,714	16,868,286
Accumulated depreciation	-	(60,908,835)	(2,107,375)	(10,109,159)	(550,798)	(8,489,532)
Carrying value	10,967,078	41,610,097	2,630,304	2,983,667	367,916	8,378,754
As at 31 March 2022						
Cost	10,967,078	113,626,240	24,477,679	13,092,826	1,150,114	17,439,626
Accumulated depreciation	-	(67,710,074)	(4,925,436)	(11,377,354)	(971,084)	(11,653,503)
Carrying value	10,967,078	45,916,166	19,552,243	1,715,472	179,030	5,786,123

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS**AS AT 31ST MARCH,

	2022 Rs.	2021 Rs.
12. INTANGIBLE ASSETS		
Cost		
Balance as at 1 st April	1,860,000	1,860,000
Balance as at 31st March	1,860,000	1,860,000
Accumulated Amortization		
Balance as at 1 st April	1,743,698	1,697,698
Amortization during the year	46,000	46,000
Balance as at 31st March	1,789,698	1,743,698
Net Book Value	70,302	116,302
13. INVENTORIES	2022	2021
	Rs.	Rs.
Food	2,109,985	237,194
Bar stock	344,277	203,281
House keeping	274,349	150,603
Stationery	61,388	67,921
Building Maintenance	175,413	245,866
	2,965,412	904,865
14. TRADE AND OTHER RECEIVABLES	2022	2021
	Rs.	Rs.
Trade receivables	2,368,666	3,245,185
Provision For Bad Debtors (Note 14.1)	(90,113)	(529,207)
	2,278,553	2,715,978
Advance and Prepayment	947,231	501,240
WHT Receivables	16,014	16,014
Other receivables	1,377,197	504,988
	4,618,995	3,738,220
14.1 Provision for impairment of trade receivables		
Balance at beginning of the year	529,207	376,553
Write off during the year	(439,094)	-
Provision made during the year	-	152,654
Balance as at the end of the year	90,113	529,207
<i>There is no enforcement activities relating to the write-off of debtors during the year.</i>		
14.2 Other Receivables Suspense		
Other Receivables Suspense (Note 14.2.1)	3,046,663	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 2022. However, estimated loss for the Company is Rs.3,046,670 which is fully provisioned during the year 2016/2017.

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST MARCH**

	2022	2021
	Rs.	Rs.
15. CASH & CASH EQUIVALENTS		
Cash at Bank	10,851,383	3,941,740
Cash in Hand	479,798	1,264,051
Total cash and cash equivalents	11,331,181	5,205,791
Bank overdraft	(240,397)	(891,267)
Net cash and cash equivalents for the cash flow statement purpose	11,090,784	4,314,524

16. STATED CAPITAL

	2022		2021	
	Number of	Value of	Number of	Value of
	shares	shares	shares	shares
		Rs.		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.

	2022	2021
	Rs.	Rs.
Balance at the beginning of year	208,816,572	208,816,572
Revaluation gain during the year	215,647,995	-
Deferred Tax relating to revaluation of building	(30,190,719)	-
Balance at the end of year	394,273,848	208,816,572

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST MARCH**

	2022	2021
	Rs.	Rs.
17. RETIREMENT BENEFIT OBLIGATION		
Balance at the beginning of the year	5,557,080	5,453,059
Current service costs	429,927	640,427
Interest Cost	129,511	191,687
Actuarial gain on defined benefit obligations	(206,649)	(728,093)
Payments made during the year	(1,725,164)	-
Liability for defined benefit obligations as at 31st March	4,184,705	5,557,080

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

Current service costs	429,927	640,427
Interest cost	129,511	191,687
	559,438	832,114

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

Actuarial gain on defined benefit obligations	206,649	728,093
	206,649	728,093

17.3 The gratuity liability as at 31st March 2022 for the company is made based on the internally generated formula.

The principal assumptions made are given below;

	2022	2021
Discount rate	13.5%	7.0%
Rate of Salary Increment	10.0%	3.0%
Staff Turnover Factor	15.5%	15.5%
Retirement age	60 years	55 years

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

17.4 Sensitivity of assumptions used

	2022	2021
	Rs.	Rs.
A quantitative sensitivity analysis for significant assumptions as at 31 st March is, as shown below:		
Increase /(decrease) in discount rate		
+1%	(66,528)	(138,937)
-1%	70,823	148,216
Increase /(decrease) in salary Increment rate		
+1%	72,470	152,636
-1%	(69,187)	(145,521)

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

	2022	2021
	Rs.	Rs.
Current Liability		
Bank borrowings (Note 18.1)	4,450,400	3,233,363
Finance Lease Liability (Note 18.4)	1,098,657	3,732,690
	5,549,057	6,966,053
Non-current Liability		
Bank borrowings (Note 18.1)	2,932,700	2,016,637
Finance Lease Liability (Note 18.4)	2,451,552	2,839,708
	5,384,252	4,856,345
Total borrowings	10,933,309	11,822,398

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST MARCH**

	2022	2021		
	Rs.	Rs.		
18. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)				
18.1 Movement in Loans And Borrowings				
Balance at the beginning of the year	5,250,000	-		
Loans received during the year	7,000,000	5,500,000		
Loan repayments during the year	(4,866,900)	(250,000)		
Balance at the end of the year	7,383,100	5,250,000		
Current	4,450,400	3,233,363		
Non-current	2,932,700	2,016,637		
Total Bank borrowings balance at the end of the year	7,383,100	5,250,000		
18.2 Maturity Analysis of Loans And Borrowings				
Within 1 year	4,450,400	3,233,363		
Between 1 and 2 years	2,932,700	1,650,050		
Between 2 and 5 years	-	366,587		
	7,383,100	5,250,000		
18.3 The Details the bank borrowings as at the reporting date are as follows :				
	Loan	Grant	Instalment	Interest p.a.
	Description	Amount	Date	Amount
Hatton National Bank (Loan 1- LKR 4.5 Mn)	4,500,000	Aug-20	250,000	4% Per Annum
Hatton National Bank (Loan 2- LKR 1 Mn)	1,000,000	Feb-21	33,333	4.75% Per Annum
Hatton National Bank (Loan 2- LKR 7 Mn)	7,000,000	May-21	233,367	4.75% Per Annum
18.4 Movement in Finance Lease Liability				
	2022	2021		
	Rs.	Rs.		
Balance at the beginning of the year	6,572,398	5,778,494		
Repayment during the year	(3,061,906)	(72,173)		
Interest expense on Finance Lease	469,388	866,077		
Benefit from early settlement of lease	(429,671)	-		
Balance at the end of the year	3,550,209	6,572,398		
Current	1,098,657	3,732,690		
Non-current	2,451,552	2,839,708		
Total Finance Lease balance at the end of the year	3,550,209	6,572,398		
18.5 Amounts recognised in statement of profit or loss				
Interest expense on Finance Lease	469,388	866,077		
Benefit from early settlement of lease	(429,671)	-		
	39,717	866,077		
18.6 Amount recognized in statement of cashflows				
Total cash outflows for leases	(3,061,906)	(72,173)		
18.7 Maturity Analysis of Finance Lease Liability				
Within 1 year	1,098,657	3,732,690		
Between 1 and 2 years	786,404	1,023,653		
Between 2 and 5 years	1,665,148	1,816,055		
	3,550,209	6,572,398		
18.8 Hatton National Bank PLC Lease				

The Company has obtained two leases amounting to Rs.8 Mn for the purpose of purchase two Outlander Jeeps for traveling purpose on 25th January 2018 and this lease fully settled during the year. The Company has obtained a leases amounting to Rs.3 Mn for the purpose of purchase a bus on 24th February 2020. The lease is payable in 48 Monthly installments.

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST MARCH**

	2022 Rs.	2021 Rs.
19. DEFERRED TAXATION		
19.1 DEFERRED TAX LIABILITY		
Balance at the beginning of the year	53,304,744	55,724,807
Amount recognized/(reversed) during the year - (Note 19.2)	27,787,141	(2,420,063)
Balance at the end of the year	81,091,885	53,304,744
19.2 Amount recognized during the year	2022 Rs.	2021 Rs.
Amount recognized/(reversed) during the year - Other Comprehensive Income	30,219,650	101,933
Amount recognized/(reversed) during the year - Profit and Loss	(2,432,509)	(2,521,996)
Total amount recognized during the year	27,787,141	(2,420,063)

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

	2022		2021	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
Deferred tax liabilities on,				
Property, Plant and Equipment and ROU Assets	587,052,781	82,187,389	393,406,853	55,076,959
	587,052,781	82,187,389	386,834,455	55,076,959
Deferred tax assets on,				
Retirement benefit obligation	4,184,705	585,859	5,557,080	777,991
Impairment provision for Trade receivable	90,113	12,616	529,207	74,089
Lease liability on ROU Assets	3,550,209	497,029	6,572,398	920,135
	7,825,027	1,095,504	6,086,287	1,772,215
Net recognised deferred tax liability	579,227,754	81,091,885	380,748,168	53,304,744

19.4 Unrecognised deferred tax assets on tax losses

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

	2022		2021	
	Temporary Differences Rs	Tax effect on temporary differences Rs	Temporary Differences Rs	Tax effect on temporary differences Rs
Carried forward tax losses	18,646,958	2,610,574	24,828,523	3,475,993
	18,646,958	2,610,574	24,828,523	3,475,993

19.5 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 and amounting to Rs. 132,006,320/- as at 31st December 2021, which is considered as the potential gain liable for taxation as at the Balance Sheet date on future realization. Accordingly, the Company has recognized a deferred tax liability of Rs. 41,725,491/- 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

	2022	2021
	Rs.	Rs.
20. TRADE AND OTHER PAYABLES		
Trade payables	4,545,233	2,055,029
Welfare Fund	33,750	-
VAT Payable	364,878	364,878
Accrued expenses	9,482,413	10,228,932
	14,426,274	12,648,839

21. INCOME TAXATION PAYABLES

Balance as at 01 st April	327,825	1,123,293
Under/(Over) in respect of previous years	541,520	482,936
Withholding and Other Credits	-	(428,363)
Income Tax Provision for the year	390,290	273,252
Income Tax payments	-	(1,123,293)
Balance as at 31st March	1,259,635	327,825

22. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

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

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

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

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

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

As at 31st March 2022	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	3,671,765	-	3,671,765	-	-	-	-
Cash and cash equivalents	15	11,331,181	-	11,331,181	-	-	-	-
		15,002,946	-	15,002,946	-	-	-	-
Financial Liabilities								
Interest bearing borrowings	18	-	10,933,309	10,933,309	-	-	-	-
Trade payables	20	-	4,545,233	4,545,233	-	-	-	-
Other payables	20	-	398,628	398,628	-	-	-	-
Bank overdraft	15	-	240,397	240,397	-	-	-	-
		-	16,117,567	16,117,567	-	-	-	-

As at 31st March 2021	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	3,236,980	-	3,236,980	-	-	-	-
Cash and cash equivalents	15	5,205,791	-	5,205,791	-	-	-	-
		8,442,771	-	8,442,771	-	-	-	-
Financial Liabilities								
Interest bearing borrowings	18	-	11,822,398	11,822,398	-	-	-	-
Trade payables	20	-	2,055,029	2,055,029	-	-	-	-
Provisions and other payables	20	-	10,593,810	10,593,810	-	-	-	-
Bank overdraft	15	-	891,267	891,267	-	-	-	-
		-	25,362,503	25,362,503	-	-	-	-

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

	2022	2021
	Rs.	Rs.
As at 31 st March		
Short term employee benefits	1,500,000	-
Total	1,500,000	-

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****FOR THE YEAR ENDED 31ST MARCH 2022****24. FINANCIAL RISK MANAGEMENT****Overview**

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

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

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

Risk management framework

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

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

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

24.1 Credit Risk

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

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

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

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

24.1.1 The maximum exposure to credit risk at reporting date

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

As at 31st March	2022	2021
	Rs.	Rs.
Trade Receivables	2,278,553	2,715,978
Cash at Bank	10,851,383	3,941,740
	13,129,937	6,657,718

Mitigation of Credit Risk**Trade Receivables**

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

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

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

Impairment of receivables

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

Age analysis of trade receivables**As at 31st March****Not due 0-30 days****Past due:**

1-60 days

61-120 days

121 above

Total Trade receivables

Gross Receivables		Impairment Allowance		Carrying Value	
2022	2021	2022	2021	2022	2021
1,331,272	-	-	-	1,331,272	-
416,864	10,000	-	-	416,864	10,000
565,015	21,050	(34,598)	-	530,417	21,050
55,515	3,214,135	(55,515)	(529,207)	-	2,684,928
2,368,666	3,245,185	(90,113)	(529,207)	2,278,553	2,715,978

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022****24. FINANCIAL RISK MANAGEMENT (CONTD.)****Cash & Cash Equivalents**

The Company held cash at bank of Rs. 10.8 Mn as at 31 March 2022 (31 March 2021 - Rs.3.9 Mn) which represent its maximum credit exposure on these assets. The cash at bank with counterparties, which are rated AA- /AAA, based on fitch ratings.

24.2 Liquidity risk

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

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

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

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

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

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

As at 31 st March 2022	Carrying amount	Contractual cash flows			
		Total	Less than 1 Year	1-2 years	2-5 years
Interest Bearing Borrowings	10,933,309	11,484,777	5,675,303	3,993,088	1,816,386
Trade Payables	4,545,233	4,545,233	4,545,233	-	-
Bank overdraft	240,397	240,397	240,397	-	-
	15,718,939	16,270,407	10,460,933	3,993,088	1,816,386

As at 31 st March 2021	Carrying amount	Contractual cash flows			
		Total	Less than 1 Year	1-2 years	2-5 years
Interest Bearing Borrowings	11,822,398	12,443,873	7,318,846	2,928,896	2,196,131
Trade Payables	2,055,029	2,055,029	2,055,029	-	-
Bank Overdraft	891,267	891,267	891,267	-	-
	14,768,693	15,390,170	10,265,142	2,928,896	2,196,131

Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has access to approved short-term financing facilities from commercial banks if required.

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2022****24. FINANCIAL RISK MANAGEMENT (CONTD.)****24.3 Market risk**

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

Market risk comprise of the following types of risk:

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

24.3.1 Currency risk

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

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

The LKR has depreciated against USD significantly after the reporting date, this may lead to substantial impact on the future profits of the Company.

	<u>2022</u>	<u>2021</u>
HNB Foriegn currancy account (USD)	9,319	5,880

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

Conversion rate	299	198
Net Foreign Currency Cash and cash Equivalents in LKR	<u>2,786,252</u>	<u>1,161,921</u>

Impact of increase in 15% USD rate - USD denominated borrowings - gain / (loss)	<u>417,938</u>	<u>174,288</u>
Impact of decrease in 15% USD rate - USD denominated borrowings - gain / (loss)	<u>(417,938)</u>	<u>(174,288)</u>

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

24.3.2 Interest rate risk

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

Interest rate risk profile

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

As at 31 st March 2022	Fixed rate interest	Variable rate interest	Variable interest Loan Balance	Effect on Profit before Tax	
				Impact of 1% increase	Impact of 1% decrease
Financial liabilities					
Interest-bearing borrowings	460,393	-	-	-	-
As at 31st March 2021					
Financial liabilities					
Interest-bearing borrowings	980,288	-	-	-	-

Fair value sensitivity analysis for fixed rate instruments

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

RAMBODA FALLS PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2022****25. CAPITAL MANAGEMENT**

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

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

	2022	2021
	Rs.	Rs.
Total Liabilities	112,788,832	85,204,780
Less: Cash and cash equivalents	(11,331,181)	(5,205,791)
Net Liabilities	101,457,650	79,998,989
Equity	580,219,730	391,104,870
Gearing ratio	0.17	0.20

26. EVENTS OCCURRING AFTER THE REPORTING DATE

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

Value Added Tax (VAT)

The zero (0%) VAT rate granted from 01 December 2019, for the supply of services by a hotel, guest house, restaurant or other similar businesses providing similar services, registered with the Sri Lanka Tourism Development Authority, is removed and will be liable at the rate of 12% from 1st July 2022.

27. CONTINGENT LIABILITIES

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

28. DIRECTORS RESPONSIBILITIES

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

29. IMPACT FROM RAPID CHANGE IN MACRO ECONOMIC FACTORS**The Macro Economic Environment of Sri Lanka**

The Company's operations are in Sri Lanka that has been witnessing, severe events that have set off an interconnected fiscal, monetary and economic crisis and as well as deep recession that have reached unprecedented levels. Sovereign credit ratings have witnessed a series of downgrades by all major rating agencies and reached the level of 'Default'.

Due to drastic decrease in foreign reserves of Sri Lanka, Central bank of Sri Lanka decided to float the rupee from 10th March 2022 and as a further measurement, the CBSL increased the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 700 basis points to 13.50 per cent and 14.50 per cent, respectively, effective from the close of business on 08 April 2022. These changes in underlying economic factors have fluctuated the prices of inputs and outputs of the company.

This has resulted in an uncontrolled rise in prices and the drastic depreciation of the Sri Lankan Rupee, impacting intensely the purchasing power of the Sri Lankan citizens, driving a currency crisis, high inflation and rise in the consumer price index.

Impact on Internal Operations & Business Continuity

The challenging economic environment faced by Sri Lanka due to the current shortage of foreign currency reserves and political instability may create economic uncertainties and thus impact the normal operations of the businesses in the country. In the current context, local hospitality establishments face a variety of challenges in managing the daily operations. Among those, major concerns relate to the shortage of essential items, restrictions imposed on imported goods, spiraling cost of inputs and other utilities, disruptions to operations from regular power outages and unavailability of fuel and gas. The Company is closely monitoring the economic environment of the country and the Company's operating activities are being accordingly adjusted to ensure its business continuity. The Company is frequently monitoring its stock levels of diesel, gas, food, and other stocks, and is continuously liaising with respective suppliers to secure required stocks. Additionally, the Company is continuously evaluating and making necessary adjustments to hotel rates according to the material price changes.

Impact on Assets & Impairments

As a result of the steps taken by company, Company could maintain the standard operations without causing disturbance to performance of the company and its assets. Therefore, no requirement arose on impairment of Financial and Non-Financial Assets of the Company while the Company has improved the plant and machinery for serving a better quality of services.

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. 03.2022

Shareholding category	2022			2021		
	No. of Shareholders	No of Shares	%	No of Share holders	No of Shares	%
1 to 1,000	579	96,780	0.48	483	72,506	0.36
1,001 to 10,000	135	484,248	2.43	79	277,700	1.39
10,001 to 100,000	44	1,279,197	6.39	29	715,696	3.58
100,001 to 1,000,000	7	2,222,123	11.11	3	1,046,814	5.23
Over 1,000,000	3	15,917,652	79.59	4	17,887,284	89.44
Total				598	20,000,000	100.00

Share Price Movements during the year

Market Price	Quarter Ended				Year Ended	
	30.06.2021	30/09/2021	31/12/2021	31/03/2022	31.03.2022	31.03.2021
Highest Rs.	19.40	24.50	24.20	22.00	24.50	21.80
Lowest Rs.	14.60	16.10	19.00	13.10	13.10	15.00
Closing Rs.	17.20	21.00	22.00	16.00	16.00	16.10

Categories of share Holders

Category/ No of shareholders	2022	2021
Individual	739	584
Institutions	29	14
Total	768	598

Float adjusted market capitalization as at 31st March 2022

Rs. 91,161,616

Total No of Shareholders representing the public Holding

762

Share Holdings as at 31st March

Share Holding	2022			2021		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Public Holding	762	5,697,601	28.488%	592	5,697,601	28.488%
Directors Holding	6	14,302,399	71.512%	6	14,302,399	71.512%
Total	768	20,000,000	100%	598	20,000,000	100%

The float adjusted market capitalization as at 31st March 2021 is Rs. 91.7 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, 2021

No	Name of Shareholder	No of share	Shareholding %
1	Mr. L S Sigera	7,080,700	35.4
2	Mr. I J A Karunaratna	7,080,700	35.4
3	Mr. P D Panagoda	1,756,252	8.78
4	Mrs. P K Amaradasa	630,823	3.15
5	Miss. S H Karunaratna	493,753	2.47
6	Myland Developments Ltd	339,000	1.70
7	Mr. D.G. Wijemanna	222,556	1.11
8	Dr. G D S Gamage	205,861	1.03
9	Mrs. Hng Poh Gin	190,130	0.95
10	Merchant Bank of Sri Lanka & Finance PLC/K.D.E.Jenaview	140,000	0.70
11	Mr. Takashi Igarashi	100,000	0.50
12	People's Merchant Finance PLC	100,000	0.50
13	Mr. P G G S Yapa	97,159	0.49
14	Merchant Bank of Sri Lanka Finance PLC	75,000	0.38
15	Mrs. P.Jenane Premnath	63,322	0.32
16	Mr. P, Gunaratnam	45,087	0.23
17	Mr. R.M.C.Kapila	40,011	0.20
18	LOLC Finance PLC / S.Y.E.Fernando	39,995	0.20
19	People's Merchant Finance PLC/ R.M.Samarakkody	39,353	0.20
20	Allied Security services (Pvt) Ltd	34,000	0.17
		18,773,702	93.88
	Others	1,226,298	2.
	Total	20,000,000	100

Ten Year Summery

	2022/2021	2021/20	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
TRADING RESULTS										
Revenue Rs. (000)	47,565	14,025	110,235	141,449	127,305	125,334	118,853	105,980	83,753	86,286
Profit before income Tax Rs. (000)	1,979	(25,861)	12,769	33,351	24,221	16,609	26,773	28,402	18,002	23,907
Income Tax Rs. (000)	1,501	1,766	(4,671)	8,203	(5,985)	(2,765)	(3,223)	(3,689)	(5,942)	(369)
Profit after taxation Rs. (000)	3,480	(24,095)	8,097	25,147	18,236	13,844	23,550	24,713	12,060	23,538
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	100,000
Reserves Rs. (000)	480,220	291,105	314,573	315,902	300,512	317,634	189,334	174,486	159,681	158,572
Share holder 's Funds Rs. (000)	580,220	391,105	414,573	415,902	400,512	417,634	289,334	274,487	259,681	258,572
ASSETS EMPLOYED										
Current Assets Rs. (000)	18,916	9,849	24,477	50,520	39,290	43,440	38,407	35,032	13,839	27,285
Current Liabilities Rs. (000)	22,128	21,487	21,243	28,861	24,593	25,926	26,701	32,537	27,494	23,014
Non-Current Assets Rs. (000)	674,093	466,461	474,994	454,984	446,803	432,055	302,845	297,159	298,780	279,930
Long term Liabilities Rs. (000)	90661	63,718	63,654	60,741	60,988	31,934	(25,217)	25,167	25,444	25,629
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	20,000
Basic Earnings /(Loss) per share	0.17	(1.2)	0.4	1.26	0.91	0.69	1.18	1.24	0.6	1.18
Net Assets Value per share Rs.	29.01	19.56	20.7	20.80	20.02	20.88	14.47	13.72	12.98	12.93
Current Ratio (Times)	0.86	0.46	1.15	1.75	1.60	1.68	1.44	1.08	0.50	1.19
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 AS A VIRTUAL MEETING ON 18TH AUGUST 2022 AT 10.00 A.M.

~~~~~

### AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022 with the Report of the Auditors thereon.
2. To re-elect Mr. Viraj Nishantha Deepal Wickremasinghe who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.
3. To re-elect Mr. 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 2022 / 2023.

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

SECRETARIES

Colombo

Date: 25<sup>th</sup> July 2022

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.**

**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                      | of Colombo or failing him |
| Mr. Liyanage Sasanka Sigera               | of Colombo or failing him |
| Mr. Imiyage Jagath Ananda Karunaratne     | of Colombo or failing him |
| Mr. Peter Stewart                         | of Colombo or failing him |
| Mr. Pathirannehalage Sarathchandra        | of Colombo or failing him |
| Mr. Deyalamudalige Don Sunil Mudalige     | of Colombo or failing him |
| Mr. Viraj Nishantha Deepal Wickremasinghe | of Colombo                |

as my/\*our Proxy to represent me/\*us and to vote as indicated below on my/\*our behalf at the Annual General Meeting of the Company to be held as a Virtual Meeting on 18<sup>th</sup> August 2022 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 2022 with the Report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Mr. Viraj Nishantha Deepal Wickremasinghe who in terms of Articles 85 of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.                                             | <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 2022 / 2023.                                                                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> |

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

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.

A:/agm-pkg-22



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