

# BUKIT DARAH PLC

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Annual Report 2023/24

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# BUKIT DARAH PLC

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# Financial Highlights

(Amounts expressed in Sri Lankan Rs.'000 unless otherwise stated)

For the year ended / as at 31st March	2024	2023	% Change
<b>Statement of profit or loss</b>			
Group revenue	277,008,844	330,420,613	(16)
Profit from operations	47,399,141	59,202,045	(20)
Profit before tax	37,288,459	42,377,917	(12)
Profit after tax from continuing operations	22,201,573	27,296,336	(19)
EBITDA	58,335,217	71,191,094	(18)
Profit attributable to ordinary shareholders	8,412,977	13,022,993	(35)
Operating cash flow per share (Rs.)	327.92	514.31	(36)
Earnings per share (Rs.) - Group	82.22	127.52	(36)
Dividend per share (Rs.) - Company	1.80	1.10	64
<b>Statement of Cash flows</b>			
Operating cash flows	33,447,574	52,459,122	(36)
Capital expenditure	16,919,433	17,387,897	(3)
<b>Statement of Financial Position</b>			
Shareholders' funds	54,719,964	54,043,639	1
Net assets	131,685,633	127,720,458	3
Net assets per ordinary share (Rs.)	536.07	529.44	1
Return on ordinary shareholders' funds (%)	15.37	24.10	(36)
Total assets	275,946,681	287,095,125	(4)
Net debt	45,732,394	58,315,322	(22)
<b>Market/Shareholder Information</b>			
Market value per share (Rs.) - Company	407.25	429.00	(5)
Market capitalization (Company) (Rs. Mn)	41,540	43,758	(5)
Revenue to Government of Sri Lanka (Rs. Mn)	84,126	70,108	20
Economic value retained (Rs. Mn)	33,280	39,823	(16)
Group employment as of 31st March (Nos.)	16,423	14,964	10
Employee benefit liability as of 31st March	3,701,222	3,941,252	(6)

# Reflections from the Chairman

## Dear Shareholders

I'm pleased to present the annual report for the financial year 2023/24 amidst a backdrop of economic and geo-political headwinds in the global business environment. These times of change have put to test the grit and resilience of corporates. We, too, faced unprecedented challenges which demanded perseverance in staying focused and in drawing from our strengths through many years of expertise as a leading conglomerate in Sri Lanka.

Through it, I am proud that your group, Bukit Darah PLC, has withstood these uncertainties. Your group made operating profits of Rs. 47.4 Bn for the year ending March 2024 versus Rs. 59.2 Bn the previous year. Your group profits after tax for the year were Rs. 22.2 Bn versus Rs. 28.8 Bn in the previous year. I take pleasure in welcoming you, our valued shareholders, to the 108th Annual General Meeting and present to you the annual report, together with audited financial statements for the financial year ended 31 March 2024.

## OPERATING CONTEXT

During the financial year 2023/24, the global economy had dealt with inflation concerns and weakening consumer spending. Central banks are having to consider a precarious situation of sticky inflation and slowing domestic economies. Heightened geopolitical tensions have added to uncertainty via higher commodity prices and potential disruption of trade flows.

In Sri Lanka, economic conditions have somewhat improved under the International Monetary Fund (IMF) – Extended Fund Facility (EFF) arrangement, the Domestic Debt Optimisation plan and assistance from both bilateral and multilateral creditors.

Inflation levels, which had been at peak levels in 2022, dropped to single digits by September 2023 due to base effects. The rupee witnessed strength with increased foreign exchange inflows from worker remittances and tourism receipts, as well as improvements in the country's trade and current account balances. Due to these factors, the Central Bank of Sri Lanka (CBSL) maintained a stable policy on rates that resulted in lower market interest rates.

Whilst this relative stability has eased the pressure on raw material imports for our Beverage business, the Sri Lankan government (GoSL) has had to increase taxes significantly in order to consolidate the country's fiscal position. These tax increases carried a significant impact on consumer spending as real incomes failed to keep pace with the rising tax burden. Furthermore, in the Beverage industry, excise duty was raised thrice within the year, resulting in a cumulative increase of 64%, and inadvertently favouring the illicit alcohol market. In the financial year 2023/24, your group remitted Rs. 84.1 Bn in taxes to the GoSL from Rs. 70.1 Bn in the previous year. This brings your group's cumulative 5-year tax payments to Rs. 278.1 Bn.

In Indonesia, where our palm oil plantations are located, inflation has continued to put pressure on our cost base. Furthermore, the Plantations industry faced lower Crude Palm Oil (CPO) prices versus its peak in 2022/23. Finding operational efficiencies and increasing productivity have been key focus areas in order to mitigate pressure on the bottom line.

## OUR PERFORMANCE

Over the past year, the Bukit Darah Group has demonstrated resilience, achieving Revenue of Rs. 277 Bn with an EBITDA of Rs. 58.3 Bn versus Revenue of Rs. 330 Bn and EBITDA

**“The Bukit Darah Group stands well-poised for successful times ahead. The committed contribution of many stakeholders has supported our growth”**

of Rs. 71.2 Bn the year before. At each of our businesses, we have been strategic and extremely careful about capital deployment, which has enabled us to make significant and impactful investments in our businesses. We have intentionally reduced our net debt levels and improved debt management across our businesses. Your group's net debt reduced to Rs. 45.7 Bn in 2023/24 from Rs. 58.3 Bn in 2022/23. Your group has remained committed to cash optimisation, rigorous expense discipline, and leveraging technology to drive progress across all business sectors; prerequisites for resilient, strong and sustained performance.

Your group also furthered its efforts in actively integrating ESG (Environmental, Social, and Governance) principles into our business practices across all sectors. Among other key initiatives, in the Plantations sector, we initiated a 25-year programme for landscape conservation, with its implementation stage commencing during the financial year 2023/24. We also took a significant step towards reducing our carbon footprint by commissioning our inaugural bio-gas facility in Central Kalimantan in April 2023. This facility complements our commitment to reducing Greenhouse Gas (GHG) emissions and also contributes to reducing our energy costs. In addition, the Plantations sector continues with its Roundtable Sustainable Palm Oil (RSPO) initiatives.

Similarly, in the Beverage sector, sustainability remained at the forefront with responsible practices for resource consumption, sourcing, packaging, and waste management. Your group consistently allocates resources to a range of environmental projects and community welfare initiatives across all business sectors, affirming the equitable commitment to environmental and social well-being throughout the

Group. For a detailed overview of these initiatives, I encourage you to review the "Sustainability Report" section in our Annual Report.

### **OPERATIONAL SNAPSHOT OF THE GROUP'S PORTFOLIO OF BUSINESSES**

The Oil Palm Plantations sector experienced increased contributions to Fresh Fruit Bunches (FFB) from its younger plantations, such as PT Nabire Baru. In addition, a primary focus during the year was on enhancing production efficiencies to strengthen our profitability. Importantly, all of our plantation locations generated positive earnings over the year. Looking ahead, we anticipate that ongoing replanting initiatives at our mature plantations (PT Agro Indomas and PT Agro Bukit) will contribute to yield enhancements in future years.

Our targeted approach to expanding international business demonstrated solid results during the year. Within the Oils and Fats sector, our main Malaysian plant is dedicated to serving domestic customers, while our affiliated venture with J-Oil Mills Inc (A Japanese listed entity) is focused on specialised products for export to Asian markets. In the Beverage sector, a key milestone in the past year was driving international business by channelling resources into three key growth markets, viz. Africa, the Middle East, and South Asia and reducing target markets from 35 to 17 countries. This focused approach has enabled us to sharpen our product offerings in stronger alignment with growth trends in these markets and optimise our profit margins. With this, the Beverage sector saw export volumes rise 20% in the year.

Innovation and driving novel consumer experiences have been critical success factors in our intensely competitive consumer-oriented ventures in

recent years. The Beverage sector has launched new products over the past two years with an emphasis on driving consumer experiences and new consumption occasions. For the year under review, the construction of the Innovation Brewery commenced, which is planned to be completed in the ongoing year, augmenting our efforts in product innovation. We believe we are well placed to buffer the pressures of rising prices, high taxes and slowing demand.

Over 2023/24, our Leisure sector has seen a more positive outlook, given the country's improving tourism numbers. The sector has had to be resilient through the crises over the past few years. Diligent cost management has been a significant focus area, and over recent years, the Leisure sector has had to postpone its business development projects. However, if the country's tourism sector continues to thrive, and posts consistent growth over the years, the sector will be able to invest in these projects in a phased manner.

The Portfolio and Asset Management sector capitalised on the positive developments in the Colombo Stock Exchange during the year. The sector's total returns (adjusted for dividends and share buyback) outperformed the benchmark ASPI and S&P index performance during the financial year 2023/24. The sector maintained resilient performance in its investment portfolio, adhering to its long-term value investing strategy. At the same time, we benefitted from previously locked-in higher rates for our longer-term Fixed Deposit portfolio.

Meanwhile, the Real Estate sector achieved occupancy growth and rental enhancements during the year. This was despite the lower demand witnessed in the commercial property market space due to the increased shift towards remote work models.

## Reflections from the Chairman

### LOOKING AHEAD

The global economy is anticipated to slow due to persistent inflation challenges and tightening financial conditions. Concurrently, commodity markets are poised to remain susceptible to geopolitical disruptions. In Sri Lanka, ongoing reforms are expected to accelerate economic recovery. However, ensuring sustained long-term growth necessitates the implementation of investor-friendly policies and a transition towards an export-driven economy that stabilises the exchange rate. Additionally, cohesive fiscal policies and coordinated strategies are crucial to prevent abrupt policy changes that could undermine business and consumer confidence.

The global economic outlook is uncertain but with your group's deep experience in its current businesses, we are confident that your group can weather the challenges ahead. Your group will continue to pursue its strategic priorities through streamlining operations, prioritising organisational enhancements and strengthening investments in human capital.

### APPRECIATIONS

The Bukit Darah Group stands well-poised for successful times ahead. The committed contribution of many stakeholders has supported our growth. I extend my heartfelt appreciation to

our esteemed board members for their invaluable guidance through every phase. Our devoted employees deserve special acknowledgment for their unwavering loyalty and enthusiasm in continuously improving and pushing the boundaries of the businesses of the group. We also extend our gratitude to our esteemed business partners, loyal customers, vibrant communities, and all other stakeholders whose exceptional contributions have been instrumental in our success.

(Sgd.)  
Hari Selvanathan  
Chairman

16th July 2024  
Colombo



# Directors' Profile

## HARI SELVANATHAN Chairman

Hari Selvanathan is the Chairman of Bukit Darah PLC and Deputy Chairman of Carson Cumberbatch PLC. He is the Deputy Chairman/Group Chief Executive Officer of Goodhope Asia Holdings Ltd., Singapore.

He is the President Commissioner of the palm oil related companies in Indonesia, Director of Sri Krishna Corporation (Private) Limited.

He was the Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He holds a Bachelor's Degree in Commerce.

## MANO SELVANATHAN

Mano Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited and Selinsing Limited. He is a Director of most of the Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia & Singapore and is an active Member of its Executive Management Forums.

He has served as the Chairman of the Ceylon Chamber of Commerce and The Indo Lanka Chamber of Commerce & Industry and also as the President of the Rotary Club of Colombo North. At present, he is the Honorary Consul of the Republic of Chile in Sri Lanka.

Mano Selvanathan was conferred the National Honours in Sri Lanka the 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation in November 2005.

In January 2011, he was awarded with the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India. He also received the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' in October 2013 awarded by the Government of Chile.

He holds a Bachelor's Degree in Commerce.

## ISRAEL PAULRAJ (Resigned w.e.f. 17th June 2024)

Israel Paulraj is the Chairman of Rubber Investment Trust Limited. He was the Chairman of Guardian Capital Partners PLC. He serves as a Director of several subsidiary companies within the Carsons Group.

He served as the Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has also served as the Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of the Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as the Chairman of the Incorporated Trustees of the Church of Ceylon.

He also served on the Presidential Task Force on Non Traditional Export and Import Competitive Agriculture set up by the late President R. Premadasa. He served as the Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the

Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor's Degree in Law and an Executive Diploma in Business Administration.

## CHANDIMA GUNAWARDENA

Chandima Gunawardena currently serves as a Non-Independent, Non-Executive Director of the Company, having joined the Group Directorate in 1990. During his tenure at Carson's Group, he has served on the Boards of most of its subsidiaries in Sri Lanka and overseas and continues to serve on some of the subsidiary Boards as of date.

Mr. Gunawardena has over five decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

## LESLIE RALPH DE LANEROLLE

Ralph De Lanerolle has over 50 years of work experience in both the public and private sectors, where he has held senior management positions.

A Chartered Engineer, Mr. De Lanerolle holds a Bachelor's Degree in Civil Engineering (First Class Honors) from the University of Ceylon (1965) and a Master's Degree from the University of Waterloo, Ontario, Canada (1968). He is a member of the Association of Professional Bankers of Sri Lanka and a Fellow of the Economic Development Institute of the World Bank, Washington and a honorary life member of the Institution of Engineers, Sri Lanka.

## Directors' Profile

Mr. De Lanerolle has worked primarily in the field of Project Finance and Management, undertaking assignments in diverse sectors of the economy, especially in the financial services, real estate and property, tourism, hotel and transportation sectors. He has worked as a team leader/ member with several multidisciplinary groups in carrying out project studies. In an individual capacity, he has served as Consultant to several private companies, providing project related advisory services from pre investment to implementation.

Mr. De Lanerolle has served and continues to serve, on the Board of Directors of several other private and public listed companies.

### SURESH SHAH

Mr. Suresh Shah is the Chairman of Ceylon Tobacco Company PLC and a Director of Carson Cumberbatch PLC, Bukit Darah PLC, Hunter & Company PLC, Hatton National Bank PLC and Lanka Canneries (Pvt) Ltd. Further, he currently functions as the Head of the State-Owned Enterprise Restructuring Unit of the Government of Sri Lanka set up under the Ministry of Finance, Economic Stabilization and National Policies.

Previously, he was Director & CEO of Ceylon Beverage Holdings PLC & Lion Brewery (Ceylon) PLC, a position he held for 30 years.

He is a Past Chairman of the Ceylon Chamber of Commerce and of the Employers Federation of Ceylon. Previously, he has served as a Commissioner of the Securities and Exchange Commission of Sri

Lanka, a Member of Council of the University of Moratuwa and a Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

### MAHENDRA DAYANANDA

Mahendra Dayananda is an Independent, Non-Executive Director of Bukit Darah PLC and Pegasus Hotels of Ceylon PLC and was also an Independent, Non-Executive Director of Nestle Lanka PLC and resigned from the company with effect from 1st February 2024. He was a former Non-Executive Director of Delmege Ltd and Chairman of Lewis Brown & Company Ltd. An expert on the Tea Industry and economic issues, he was until recently the Chairman of the Sri Lanka Business Development Centre and former Chairman of the Colombo Tea Traders Association.

He was until recently the President of the Sri Lanka Japan Business Council, former President of the Sri Lanka Institute of Directors and past Chairman of the Ceylon Chamber of Commerce and also chaired the Monetary Policy Consultative Committee - Central Bank of Sri Lanka for a period of 09 years. He was also the former Chairman of Indo Asia Teas (Private) Limited and continues to chair Total Tea Concepts (Private) Limited.

He was the former Honorary Consul for the Republic of Benin in Sri Lanka until October 2019.

Earlier he was a Founder Managing Director commencing 1st January 1980 and subsequently the Chairman of Tea Tang (Private) Limited.

### NARAYANAN GIRISH KUMAR (Appointed w.e.f. 17 June 2024)

As a Board Member, Mr Narayanan Girish brings deep knowledge of global capital markets, investment and restructuring expertise alongside global governance standards. His investment experience spans public and private equity and credit markets across Asia. Girish served as the CEO of Apollo Management Singapore, a subsidiary of the New York based global private equity and alternative investment powerhouse. Girish was the founding partner of Apollo Asia's private credit business in the region. He oversaw investment funds that invested more than US\$1 Billion across the Asia Pacific region. He was a Board Member of Apollo Management Singapore and its various subsidiaries as well as the US\$ 800 Million AION India private equity fund.

Prior to that, he was a Managing Director at Merrill Lynch in various investment roles across Asia and Australia. He was a ranked equity analyst for regional banks and was instrumental in raising more than US\$2 Billion in capital for Indian, Indonesian, Thai and Korean banks after the Asian Banking Crisis.

He has an MBA from Indian Institute of Management Calcutta and a Bachelor of Engineering from College of Engineering Guindy (Anna University), Chennai.

**AMITHA SAKTHA AMARATUNGA**  
(Appointed w.e.f. 17th June 2024)

Mr. Saktha Amaratunga is an Independent, Non-Executive Director of Carson Cumberbatch PLC, Bukit Darah PLC and Hemas Holdings PLC, Chairman of Carson Cumberbatch PLC and Hemas Holdings PLC – Audit Committees, and a Commissioner of PT Agro Indomas Indonesia, a subsidiary of the Carson Cumberbatch Group. He is also an Audit Committee member of MAS Holdings Ltd.

Previously, Regional Audit Controller (Asia Pacific) for British American Tobacco, he has more than 20 years' experience with British American Tobacco, having performed senior finance roles for the Group in Sri Lanka and the United Kingdom, and also being the Finance Director of British American Tobacco Operations in the Czech Republic, Sri Lanka, Switzerland, Japan and Malaysia (IT Shared Services Organization).

Has many years of experience in Strategy Development, Business Restructuring, Risk and Governance, International Finance and People Development. He is a Fellow Member of the Chartered Accountants of Sri Lanka, Associate Member of the Chartered Institute of Management Accountants, UK and also a Member of CPA Australia.

**KRISHNA SELVANATHAN**  
(Alternate Director to Mr. M. Selvanathan – Ceased to be an Alternate Director w.e.f. 31st December 2023)

Krishna Selvanathan serves as a Director of Carsons Management Services (Private) Limited and is the CEO of Guardian Fund Management Limited. He also serves as a Director of Lion Brewery (Ceylon) PLC and Pegasus Hotels of Ceylon PLC.

He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K.

# Group Structure

## PLANTATIONS, OILS & FATS

- Goodhope Asia Holdings Ltd.  
• 2008\* • 53.33%
- Agro Asia Pacific Limited  
• 2010\* • 100%
- Premium Nutrients Private Limited  
• 2011\* • 100%
- Shalimar Developments Sdn. Bhd.  
• 1980\* • 100%
- Premium Oils & Fats Sdn. Bhd.  
• 2011\* • 100%
- Premium Vegetable Oils Sdn. Bhd.  
• 1978\* • 80%
- Shalimar (Malay) Limited  
• 1909\* • 99.88%
- Selinsing Limited  
• 1907\* • 96.58%
- Indo-Malay Limited  
• 1906\* • 88.18%
- Good Hope Limited  
• 1910\* • 95.30%
- Agro Harapan Lestari  
(Private) Limited  
• 2008\* • 100%
- AHL Business Solutions  
(Private) Limited  
• 2010\* • 100%
- Goodhope Investments  
(Private) Limited  
• 2012\* • 100%
- PT Agro Indomas  
• 1987\* • 94.30%
- PT Agro Bukit  
• 2004\* • 95%
- PT Agro Asia Pacific  
• 2008\* • 100%
- PT Karya Makmur Sejahtera  
• 2003\* • 95%
- PT Agro Harapan Lestari  
• 2007\* • 100%
- PT Rim Capital  
• 2006\* • 95%
- PT Agrajaya Baktitama  
• 1994\* • 95%
- PT Nabire Baru  
• 2008\* • 95%
- PT Agro Wana Lestari  
• 2006\* • 95%
- PT Batu Mas Sejahtera  
• 2006\* • 95%
- PT Sawit Makmur Sejahtera  
• 2008\* • 95%
- PT Sumber Hasil Prima  
• 2006\* • 95%
- PT Sinar Sawit Andalan  
• 2008\* • 95%
- PT Sariwana Adi Perkasa  
• 2008\* • 95%
- PT Agro Bina Lestari  
• 2006\* • 95%
- PT Agro Surya Mandiri  
• 2006\* • 95%

## BEVERAGE

- Ceylon Beverage Holdings PLC  
• 1910\* • 75.62%
- Lion Brewery (Ceylon) PLC  
• 1996\* • 62.20%
- Pubs 'N Places (Private) Limited  
• 2007\* • 100%
- Retail Spaces (Private) Limited  
• 2010\* • 100%
- Luxury Brands (Private) Limited  
• 2012\* • 100%
- Millers Brewery Limited  
• 2010\* • 100%
- Lion Beer (Ceylon) Pte. Ltd  
• 2023\* • 100%

## PORTFOLIO &amp; ASSET MANAGEMENT

- Ceylon Guardian Investment Trust PLC
  - 1951\* • 67.53%
- Ceylon Investment PLC
  - 1919\* • 65.94%
- Rubber Investment Trust Limited
  - 1906\* • 100%
- Guardian Fund Management Limited
  - 2000\* • 100%
- Guardian Fund Management LLC
  - 2019\* • 100%
- Guardian Value Fund LLC
  - 2019\* • 100%
- Leechman & Company (Private) Limited
  - 1953\* • 100%

## LEISURE

- Pegasus Hotels of Ceylon PLC
    - 1966\* • 89.98%
  - Equity Hotels Limited
    - 1970\* • 100%
  - Carsons Airline Services (Private) Limited
    - 1993\* • 100%
- (in the process of being struck off from the Register of Companies under Section 394 of the Companies Act, No. 07 of 2007)

## REAL ESTATE

- Equity One Limited
  - 1981\* • 98.99%
- Equity Two PLC
  - 1990\* • 88.87%
- Equity Three (Private) Limited
  - 1990\* • 100%

## MANAGEMENT SERVICES

- Carsons Management Services (Private) Limited
  - 1993\* • 100%

## INVESTMENT HOLDINGS

- Carson Cumberbatch PLC
  - 1913\* • 45.68%
- Baillie Street Holdings pte. Ltd
  - 2023\* • 100 %

% refer to group interest  
 + refer to Joint Venture Company  
 \* refer to year of incorporation

## Country of Incorporation/Operation

- Sri Lanka
- Indonesia
- Malaysia
- Singapore
- Mauritius

# Management Discussion & Analysis

## - Sector Reviews

### BEVERAGE



**Our targeted approach will be instrumental in propelling our international business forward...**

#### **BUSINESS CONTEXT**

From a macro-viewpoint, the Beverage sector's operating environment proved challenging. The alcoholic beverage industry faced significant excise duty hikes within a very short time span, leading to higher consumer price points. Furthermore, a 3% increase in Value-Added-Tax (VAT) led us to further raise prices across our entire product range, ultimately causing a decrease in the total volumes sold for the year.

Inevitably, these price increases made the category less affordable compared to illicit alternatives. Therefore, prioritising affordability for consumers, we introduced new pack sizes during the year. The 500ml returnable glass bottle for Lion Strong and Carlsberg Special Brew was made available at a 15% - 20% lower price than the 625ml bottle and 500ml can SKUs. In spite of domestic volumes decreasing throughout the year, these initiatives, however, helped to

minimise a more significant decline. The rapid growth in the Sri Lankan tourism sector, especially in the latter part of the financial year, had a positive impact on the sales volumes of specific brands in our portfolio, further mitigating the impact of the local volume drop. With the continued surge in the tourism sector, we anticipate a sustained positive impact on the domestic business of the Beverage sector.

Our international business showcased considerable expansion, marked by enhanced processes and seamless execution from initial planning to final delivery and customer support. Through a strategic decision to narrow down our target markets from 35 to 17 countries, we were able to deploy our efforts and resources towards key regions, viz. Africa, the Middle East, and South Asia. This decisive shift in strategic focus has enabled us to optimise our profit margins and sales volumes by offering an ideal product mix. Accordingly, our export volumes saw an encouraging 20% increase over the year. Our focused approach will be instrumental in propelling our international business forward, ensuring sustained growth and solidifying our market position.

With respect to profitability, the Beverage sector continued to confront significant margin headwinds during the year due to the devalued Rupee and inflation in our key input materials, in addition to steep excise duty hikes mentioned above.

On the market front, the Government of Sri Lanka authorised the issuance of soft liquor licenses in regions with a low number of licensed alcohol outlets over the past year. This move has been beneficial for the lawful sector, and such efforts, if continued, could contribute to the reduced consumption of illicit products.

The Group's Beverage sector achieved sound progress in its digital efforts during the year. We aim to drive innovation, focusing on several fronts over the next five years. These areas include process automation, smart factory technology, Martech, data analytics, cyber security, and infrastructure improvement. In the past year, we have made significant progress in strengthening our ERP platform with increased SAP utilisation. One of the key achievements was the Production System revamp which successfully integrated Brewhouse data with SAP

information feeds, providing us with dynamic visibility into our production processes.

## FINANCIAL PERFORMANCE

Against a challenging operating backdrop, the Beverage sector achieved a turnover of Rs. 112.2 Bn and a profit before tax of Rs. 14 Bn. Total segmental assets as of 31 March 2024 stood at Rs. 57 Bn. The sector observed a net cash position of Rs. 5.1 Bn as of 31 March 2024, which improved by 151% year-on-year.

Demonstrating the resilience of our operations, Fitch Ratings reaffirmed the Lion Brewery Ceylon (PLC) with a "AAA" (lka) rating during the year.

## KEY HIGHLIGHTS

Continuous innovation is the cornerstone of success in today's competitive marketplace. In the Beverage sector, we always champion efforts to bring excitement and energy into the market by expanding the range of brands to appeal to different consumer groups. Over the past two years, a variety of new products have been introduced, such as Carlsberg Smooth Draught, Guinness, Lion Ice, and two different versions of Somersby. The construction of the innovation brewery, which commenced in the financial year 2023/24, is progressing as planned and is expected to be completed in the ongoing year, providing further impetus to our initiatives. Additionally, the complete overhaul of the Lion Master brand strategy, which was finalised in the year under review, has successfully positioned our well-established brand for future growth.

## FUTURE OUTLOOK

The Beverage Sector is charting a strategic course focused on driving growth in both volume and value in the future. This entails a concentrated effort to build a diverse and unique brand portfolio with a focus on premiumisation in the beer industry. In addition, we

intend to explore adjacent categories to drive further growth. Internationally, we will take a proactive approach, seeking to gain deep consumer insights and develop tailored product portfolios to expand our global footprint. In the coming period, a key priority will be cost optimisation and cash management. We are committed to striking a balance between future profits and cost performance, all the while focusing on the superior quality of our products. As we expand our portfolio, we understand the importance of a flexible and efficient supply chain. We are also exploring the integration of technology to manage overhead costs effectively. Moreover, our focus includes optimising working capital to release cash, with a careful assessment of associated risks due to the current uncertainty.

# 20%

Increase in  
export volumes

Market base for  
exports

# 17 Countries

Taxes paid to the  
Government

# Rs. 82.5 Bn

National Long Term  
Rating by Fitch

# AAA (lka)

## Management Discussion & Analysis - Sector Reviews

### OIL PALM PLANTATIONS



An encouraging development was the growing contribution to FFB yield from our younger plantation locations...

#### BUSINESS CONTEXT

The Malaysian Benchmark Crude Palm Oil (CPO) prices, which had reached record highs in the previous year, gradually normalised during the year under review i.e. 2023/24. The abnormally high price hikes of CPO in the preceding year were driven by factors such as domestic market obligation in Indonesia, labour supply shortages, the Russia-Ukraine conflict,

and the impact of La Niña's wet weather. The lifting of the export ban and subsiding of the other factors led to a more stable price range for CPO towards the latter half of the financial year 2023/24. The average monthly price for Crude Palm Oil (CPO) (as reflected in the Bursa Malaysia) for the financial year 2023/24 was MYR 3,826, an 8% decrease over the prior year. However, the year-on-year price drop in

the first quarter exceeded 40%, limiting the revenue potential of the Oil Palm Plantations sector for the year. Overall, the Average Selling Price (ASP) of CPO for the Oil Palm Plantations sector saw a 9% year-on-year decline during the financial year 2023/24.

Our business priorities over the past few years have been enhancing yields and improving production efficiencies.



We established a number of building blocks to achieve these goals with a long-term focus, which have shown promising results. During the year under review, the total internal Fresh Fruit Bunch (FFB) production in the Oil Palm Plantations sector rose to 1.27 Million metric tons (MT), marking a 4% year-on-year increase in internal Crude Palm Oil (CPO) production. However, in the same period, there was a normalisation in external crop purchases, leading to a decline in total CPO production and sales volumes. An encouraging development was the growing contribution to FFB yield from our younger plantation locations in Central Kalimantan, West Kalimantan, and Papua. Importantly, all our plantation locations were able to achieve positive EBITDA during this period.

In cost performance, the Oil Palm Plantations realised significant cost savings by strategically timing the purchase of required fertiliser contracts, a testament to our steadfast commitment to driving efficiencies.

One of our critical achievements during the year was the successful launch of the 1.7-megawatt biogas project in April 2023. This initiative has significantly contributed to our goal of sustainable energy production. As a result, we have been able to reduce the operating costs of processing palm kernel at our main Crude Palm Kernel Oil (CPKO) plant in Central Kalimantan. This has improved our efficiency in processing both internal and external palm kernels and has also led to an increase in overall profitability, whilst enabling lower energy costs.

### KEY HIGHLIGHTS

The Federal Reserve's policy rate hikes in the past period led to higher market interest costs across different regions. In light of this, a significant management effort was made during the year to complete the refinancing

of certain funding lines, which was successfully finalised in January 2024. This strategic move is anticipated to result in reduced interest costs in future periods, as well as a more diversified mix of funding sources.

Furthermore, Goodhope Asia Holdings Ltd achieved the 9th position out of 100 companies in the 2023 SPOTT (Sustainable Palm Oil Transparency Toolkit) Assessment. This accomplishment holds substantial significance for the sector, positioning the company in the top 10 ahead of numerous global players in the palm industry.

### FINANCIAL PERFORMANCE

The Oil Palm Plantations sector achieved a revenue of Rs. 106.8 Bn (USD 336.1 Mn), which is a decrease of 29% (19% in USD terms) from the previous period. Profit before tax was Rs. 18.2 Bn (USD 57.3 Mn) for the year. Total segmental assets of the sector as of 31st March 2024 stood at Rs. 164 Bn. The Oil Palm Plantations sector focused on reducing its gross debt whilst continuing to maintain a strong liquidity position. The net debt position of the sector reduced by 14% year-on-year to Rs. 43.8 Bn.

### FUTURE OUTLOOK

The Group's Oil Palm Plantation sector is actively pursuing several initiatives to achieve profitable growth in the future. Strategic focus is placed on enhancing profitability by expanding the CPO milling capacity at the existing CPO mill in Ketapang, West Kalimantan. Additionally, plans are under way to commission a new kernel plant at the same location, with a keen focus on margin expansion.

In line with the goal of achieving volume-driven growth, the sector intends to increase its plasma-planted land area and collaborate with local communities to boost CPO

volumes from expanded plasma and external crop volumes. Internal yield improvements are also being targeted at the younger plantations in West Kalimantan and Papua. Going into the next few years, the sector aims to benefit from replanting initiatives at its mature plantations to drive yield improvements. In addition, with a sustainability-centric approach, the sector will increasingly focus on the sale of its RSPO-certified palm oils.

# 1.27 Mn MT

Total Internal FFB production

2023 SPOTT Assessment Rankings out of 100 Palm Oil Companies

# 9th Place

Oil Palm Plantations - Revenue

# Rs. 106.8 Bn

Oil Palm Plantations - Profit Before Tax

# Rs. 18.2 Bn

## Management Discussion & Analysis - Sector Reviews

### OILS AND FATS



**PVO  
observed  
a notable  
increase  
in its  
production  
volumes...**

#### **BUSINESS CONTEXT**

The prices of palm kernel, the key input material of the Oils and Fats segment of the Group, traded at low levels in the first half of the year, experiencing a significant 20% year-on-year decline in its monthly prices. This led to considerable effects on revenue growth and margin performance of the sector in the financial year 2023/24. However,

in line with Crude Palm Oil (CPO) prices, Crude Palm Kernel Oil (CPKO) prices stabilised towards the latter half of the year, remaining range-bound for the year at approximately MYR 2,000.

During the financial year 2023/24, Premium Vegetable Oils Sdn Bhd (PVO), the primary Malaysian manufacturing establishment supplying specialty fats to

the chocolate, ice cream, confectionery, and bakery industries, observed a notable increase in its production volumes. PVO's solvent throughput increased by 14% year-on-year, reaching a peak performance of 19,401 metric tons (MT) of palm kernel crushed in the month of March 2024. Accordingly, the utilisation of the Solvent Plant improved during the review period. Additionally,

higher volumes of Specialty Fats (SFD) in comparison to the prior year, along with continuous plant operations to accommodate additional volumes, contributed to increased utilisation of PVO's Specialty Plant.

Furthermore, sales of midstream products rose by 9%, driven by higher crushing volumes. Additionally, downstream sales volumes grew by 6%, with an emphasis on increased SFD sales. Despite these positive volume trends, the sector faced the challenge of lower downstream profit margins. This was attributable to factors such as reduced raw material prices, adjustments in product mix, and a more cautious approach to sales in certain regions due to currency and geopolitical risks.

### FINANCIAL PERFORMANCE

The Group's Oils and Fats sector generated Rs. 55 Bn (USD 171.3 Mn) in revenue for the financial year 2023/24, a decrease of 33% (26% in USD terms) compared to the previous year. Furthermore, the sector recorded a profit before tax of Rs. 1.35 Bn (USD 4.3 Mn) for the financial year 2023/24.

An important focus for the sector remains reducing its exposure to term loans and securing local working capital from Malaysian banks, which will lower its interest costs. During the year under review, the Oils and Fats sector's net debt reduced by 11% over the prior year to Rs. 7.9 Bn.

### FUTURE OUTLOOK

PVO's future strategic initiatives are focused on several fronts that aim to significantly enhance its overall performance. These areas include fine-tuning the sales mix to closely match market demand, reinforcing the sales team to foster deeper engagement with customers and establishing closer proximity to customers' locations to provide better product accessibility. In addition, there will also be a strong emphasis on serving the Malaysian market through tailored products.

Premium Fats Sdn Bhd, the sector's associate investment, will concentrate on developing specialised products for export to Asian markets in collaboration with J-Oil Mills Inc, which is a listed entity in Japan. This dedicated effort aims to capitalise on the growing demand in these markets and seize opportunities for further growth and margin enhancement.

# 14%

Increase in PVO's solvent throughput

Downstream volume growth

# 6%

Oils and Fats - Revenue

# Rs. 55 Bn

Oils and Fats  
- Profit Before Tax

# Rs. 1.35 Bn

## Management Discussion & Analysis - Sector Reviews

### PORTFOLIO AND ASSET MANAGEMENT



**In the financial year 2023/24, our discretionary portfolio witnessed significant growth...**

#### BUSINESS CONTEXT

The Colombo Stock Exchange (CSE) witnessed greater stability during the year under review, in line with the positive progress achieved by the Sri Lankan economy. Consequently, the All-Share Price Index (ASPI) observed a return of 23.04%, and the S&P SL20 index also rose by 23.66% in the year under consideration. Investor engagement was more prominent, with lower market interest rates prompting

a shift from fixed income to greater participation in equities. In the year under review, the sector's discretionary portfolio was strategically positioned to capitalise on the positive equity market performance.

Accordingly, in the financial year 2023/24, our discretionary portfolio witnessed significant growth of 23.74% (adjusted for dividends and share repurchases), reaching Rs. 16.61 Bn. This return outpaced the ASPI, which

grew by 23.04%, and the average bank fixed deposit rates of around 11.80% for the same period. Our investment strategy, centred on identifying fundamentally robust companies trading at significant discounts to their intrinsic value, considerably contributed to this performance. Furthermore, when considering the entire portfolio, including our strategic stake in Bukit Darah PLC, the total value increased by 12.50% (adjusted for dividends and share repurchases) to Rs. 24.94 Bn.

	As at 31-Mar-24	As at 31-Mar-23	Change %	As at 31-Mar- 2024 (Dividend/ Repurchase adjusted)	Dividend/ Repurchase adjusted performance
Discretionary portfolio (Rs. '000) *	16,613,020	13,706,990	21.20%	16,961,369	23.74%
Total Portfolio (Rs. '000)*	24,936,498	22,475,000	10.95%	25,284,847	12.50%
ASPI (Points)	11,444	9,301	23.04%		23.04%
S&P 20 (Points)	3,318	2,683	23.66%		23.66%

\*After the addition of the total cash outflow from the distribution of dividends and repurchases by the sector, which was Rs. 348.4 Mn during the period under review.

Domestically, interest rates experienced significant decreases over the financial year as a result of monetary policy adjustments and the gradual dissipation of inflation concerns. Additionally, larger bank fixed deposit rates also saw a decrease from the range of 18.00-20.00% to the prevailing 8.00-8.75%. However, the Portfolio and Asset Management sector benefited from the high-yielding long-term fixed income investments of Rs. 4.6 Bn made in the previous year, when interest rates peaked due to the stringent contractionary policy adopted by the Central Bank of Sri Lanka in response to debilitating effects of the country's economic crisis. The remaining fixed-income investments are allocated to short-term investments, to be reinvested whilst ensuring liquidity or to be directed towards identified equity opportunities.

A small portion of our discretionary portfolio is dedicated to overseas investments. Even though global markets have been generally positive, we have been adopting a cautious approach due to central banks maintaining high policy rates to combat inflation. Additionally, upcoming crucial elections in key countries and escalating geopolitical tensions have led us to take a conservative stance in our overseas investment strategy. Nevertheless, we continue to adhere to our investment philosophy, actively seeking long-term opportunities in both equity and fixed-income asset classes.

## FINANCIAL PERFORMANCE

With revenue of Rs. 2.3 Bn, the Portfolio and Asset Management sector recorded a profit before tax of Rs. 3.6 Bn, compared to the profit before tax of Rs. 1.6 Bn recorded in the prior year. The stronger financial performance was driven by the gain of Rs. 1.9 Bn from 'financial assets held at fair value through profit or loss' due to the upward movement in the prices of equity holdings. Total segmental assets as of 31st March 2024 stood at Rs. 18.1 Bn.

In the year under review, the sector conducted share repurchases at the Net Asset Values of Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC. Additionally, further repurchases were announced on May 22nd, 2024, at Net Asset Values which were at significant premiums to market prices.

## FUTURE OUTLOOK

Throughout the year under review, the robust performance of the stock market has led to a majority of our investee companies experiencing upward movements in their share prices. We have been diligent in monitoring each position, making adjustments based on our assessment of each company's fundamental outlook, intrinsic value, and growth potential. In addition, we have taken into account the heightened political risk associated with two major

elections in the country coming up in the ensuing financial year. With a forward-looking strategy, the sector's equity allocation relies on identifying fundamentally strong stocks that can thrive in a challenging operating environment and offer long-term growth potential.

# 23.7%

Discretionary  
Portfolio Growth

Total Portfolio  
Growth

# 12.5%

Total Portfolio

# Rs. 25 Bn

Portfolio and Asset Management  
- Profit Before Tax

# Rs. 3.6 Bn

## Management Discussion & Analysis - Sector Reviews

### LEISURE



One of our key focuses is to revamp the beach offerings at Pegasus Reef Hotel through a beach activation plan...

#### BUSINESS CONTEXT

In the financial year 2023/24, Sri Lanka made notable progress on the tourism front with the easing of crisis conditions. In the first half, daily visitor arrivals averaged 3,700, reaching 66% of pre-crisis levels, with India and Russia contributing to approximately 30% of arrivals during this period. Towards the latter part of the year, arrivals stabilised, with daily arrivals

averaging to 7,000 in the final quarter. However, the recovery rate of arrivals in the financial year 2023/24 was 76% of pre-crisis levels. Similarly, tourism receipts and per-tourist spending too remained significantly down compared to pre-crisis levels, falling by 41% and 22%, respectively.

The upsurge in tourism during the latter part of the year can be attributed to several initiatives put in place by

the authorities. Among those, offering visa-free travel to certain nationalities has greatly contributed to shaping the current travel trends. The Sri Lanka Tourism Development Authority (SLTDA) also rolled out targeted destination marketing campaigns focusing on both traditional and emerging source markets. Additionally, global influencer endorsements and Sri Lanka's growing reputation as a preferred travel

destination worldwide have contributed to the optimistic outlook.

The steady influx of tourists and the resultant foreign income have been instrumental in strengthening Sri Lanka's foreign exchange reserves in the past period. However, building a robust and resilient tourism sector in the long term necessitates targeted policy action, significant infrastructure enhancements, and strengthening of the industry's resource capabilities.

In line with country arrival trends, the Leisure sector of the Group experienced a slow start to the year due to the delayed recovery in its primary source markets, leading to yearly occupancy rates of 47% and 49% for Pegasus Reef Hotel and Giritale Hotel respectively. One of the key source markets, China, performed below expectations, prompting us to focus on strengthening our partnerships with agents in Europe and other emerging markets. Although the performance in the MICE (Meetings, Incentives, Conferences, and Events) sector was encouraging, we encountered decreased demand, particularly for wedding receptions, as a result of external market factors such as reduced domestic spending.

## FINANCIAL PERFORMANCE

In the year under consideration, the sector achieved a revenue of Rs. 927.4 Mn, with a 29% year-on-year increase. Despite the high-cost environment, the Leisure sector implemented diligent cost management strategies. Importantly, the Leisure sector successfully decreased its financial leverage, which helped it lessen the burden of interest expenses on the bottom line. By the end of the year, the Net Debt dropped by 53% year-on-year to Rs. 84.1 Mn. This reduction

was primarily attributed to the settlement of Equity Hotels Limited's borrowings through the rights issue proceeds.

Loss before tax for the year decreased by 31% compared to the prior year, with the sector achieving a cash breakeven position in the financial year 2023/24. Total segmental assets as of 31st March 2024 stood at Rs. 3.05 Bn.

## FUTURE OUTLOOK

In recent years, the Leisure sector deployed its cash reserves to offset losses, resulting in the postponement of significant business development projects. However, with the sector now experiencing promising tourism growth and improved business conditions, plans are underway to reinvest its cash flows in a phased approach to these projects. Within the Leisure sector, we are committed to consistently enhancing our service standards, strengthening our resources, and providing superior offerings to all our valued guests. One of our key focuses is to revamp the beach offerings at Pegasus Reef Hotel (PRH) through a beach activation plan. Additionally, we are gearing up to renovate PRH's main restaurant in the near future with a focus on exclusivity and enhancing the guest experience. We also remain focused on introducing a diverse range of experiences and events tailored to appeal to a broad spectrum of guests.

A strong and resilient tourism sector is a prerequisite for business growth in the Leisure sector. With a focus on driving guest value, the sector will make strategic investments, whilst rigorously prioritising expense discipline and operational excellence.

Rs. **927.4** Mn

Leisure - Revenue

Leisure - Total Assets

Rs. **3.05** Bn

Freehold Land Bank

**5.87** Hectares

Total Land Bank

**11.9** Hectares

## Management Discussion & Analysis - Sector Reviews

### REAL ESTATE



**Our investment properties are well-positioned to capitalise on the industry's positive momentum...**

#### BUSINESS CONTEXT

Sri Lanka's commercial property sector faced considerable headwinds during the year under review. Particularly, high construction costs remained a significant hurdle, which will possibly impact new developments given the extended payback periods in a subdued business environment. Moreover, commercial property establishments encountered various market challenges,

including escalating operational expenses such as insurance, repair and maintenance, as well as challenges in staff retention and recruitment. Additionally, capital expenditures continued to rise, straining the sector's growth potential.

On the market front, widespread transition to remote work has resulted in a decreased need for commercial

real estate. Certain corporates resorted to downsizing on-site staff or switching to hybrid work setups, causing higher vacancy rates and lower demand for traditional office spaces. As a result, property owners were compelled to adjust to such evolving conditions by providing more flexible leasing arrangements and reconfiguring spaces to accommodate hybrid work environments.



Amidst a difficult industry backdrop, occupancy levels of our properties increased from 74% to 80%. The increase in occupancy rates, coupled with upward adjustments to rental rates, supported the growth of the Real Estate sector's topline during the year.

With the uptrend in key economic indicators and the gradual recovery of businesses, the immediate outlook of the real estate leasing sector has improved with renewed interest in inquiries. However, sustaining this progress over the medium term remains debatable since larger macroeconomic challenges continue to persist.

### FINANCIAL PERFORMANCE

The Real Estate sector's revenue reached Rs. 323.6 Mn during the year under review, an 18% increase over the prior year. The sector achieved a profit before tax of Rs. 638.5 Mn. The valuation of the sector's investment properties as of 31 March 2024 resulted in a fair value gain of Rs. 386.3 Mn, which strengthened the profits.

### FUTURE OUTLOOK

New mega real estate projects are redefining the Colombo skyline, pushing the real industry to new heights. This transformation has also intensified competition among market players, compelling them to enhance their service quality and efficiencies to stay ahead. Such developments will nonetheless drive overall progress in the country's real estate industry alongside the evolving economic landscape.

The gradual revival of the tourism industry is expected to have a favourable impact on the economy and related sectors such as real estate. Advances in infrastructure projects will

improve accessibility and connectivity, making certain real estate properties more appealing for development and investment. This, in turn, will contribute to the country's real estate market expansion.

Our investment properties are well-positioned to capitalise on the industry's positive momentum. Our approach is built on delivering exceptional service, prime locations, and competitive pricing, setting us up for success within the industry.

We are currently assessing the potential refurbishment of our property located at Dharmapala Mawatha, Colombo 07. This upgrade aims to enhance the offerings available to tenants and solidify our status as contemporary property in the area, ensuring that we stay competitive within our market segment. With our strategies aligned with the positive market trends, we expect to experience continued growth and improve our position in the market in the years to come.

# 80%

Occupancy of  
Investment Properties

Valuation gain on  
Investment Properties

# Rs. 386.3 Mn

Real Estate - Revenue

# Rs. 323.6 Mn

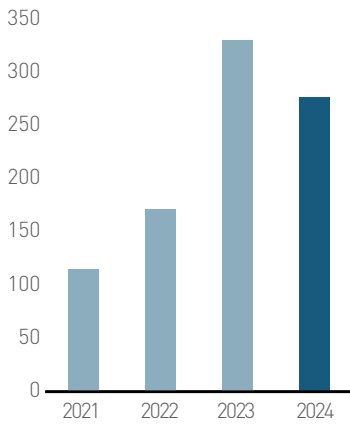
Real Estate - Profit Before Tax

# Rs. 638.5 Mn

## Management Discussion & Analysis - Graphical Financial Review

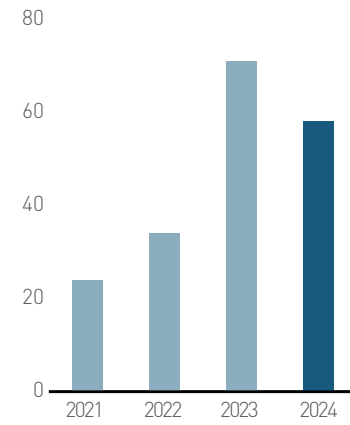
### Revenue

Rs.Bn



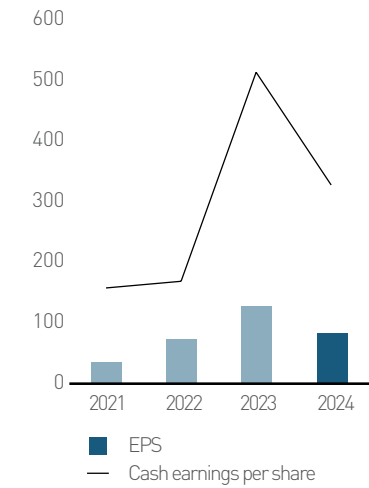
### EBITDA

Rs.Bn



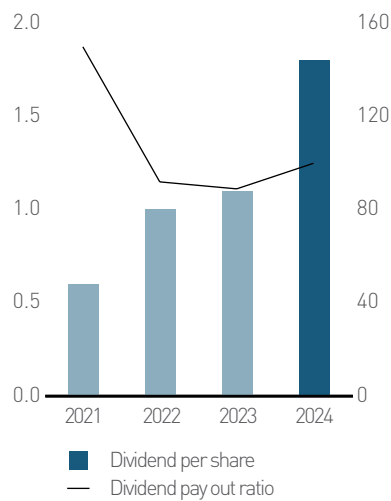
### Earnings per share vs Cash earnings per share

Rs.



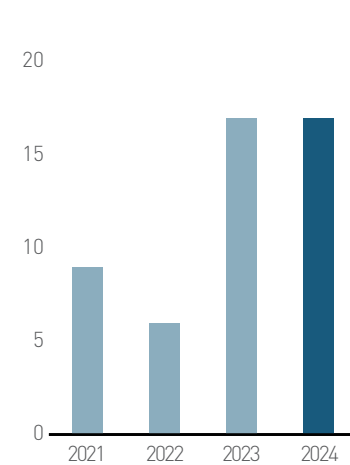
### Dividend per share vs Dividend pay out ratio

Rs.



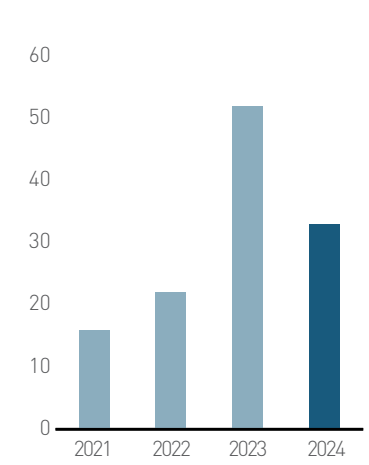
### Capital Expenditure

Rs.Bn

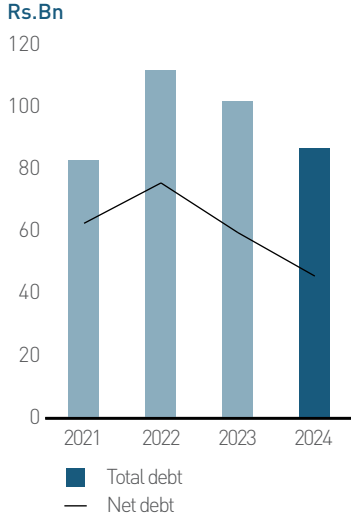


### Operating Cash Flow

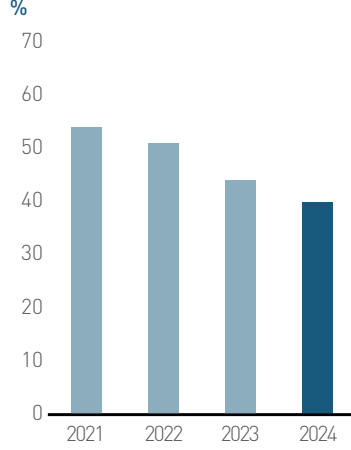
Rs.Bn



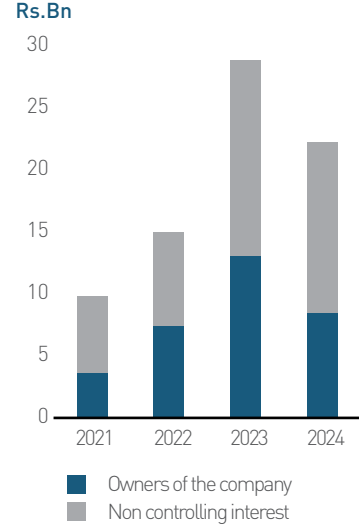
### Total debt vs Net debt



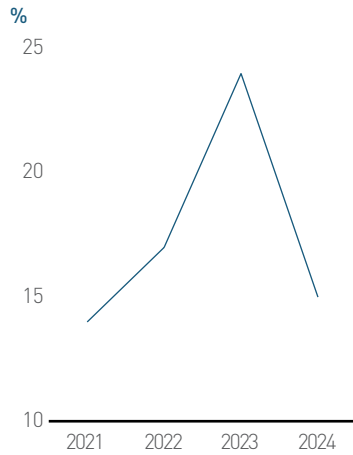
### Gearing ratio



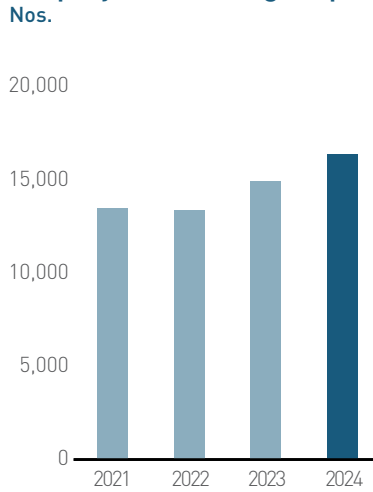
### Net profit distribution



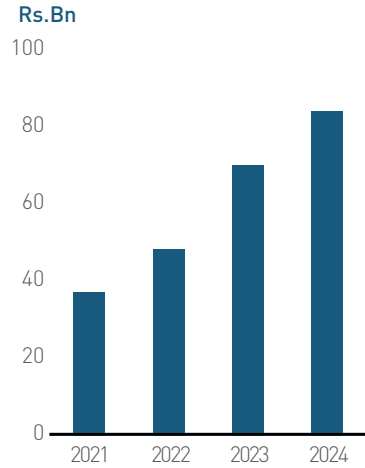
### Return on ordinary shareholders' funds (%)



### Employees of the group



### Tax to the Government of Sri Lanka



## Management Discussion & Analysis - Financial Review

### OPERATING CONTEXT

The Sri Lankan economy demonstrated notable improvement in key economic indicators during the financial year ended 31 March 2024, with its adherence to stringent reforms and policies under the International Monetary Fund - Extended Fund Facility (IMF-EFF) programme. As the operating environment evolved, Bukit Darah PLC (The Group - Company and its Subsidiaries) faced both opportunities and challenges in its business operations, which we effectively navigated through our group's diversified strength.

Encouraged by the Central Bank of Sri Lanka's (CBSL) relaxed monetary policies and softening inflation, Sri Lanka's GDP growth turned positive in the third quarter of 2023, ending a period of contraction. Growth was recorded in the Services, Industries, and Agriculture sectors. However, on an annual basis, GDP still contracted by 2.3% in 2023.

Starting in June 2023, the CBSL began easing its monetary policy. By the end of the financial year on 31 March 2024, it had reduced the Standing Deposit Facility Rate and Standing Lending Facility Rate by seven percentage points to 8.50% and 9.50%, respectively. Government securities rates, along with commercial bank lending and deposit rates, also decreased significantly by the end of the financial year. Inflation settled within the target mid-single digits, enhancing confidence in broader price stability.

In terms of external sector performance, the Sri Lankan rupee appreciated by 7.6% against the US dollar up to 28 March 2024 and also strengthened against other major currencies such as the euro, pound sterling, Japanese yen, Indian rupee, and Australian dollar. This exchange rate stability and foreign currency availability allowed businesses to plan with greater confidence. Meanwhile, gross official reserves saw improvement throughout the year. The

merchandise trade deficit contracted to one of its lowest levels in 15 years due to reduced expenditure on imports. Worker remittances reached USD 6.0 Bn, and tourism earnings hit USD 2.1 Bn, bolstering the gross official reserves, a trend expected to continue.

In Indonesia, inflation continued to impact the cost base of our plantation operations. Furthermore, the palm oil industry in Indonesia saw an increase in production volumes of CPO (Crude Palm Oil) and PKO (Palm Kernel Oil) compared to the previous year. Local palm oil consumption also rose notably due to the government's promotion of a palm oil-based biodiesel program. However, earnings from palm oil exports dropped by 23%, mainly due to a significant decline in average palm oil prices in 2023, despite relatively stable export volumes.

Amid challenging operating conditions in various regions, our Group entities achieved commendable performance, as detailed in the following sections.

### GROUP REVENUE

The Group posted a consolidated revenue of Rs. 277 Bn for the financial year ended 31 March 2024, recording a decrease of 16% compared with the previous year (year-on-year/ YoY). The contribution to the Group revenue from each segment is as outlined below:

Revenue - Rs. 000	FY 2023/24	% Contribution	FY 2022/23	% Contribution	% Change
Oil Palm Plantations	106,763,428	38.54%	149,508,063	45.25%	(29%)
Oils and Fats	54,478,750	19.67%	81,695,092	24.72%	(33%)
Beverage	112,235,839	40.52%	97,041,354	29.37%	16%
Portfolio and Asset Management	2,252,752	0.81%	1,080,451	0.33%	109%
Leisure	927,369	0.33%	719,766	0.22%	29%
Real Estate	323,589	0.12%	274,358	0.08%	18%
Investment Holdings and Management Services	27,117	0.01%	101,529	0.03%	(73%)
Group	277,008,844	100.00%	330,420,613	100.00%	(16%)

## SEGMENT PERFORMANCE REVIEW

### Beverage

The Beverage segment, which comprises Ceylon Beverage Holdings, Lion Brewery and their subsidiaries, emerged as the largest contributor to the Group revenue, accounting for 41% of the total consolidated revenue. Its revenue reached Rs 112.2 Bn for the current financial year, recording a 16% increase compared with the prior year. The revenue increased primarily due to price hikes triggered by the excise duty, which was increased three times during the year, and the volumes dropped marginally due to the price hikes. At present, taxes comprises around 69% of the price paid by the consumer. However, Lion Brewery (Ceylon) PLC strived to maintain consumer affordability and mitigate a steeper decline in sales volumes by introducing the 500ml returnable glass bottle for both Lion Strong and Carlsberg Special Brew at a price 15%-20% lower than the 625ml bottle and 500ml can SKUs.

The segment's international business achieved 20% export volume growth with strong performance in all key markets. During the financial year, the beverage sector focused its marketing efforts on three key regions—Africa, the Middle East, and South Asia—to capitalise on their market potential, which resulted in export growth.

### Oil Palm Plantations

This business segment representing oil palm cultivation and milling operations in Indonesia was the second-highest revenue contributor, accounting for 39% of the Group's revenue. The segment posted a revenue of USD 336.1 Mn (FY 23: USD 417.1 Mn), which translated to Rs. 106.8 Bn for the year under review. Compared to the prior year, segment revenue posted a decline of 29% due to the compound impact of the lower sales volumes and average selling price of Crude Palm Oil (CPO), 11% and 9%, respectively. The CPO average monthly price for the year was MYR 3,826 (as reflected in the Bursa Malaysia), down 8% from the previous year's monthly average. However, the YoY price decline in the first quarter was more than 40%, leading to lower revenues for the period. Additionally, the appreciation of the LKR against the USD during the year also contributed to the lower revenue in LKR terms.

### Oils and Fats

This segment based in Malaysia is engaged in manufacturing, marketing, and selling refined oils and specialty fats to the bakery, chocolate and confectionery, ice creams and creamer industries, and cooking oil products for end consumers. Accounting for 20%

of the Group's revenue, this segment generated USD171.3 Mn (FY 23: USD 229.8 Mn) in revenue, translating to Rs. 54.5 Bn. Revenue was down by 26% and 33% in USD and Rupee terms, respectively, compared to the year. This segment relies on Palm Kernel as its primary raw material, and the price of palm kernel remained relatively stable at around MYR 2,000 during the year. However, palm kernel prices dropped significantly, particularly in the first half of the year, by an average of 20% compared to the prior year's first-half-average monthly prices. Despite a 6% increase in volume, the revenue declined mainly due to the considerably lower prices and the impact of the LKR appreciation against the USD during the year.

### Portfolio and Asset Management

The segment's revenue reached Rs. 2.3 Bn, marking a substantial 103% increase from the previous year. Interest income for the year totalled Rs. 1.1 Bn, reflecting a significant 62% growth compared to the preceding year. Although interest rates sharply declined throughout the financial year, the segment achieved higher interest income from long-term fixed deposits invested when market interest rates were higher.

## PROFIT FROM OPERATIONS

The Group reported an operating profit of Rs. 47.4 Bn, compared to the prior year's Rs. 59.2 Bn—a 20% decline attributable to the decrease in revenues primarily due to external market shocks as discussed in the preceding section. In this context, diligent cost management initiatives were rolled out across all business sectors to maximize efficiencies, The segmental contribution to the Group's operating profit is presented below.

Profit from Operations - Rs. 000	FY 2023/24	% Contribution	FY 2022/23	% Contribution	% Change
Oil Palm Plantations	27,977,639	59.03%	41,507,569	70.11%	(33%)
Oils and Fats	2,167,383	4.57%	3,825,150	6.46%	(43%)
Beverage	15,476,787	32.65%	13,280,301	22.43%	17%
Portfolio and Asset Management	1,846,648	3.90%	787,179	1.33%	135%
Leisure	(85,931)	(0.18%)	(144,977)	(0.24%)	(41%)
Real Estate	173,873	0.37%	143,690	0.24%	21%
Investment Holdings and Management Services	(157,258)	(0.34%)	(196,867)	(0.33%)	(20%)
Group	47,399,141	100.00%	59,202,045	100.00%	(20%)

## Management Discussion & Analysis

### - Financial Review

The Beverage segment's operating profit for the year improved by 17% to Rs. 15.5 Bn from Rs. 13.3 Bn the previous year. In addition to export revenue growth, this improvement stemmed from several cost optimization efforts. Production overhead costs were reduced, and the margins improved due to coordinated and focused cost-reduction efforts all while maintaining our commitment to quality. These led to overall cost savings of around Rs. 875 Mn during the year and strengthened the operating profitability. Further, decreases in production cost due to rupee appreciation over the corresponding year contributed to the profitability growth of the sector,

The Oil Palm Plantations segment achieved an operating profit of Rs. 28 Bn, although it decreased by 33% compared to the previous year's Rs. 41.5 Bn. Its operating profit has been impacted by the 29% drop in its revenue, as explained in the preceding section. Cost of sales dropped significantly, consequent to the decreased CPO and CPKO production by 9% and 5%, respectively. The lower production was driven mainly by the reduced fresh fruit bunch (FFB) intake from out-growers. On the other hand, the segment witnessed a 1% increase in internal FFB production and a 4% increase in CPO production. Thus, costs of harvesting and plantation

maintenance, processing (milling), and depreciation and overheads remained relatively stable compared to the prior year. Similarly, the oil and fats segment also experienced a 43% decline in operating profitability, mainly due to a 33% revenue decrease.

The Portfolio and Asset Management segment reported a significant operating profit of Rs 1.9 Bn, compared to Rs 787 Mn the previous year. This profit was driven by the growth in interest income on fixed deposits, which amounted to Rs 1.1 Bn (compared to Rs 694 Mn in FY23), and gains on disposal of its investments of Rs 660 Mn (compared to a loss of Rs. 89 Mn in FY23).

The Leisure segment significantly reduced its prior year's operating loss by 41%, from Rs. 145 Mn to Rs. 86 Mn in the year under review. Revenue growth of 29% significantly contributed to the segment's improved performance on the back of higher occupancy.

#### NET FINANCE EXPENSES AND NET DEBT

The Group saw a significant decrease in its net finance costs by 14% to Rs. 12.6 Bn, from Rs 14.5 Bn in the prior year. Significant loan settlements across all segments and declining interest rates, particularly concerning

the segments based in Sri Lanka, contributed to the decrease in interest costs. Additionally, the appreciation of the Sri Lankan Rupee against the US Dollar in the latter half of the year also contributed to the lower financial cost.

The Group's total gross debts amounted to Rs. 87.3 Bn, down from Rs. 100 Bn in the prior year. The gross debts of the segments outside of Sri Lanka were Rs. 76 Bn recorded, a 14% decrease from Rs. 88 Bn of the prior year. In USD terms, gross debts of the overseas segments stood at USD 251 Mn, down from USD 270 Mn, marking a 7% YoY decrease, primarily due to net settlements of USD 31 Mn. The reduction in the gross debt in rupee terms is higher than that of USD due to the impact of the appreciating LKR exchange rate.

The Group's net debt decreased by 22% YoY to Rs. 45.7 Bn from Rs. 58.3 Bn in the previous year. The reduction was attributed to loan settlements, while cash balances remained at the same levels as last year. The Beverage segment closed in at a net cash position of Rs. 5.1 Bn. The Portfolio and Asset Management segment also held significant cash balances, resulting in a net cash position. The net debt segmental analysis is as presented below.

Net debt/(cash) - Rs. 000	FY 2023/24	% Contribution	FY 2022/23	% Contribution	% Change in Net Debt
Oil Palm Plantations	43,795,275	95.76%	50,851,689	87.20%	(14%)
Oils and Fats	7,946,883	17.38%	8,890,969	15.25%	(11%)
Beverage	(5,112,545)	(11.18%)	(2,036,996)	(3.49%)	151%
Portfolio and Asset Management	(2,205,928)	(4.82%)	(1,007,607)	(1.73%)	119%
Leisure	84,119	0.18%	178,169	0.31%	(53%)
Real Estate	(213,722)	(0.47%)	(173,214)	(0.30%)	23%
Investment Holdings and Management Services	1,438,312	3.15%	1,612,312	2.76%	(11%)
Group	45,732,394	100.00%	58,315,322	100.00%	(22%)

## PROFIT BEFORE TAX (PBT)

PBT is calculated by adjusting the operating profit by net finance costs, the share of the equity-accounted investee's results, and changes in the fair value of investments in equity and debt securities, investment properties, and biological assets. PBT for the year under review was Rs. 37.3 Bn, down from Rs. 42.4 Bn in the prior year due to the impact of the revenue decrease.

The biological assets, which represent the unharvested crops in the oil palm plantations, had a positive fair value gain of Rs 188 Mn at the end of the financial year compared to the significant fair value loss of Rs 3.7 Bn recognised in the prior year. This fair

value gain boosted the PBT for the year, as a fair value loss similar to the preceding year would have further reduced the lower operating profit for the year. A significant fair value gain of Rs. 1.9 Bn from the mark-to-market valuation of the investment portfolio also boosted the Group's PBT. Additionally, the investment properties of the Group contributed to the PBT with a fair value gain of Rs. 391 Mn.

## CORE PROFIT

Core profit refers to the profits generated from the Group's primary business activities, excluding accounting adjustments made mainly to account for fair value changes due

to market price movements of financial assets or liabilities. These adjustments reflect changes in the fair market value of the assets and liabilities without impacting the Group's cash or cash equivalents.

The Group reported a core profit of Rs. 34.5 Bn for the current financial year, recording a 24% decrease from Rs. 45.4 Bn in the prior year. The reduced PBT for the year, stemming from the drop in revenue, largely contributed to the lower core profit, which was further impacted by the higher fair value gains on financial assets, which doubled that of the prior year.

Adjusted core profit of the Group (Rs. '000)	FY2023/24	FY2022/23
Profit/(loss) Before Tax	37,288,459	42,377,917
Adjustments to arrive at the core profit		
Impairment of business assets	(291,063)	353,229
Foreign exchange (gains)/losses	(61,148)	507,410
Change in fair value of investment properties	(390,581)	(578,712)
Change in fair value of biological assets	(188,414)	3,696,464
<b>Adjusted core profit before FVTPL fair value adjustments</b>	<b>36,357,253</b>	<b>46,356,308</b>
Change in fair value of fair value through profit or loss financial assets	(1,880,387)	(923,001)
<b>Adjusted core profit</b>	<b>34,476,866</b>	<b>45,433,307</b>

## CAPITAL EXPENDITURE

The Group continued to invest in property, plant and equipment, bearer plants, intangibles and other assets to strengthen and enhance the profitability and sustainability of the group entities. Total capital expenditure for the year amounted to Rs. 16.9 Bn, compared to Rs. 17.4 Bn in the prior year. Oil Palm Plantations accounted for 59% of the total expenditure, followed by the Beverage and Oils and Fats segments, with 33% and 7%, respectively. The Group allocated nearly 53% of its cash generated from operating activities during the year to finance the capital expenditure.

## Management Discussion & Analysis - Financial Review

Cash Utilisation (Rs. Mn)	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	Total
<b>Cash Inflows</b>						
Net Operating Cashflow	33,448	52,459	21,546	16,077	5,224	128,754
Cash Inflows from Investing Activities	1,062	3,827	1,773	681	451	7,794
Cash Inflows from Financing Activities	70,126	7	60	2,537	50,050	122,780
<b>Total Inflows</b>	<b>104,636</b>	<b>56,293</b>	<b>23,379</b>	<b>19,295</b>	<b>55,725</b>	<b>259,328</b>
<b>Cash Outflows</b>						
<b>Investing Activities</b>						
Purchase and construction of Property, Plant and Equipment, biological assets, intangible assets/ prepaid lease payments	(16,601)	(16,236)	(10,815)	(7,472)	(7,183)	(58,307)
Other Investing Activities	(3,499)	(4,879)	(694)	(41)	(1,227)	(10,341)
<b>Total Outflows from Investing Activities</b>	<b>(20,100)</b>	<b>(21,116)</b>	<b>(11,509)</b>	<b>(7,513)</b>	<b>(8,410)</b>	<b>(68,648)</b>
<b>Financing Activities</b>						
Repayment of borrowings, finance lease creditors and net decrease in noncontrolling interest	(74,574)	(20,432)	(6,490)	(4,322)	(49,222)	(155,040)
Dividends Paid (including Preference Dividends)	(2,950)	(4,441)	(1,262)	(539)	(409)	(9,601)
<b>Total Outflows from Financing Activities</b>	<b>(77,524)</b>	<b>(24,873)</b>	<b>(7,752)</b>	<b>(4,861)</b>	<b>(49,631)</b>	<b>164,641</b>
<b>Total Cash Outflows</b>	<b>(97,624)</b>	<b>(45,989)</b>	<b>(19,261)</b>	<b>(12,374)</b>	<b>(58,041)</b>	<b>(233,289)</b>
Change in Cash Balance	7,012	10,304	4,118	6,921	(2,316)	26,039
Opening Cash Balance	15,453	5,149	1,031	(5,890)	(3,574)	(3,574)
Closing Cash Balance	22,465	15,453	5,149	1,031	(5,890)	22,465

### DIVIDENDS

The shareholders received a first interim dividend of Rs. 1.80 per share (DPS) for the financial year 2023/24, distributing a total of Rs. 209.9 Mn.

### Carsons Management Services Private Limited

16th July 2024



# Sustainability Report

## SUSTAINABILITY INTEGRATION INTO THE CORPORATE MODEL

At Bukit Darah PLC, sustainability is deeply ingrained in our corporate culture, guiding our strategic decision-making and long-term value creation. For us, Environmental, Social, and Governance (ESG) initiatives are not merely compliance requirements but integral drivers of innovation, risk mitigation, and competitive advantage. By embedding these principles across our broader operations, we aim to build a resilient business model that delivers sustainable returns while leaving a lasting positive social and environmental footprint.

## OUR APPROACH TO ESG

Through rigorous materiality assessments conducted across our diverse sectors, our group is pursuing an ambitious sustainability agenda, focusing on ESG goals that are most significant for our operations.

Within our environmental commitments, we place significant emphasis on biodiversity and landscape conservation, climate action transition plans, and contributions towards a circular economy through sustainable waste management practices. Additionally, we prioritise environmental compliance to ensure that our operations rigorously align with the regulations and standards. In the realm of social considerations, our focus extends to a diverse range of community development projects that support broader causes, including education, health and wellness programmes, and other efforts aimed at enhancing societal well-being. Most importantly, building sustainable businesses is about how we value and nurture our employees. To this end, we have dedicated substantial investments to enhancing the well-being and growth of our employees, placing a strong focus on developing our human capital. In recent years, our businesses have spearheaded numerous impactful environmental and social projects. These endeavours will be comprehensively detailed in the latter part of our review.

Our governance framework ensures that our business operations adhere to the highest standards of risk management, compliance and ethical practices. In line with this approach, we have integrated comprehensive risk assessments, reporting standards, robust compliance frameworks and transparent stakeholder engagement across our business operations, as part of our good governance practices.

Through focused efforts, our group has achieved significant milestones in its sustainability journey over the recent years. A notable example is our Oil Palm Plantations sector, securing an impressive 9th place in the 2023 SPOTT ranking with a 5.4% increase in scores from 2022. The Zoological Society of London's (ZSL) SPOTT initiative evaluates 100 palm oil producers, processors, and traders on their public disclosure of organisational policies and ESG practices. Hence, this recognition exemplifies our group's approach to robust ESG stewardship with greater accountability and transparency.

# Sustainability Report

## WAY FORWARD

Our major business sectors currently operate with dedicated ESG steering committee that provide sustainability oversight and periodically review progress against established targets. Moving forward, our strategic focus remains on embedding sustainability deeper into our business model by developing a comprehensive Group-level ESG roadmap. This will provide further impetus to our ambitious long-term ESG goals, with a structured approach to sustainability leadership, regulatory compliance and active stakeholder engagement.

In June 2023, the International Sustainability Standards Board (ISSB) introduced its first global baseline for sustainability reporting: IFRS S1 for General Requirements for Sustainability-Related Financial Information and IFRS S2 for Climate-Related Disclosures. Partnering with the ISSB, the Institute of Chartered Accountants of Sri Lanka has released localised versions, SLFRS S1 and SLFRS S2, which will be effective from January 1, 2025. By aligning our ESG disclosures with these benchmarks, we aim to strengthen our ESG reporting for our stakeholders, elevating our overall sustainability practices.

## ENVIRONMENTAL

As a part of our long-term environmental agenda, we have launched impactful projects across three key domains:

1. Biodiversity and Landscape Conservation
2. Transitioning to a Low-Carbon Economy
3. Moving towards a Circular Economy
4. Environmental Compliance

These initiatives are driving significant progress in our sustainable commitments.

### 1. BIODIVERSITY AND LANDSCAPE CONSERVATION PROJECTS

The Group is dedicated to implementing robust practices aimed at protecting and restoring ecosystems across all operational countries, ensuring the preservation of biodiversity and natural habitats. Each sector within the Group actively contributes to this mission through the implementation of customised action plans. These collective efforts fulfil our responsibility to safeguard the environment for future generations.

### 1.1 25-year Landscape Conservation Project in the Oil Palm Plantations Sector

With its extensive landholdings, the Oil Palm Plantations sector of the group is committed to preserving a 4,475-ha forested area outside its concessions in Nabire Regency, Papua, as part of its Roundtable on Sustainable Palm Oil (RSPO) commitment. To this end, Goodhope (GAHL) has embarked on a 25-year strategic project encompassing a comprehensive compensation plan for external areas and a robust remediation plan to protect High Conservation Value (HCV) and High Carbon Stock (HCS) forests within its concessions. Additionally, Goodhope GAHL is driving sustainable business development in collaboration with local communities, engaging them in conservation management and monitoring activities. These strategic efforts not only maintain biodiversity and ecological balance but also empower local communities, reinforcing our dedication to landscape conservation and sustainable agricultural practices.



Of the above phases, the implementation phase began in the financial year 2023/24. It focused on key activities across three strategic areas: implementing ecosystem enhancement activities through a compensation plan, managing and monitoring High Conservation Value (HCV) and High Carbon Stock (HCS) areas under a remediation plan, and fostering sustainable business development initiatives within the community.

**Progress of the Implementation Stage in FY 23/24**

Remediation Plan	Compensation Plan	Community Engagement
<ul style="list-style-type: none"> <li>• 3 nurseries were established in Sima Village and Wagi Beach, with 1,829 seedlings prepared for restoration and expansion.</li> <li>• 3,504 forest plant seedlings were purchased for 2024 planting.</li> <li>• River boundary marking began in October 2023 to enhance riparian protection.</li> </ul>	<ul style="list-style-type: none"> <li>• 107,581.66 ha in Nabire Regency was designated as Key Ecological Ecosystem (KEE) to preserve biodiversity and support sustainability.</li> <li>• Implemented regular patrols and ecosystem restoration activities in Sima and Wanggar Pantai villages</li> <li>• Enhanced community engagement with KEE information board installations.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated alternative business development in agriculture, non-timber forest products, and ecotourism.</li> <li>• Empowered local groups through capacity-building initiatives such as the Papuan Leader Bootcamp, fostering sustainable practices and economic resilience.</li> </ul>

# Sustainability Report

## 1.2. Fire Prevention and Preparedness

Deforestation and forest degradation are critical threats to a sustainable agricultural future. Our plantations have actively addressed these challenges by implementing a comprehensive array of fire prevention measures aimed at mitigating the risks of land fires. These initiatives outlined below are crucial for preserving the integrity of our landscapes and natural habitats.

- Implemented multiple measures to ensure adequate resources for addressing land fires in plantations.
- Enhanced early-warning and fire detection system.
- Implemented hotspot monitoring system which provides rapid alerts to fire response teams.
- Constructed several fire monitoring towers.
- Utilised drones for anticipatory monitoring of land fires.
- Identified and mapped high-priority areas in FY23/24.
- Provided training and conducted regular fire drills for team preparedness.



- Engaged with community and government stakeholders to ensure awareness and support.

## 1.3 Protecting Coastlines

In preserving coastal ecosystems, our group actively participates in beach conservation projects. For example, our Beverage sector has teamed up with dedicated organisations to support coastal conservation initiatives. We proudly back “Wana Arana,” Project in beach cleanup efforts from Mount Lavinia to Welawatta, and collaborate with “Clean Ocean Force” to empower local families conducting cleanups in Negombo. In addition, our partnership with the Negombo Hoteliers Association further drives local beach cleanup projects. Meanwhile, our Leisure sector supports these endeavours engaging in regular beach cleanup activities with its staff.

## 1.4 Other Landscape Conservation Projects

The group’s other landscape conservation efforts extend to tree-planting initiatives such as the “Prana Project” led by the Leisure sector and the Beverage Sector’s tree-planting initiatives in collaboration with



“Machang restaurant” chain, which marked the first step in involving trade partners in conservation activities. Additionally, the Beverage sector has launched a community based waste segregation programme, providing waste segregation bins made from recycled materials generated in its manufacturing process. Twelve such units have been deployed over this period, promoting sustainable waste management practices and minimising environmental impact.

## 2. TRANSITIONING TO A LOW CARBON ECONOMY

To address the pressing environmental concerns across the world, our group has embarked on a strategic shift towards a greener economy. At the heart of this transformation is a focused endeavour to decrease greenhouse gas emissions (GHG) and lower the usage of electricity, water, and fuel across operational areas. Through the implementation of specific projects and cutting-edge technologies, our goal is not only to comply with regulations but also to lead the way in sustainable techniques that improve operational effectiveness and environmental responsibility.



## 2.1 Electricity, Water & Fuel Consumption – Progress Made in FY 2023/24

Metrics	Year-on-Year % Change
<b>Oil Palm Plantations &amp; Oils &amp; Fats Sector</b>	
Electricity Consumption (kWh)	-6%
Diesel Usage (Liter per Tonne of FFB processed)	-13%
<b>Beverage Sector</b>	
Electricity Consumption (kWh per Hectolitre)	-1%
Furnace Oil Consumption (Liter per Hectolitre)	-5%

In addition, the group's Oil Palm Plantations sector has taken a proactive approach to monitor GHG emissions by expanding its use of the RSPO PalmGHG Calculator (V.4 November 2019). This tool is utilised to estimate GHG emissions from various activities, including land-use change, oil palm cultivation, and the processing of Fresh Fruit Bunches (FFB) for palm oil production. The main objective of this monitoring effort is to identify potential opportunities to reduce GHG emissions and to track the progress in this reduction process.

## 2.2 Inaugural Biogas Project

In April 2023, the commissioning of the first Biogas plant at Sg. Binti Mill marked a significant milestone for our low-carbon economy strategy. This plant is pivotal in reducing methane emissions from Palm Oil Mill Effluent (POME) by up to 85%, underscoring our commitment to environmental sustainability. By transitioning to biogas, we aim to diminish the Oil Palm Plantations sector's reliance on fossil fuels while embracing a cost-effective and sustainable energy solution.



## 3. MOVING TOWARDS A CIRCULAR ECONOMY

Our Group actively implements initiatives that prioritise resource efficiency, waste reduction, and responsible by-product management. From upcycling and innovative recycling programmes to sustainable packaging solutions, we are committed to closing the loop across all operations and diverse sectors.

### 3.1. Waste and By-Product Management through Upcycling and Recycling

In the financial year 2023/24, the Beverage sector of the group converted 22,869 MT of material through re-use, recycling, and upcycling. The sector has partnered with various authorities, such as the Western Province Waste Management Authority, Sri Lanka Institute of Biotechnology, Sri Lanka Institute of Nanotechnology, and numerous private sector entities for several development initiatives. The "Melting Point" brand continued, focusing on upcycling Aluminium. As a notable initiative in 2023, the Lanka Premier League cricket trophy and player awards were crafted from damaged aluminium cans.

Similarly, the Oil Palm Plantations sector adopts an integrated approach that emphasises the reuse and recycling of 100% of organic waste generated. The primary waste products, including Empty Fruit Bunches (EFB), mesocarp fibres, palm kernel shells, and Palm Oil Mill Effluent (POME), are repurposed to enhance environmental sustainability and operational efficiency:

## Sustainability Report

- Palm kernel shells and mesocarp fibres from FFB are utilised as biofuel for boilers in our mills, reducing reliance on fossil fuels and minimising waste.
- EFB undergo composting treatment to be used as organic fertiliser or applied as mulch. This contributes to weed control, soil erosion prevention, and moisture retention, thereby improving soil health and productivity.
- Treated POME is repurposed for land application, enriching soil quality and preventing water pollution by avoiding discharge into waterways.

### 3.2. Sustainable Packaging

The group’s consumer-focused Beverage sector has embarked on an eco-friendly packaging initiative to minimise its environmental footprint. Under this initiative, performance for the financial year 2023/24 was as follows.

Key Metrics	FY 23/24
Returnable bottles as a % of total bottle volume	92%
Returnable plastic crate reutilisation	96%
Recycled materials purchased for bottles as a % of total material	32%
Recycled materials purchased for plastic crates as % of total material	56%

## 4. ENVIRONMENTAL COMPLIANCE

As a part of our commitment to sustainability, the Group has acquired the required environmental licenses and certificates across all its business operations. This ensures that the Group’s operations and value

chain activities fully comply with stringent environmental regulations and standards, thus signifying its commitment to responsible and sustainable practices.

### 4.1. Roundtable on Sustainable Palm Oil (RSPO) Certificate

The group’s Oil Palm Plantations sector has been a member of RSPO since 2014. The RSPO certification ensures that palm oil is produced sustainably, meeting strict environmental and social standards. This certificate implies that RSPO-certified oil comes from plantations that adhere to guidelines set around the environment, workers, and local communities. According to the RSPO guidelines, oil palm producers must consider the following aspects in their environmental sustainability guidelines:

- 1) Soil conservation (preventing erosion and degradation)
- 2) Water quality and quantity
- 3) Greenhouse Gas Emissions
- 4) Energy use
- 5) High Conservation Value (HCV) and High Carbon Stock (HCS) areas
- 6) Fire prevention and management
- 7) Peatland management
- 8) Waste management
- 9) Effective Integrated Pest Management (IPM)
- 10) Pesticide use

The Oil Palm Plantations sector has developed its environmental sustainability guidelines by following these criteria, ensuring that we comprehensively meet RSPO standards and promote sustainable palm oil production.

### 4.2 ISO 14001 Certificate for Environmental Management Systems (EMS)

Our group has obtained ISO 14001 EMS certification across all sectors, reflecting our proactive approach to environmental management. These standards mandate the identification and control of environmental impacts, continual performance enhancement, and a commitment to environmental stewardship.

### 4.3 PROPER Certificate

The programme for Pollution Control, Evaluation, and Rating (PROPER), established by Indonesia’s Ministry of Environment, promotes industry compliance with environmental regulations; in the Oil Palm Plantation sector, three of our milling facilities have consistently complied with PROPER standards. We continue to adopt innovative practices in clean technology to enhance our environmental management plans and maintain high standards of environmental protection.

### 4.4. Marine protection Licenses

The Leisure sector of the group complies with the marine protection license and the annual permit for sea dumping. These licenses ensure that our activities comply with stringent regulatory standards, minimising the impact on marine ecosystems and coastal environments.

## SOCIAL

At the core of our group’s business is social responsibility. Across all sectors, we’re driving positive change through initiatives focused on empowering local communities through comprehensive educational support, enhancing rural infrastructure, and providing assistance to indigenous communities. Our employees remain at the forefront, where we actively foster strong employee relationships through a range of employee development initiatives with a focus on creating rewarding workplaces. Through targeted philanthropic efforts and economic contributions, we are committed to

driving societal well-being. Our ultimate goal is to drive purposeful progress and positive change throughout our business ecosystem in the long term.

### 1. COMMUNITY DEVELOPMENT PROJECTS

Across our group, we have committed to a range of community development initiatives through targeted programmes and partnerships. These initiatives aim to empower local communities by fostering sustainable livelihoods, improving access to education and healthcare, and promoting cultural preservation. By investing in these initiatives, we not only strengthen community resilience

but also build long-term relationships based on trust and mutual benefit.

#### 1.1 Education Support

The Group has aligned its educational initiatives to empower future generations, positioning these efforts as a cornerstone of its long-term vision. By investing in comprehensive educational and training programmes and education support programmes, the Group aims not only to ensure a positive societal impact but also to cultivate a skilled and knowledgeable workforce. This dual approach enhances community engagement while fostering human capital for the company’s future growth.

#### Group Education Support Initiatives in FY 23/24

Oil Palm Plantations & Oils & Fats Sectors	Beverage Sector	Portfolio & Asset Management Sector	Leisure Sector
<ul style="list-style-type: none"> <li>Under “Bumi Nabire” project 101 smallholders received training and graduated in the year under review.</li> </ul> <p><b>Ongoing Key Projects</b></p> <ul style="list-style-type: none"> <li>Established in 2008, the Agro Harapan Foundation operates schools and daycare centres near plantations, providing a supportive learning environment for local children with the help of qualified educators.</li> <li>In Nabire, the Field School ‘Bumi Nabire’ plays a pivotal role in promoting sustainable conservation and development. It hosts training sessions for community groups to enhance knowledge on sustainable agricultural practices.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitated technical knowledge transfer for professionals and higher education students through field visits to the Brewery. In the FY 23/24, 32 field visits were organized, engaging 1,161 participants and providing 3,951 hours of specialized training.</li> <li>22 internships and 24 industrial training opportunities were provided to develop practical skills in the emerging workforce.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented an investment trainee programme in collaboration with universities to nurture talent and offer employment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Partnered with leading hotel schools to provide industrial training opportunities for recent graduates.</li> <li>Provided educational support for employees’ children through school book donations under the “Nana Diriya” programme.</li> </ul>



# Sustainability Report

## 1.2. Ensuring the well-being of Indigenous communities in Nabire, Indonesia.

Under this impactful project aimed at empowering the Indigenous communities, the Oil Palm Plantations sector of the group has undertaken several initiatives such as;

- **Formation of Forest Care Community Groups:** Restoring ecosystems and promoting community participation.
- **Ecosystem Monitoring Programmes:** These programmes carry out risk assessments and monitor forest management in KEE areas.
- **Establishment of Nursery Facilities:** Enhancing ecosystem restoration and ensuring food security for residents.
- **Sustainable Livelihood Business Models:** Creating market-engaged sustainable business models.
- **Capacity Building and Training:** Supporting women farmer groups, joint venture community development groups and fish processing and marketing groups.

## 1.3 Uplifting of the local communities in Vakarai

This collaborative project between the Real Estate and the Portfolio and Asset Management sectors of the group, in partnership with World Vision, aims to positively impact the local community in the Vakarai region of Sri Lanka. The project includes initiatives such as providing essential equipment and seeds to 25 farming families to support their livelihoods, enhancing sanitation facilities at Mathurankernykulam G.T.M. School by constructing new washrooms, and implementing a one-year mid-day meal programme to address child hunger and malnutrition.



## 1.4 Other Community Support Programmes

Across our business sectors, we are committed to ongoing Corporate Social Responsibility (CSR) initiatives that aim to uplift and support communities. These include range of projects such as distributing essential goods to families affected by natural disasters, organising regular blood donation drives, and providing support for cultural festivals in nearby communities. These regular projects demonstrate our dedication to achieving our business objectives while also prioritising the well-being of the communities around us.



## 2. EMPLOYEE DEVELOPMENT

At Bukit Darah PLC, employee development is a strategic priority aimed at nurturing talent and fostering a culture of continuous learning and growth. To empower our workforce, we invest in comprehensive training programmes, leadership development initiatives, career advancement opportunities, and employee safety and well-being. Through these initiatives, we ensure that our employees are equipped to thrive in a dynamic business environment.

Our people are our most valuable asset. To foster a workplace environment that values openness and honesty, our emphasis has been on crafting a comprehensive people strategy and Human Resource (HR) governance framework that places significant importance on critical employee concerns. Outlined below are the key pillars that form the foundation of our people strategy.



**Enhance Employee Development programmes**

Expand and enhance employee training and development initiatives to foster continuous learning and skill and enhancement.

**Strengthen Leadership Development**

Implement targeted leadership development programmes to cultivate a robust pipeline of future leaders.

**Promote Diversity and Inclusion**

Accelerate efforts to promote diversity and inclusion throughout the organisations, ensuring a supportive and equitable workplace culture.

**Optimise HR Technology**

Invest in and leverage advanced HR technology solutions to streamline processes, enhance operational efficiency, and support data-driven decision-making.

**Sustainability Initiatives**

Strengthen efforts towards sustainable practices and corporate social responsibility, aligning with global standards and community expectations.

**GROUP HUMAN CAPITAL STATISTICS - FY 2023/24**

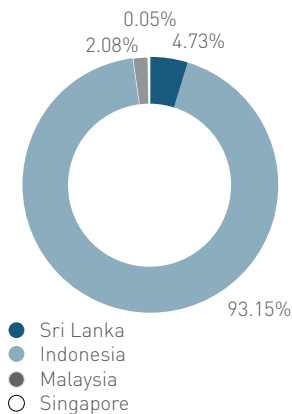
**Total Workforce by Region**

	Sri Lanka	Indonesia	Malaysia	Other	Total
Directors	11	6	2	3	22
Managers	175	127	49	4	355
Executives	276	474	142	1	893
Non-Executives	314	14,691	148	0	15,153
Grand Total	776	15,298	341	8	16,423

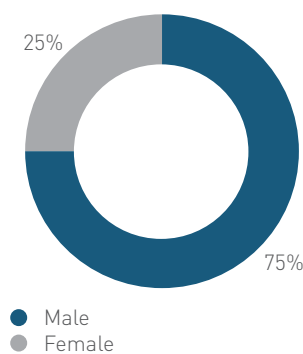
**Gender Diversity (As of 31<sup>st</sup> March 2024)**

	Male	Female
Directors	19	3
Managers	297	58
Executives	635	258
Non-Executives	11,420	3,733
Grand Total	12,371	4,052

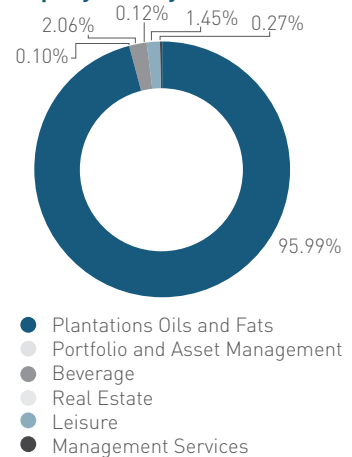
**Total Workforce by Country**



**Gender Diversity**



**Employees by Sector**



## Sustainability Report

### OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is a key priority within our Group Human Resource strategy. This highlights our commitment to safeguarding the well-being of our workforce and ensuring a safe, productive, and compliant work environment across all operations.

To uphold this commitment, we have implemented several strategic initiatives across all business sectors.

These include obtaining necessary licenses for occupational health and safety, conducting comprehensive audits to identify and mitigate high-risk areas, and proactively addressing potential hazards. Additionally, we provide extensive educational sessions on workplace safety, on-the-job safety training programmes, and fire training sessions. These measures collectively reinforce our dedication to creating a secure and supportive environment for our employees.

### TRAINING AND DEVELOPMENT

Training and development form the foundation of our organisation’s achievements. We are committed to providing our employees with abundant opportunities for ongoing learning, career growth, and advancement. We offer well-defined career progression paths and mentorship programmes designed to enhance both the technical and interpersonal skills of our team members. Some of the significant sector-specific training initiatives conducted are as follows:

Sector	Initiatives	Details
Oil Palm Plantations & Oils & Fats Sectors	Goodhope Talent Academy	The academy aims to cultivate young talent as future leaders through a structured programme that includes classroom and on-the-job training. Out of 2,600 applicants, 24 were selected—17 males and 7 females—primarily from North Sumatra and Yogyakarta, with additional participants from various operational roles. These individuals represent the next generation of plantation leaders for Goodhope in Indonesia.
Beverage Sector	“Tharanaya” Management Trainee Programme	In FY2023/24, 57 individuals advanced their careers through internal promotions, lateral moves, and one overseas placement.
	Executive Development Programme with Post-graduate Institute of Management (PIM)	An Executive Development Programme with PIM included 12 modules focused on industry-specific leadership skills, enhancing the sector’s strategic talent development efforts.
Leisure Sector	Hospitality Training Programmes	Emphasis on Customer Service Excellence, Food Safety and Hygiene, Effective Communication Skills, and Inventory Management through classroom and on-the-job training by external consultants and internal trainers.
Cross-Sector Training	Future-Oriented Training Sessions	Sessions on AI usage, IT Security Awareness, online safety threats, and other emerging digital advancements.

## EMPLOYEE ENGAGEMENT

Our Group places significant emphasis on fostering employee engagement as a crucial element of our HR strategy. Our engagement initiatives are designed to elevate productivity, improve employee retention, and enhance overall workplace morale. We are dedicated to nurturing effective leadership and management while cultivating a culture of inclusivity, collaboration, and appreciation where every employee feels honoured and respected. Moreover, we are committed to promoting a healthy work-life balance for our employees.

To boost employee morale and engagement, it's crucial for us to actively seek and actively implement employee feedback through regular open forums. For instance, in the Beverage sector, we host dedicated open forums such as "CEO-Connect" and "Lion People Connect" to facilitate group discussions and understand our employees' pulse.

Throughout the year, we meticulously planned and organised a wide range of engagement activities across all sectors to make our work environments more vibrant and engaging. These activities encompassed a spectrum of events such as team-building exercises, themed office engagement activities, annual get-togethers, competitive corporate events, fun-filled sports days, musical events, and annual staff trips.



## STAFF AND COMMUNITY WELL-BEING

Our Group prioritises the well-being of our employees by fostering a supportive environment that addresses their physical, mental, and emotional health. Our comprehensive well-being programmes include physical and mental health support, social interaction opportunities, financial wellness assistance, and physical fitness activities, all designed to enhance employee health and productivity.

As an ongoing major initiative in the Oil Palm Plantations sector, we operate 16 clinics staffed with 40 medical practitioners, providing essential healthcare services to 116,162 individuals across 71 villages near 13 plantations. These services encompass family planning, nutrition, immunisation, disease control, free medical screenings, and ambulance services, ensuring comprehensive health support for our communities and employees.

With a vision to cultivate the healthiest workforce in Sri Lanka by 2025, the Beverage sector strategically launched the "Lion We Care" employee wellness programme during the financial year 2023/24, observing increased participation in wellness activities. Key initiatives completed in the financial year 2023/24 year include mental health programmes, physical wellness programmes such as free medical camps and virtual step challenges to promote physical fitness, and active participation in events such as the Colombo Sugar Run, fostering a culture of health and wellness within our workforce.

Other employee benefits include health insurance covering OPD, hospitalisation, surgical, and critical illness needs, along with personal accident and life insurance policies. Furthermore, we are committed to providing ongoing support through medical seminars, webinars focusing on mental health awareness, a dedicated support line, and ergonomic programmes.

## DIVERSITY & INCLUSION

Across our group's businesses, Diversity, Equity, and Inclusion efforts are integral to our corporate strategy. Maintaining a commitment to gender equity, we have increased efforts to improve the female-employee ratio. Additionally, we have implemented several initiatives to enhance diversity and foster an inclusive culture, ensuring our workforce reflects the diverse communities we serve.

- **Promoting Diversity:** Actively promoting gender diversity and inclusion across all levels of the organisation. Our goal is to increase the representation of women and under-represented groups in leadership roles.
- **Equity Programmes:** Implementing equitable policies and practices to ensure fair treatment and opportunities for all employees.
- **Inclusive Culture:** Creating an inclusive workplace where all employees feel valued and respected, supported by regular training and awareness programmes.

# Sustainability Report

## GOVERNANCE

Our Group's governance structures exemplify our commitment to upholding practices across our global operations. We are committed to developing comprehensive risk assessments, adhering to international standards and frameworks, and driving ethical excellence in our operations.

### 1. COMPREHENSIVE RISK MANAGEMENT FRAMEWORK

Our Group adheres a comprehensive risk management framework, encompassing Business Environment Risks, Strategic Risks, and Business Process Risks. This involves thorough risk assessments reviewed regularly by the Board Audit Committee and presented to the Board of Directors during annual and quarterly planning sessions. Across our businesses, we carry out periodic internal and external audits. A dedicated risk management report is disclosed in our annual report, highlighting our transparent and proactive approach to mitigating risks.

### 2. COMPLIANCE WITH STANDARDS & FRAMEWORKS

Our Group is steadfast in its commitment to adhering to all relevant standards and frameworks across our business operations, encompassing financial reporting and auditing standards, occupational health and safety, environmental compliance, food safety management, and data protection. This approach to compliance not only mitigates risks but also drives operational excellence, builds stakeholder trust, and reinforces our responsible business practices.

By closely aligning our ESG initiatives with global frameworks, we ensure our initiatives not only meet but exceed regulatory requirements. Moving forward, our main areas of focus include strengthening our ESG

efforts through the implementation of a robust Group-level ESG governance framework and further streamlining our sustainability reporting to adhere to pertinent reporting standards and disclosures.

### 3. ETHICAL BUSINESS PRACTICES

Our Group is dedicated to embedding ethical business practices as a core component of our strategic vision across all sectors. In line with this, significant progress has been made in formalising our ethical business practices through the development of Anti-Corruption policies and Employee Code of Conduct across our group's businesses.

We enforce a zero-tolerance approach to corruption, bribery, and unethical behaviour across all our operations. Regular employee training initiatives on ethical conduct, anti-corruption policies, and compliance requirements are organised, ensuring a well-informed and ethically responsible workforce. Our whistleblower mechanisms empower employees to report unethical behaviour without fear of retaliation, fostering a transparent and accountable organisational culture.

### 4. TAXATION AND ECONOMIC DEVELOPMENT

Our Group views tax compliance as a critical component of our corporate responsibility and economic support initiatives. Our significant contribution to national fiscal stability is demonstrated by direct tax payments amounting to Rs. 84.1 Bn for the year in review. We uphold a transparent relationship with tax authorities, ensuring full compliance with all regulatory requirements. This strategic approach not only reinforces our dedication to integrity and accountability but also supports the economic development of the communities in which we operate.

### 5. RESPONSIBLE SOURCING

The Group is unwavering in its commitment to responsible sourcing, ensuring that our procurement practices are sustainable, ethical, and aligned with our core values of traceability and environmental stewardship.

In the financial year 2023/24, the Oil Palm Plantations and the Oils and Fats sectors demonstrated exemplary dedication by delivering 1,884,492 MT of fresh fruit bunches (FFB) with 100% traceability and mapping 6,039 independent smallholders. Initiatives like the Farmer Field School programme (FFS) in the Ketapang Sub-district of Indonesia support smallholders in adopting sustainable practices, furthering our commitment to responsible sourcing. Additionally, the sector engaged 46 third-party mills and 9 refineries to ensure compliance with No Deforestation, No Peat, No Exploitation (NDPE) policies, thereby enhancing sustainability within the supply chain.

Furthermore, the Beverage sector also contributed to our strategic goals by hosting the Service Provider Safety Summit, where management personnel of Service Providers received training on social compliance and safety improvement plans. This summit featured a competitive awards scheme to recognise and incentivise safety performance.

As we move forward, we remain steadfast in our commitment to advancing our ESG initiatives. By continually enhancing these areas, we aim to foster a more resilient and responsible organisation while contributing to a better world for future generations. Together, we are building a sustainable future for all.

Carsons Management Services (Private) Limited

16th July 2024

# Economic Value Added Statement

(Amounts expressed in Sri Lankan Rs. 'Mn)

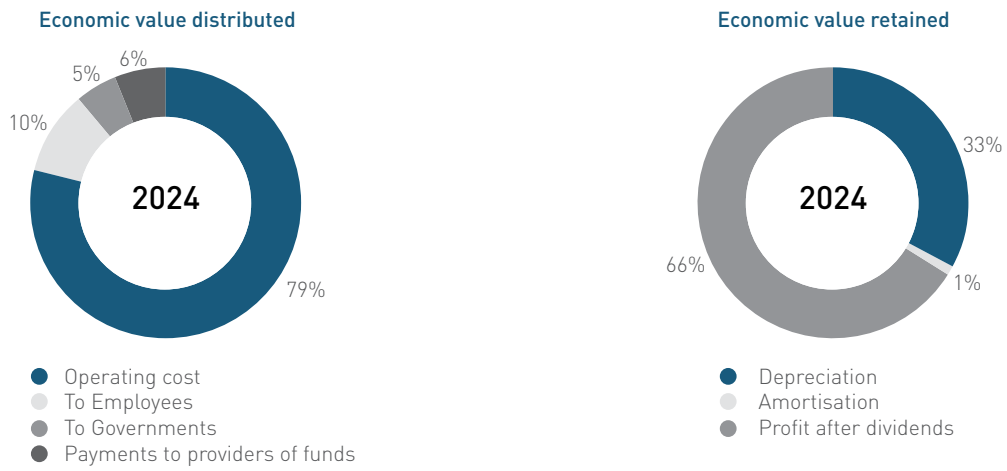
For the year ended 31st March	2024	2023	2022	2021	2020
<b>Direct economic value generated</b>					
Revenue	277,009	330,421	170,656	114,808	105,891
Other income	3,839	3,732	1,650	1,770	1,306
Share of net results of equity accounted investee	(13)	(14)	(34)	(19)	11
Finance income	2,168	2,055	741	727	1,014
Change in fair value of investment properties	391	579	578	61	151
Change in fair value of biological assets	188	(3,696)	3,348	531	159
Change in fair value of financial assets - fair value through profit or loss	1,880	923	(1,776)	1,884	(1,801)
	<b>285,462</b>	<b>334,000</b>	<b>175,163</b>	<b>119,762</b>	<b>106,731</b>
<b>Economic value distributed</b>					
Operating costs	198,038	233,662	126,960	81,503	82,385
To Employees as remuneration and other benefits	26,122	29,344	13,174	10,834	10,506
<b>Income tax to Governments (Note 1)</b>					
For Sri Lankan operations	6,118	4,318	2,518	2,017	1,950
For Overseas operations	7,179	10,183	3,770	2,013	328
Payments to providers of funds	14,725	16,670	7,252	6,927	7,800
	<b>252,182</b>	<b>294,177</b>	<b>153,674</b>	<b>103,294</b>	<b>102,969</b>
<b>Economic value retained</b>					
Depreciation	10,866	10,605	6,701	6,482	6,087
Amortisation	422	523	312	328	305
Profit after dividends	21,992	28,695	14,476	9,658	(2,630)
	<b>33,280</b>	<b>39,823</b>	<b>21,489</b>	<b>16,468</b>	<b>3,762</b>

## Note

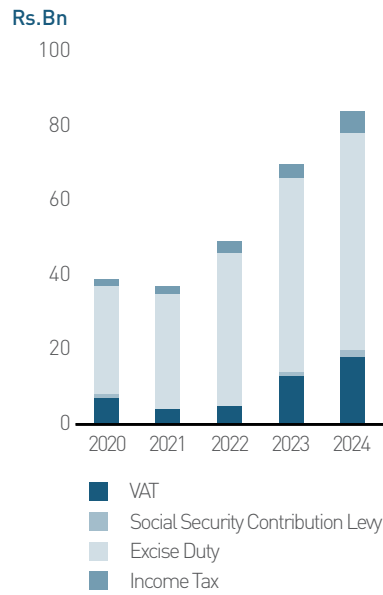
1. The total tax liability to the Government of Sri Lanka during the year included the following:

For the year ended 31st March	2024	2023	2022	2021	2020
Value Added Tax	18,013	12,972	4,980	4,230	6,760
Social Security Contribution Levy	2,396	1,071	-	-	667
Excise Duty & Import duty included under net sales above	57,599	51,747	40,882	30,646	29,233
Total Indirect taxes	<b>78,008</b>	<b>65,790</b>	<b>45,862</b>	<b>34,876</b>	<b>36,660</b>
Income Tax	6,118	4,318	2,518	2,017	1,950
Total Taxes to the Government of Sri Lanka	<b>84,126</b>	<b>70,108</b>	<b>48,380</b>	<b>36,893</b>	<b>38,610</b>

## Economic Value Statement



### Total Taxes to the Government of Sri Lanka



# Management Teams

## PLANTATIONS, OILS & FATS

Hariharan Selvanathan Deputy Chairman/Group Chief Executive Officer	K. Murali Tharan Regional Controller – Central Kalimantan	Rushdi Azeez Director/Head of Group Finance
Aneesh Dudeja President and Chief Financial Officer	Muthukumaran A/L Murugiah Director - Engineering	Amjad Ibrahim Director/Head of Business Services & Process Re-Engineering
Satish Selvanathan Executive Director	Carl Dagenhart Head of Group Sustainability	Ishan Danthanarayana Director HR - Group and Country Head Sri Lanka
Ms. Sharada Selvanathan Director/Head of Corporate Planning	Avneet Singh Chief Financial Officer - Downstream	
Sanjaya Upasena Director/Chief Operating Officer - Oil Palm Plantation	Saliya Rodrigo Director/Head of Finance - Upstream	

## BEVERAGE

Rajiv Meewakkala Director/CEO	Shiran Jansz Senior Vice President Strategic Procurement Initiatives	Chathura Karunaratne Senior Vice President – Procurement & Sourcing
Madhushanka Ranatunga Chief Sales & Marketing Officer	Chandana De Silva Senior Vice President Quality Assurance	Chathura Amarapriya Senior Vice President – Brewing & Planning
Niranjana Perera Chief People Officer	Widhura Nuwan Senior Vice President – Engineering	Shaminda Samaraweera Deputy Chief Finance Officer
Sampath Perumbuli Chief Information Officer	Kaveen Gayathma Senior Vice President – Outbound Logistics	Gayana Dodanwala Acting Senior Vice President – Sales & Trade Marketing
Channa Senarathne Chief External Affairs Officer	Arno Matthee Senior Vice President - Brew Master	Steve Wijeyaratna Vice President Operations – Luxury Brands
Eshantha Salgado Chief Sustainability Officer	Anuruddha Jayathilake Senior Vice President – Packaging	Sashreeka Chandra Mohotti Vice President - Pubs 'N Places
Nishantha Hulangamuwa Chief International business	Suneth Warnakula Senior Vice President – ERP Systems	
Ruwandhi Thantrige Senior Vice President - Legal	Danushka Silva Senior Vice President – Marketing, Regular Category	
Jehan Goonaratne Chief Financial Officer		

## Management Teams

### PORTFOLIO & ASSET MANAGEMENT

Krishna Selvanathan  
Director/CEO

Priyan De Mel  
Senior Vice President - Operations

Sumith Perera  
Director/Head of Portfolio Management

Chrishani Perera  
Senior Vice President - Research

Asanka Jayasekara  
Director/Head of Research

Harindi Hettigamage  
Senior Vice President - Research

Prabath Ekanayake  
Senior Vice President - Finance

Shahan De Silva  
Senior Vice President - Research

### REAL ESTATE

Nalake Fernando  
Director - Property Management

S. Rajaram  
President - Engineering

Chamara Prasanga  
Senior Vice President - Finance (CMSL)

### LEISURE

#### Pegasus Reef Hotel

Renuke Coswatte  
General Manager - Pegasus Reef Hotel

Kapila Gunathilake  
Head of Finance

Chaminda Perera  
Senior Manager - Business  
Development

Sunimal Perera  
Executive Housekeeper

Randika Kalugala  
Manager - HR

Malith Bandara  
Chief Engineer

Anthony Fernando  
Front Office Manager

Charith Ranasinghe  
Food & Beverage Manager

#### Giritale Hotel

Thiagarajah Ganeshan  
General Manager - Giritale Hotel

Surendra Gunasekara  
Accountant

### MANAGEMENT SERVICES

Ms. Keshini De Silva  
Director

Krishna Selvanathan  
Director

Sudarshan Selvanathan  
Director

Vibath Wijesinghe  
Director - Finance

Ms. Amali Alawwa  
Director - Legal

Amal Badugoda Hewa  
Director - Tax

Chaminda Premaratne  
Director - Internal Audit

Udayantha Dasanayake  
President - Group Information  
Technology

Adhil Jawsri  
President - Group Human Resources



# Group Directorate

## PLANTATIONS, OILS & FATS

### GOODHOPE ASIA HOLDINGS LTD.

#### Directors:

Chandra Das S/O Rajagopal Sitaram (Chairman), H. Selvanathan (Deputy Chairman), D.C.R. Gunawardena, A. P. Weeratunge, A. Dudeja

### AGRO ASIA PACIFIC LIMITED

#### Directors:

H. Selvanathan, M. Selvanathan, Satish Selvanathan, A. Dudeja, Chandra Das S/O Rajagopal Sitaram, D.C.R. Gunawardena

### PREMIUM NUTRIENTS PRIVATE LIMITED

#### Directors:

H. Selvanathan, M. Selvanathan, A. Dudeja, Samir Kishorbhai Desai

### SHALIMAR (MALAY) LIMITED

#### Directors:

H. Selvanathan - Chairman  
M. Selvanathan, I. Paulraj (Resigned w.e.f. 1/2/2024), D.C.R. Gunawardena, Ahamed Rushdi Azeez (Appointed w.e.f. 1/2/2024) K.C.N. Fernando (Resigned w.e.f. 1/2/2024), S. Mahendrarajah (Resigned w.e.f. 1/2/2024), D.P De Silva (Resigned w.e.f. 1/2/2024)

### SELINSING LIMITED

#### Directors:

M. Selvanathan - Chairman ,  
H. Selvanathan, D.C.R. Gunawardena, Ahamed Rushdi Azeez (Appointed w.e.f. 1/2/2024), I. Paulraj (Resigned w.e.f. 1/2/2024), S. Mahendrarajah (Resigned w.e.f. 1/2/2024) S. N. Alles (Resigned w.e.f. 1/2/2024)

### INDO-MALAY LIMITED

#### Directors:

H. Selvanathan - Chairman,  
M. Selvanathan, D.C.R. Gunawardena, Ahamed Rushdi Azeez (Appointed w.e.f. 1/2/2024), I. Paulraj, (Resigned w.e.f. 1/2/2024), S. Mahendrarajah (Resigned w.e.f. 1/2/2024), S. N. Alles (Resigned w.e.f. 1/2/2024)

### GOOD HOPE LIMITED

#### Directors:

H. Selvanathan - Chairman,  
M. Selvanathan, D.C.R. Gunawardena, Ahamed Rushdi Azeez (Appointed w.e.f. 1/2/2024), I. Paulraj (Resigned w.e.f. 1/2/2024), S. N. Alles (Resigned w.e.f. 1/2/2024), D.P De Silva (Resigned w.e.f. 1/2/2024)

### AGRO HARAPAN LESTARI (PRIVATE) LIMITED

#### Directors:

C.A.V.S. Upasena, A.R. Azeez, A. Kanagasabai, A. Dudeja

### AHL BUSINESS SOLUTIONS (PRIVATE) LIMITED

#### Directors:

D.C.R. Gunawardena - Chairman,  
M.I.M. Amjad, C.A.V.S. Upasena, A. Kanagasabai

### GOODHOPE INVESTMENTS (PRIVATE) LIMITED

#### Directors:

H. Selvanathan - Chairman,  
M.I.M. Amjad, A. R. Azeez

### SHALIMAR DEVELOPMENTS SDN. BHD.

#### Directors:

H. Selvanathan, M. Selvanathan, D.C.R. Gunawardena, Ms. H.S. Lin,

### PREMIUM OILS & FATS SDN.BHD.

#### Directors:

H. Selvanathan, M. Selvanathan, C.A.V.S. Upasena, Subash Chandra Pandian Chelliah

### PREMIUM VEGETABLE OILS SDN. BHD.

#### Directors:

Satish Selvanathan (Chairman), Ranveer Singh Chauhan, Takuyo Saito, M. A/L Murugiah (Appointed w.e.f. 10/11/2023)

### PREMIUM FATS SDN. BHD.

#### Directors:

Satish Selvanathan,  
Toru Nishino, Takuyo Saito, Atsushi Shibutani (Appointed w.e.f. 01/04/2023)

### PT AGRO INDOMAS

#### Commissioners:

H. Selvanathan - President  
Commissioner, M. Selvanathan,  
M. Ramachandran Nair,  
D.C.R. Gunawardena, A.S. Amaratunga

#### Directors:

A. Dudeja - President Director,  
C.A.V.S. Upasena (Vice President Director), B. C. S. T. I. Rodrigo, Edi Suhardi, T. Hendro, M.A.M. Ibrahim, Wahyu Budi Susetyo

\* Non-Executive Director

\*\* Non-Executive/Independent Director

\*\*\* Non-Executive/Non Independent Director

## Group Directorate

### PT AGRO BUKIT

#### Commissioners:

H. Selvanathan - President  
Commissioner, M. Selvanathan,  
I. Paulraj, D.C.R. Gunawardena,  
T. de Zoysa

#### Directors:

A. Dudeja - President Director, C.A.V.S.  
Upasena (Vice President Director),  
B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT AGRO HARAPAN LESTARI

#### Commissioners:

H. Selvanathan - President  
Commissioner, I. Paulraj,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

C.A.V.S. Upasena, E. Suhardi, A. Dudeja,  
B.C.S.T.I Rodrigo T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT RIM CAPITAL

#### Commissioners:

H. Selvanathan - President  
Commissioner, M. Selvanathan,  
D.C.R. Gunawardena, S.C.P. Chelliah

#### Directors:

A. Dudeja - President Director,  
C.A.V.S. Upasena (Vice President  
Director), B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT KARYA MAKMUR SEJAHTERA

#### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

A. Dudeja - President Director,  
C.A.V.S. Upasena (Vice President  
Director), Edi Suhardi, B.C.S.T.I Rodrigo,  
T. Hendro, M.A.M. Ibrahim,  
Wahyu Budi Susetyo

### PT AGRO ASIA PACIFIC

#### Commissioners:

H. Selvanathan - President  
Commissioner, M. Selvanathan,  
D.C.R. Gunawardena

#### Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT NABIRE BARU

#### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT AGRAJAYA BAKTITAMA

#### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT AGRO WANA LESTARI

#### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

A. Dudeja - President Director,  
C.A.V.S. Upasena (Vice President  
Director), Edi Suhardi, B.C.S.T.I Rodrigo,  
T. Hendro, M.A.M. Ibrahim, Wahyu Budi  
Susetyo

### PT BATU MAS SEJAHTERA

#### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT SAWIT MAKMUR SEJAHTERA

#### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT SUMBER HASIL PRIMA

#### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT SINAR SAWIT ANDALAN

#### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

#### Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

\* Non-Executive Director

\*\* Non-Executive/Independent Director

\*\*\* Non-Executive/Non Independent Director

**PT SARIWANA ADI PERKASA****Commissioners:**

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

**Directors:**

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

**PT AGRO BINA LESTARI****Commissioners:**

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

**Directors:**

C.A.V.S. Upasena - President Director,  
E. Suhardi, A. Dudeja, B.C.S.T.I Rodrigo,  
T. Hendro, M.A.M. Ibrahim,  
Wahyu Budi Susetyo

**PT AGRO SURYA MANDIRI****Commissioners:**

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

**Directors:**

C.A.V.S. Upasena - President Director,  
E. Suhardi, A. Dudeja, B.C.S.T.I Rodrigo,  
T. Hendro, M.A.M. Ibrahim,  
Wahyu Budi Susetyo

## Group Directorate

### BEVERAGE

#### CEYLON BEVERAGE HOLDINGS PLC

##### Directors:

D. A. Cabraal - Chairman \*\*NEI  
H. Selvanathan (Deputy Chairman – \*NE w.e.f. 06/11/2023), M. Selvanathan (Director/Ceased to be Alternate Director to H. Selvanathan w.e.f. 31/12/2023) \*NE w.e.f. 06/11/2023, D.C.R. Gunawardena \* NE, R.H. Meewakkala (CEO/Director) S. Clini\* NE, Ms. S.J.F. Evans\*\* NEI

#### LION BREWERY (CEYLON) PLC

##### Directors:

D. A. Cabraal - Chairman\*\* NEI,  
H. Selvanathan (Deputy Chairman - \*NE w.e.f. 06/11/2023), D.C.R. Gunawardena \* NE, D. R. P. Goonetilleke \* NE w.e.f. 01/01/2024, K. Selvanathan (Director/ Ceased to be Alternate Director to H. Selvanathan w.e.f 31/12/2023) \*NE w.e.f. 06/11/2023, Ms. S.J.F. Evans\*\* NEI, R. H. Meewakkala (CEO/Director), S. Selvanathan \*NE w.e.f. 01/01/2024, S. S. Clini\* NE, Ms. V. Gun L.L.\*NE A.B. Baliga \*\* NEI (Appointed w.e.f. 02/02/2024), R. Rajagopal \*\* NEI (Appointed w.e.f. 12/07/2024)

#### PUBS 'N PLACES (PRIVATE) LIMITED

##### Directors:

D.R.P. Goonetilleke (Resigned w.e.f. 31/12/2023), S.W.M.K.N. Hulangamuwa, S.G.S. Atton (Resigned w.e.f. 31/07/2023), R.H. Meewakkala, A. D. T. Silva (Appointed w.e.f. 01/08/2023) J. N. Gooneratne (Appointed w.e.f. 01/01/2024)

#### RETAIL SPACES (PRIVATE) LIMITED

##### Directors:

D.R.P. Goonetilleke (Resigned w.e.f. 31/12/2023), S.G.S. Atton (Resigned w.e.f. 31/07/2023), R.H. Meewakkala J. N. Gooneratne (Appointed w.e.f. 01/01/2024)

#### LUXURY BRANDS (PRIVATE) LIMITED

##### Directors:

D.R.P. Goonetilleke (Resigned w.e.f. 31/12/2023), S.G.S. Atton (Resigned w.e.f. 31/07/2023), R.H. Meewakkala, S. Y. Mallya (Appointed w.e.f. 01/08/2023 & resigned w.e.f. 15/07/2024) J. N. Gooneratne (Appointed w.e.f. 01/01/2024)

#### MILLERS BREWERY LIMITED

##### Directors:

D.R.P. Goonetilleke (Resigned w.e.f. 31/12/2023), R.H. Meewakkala, M.R.B. Ranatunga, J. N. Gooneratne (Appointed w.e.f. 01/01/2024)

#### LION BEER (CEYLON) PTE. LTD.

##### Directors:

S. Selvanathan, R. H. Meewakkala, D.R.P. Goonetilleke (Resigned w.e.f. 31/12/2023), V. R. Wijesinghe, Ms. Chai Shiau Shan, J. N. Gooneratne (Appointed w.e.f. 01/01/2024)

### LEISURE

#### PEGASUS HOTELS OF CEYLON PLC

##### Directors:

D.C.R. Gunawardena \*NE (Chairman - Resigned w.e.f. 31/12/2023), M. Dayananda \*\*NEI (Chairman – appointed as Chairman w.e.f. 01/01/2024), K. Selvanathan \*NE w.e.f. 06/11/2023, S.R. Mather \*\*NEI, V.R. Wijesinghe, M.T.L. Elias\*\*NEI

#### EQUITY HOTELS LIMITED

##### Directors:

A.P. Weeratunge, V. R. Wijesinghe, T. Ganeshan, H. P. K. G. Gunathilaka

### REAL ESTATE

#### EQUITY ONE LIMITED

##### Directors:

D.C.R. Gunawardena (Chairman) (Resigned w.e.f. 15/07/2023), K.C.N. Fernando, E.H. Wijenaike (Chairman - Appointed Chairman w.e.f. 16/07/2023), A.P. Weeratunge, S. Mahendrarajah, P.D.D. Fernando, S.M. Marimuthu

#### EQUITY TWO PLC

##### Directors:

D.C.R. Gunawardena \*NE (Chairman) (Resigned w.e.f. 15/07/2023), E.H. Wijenaike \*\*NEI (Chairman – appointed as Chairman w.e.f. 16/07/2023), K.C.N. Fernando, A.P. Weeratunge, \*NE, P.D.D. Fernando \*\*NEI, S.M. Marimuthu\*\* NEI

#### EQUITY THREE (PRIVATE) LIMITED

##### Directors:

I. Paulraj, K. C. N. Fernando

#### CARSONS AIRLINE SERVICES (PRIVATE) LIMITED

##### Directors:

H. Selvanathan - Chairman,  
M. Selvanathan, D.C.R. Gunawardena  
(in the process of being struck off from the Register of Companies under Section 394 of the Companies Act, No. 07 of 2007)

\* Non-Executive Director

\*\* Non-Executive/Independent Director

\*\*\* Non-Executive/Non Independent Director

## PORTFOLIO & ASSET MANAGEMENT

### CEYLON GUARDIAN INVESTMENT TRUST PLC

#### Directors:

Mrs. M.A.R.C. Cooray \*\*NEI - (Chairperson), D.C.R. Gunawardena \*NE (Resigned w.e.f. 31/03/2024), V.M. Fernando \*\*NEI, K. Selvanathan, A.D. Pereira \*\*NEI, C. T. Knight \*\*NEI (Appointed w.e.f. 31/07/2023)

### CEYLON INVESTMENT PLC

#### Directors:

Mrs. M.A.R.C. Cooray (Chairperson) \*\*NEI, D.C.R. Gunawardena\* NE (Resigned w.e.f. 31/03/2024), A.P. Weeratunge \* NE, V.M. Fernando \*\*NEI, K. Selvanathan, S. M. Perera

### RUBBER INVESTMENT TRUST LIMITED

#### Directors:

I. Paulraj (Chairman), D.C.R. Gunawardena (Resigned w.e.f. 31/03/2024), A.P. Weeratunge, V. R. Wijesinghe (Appointed w.e.f. 01/04/2024)

#### Alternate Director:

A.P. Weeratunge (for I. Paulraj and D.C.R. Gunawardena -Ceased to be Alternate Director to Mr. D. C. R. Gunawardena w.e.f. 31/03/2024)

### GUARDIAN FUND MANAGEMENT LIMITED

#### Directors:

K. Selvanathan, A.P. Weeratunge, S. M. Perera, R.M.A.S.P.K. Jayasekera, Mrs. M.A.R.C. Cooray (Appointed as Director & Chairperson w.e.f. 24/01/2024)

### GUARDIAN FUND MANAGEMENT LLC

#### Directors:

Mrs. O.A.I.Balladin (Resigned w.e.f. 04/ 12/2023), C.W. Knight, S. Thomas, K. Selvanathan, Mrs. A. Kadayer-Nojib (Resigned w.e.f.23/05/2023), M. R. H. Auliar (appointed w.e.f 08/11/2023), N. M. A. A. Gowun (appointed w.e.f 19/03/2024)

### GUARDIAN VALUE FUND LLC

#### Directors:

M.Z. Soopun, (Resigned w.e.f.18/10/2023), T. Parmessur (Resigned w.e.f.06/11/2023), C. W. Knight, S. Thomas, R.M.A.S.P.K. Jayasekera, M. Z. Peerum (Appointed w.e.f.21/11/2023), B. Z. E. Chady (Appointed w.e.f.24/11/2023)

### LEECHMAN & COMPANY (PRIVATE) LIMITED

#### Directors:

H. Selvanathan, M. Selvanathan, S. Mahendrarajah, Mr. A. P. Weeratunga (Appointed w.e.f. 07/09/2023)

## MANAGEMENT SERVICES

### CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED

#### Directors:

H. Selvanathan (Chairman), M. Selvanathan, K.C.N. Fernando, Mrs. K.D. De Silva, A.P. Weeratunge, K. Selvanathan, V.R. Wijesinghe, S. Selvanathan, Mr. D. R. P. Goonetilleke (Appointed w.e.f. 01/01/2024)

\* Non-Executive Director

\*\* Non-Executive/Independent Director

\*\*\* Non-Executive/Non Independent Director

# Risk Management

Bukit Darah PLC is a leading diversified conglomerate in Sri Lanka, with a robust portfolio encompassing Oil Palm Plantations, Oils and Fats, Beverage, Portfolio and Asset Management, Real Estate, and Leisure. Our global reach extends across Sri Lanka, Indonesia, Malaysia, Singapore, Mauritius, and India.

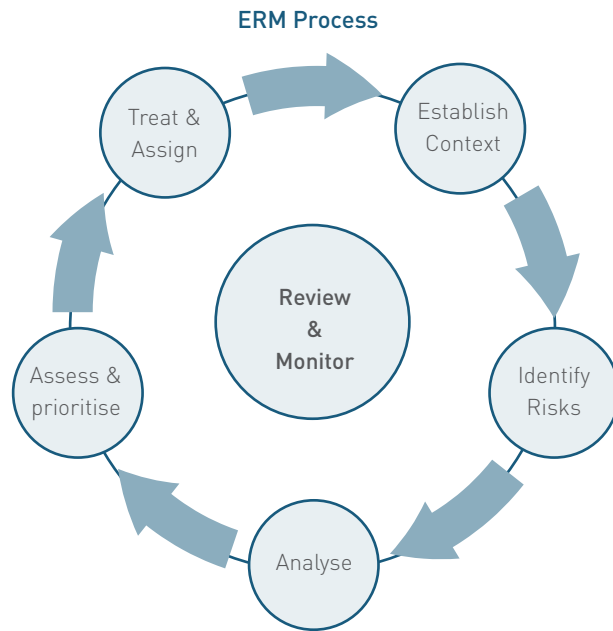
In recognition of the diverse array of risks—both general and industry/country-specific—that shape our business landscape, risk management forms an integral aspect of our corporate ethos and governance policies. At Bukit Darah PLC, we recognise the paramount importance of Enterprise Risk Management (ERM) as a unifying process that paves the way for effective risk management initiatives across our diverse business activities.

As we strive to deliver value to our stakeholders and maintain operational resilience, our commitment to sound risk management practices remains unwavering. Through a comprehensive approach that encompasses operational, financial, economic, geopolitical, regulatory, and environmental risk protocols, we aim to ensure the stability and sustainability of our enterprises across the globe.

By managing risks within a framework that reflects our risk appetite, we strive to ensure that our potential exposure to adverse events is minimised, allowing us to seize opportunities and maximise value creation. This systematic approach underpins our commitment to operational excellence and long-term sustainability.

Our risk management process supports:

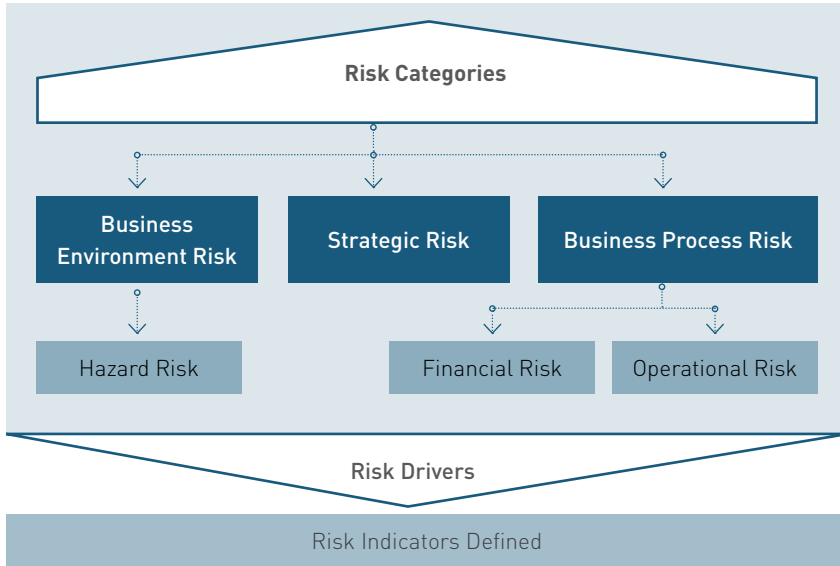
- Corporate Governance
- Quality of business planning
- Audit planning
- Project planning and implementation
- Building confidence across various stakeholder groups



Our ERM process provides assurance to our management and the Board of Directors that our internal control systems are robust and effective.

As part of the ERM process, the management categorises risks into three types to create a common language for better communication, knowledge-sharing and comparison.

Risk drivers are key factors that contribute to risk creation while risk indicators are deviations from set goals or KPIs which are promptly identified through ongoing reviews and monitoring conducted by the management. This process helps us to manage risk proactively and effectively.



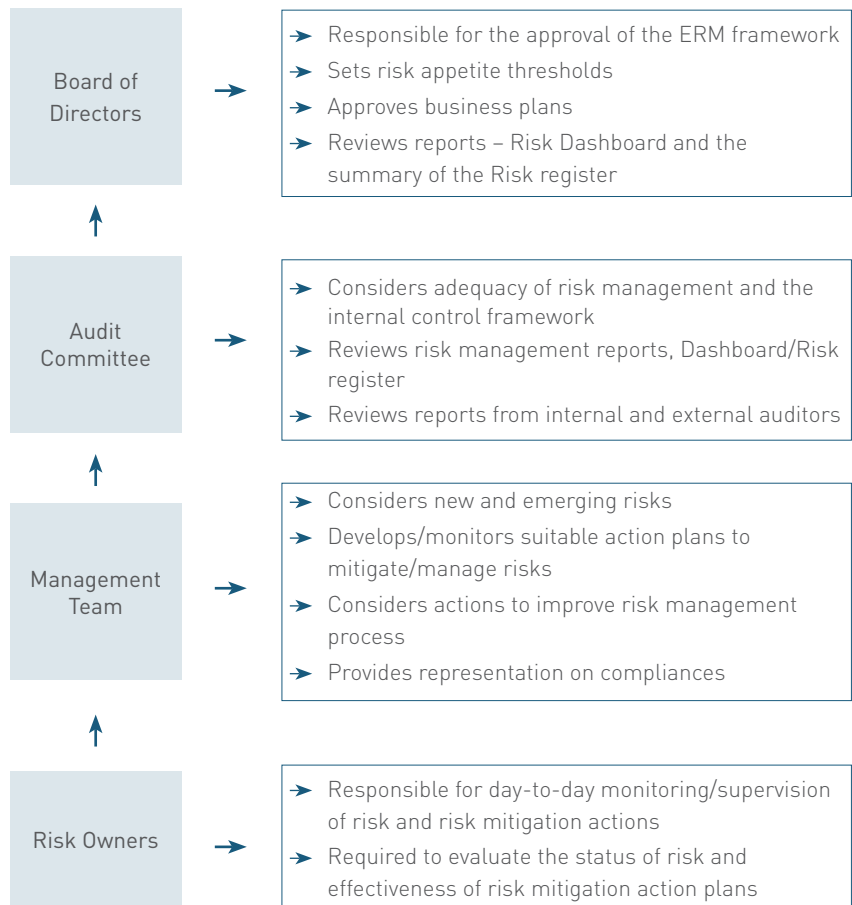
The likelihood of occurrence and the probability of the outcomes of the identified risks shown above are analysed using qualitative and quantitative methods. The management uses the Risk Grid to determine the contribution of each risk to the aggregate risk profile in terms of its impact on the achievement of the Company's objectives and these risks are prioritised accordingly.

Once risk events are identified, the risk responses could involve:

- Risk Acceptance
- Risk Avoidance
- Risk Transfer/Share
- Risk Minimisation

The first line of defence involves timely supervision and monitoring of risk management by business managers. Action plans are reviewed and monitored by the management teams, with identified risks reassessed. The CEO, Audit Committee, and the Board of Directors are updated on action plan status and outcomes accordingly.

The Risk Management Governance Structure includes a reporting framework for better Corporate Governance oversight by the Board.



## Risk Management

Risk Management is a key factor in operational sustainability and the Group has identified the following risk profiles. The principal risks that are identified are continuously evaluated and reviewed at various stages of our business process and appropriate risk responses and strategies are implemented accordingly.

Risk	Impact	Risk Responses
Commodity Price Risk	<p><b>Oil Palm Plantations and Oils and Fats Sectors</b></p> <p>These sectors are susceptible to fluctuations in global Crude Palm Oil (CPO) prices, over which we have minimal control, being a price-taker.</p> <p>Key impacts on CPO prices are driven by the global demand for vegetable oil, the supply from the palm plantation industry as a whole, the supply and demand for substitute oils such as soy and rapeseed, global crude oil prices, the demand for biofuel and other factors which impact supply and demand.</p> <p><b>All Business Sectors</b></p> <p>The costs of other raw materials may also fluctuate due to changes in global economic conditions, weather patterns, government policies and developments in international trade.</p>	<p><b>Oil Palm Plantations Sector</b></p> <p>The sector manages the impact of price volatility and cash flows by entering into physical spot and forward sales contracts and manages the timing of sales and price hedging in an opportune manner.</p> <p>The sector continues to focus on becoming one of the lowest cost producers, as cost remains the area that lies within the control of the management.</p> <p><b>Oils and Fats Sector</b></p> <p>The sector sought to maintain a back-to-back cover on raw material purchases (Palm Kernel PK feedstock), to minimise price volatilities.</p> <p>The sector transfers the price fluctuations to the customer whenever possible.</p> <p><b>Beverage Sector</b></p> <p>The Beverage sector continuously monitors the prices of raw materials and where opportune, enters into forward contracts for buying major raw materials with the assistance of its international business partner or on its own.</p>



Risk	Impact	Risk Responses
General Securities Risk	<p>Any trading in securities carries inherent investment risks associated with the entity issuing those securities. In particular, the price or value of any security can and does fluctuate and may even become valueless, resulting in possible losses not only of returns and profits, but also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity, which affect its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities, the past performance of any investment is not necessarily indicative of its future performance. At Portfolio and Asset Management sector, our approach focuses on the fact that there is no substitute for fundamental individual security assessment.</p> <p>The largest components of assets remain with carefully selected quoted investments in the Colombo Stock Exchange (CSE).</p>	<p><b>Portfolio and Asset Management sector</b></p> <ul style="list-style-type: none"> <li>• The sector has sound internal research processes and carefully evaluates all its investments, in light of prevailing challenging conditions.</li> <li>• Once an investment is made, the management adopts a continuous process for monitoring the performance of that investment.</li> <li>• We manage the concentration risk arising from over-exposure to one security by monitoring sector exposure and single company exposure as mitigation strategies. Further, private equity exposure limits at company and group levels are monitored, as another measure of managing risk. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. This helps us mitigate the downside risk of any security in the portfolio.</li> <li>• Market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario.</li> </ul>
Human Resource Risk	<p>The difficulties in recruiting and retaining appropriately-skilled employees could adversely affect our ability to grow and maintain a competitive position in the marketplace.</p>	<p>The Group has implemented the following initiatives:</p> <ul style="list-style-type: none"> <li>• Ensure that recruitments are carried out to hire employees with the required qualifications, knowledge and experience.</li> <li>• Identify and assess the key staff members crucial for successful operations.</li> <li>• Identify gaps in skills and capabilities of key roles and implement development programmes to facilitate career progression and succession planning.</li> <li>• Invest in organisation-wide training and development to enhance capability levels and maintain the motivation levels of the employees.</li> </ul>

## Risk Management

Risk	Impact	Risk Responses
Foreign Exchange Risk	<p>Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate due to the changes in foreign exchange rates.</p> <p>Currently, the Plantations, Oils and Fats sector's impact from exchange rate movements mainly arises from the translation/revaluation of the Group's borrowings and supplier liabilities denominated in USD as required by IFRS and do not entail an actual cash transaction loss.</p>	<p>Assets, liabilities and other operational expenses which arise from daily operations are primarily denominated in the functional currencies within the Group.</p> <p>We minimise the cash flow impact by linking the Oil Palm Plantations sector revenue to the USD-linked CPO prices. We continue to monitor market volatilities, to anticipate and exploit favourable movements.</p>
Business Environment Risks	<p>Unfavourable global and local weather patterns resulting in adverse weather conditions, natural and man-made disasters including fires and haze from fires, droughts, floods, pestilence and crop disease could reduce the amount or quality of FFB we can harvest in the palm oil plantation sector.</p>	<p>Minimise fire risk through monitoring and maintaining adequate fire response resources. Invest in agronomy and plantation management practices to minimise the impact by any sudden up-rise of pest and diseases.</p> <p>The Group employs Business Continuity Planning as well as safeguards against perils through adequate insurance.</p>
Liquidity Risk	<p>The risk that business sectors may not easily be able to meet its operational and financial obligations can result in an unavailability of sufficient funds, which may interrupt the smooth functioning of day-to-day operations.</p>	<p>The management closely monitors the Group companies' liquidity positions and ensures that funds are available for the settlement of all liabilities. Furthermore, the management ensures effective working capital management, maintains sufficient credit facilities and develop policies and procedures for liquidity management based on medium-term plans.</p> <p><b>Portfolio and Asset Management sector</b></p> <ul style="list-style-type: none"> <li>We invest in companies with a reasonable free float and where securities are heavily traded. We also limit the portfolio's buy list to highly traded blue-chips, so that the risk of illiquidity can be mitigated. Good research enables the fund management team to identify changes in fundamentals and be proactive in investment decision-making.</li> </ul>
Credit Risk	<p>Each sector is exposed to credit risk, primarily from trade receivables, which arise from operating activities and deposits with banking institutions.</p>	<p>Individual companies exercise some of the following controls to mitigate this risk:</p> <ul style="list-style-type: none"> <li>Implementation of credit policies</li> <li>Continuous and regular evaluation of customers' creditworthiness</li> <li>Ongoing monitoring of receivable balances.</li> <li>Covering credit exposure through a combination of bank guarantees and discounting of credit to banks with no recourse to the Company.</li> </ul>

Risk	Impact	Risk Responses
Interest Rate Risk	The interest rates on most of our loans and borrowings are currently on a floating basis. As such, our financial performance may be affected by changes in prevailing interest rates in the financial market.	<ul style="list-style-type: none"> <li>• The Group treasury uses Bukit Darah Group's financial strength to negotiate competitive interest rates.</li> <li>• The Oil Palm Plantations sector will pursue derivative mechanisms such as interest swaps, where necessary.</li> <li>• As at the reporting dates, both the financial assets and financial liabilities of the Group consist of variable as well as fixed rate instruments.</li> <li>• We have pursued the appropriate capitalisation of our businesses, ensuring the right balance between long and short term bank facilities, and obtaining a combination of loans linked to SLIBOR &amp; AWPLR</li> </ul>
Systems and Process Risks	<p>The risk of direct or indirect losses due to inadequate or failed internal processes and systems.</p> <p>Information technology is a vital component of Group operations.</p>	<ul style="list-style-type: none"> <li>• The Group has enhanced IT systems via a secure VPN with no disruptions, together with virus upgrades, backups and monitoring of Disaster Recovery sites.</li> <li>• We maintain detailed procedure manuals and provide training and guidelines for new recruits.</li> <li>• The Internal Audit function of the Group carries out regular reviews of internal control systems and processes and recommends process improvements if shortcomings are noted.</li> </ul>
Legal and Regulatory Compliance Risk	Failure to comply with the regulatory and legal frameworks applicable to the Group.	<ul style="list-style-type: none"> <li>• The management and the Group Legal division proactively identify and set up appropriate systems and processes for legal and regulatory compliance in respect of sector operations.</li> <li>• We arrange training programmes and circulate updates for key employees on new/ revised laws and regulations as required.</li> <li>• The Group provides comments on draft laws to the government and regulatory authorities.</li> <li>• We obtain comments and interpretations from external legal consultants on areas that require clarity.</li> <li>• We also obtain compliance certificates from the management on a quarterly basis, on compliance with relevant laws and regulations.</li> <li>• Where necessary, we use third-party specialists to review areas such as fire risk, food safety risk etc.</li> </ul>

## Risk Management

Risk	Impact	Risk Responses
Reputational Risk	As a Group which carries out business activities in different sectors and geographies, it is vital to safeguard the reputation of the businesses.	<ul style="list-style-type: none"> <li>• The right values are communicated to all employees from inception, both through formal communication and by example. Our screening process at interviews is designed to select people of the right calibre and training them for higher responsibility is an ongoing process.</li> <li>• The extensive compliance process also ensures that the Group does not take the risk of process failure that will lead to reputational risk.</li> <li>• Maintaining good relationships with all stakeholders further helps manage any crisis situations that could damage our reputation.</li> </ul>

Risks arising from unforeseen events such as natural disasters, riots and civil commotions are covered by obtaining the appropriate insurance covers.

# Information to Shareholders & Investors

## 1. STOCK EXCHANGE LISTING

Bukit Darah PLC is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka. The CSE code for Bukit Darah PLC shares is BUKIT. N0000.

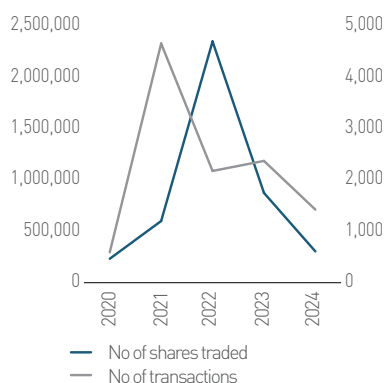
## 2. MARKET CAPITALISATION AND MARKET PRICE

Market Capitalisation of the Company's share, which is the number of ordinary share in issue multiplied by the market value of a share, was Rs. 41,540 Mn as at 31st March 2024. (Rs. 43,758 Mn as at 31st March 2023).

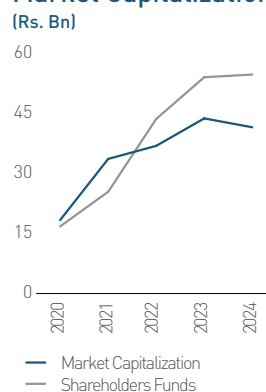
The Information on Market prices are set out below :

For the year ended 31st March	2024	Q4	Q3	Q2	Q1	2023
<b>Share Information</b>						
Highest price (Rs.)	480.00	414.00	415.00	435.50	480.00	439.00
Lowest price (Rs.)	353.00	370.00	362.50	353.00	362.00	272.00
As at period end (Rs.)	407.25	407.25	385.00	400.00	378.50	429.00
<b>Trading Statistics</b>						
No of transactions	1,422	256	215	532	419	2,369
No of shares traded	304,561	14,994	146,809	109,790	32,968	873,366
Value of all shares Traded (Rs. Mn)	123	6	59	45	13	311
Market Capitalization (Rs. Mn)	41,540	41,540	39,270	40,800	38,607	43,758

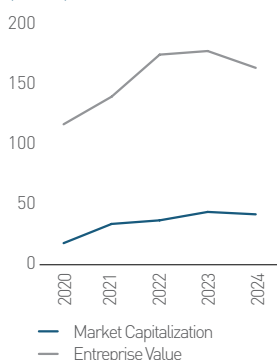
### Share Trading (Nos)



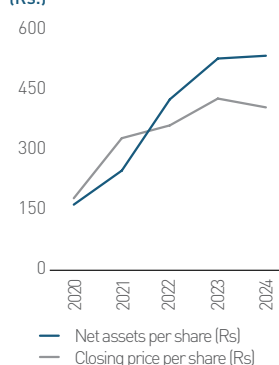
### Shareholders Funds and Market Capitalization (Rs. Bn)



### Market Capitalization and Enterprise Value (Rs. Bn)



### Net Assets per Share and Closing Price per Share (Rs.)



## Information to Shareholders & Investors

### 3. SHAREHOLDER BASE

The total number of ordinary shareholders as at 31st March 2024 was 1,547 compared to the 1,590 as at 31st March 2023.

### 4. DISTRIBUTION AND COMPOSITION OF SHAREHOLDERS

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	1,315	143,163	0.14	10	1,063	0.00	1,325	144,226	0.14
1,001 - 10,000	132	389,331	0.38	5	23,345	0.02	137	412,676	0.40
10,001 - 100,000	43	1,339,948	1.31	10	472,595	0.47	53	1,812,543	1.78
100,001 - 1,000,000	7	2,221,899	2.18	12	3,858,264	3.78	19	6,080,163	5.96
Above 1,000,000	10	67,573,126	66.25	3	25,977,266	25.47	13	93,550,392	91.72
<b>Total</b>	<b>1,507</b>	<b>71,667,467</b>	<b>70.26</b>	<b>40</b>	<b>30,332,533</b>	<b>29.74</b>	<b>1,547</b>	<b>102,000,000</b>	<b>100.00</b>

### 5. COMPOSITION OF SHAREHOLDERS

Ordinary Shares	31st March 2024			31st March 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	1,445	13,480,940	13.22	1,486	13,607,691	13.34
Institutions	102	88,519,060	86.78	104	88,392,309	86.66
<b>Total</b>	<b>1,547</b>	<b>102,000,000</b>	<b>100.00</b>	<b>1,590</b>	<b>102,000,000</b>	<b>100.00</b>
Residents	1,507	71,667,467	70.26	1,549	71,916,889	70.51
Non Residents	40	30,332,533	29.74	41	30,083,111	29.49
<b>Total</b>	<b>1,547</b>	<b>102,000,000</b>	<b>100.00</b>	<b>1,590</b>	<b>102,000,000</b>	<b>100.00</b>

### 6. PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.13.1.(i)(a). of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-adjusted Market Capitalization of Rs. 7.5 Billion with 500 Public Shareholders and a Public Holding percentage of above 5%.

#### The Company's Public Holding as at 31st March 2024

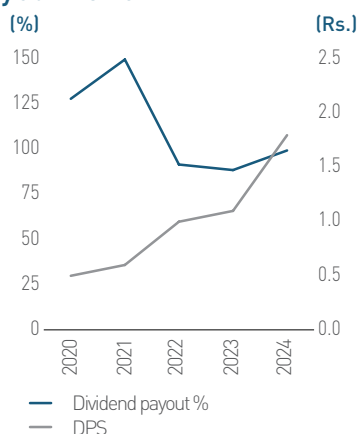
- Market Capitalization of the public holding – Rs. 9.55Bn
- Percentage of ordinary shares held by the public – 22.98% (March 2023 – 22.98%)
- The number of public shareholders – 1,531

## 7. INFORMATION ON RATIOS

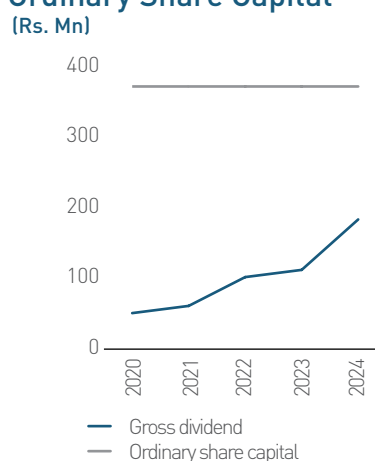
For the year ended 31st March	2024	2023
EPS (Rs.) - Group	82.22	127.52
Dividend payout ratio (%) - Company	99	89
Price/cash earnings (times)	1.24	0.83
Price to Book (times) - Group	0.76	0.81
Price Earnings Ratio - Group	4.95	3.36
Dividend Yield (%)	0.44	0.26
Enterprise Value(EV) (Rs. Bn)	164	178
EV/EBITDA (times)	2.82	2.50

## 8. INFORMATION ON DIVIDENDS

### DPS to Shareholders and Payout Ratio



### Gross Dividend and Ordinary Share Capital



## 9. MATERIAL FORESEEABLE RISK FACTORS

(As per rule no. 7.6 (VI) of the Listing Rules of the Colombo Stock Exchange)

Information pertaining to the material foreseeable risk factors, that require disclosures as per the Rule No. 7.6 (vi) of the Listing Rules of the CSE are discussed in the Section on Risk Management on Pages 52 to 58.

## 10. MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS PERTAINING TO THE COMPANY

(As per Rule No. 7.6 (VII) of the Listing Rules of the Colombo Stock Exchange)

There were no material issues pertaining to employees and industrial relations pertaining to the company that occurred during the year under review which require disclosure.

## Information to Shareholders & Investors

### 11. INFORMATION ON DIVIDENDS

For the year ended 31st March	2024		2023	
	Per share Rs.	Amount Rs. '000	Per share Rs.	Amount Rs. '000
<b>Ordinary Shares</b>				
Dividends Paid	1.80	183,600	1.10	112,200
	1.80	183,600	1.10	112,200
<b>Preference Shares</b>				
Dividends Paid	14.22	26,152	8.75	16,094
	14.22	26,152	8.75	16,094
<b>Preference Shares</b>				
Annual Dividend	0.08	147	0.08	146
	0.08	147	0.08	146

### 12. ORDINARY DIVIDENDS DECLARED

Year ended 31st March	DPS (Rs.)	Dividends (Rs. '000)
2020	0.50	51,000
2021	0.60	61,200
2022	1.00	102,000
2023	1.10	112,200
2024	1.80	183,600

### 13. ORDINARY SHARES IN ISSUE

Year ended 31st March	Number of Shares
2020	102,000,000
2021	102,000,000
2022	102,000,000
2023	102,000,000
2024	102,000,000

### 14. HISTORY OF SCRIP ISSUES

Year ended 31st March	Issue	Basis	Number of Shares (Ordinary)
2004	Bonus	24:1	9,600,000
2011	Sub-division	10:1	90,000,000
	Capitalisation	1:50	2,000,000



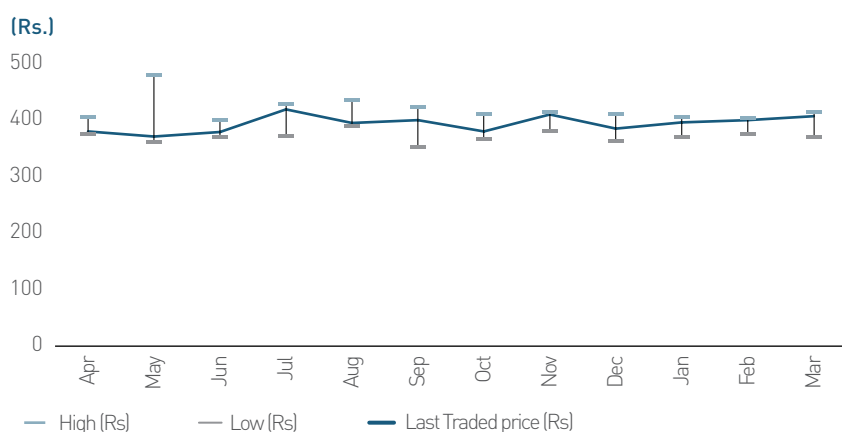
## 15. INFORMATION ON MOVEMENT IN NUMBER OF SHARES

Financial Year	Issue	Basis	No of Shares issued Ordinary	Ordinary	Cumulative Redeemable preference
2003/04	Bonus Issue	24 for 1	9,600,000	10,000,000	180,350
2010/11	Sub-division	10 for 1	90,000,000	100,000,000	1,803,500
	Capitalisation	1 for 50	2,000,000	102,000,000	1,839,568

## 16. SHARE PRICE TREND OVER LAST FIVE YEARS

Year	2024	2023	2022	2021	2020
Highest Price (Rs.)	480.00	439.00	455.00	520.00	250.00
Lowest Price (Rs.)	353.00	272.00	267.00	140.10	179.00
As at period end (Rs.)	407.25	429.00	361.75	329.75	180.00

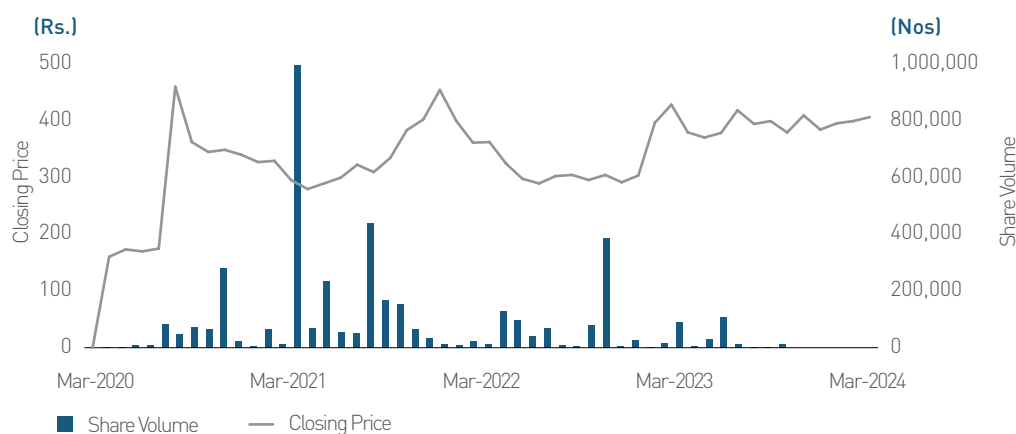
## 17. SHARE PRICE TREND OVER THE LAST FINANCIAL YEAR



## 18. INFORMATION ON SHAREHOLDERS' FUNDS AND MARKET CAPITALIZATION

As at 31st March	2024	2023	2022	2021	2020
Shareholders' Funds (Rs. Mn.)	54,720	54,044	43,620	25,421	16,771
Market Capitalization (Rs. Mn.)	41,540	43,758	36,899	33,635	18,360
Market Capitalization as % of CSE Total Mkt. Cap.	0.92%	1.12%	0.96%	1.08%	0.86%

## 19. PRICE AND SHARE VOLUME CHART



## Information to Shareholders & Investors

(Amounts expressed in Sri Lankan Rs. '000)

### 20. FIVE YEAR SUMMARY - GROUP

For the year ended 31st March	2024	2023	2022	2021	2020
<b>OPERATING RESULTS</b>					
Revenue	277,008,844	330,420,613	170,656,126	114,808,371	105,891,306
Profit from operations	47,399,141	59,202,045	26,712,490	16,699,942	10,231,526
Net finance expenses	12,557,362	14,615,590	6,510,915	6,142,137	6,673,453
Profit/(loss) before taxation from continuing operations	37,288,459	42,377,917	22,317,760	14,261,804	(558,596)
Tax expenses	(15,086,886)	(15,081,581)	(7,725,229)	(4,499,900)	(2,172,594)
Profit/(loss) for the year	22,201,573	28,823,737	14,965,666	9,728,064	(2,560,230)
Profit/(loss) attributable to the non controlling interest	13,788,596	15,800,744	7,541,638	6,172,395	(550,764)
Profit/(loss) attributable to the owners of the company	8,412,977	13,022,993	7,424,028	3,555,669	(2,009,466)
<b>CAPITAL EMPLOYED</b>					
Stated capital	412,635	412,635	412,635	412,635	412,635
Reserves	54,307,329	53,631,004	43,206,978	25,008,422	16,358,328
	54,719,964	54,043,639	43,619,613	25,421,057	16,770,963
Non - controlling interest	76,976,357	73,687,507	61,718,773	43,778,720	32,547,777
Investment through subsidiaries	(10,688)	(10,688)	(10,688)	(10,688)	(10,688)
Short - term and long - term borrowings	87,278,448	100,003,087	111,474,598	82,706,751	88,033,128
	218,964,081	227,723,545	216,802,296	151,895,840	137,341,180
<b>ASSETS EMPLOYED</b>					
Non - current assets	179,755,743	192,568,812	173,620,415	127,811,536	112,280,305
Current assets	96,190,938	94,526,313	96,912,443	59,451,836	54,811,748
	275,946,681	287,095,125	270,532,858	187,263,372	167,092,053
Current liabilities - excluding borrowings	(36,661,350)	(37,116,143)	(35,469,908)	(21,450,648)	(16,569,510)
Other financial payables	(87,399)	(2,181,674)	(2,100,090)	(2,013,397)	(2,528,379)
Deferred liabilities	(20,233,851)	(20,073,763)	(16,160,564)	(11,903,487)	(10,652,984)
	218,964,081	227,723,545	216,802,296	151,895,840	137,341,180
<b>CASH FLOW STATEMENTS</b>					
Net cash inflows from operating activities	33,447,574	52,459,122	21,546,026	16,077,053	5,224,296
Net cash generated from/(used in) investing activities	(19,037,686)	(17,288,585)	(9,736,149)	(6,831,015)	(7,959,374)
Net cash generated from/(used in) financing activities	(7,398,594)	(24,866,265)	(7,692,102)	(2,324,515)	419,420
Net (decrease)/increase in cash & cash equivalents	7,011,294	10,304,272	4,117,775	6,921,523	(2,315,658)

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	2024	2023	2022	2021	2020
<b>OPERATIONAL RATIOS</b>					
Return on ordinary shareholders' funds (%)	15.34	24.09	17.00	13.95	(12.06)
Equity to total assets (%)	47.71	44.48	38.92	36.93	29.49
Revenue growth (%)	(16.16)	93.62	48.64	8.42	9.04
Asset growth (%)	(3.88)	6.12	44.47	12.07	4.81
Revenue to capital employed (times)	1.27	1.44	0.79	0.76	0.77
No. of employees	16,423	14,964	13,407	13,492	14,014
Revenue per employee	16,867	22,081	12,729	8,509	7,556
<b>DEBT &amp; GEARING RATIOS</b>					
Interest cover (times)	3.75	4.05	4.10	2.72	1.53
Total debts	87,319,203	100,003,087	111,515,353	82,747,506	88,073,883
Net debts	45,732,394	58,315,322	75,977,713	62,741,558	65,616,624
Debt equity ratio (%)	66.31	78.35	105.90	119.65	178.73
Gearing ratio (%)	39.87	43.93	51.44	54.48	64.13
Debt/total assets (%)	31.64	34.85	41.22	44.19	52.71
Current ratio (times)	1.49	1.30	1.31	1.21	1.05
<b>INVESTOR RATIOS</b>					
Dividend cover (times)	45.68	115.92	72.64	57.95	(39.54)
Dividends per share (Rs.)	1.80	1.10	1.00	0.60	0.50
Market value per share (Rs.)	407	429	362	330	180
Market capitalization (Rs. Mn)	41,540	43,758	36,899	33,635	18,360
Earnings/(loss) per share (Rs.)	82.22	127.52	72.64	34.77	(19.77)
Price earnings ratio (times)	4.95	3.36	4.98	9.48	(9.10)
Net assets per ordinary share (Rs.)	536.07	529.44	427.24	248.83	164.02

## Information to Shareholders & Investors

### 21. GROUP QUARTERLY RESULTS

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2024
<b>INCOME STATEMENT (for the quarter)</b>					
Revenue	64,732,669	69,844,909	69,605,752	72,825,514	277,008,844
Profit before tax from continuing operations	7,315,703	12,399,388	7,893,149	9,680,219	37,288,459
Profit after tax	4,494,697	8,539,728	3,883,585	5,283,563	22,201,573
Earnings per share	17.52	30.50	15.19	19.01	82.22
<b>CASH FLOW</b>					
Operating cash flows before working capital changes	12,118,633	27,592,903	42,854,511	54,391,952	54,391,952
Capital expenditure	3,139,472	7,298,257	12,533,453	16,919,433	16,919,433
Working capital changes	(1,740,427)	(2,697,165)	(5,415,516)	3,562,192	3,562,192
Cash flow from investing activities	(3,523,004)	(7,679,907)	(13,021,595)	(19,037,686)	(19,037,686)
Cash flow from financing activities	(1,615,122)	(4,967,831)	(5,489,173)	(7,398,594)	(7,398,594)
<b>BALANCE SHEET</b>					
Shareholders' funds	53,210,374	55,544,571	57,774,514	54,719,964	54,719,964
Non controlling interest	72,713,051	77,553,187	78,426,269	76,976,357	76,976,357
Total assets	276,859,802	283,583,945	290,279,425	275,946,681	275,946,681
Total liabilities	150,947,065	150,496,875	154,089,330	144,261,048	144,261,048
Intangible assets	10,675,882	11,001,049	11,005,829	10,071,725	10,071,725
Cash and cash equivalents	41,927,271	38,841,569	41,685,597	41,546,054	41,546,054
Loans and borrowings	95,662,823	94,870,122	98,782,365	87,278,448	87,278,448
Net gearing - %	29.91	29.62	29.54	25.78	25.78
Net assets value per share (Rs.)	521.27	544.16	566.02	536.07	536.07
Net tangible assets per share (Rs.)	417.00	436.70	458.52	437.73	437.73

# FINANCIAL INFORMATION

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## Financial Calendar

Financial Year end		31st March 2024
Announcement of results		
1st Quarter ended 30th June 2023	-	14th August 2023
2nd Quarter ended 30th September 2023	-	14th November 2023
3rd Quarter ended 31st December 2023	-	14th February 2024
4th Quarter ended 31st March 2024	-	31st May 2024
1st Interim Dividend FY 2023/24		15th August 2023
1st Interim Dividend FY 2024/25	-	06th June 2024
Notice of Annual General Meeting	-	16th July 2024
108th Annual General Meeting	-	09th August 2024



# Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Bukit Darah PLC have pleasure in presenting to the shareholders their Report together with the Audited Financial Statements for the year ended 31st March 2024.

The details set out herein provide the pertinent information required by the Companies Act, No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Board of Directors on 16th July 2024.

## 1 GENERAL

Bukit Darah PLC is a public limited liability Company incorporated in Sri Lanka in 1916. The shares of the Company have a primary listing on the Colombo Stock Exchange.

## 2 THE PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company consist of investing in Oil Palm Plantation, Oils & Fats, Beverage, Portfolio and Asset Management, Real Estate, Leisure and Management Services sectors.

The principal activities of the subsidiaries are set out in the business review section of this Annual Report.

There have been no significant changes in the nature of the activities of the Group and the Company during the financial year under review.

## 3 REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement on pages 4 to 6 and Management discussion and analysis on pages 12 to 23 provide an overall assessment of the business performance of the Group and its future developments. These reports together with audited financial statements reflect the state of affairs of the Company and the Group.

The segment-wise contribution to Group Results, Assets and Liabilities are provided in Note 9 to the financial statements on pages 132 to 139.

## 4 FINANCIAL STATEMENTS

The Financial Statements of the Group and the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and comply with the requirements of the Companies Act, No. 07 of 2007.

The aforementioned Financial Statements for the year ended 31st March 2024, duly signed by the Director, Carsons Management Services (Private) Limited, the Secretariat, together with two Directors of the Company are given on page 87 which form an integral part of this Annual Report of the Board of Directors.

## 5 MATERIAL ACCOUNTING INFORMATION

Details of accounting policies have been discussed in Note 5 of the financial statements. There have been no significant changes in the accounting policies adopted by the Group during the year under review. Those are mentioned in the Note 5 and Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### 5.1 Revenue

Revenue generated by the Company amounted to Rs. 261 Mn (2023 - Rs. 179 Mn), whilst group revenue amounted to Rs. 277,009 Mn (2023 - Rs. 330,421 Mn). Contribution to group revenue from the different business segments is provided in Note 9 to the financial statements.

### 5.2 Results and Appropriations

The profit after tax of the holding Company was Rs. 211 Mn (2023 - Rs. 143 Mn) whilst the Group profit attributable to equity holders of the parent for the year was Rs. 8,413 Mn (2023 - Rs. 13,023 Mn). Results of the Company and of the Group are given in the statement of profit or loss.

## Annual Report of the Board of Directors on the Affairs of the Company

Detailed description of the results and appropriations are given below.

For the year ended 31st March	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Results from operating activities	47,046,930	60,062,684	212,448	148,721
(Provision)/Reversal of Impairment of business assets	291,063	(353,229)	-	-
Foreign exchange gain / (losses)	61,148	(507,410)	-	-
Net finance cost	(12,557,362)	(14,615,590)	-	-
Share of net results of equity accounted investee	(12,702)	(13,787)	-	-
Change in fair value of biological assets	188,414	(3,696,464)	-	-
Change in fair value of investment properties	390,581	578,712	-	-
Change in fair value of Financial assets - fair value through profit or loss	1,880,387	923,001	-	-
<b>Profit before tax</b>	<b>37,288,459</b>	<b>42,377,917</b>	<b>212,448</b>	<b>148,721</b>
Tax expenses	(15,086,886)	(15,081,581)	(1,680)	(5,934)
<b>Profit from continuing operations</b>	<b>22,201,573</b>	<b>27,296,336</b>	<b>210,768</b>	<b>142,787</b>
Profit from discontinued operations, (net of tax)	-	1,527,401	-	-
<b>Profit for the year</b>	<b>22,201,573</b>	<b>28,823,737</b>	<b>210,768</b>	<b>142,787</b>
Less: Profit attributable to non controlling interest	(13,788,596)	(15,800,744)	-	-
Profit attributable to owners of the company	8,412,977	13,022,993	210,768	142,787
Other adjustments	(1,795,990)	(2,345,152)	741	820
Balance brought forward from the previous year	43,399,643	32,850,242	6,649,584	6,634,417
Amount available for appropriation	50,016,630	43,528,083	6,861,093	6,778,024

### 5.3 Dividend

#### Preference Share dividend

Annual Dividend	(147)	(146)	(147)	(146)
8% Participating Cumulative Preference dividend paid - 2024 - Rs. 14.22 (2023 - Rs. 8.75)	(26,152)	(16,094)	(26,152)	(16,094)

#### Ordinary Share dividend

Ordinary dividend paid	(183,600)	(112,200)	(183,600)	(112,200)
<b>Balance to be carried forward next year</b>	<b>49,806,731</b>	<b>43,399,643</b>	<b>6,651,194</b>	<b>6,649,584</b>

### 5.4 Reserves

Summary of the Group's reserves is given below:

As at 31st March	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Capital Reserve	4,957,232	2,936,575	40,000	40,000
Revenue Reserve	49,350,097	50,694,429	7,778,127	7,466,467
<b>Total</b>	<b>54,307,329</b>	<b>53,631,004</b>	<b>7,818,127</b>	<b>7,506,467</b>

The movements are shown in the Statements of Changes in Equity given on pages 104 to 106 the Annual Report.



## 5.5 Capital Expenditure

Details of the Group capital expenditure undertaken during the year by each sector are:

For the year ended / as at 31st March	2024 Rs. '000	2023 Rs. '000
<b>Portfolio and Asset Management</b>		
Property, plant & equipment	3,273	1,280
<b>Oil Palm Plantations</b>		
Property, plant & equipment	8,390,275	10,731,103
Bearer Plants	1,558,582	810,186
Intangible assets/prepaid lease payment for land	67,730	134,410
<b>Oils &amp; Fats</b>		
Property, plant & equipment	1,284,279	1,233,754
Intangible assets	3,602	6,838
<b>Beverage</b>		
Property, plant & equipment	5,490,222	4,371,975
Intangible assets	41,222	7,815
<b>Real Estate</b>		
Property, plant & equipment	-	2,548
Investments Properties	46,650	26,747
<b>Leisure</b>		
Property, plant & equipment	17,532	9,866
<b>Management Services</b>		
Property, plant & equipment	16,066	51,021
Intangible assets	-	354
	<b>16,919,433</b>	<b>17,387,897</b>

## 6 VALUE OF THE INVESTMENT PORTFOLIO

The market value/valuation of the Group's investment portfolio as at 31st March 2024 was Rs. 10,039 Mn (2023 - Rs. 9,050 Mn)

## 7 VALUE OF THE INVESTMENT PROPERTIES

Investment properties of business units, when significantly occupied by Group companies, are classified as property, plant and equipment in the consolidated financial statements in compliance with LKAS 40.

All properties classified as investment property were valued in accordance with the requirements of LKAS 40. The Group revalued all its investment properties as at 31st March 2024. The carrying value of investment property of the Group is Rs. 6,107 Mn (2023 - Rs. 5,670 Mn).

## Annual Report of the Board of Directors on the Affairs of the Company

Details of the revaluation of property, plant and equipment and investment property are provided in notes 20 and 23 to the financial statements.

Details of Group properties as at 31st March 2024 are disclosed in the Group Real Estate Portfolio section of the Annual Report.

### 8 MARKET VALUE OF FREEHOLD PROPERTIES

Certain freehold properties (land and buildings) of the Group have been revalued based on the independent professional valuation and written-up in the books of account to conform to market value of such properties. Details of such revaluation are given in Note 20 (c) to the financial statements.

### 9 DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Group and the Company which reflect a true and fair view of the state of its affairs. The Directors are of the view that the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow and Notes thereto appearing on pages 100 to 227 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act, No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and amendments thereto and Listing Rules of the Colombo Stock Exchange. The "Statement of Directors' Responsibility" for the Financial Reporting is given on pages 88 to 89 which forms an integral part of this Report.

### 10 INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act, No.07 of 2007.

All Directors have made declarations as provided for in Section 192(2) of the Companies Act aforesaid. The relevant details as required by the Companies Act, No. 07 of 2007 have been entered in the Interests Register during the year under review. The Interests Register is available for inspection as required under the Companies Act.

### 11 DIRECTORS' BENEFITS

The Directors' remuneration of the Company for the financial year ended 31st of March 2024 are given in note 15 (c) and note 52 to the Financial

Statements as per the requirements of Section 168 (1) (f) of the Companies Act, No. 07 of 2007.

### 12 DIRECTORS' INTEREST IN CONTRACTS AND SHARES AS AT THE REPORTING DATE

Directors' interests in contracts of the Company are disclosed in Note 15 (c) to the Financial Statements and have been declared at Meetings of the Board of Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in shares issued by the Company.

Directors	No of Ordinary Shares	
	31.03.2024	31.03.2023
Mr. H. Selvanathan (Chairman)	153,112	153,112
Mr. M. Selvanathan	44,214	44,214
Mr. I. Paulraj (Resigned with effect from 17/06/2024)	1,127	1,127
Mr. D . C. R . Gunawardena	-	-
Mr. L. R. De Lanerolle	3,074	3,074
Mr. S .K. Shah	-	-
Mr. M. Dayananda	-	-
Mr. A. S. Amaratunga (Appointed w.e.f. 17/06/2024)	-	-
Mr. Narayanan G.K. (Appointed w.e.f. 17/06/2024)	-	-
<b>8% Participating Cumulative Preference Shares</b>		
Mr. H. Selvanathan (Chairman)	345,130	345,130
Mr. M. Selvanathan	824,231	824,231
<b>Alternate Director</b>		
Mr. K. Selvanathan (For Mr. M. Selvanathan)	-	-
(ceased to be an Alternate Director w.e.f. 31.12.2023)		

**Directors shareholdings in group quoted companies.**

Subsidiaries	No of Ordinary Shares	
	31.03.2024	31.03.2023
<b>Carson Cumberbatch PLC</b>		
Mr. H. Selvanathan	76,852	76,852
Mr. M. Selvanathan	1,805,146	1,805,146
Mr. I. Paulraj (Resigned from Bukit Darah PLC w.e.f. 17/06/2024)	129	129
Mr. L. R. De Lanerolle	4,051	4,051
Mr. A. S. Amaratunga (Appointed to Bukit Darah PLC w.e.f.17/06/2024)	1,156	1,156
<b>Ceylon Guardian Investment Trust PLC</b>		
Mr. D. C. R. Gunawardena	257	257
<b>Ceylon Investment PLC</b>		
Mr. I. Paulraj (Resigned from Bukit Darah PLC w.e.f. 17/06/2024)	903	903
Mr. D. C. R. Gunawardena	2,157	2,157
<b>Ceylon Beverage Holdings PLC</b>		
Mr. H. Selvanathan	690	690
Mr. M. Selvanathan	690	690
Mr. D. C. R. Gunawardena	15	15
Mr. S. K. Shah	2,632	2,632
<b>Lion Brewery (Ceylon) PLC</b>		
Mr. H. Selvanathan	1,579	1,579
Mr. M. Selvanathan	1,579	1,579
Mr. I. Paulraj (Resigned from Bukit Darah PLC w.e.f. 17/06/2024)	628	628
Mr. D. C. R. Gunawardena	34	34
Mr. S. K. Shah	6,016	6,016
<b>Equity Two PLC</b>		
Mr. I. Paulraj (Resigned from Bukit Darah PLC w.e.f. 17/06/2024)	-	16,931
Mr. S. K. Shah	9,300	9,300

## Annual Report of the Board of Directors on the Affairs of the Company

### 13 DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the inner back cover of the Annual Report.

#### 13.1 Changes in the Directorate

Mr. H. Selvanathan (Chairman) and Mr. M. Selvanathan who were Executive Directors of the Company were designated by the Board as Non-Executive Directors of the Company with effect from 06th November 2023.

Mr. K. Selvanathan ceased to be an Alternate Director of Mr. M. Selvanathan with effect from 31st December 2023 in terms of Section 9.9 of the Listing Rules of Colombo Stock Exchange.

Mr. I. Paulraj resigned as Non-Executive Director with effect from 17th June 2024.

Upon the recommendation of the Nomination Committee, Mr. Narayanan G. K. and Mr. A. S. Amaratunga were appointed as Non-Executive Independent Directors of the Company with effect from 17th June 2024.

#### 13.2 Re-election of newly appointed Directors, since last AGM

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Mr. Narayanan G. K. and Mr. A. S. Amaratunga who were appointed to the Board since the last Annual General Meeting. Further, in terms of the Listing Rules of the Colombo Stock Exchange, the Board has ensured that Messrs. Narayanan G. K. and A. S. Amaratunga are fit and proper based on the 'Fit and Proper Criteria' stipulated in the Listing Rules.

Accordingly, in terms of Article 68 of the Articles of Association of the Company, shareholder approval is sought to re-elect Mr. Narayanan G. K. and Mr. A. S. Amaratunga at the Annual General Meeting to be held on Friday, 09th August 2024.

#### 13.3 Directors to retire by rotation

In terms of Articles 72, 73 & 74 of the Articles of Association of the Company, Mr. S. K. Shah retires by rotation and being eligible offers himself for re-election.

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Mr. S. K. Shah who retires by rotation. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Mr. S. K. Shah is fit and proper based on the 'Fit and proper Criteria' stipulated in the Listing Rules.

Accordingly, in terms of Articles 72, 73 & 74 of the Articles of Association of the Company, shareholder approval is sought to re-elect Mr. S. K. Shah who retires by rotation and, being eligible, offer himself for re-election.

#### 13.4 Re-appointment of Directors who are over 70 years of age as per Section 211 of the Companies Act, No. 07 of 2007.

In terms of Section 211 of the Companies Act, No. 07 of 2007, Messrs. L. R. De Lanerolle, M. Dayananda, M. Selvanathan, H. Selvanathan and D. C. R. Gunawardena - Directors who are over 70 years of age were re-appointed as Directors of the Company at the Annual General Meeting (AGM) held on 11th August

2023 for a period of one year commencing from the conclusion of the said AGM, i.e. till 10th August 2024.

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Messrs. L. R. De Lanerolle, M. Dayananda, M. Selvanathan, H. Selvanathan and D. C. R. Gunawardena - Directors who are over 70 years of age. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Messrs. L. R. De Lanerolle, M. Dayananda, M. Selvanathan, H. Selvanathan and D. C. R. Gunawardena are fit and proper based on the 'Fit and proper Criteria' stipulated in the Listing Rules.

Accordingly, Messrs. L. R. De Lanerolle, M. Dayananda, M. Selvanathan, H. Selvanathan and D. C. R. Gunawardena who are over 70 years of age are to be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to them.

### 14 CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

#### 14.1 Board of Directors

The following Directors held office during the year and their brief profiles are given on pages 7 to 9 of the Annual Report.

Name of the Director	Executive	Non-Executive	Independent
Mr. H. Selvanathan (Chairman) (Executive/Non-Executive w.e.f 06/11/2023)	-	✓	-
Mr. M. Selvanathan - (Executive/Non-Executive w.e.f 06/11/2023)	-	✓	-
Mr. I. Paulraj (Resigned w.e.f. 17/06/2024)	-	✓	-
Mr. D . C. R . Gunawardena	-	✓	-
Mr. L. R. De Lanerolle*	-	✓	✓
Mr. S .K. Shah	-	✓	-
Mr. M. Dayananda	-	✓	✓
Mr. Narayanan G. K (Appointed w.e.f. 17/06/2024)	-	✓	✓
Mr. A. S. Amaratunga (Appointed w.e.f. 17/06/2024)	-	✓	✓

#### Alternate Director

Mr. K.Selvanathan (for Mr. M. Selvanathan)- Ceased to be an Alternate Director w.e.f. 31/12/2023.

The Company obtained an annual declaration from the Directors as per Rule 9.7.3 and 9.7.4 of the Listing Rules of the Colombo Stock Exchange (CSE) confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria set out in the Rules during the Financial year and as at the reporting date. Therefore, no Director was identified as a person who has failed to fulfil the required assessment criteria during the year under review.

Each of the Independent Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 9.8.5 of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 05th July 2024, in order to enable the Board of Directors to determine the Independence/ Non-Independence of each of the Independent Directors, in terms of Rule 9.8.3 of the Listing Rules of the CSE.

\* Mr. L. R. De Lanerolle has served as a Director for over 9 aggregate years and the Board has determined that since he does not exert control over the Company and is able to make unfettered judgements and act impartially, he is nevertheless independent.

#### 14.3 Directors' Meeting Attendance

During the Financial year, the Board of Directors had 7 Board Meetings.

The attendance of the Directors at the Board Meetings were as follows:

Directors	Meetings attended (out of 7)
Mr. H. Selvanathan (Chairman)	7/7
Mr. M. Selvanathan	6/7
Mr. I. Paulraj (Resigned w.e.f. 17/06/2024)	7/7
Mr. D . C. R . Gunawardena	7/7
Mr. L. R. De Lanerolle	7/7
Mr. S .K. Shah	4/7
Mr. M. Dayananda	7/7
Mr. Narayanan G.K. (Appointed w.e.f. 17/06/2024)	-
Mr. A. S. Amaratunga (Appointed w.e.f. 17/06/2024)	-

#### 14.4 Board Evaluation

Each Director individually appraises the Board's performance to ensure discharging its responsibilities satisfactorily. This process takes in to account and evaluates all aspects in relation to Board responsibilities.

Independent observations made by the Directors are collated and addressed by the Nomination Committee of the Company and recommended as relevant to the Board of Directors for consideration.

#### 14.5 Board Sub-Committees

The Board, while assuming the overall responsibility and accountability for the management of the Company, has also appointed Board sub-committees to ensure more effective control over certain affairs of the Company, conforming to the Corporate Governance Standards of the Listing Rules of the CSE and industry best practices. Accordingly, the following Board sub-committees have been constituted by the Board.

## Annual Report of the Board of Directors on the Affairs of the Company

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Related Party Transactions Review Committee

### 14.5.1 Remuneration Committee

The Remuneration Committee of the Company comprises of the following members;

Remuneration Committee Members	Executive	Non-Executive	Independent
Mr. M. Dayananda (Chairman)	-	✓	✓
Mr. D .C.R. Gunawardena	-	✓	-
Mr. L.R.De Lanerolle	-	✓	✓

#### Scope and Objective

The Remuneration Committee has established a formal and transparent procedure for the development of a remuneration policy which will be reviewed by the Committee when deemed necessary.

The remuneration policy has been formulated based on market and industry factors with appropriate incentives to encourage enhanced performance and also in a fair and responsible manner for all group companies.

#### Functions and Proceedings

The Remuneration Committee recommends to the Board the remuneration to be paid to the Non-Executive Directors. Based on the recommendation of the Remuneration Committee, the Board approves the remuneration to the respective Directors.

The Chief Executive Officer or Director-in-charge of the subsidiary companies and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. The Non-Executive Directors are not involved in Remuneration Committee meetings when determinations are made in relation to their remuneration.

The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when it considers this necessary.

The Remuneration Committee Charter requires the Committee to meet at least twice a year. As allowed by the Remuneration Committee Charter, the Committee held two (02) meetings during the period under review and the attendance of the Members were as follows:

Remuneration Committee Members	Meetings attended (out of 2)
Mr. M. Dayananda (Chairman)	2/2
Mr. D .C.R. Gunawardena	2/2
Mr. L.R.De Lanerolle	2/2

#### Reporting and Responsibilities

The Committee Chairman reports formally to the Board on its proceedings on all matters within its duties and responsibilities. The Committee makes recommendations to the Board as deemed appropriate on any area within its scope where action or improvements are needed.

Aggregated remuneration paid to the Non-Executive Directors of the Company is disclosed under note 15 (c) on page 144 of the Annual Report. Executive Directors are not compensated for their role on the Board.

### 14.5.2 Audit Committee

The Audit Committee of the Company comprises of the following members;

Audit Committee Members	Executive	Non- Executive	Independent
Mr. L. R . De Lanerolle (Chairman)	-	✓	✓
Mr. M. Dayananda	-	✓	✓
Mr. D . C. R . Gunawardena	-	✓	-

The Audit Committee Report is given on pages 92 to 93 of this Annual Report.

### 14.5.3 Nomination Committee

The Nomination Committee of the Company comprises of the following members;

Nomination Committee Members	Executive	Non-Executive	Independent
Mr. I . Paulraj (Chairman) - Resigned as Chairman/Member w.e.f. 17/06/2024	-	✓	-
Mr. D .C.R. Gunawardena	-	✓	-
Mr. L.R.De Lanerolle (Chairman) - Appointed as Chairman w.e.f. 17/06/2024	-	✓	✓

### Scope and Objective

The primary objective of the Nomination Committee is to lead the process for appointments of Directors to the Board and the nominations of members to represent the Company in group companies / investee companies.

### Functions and Proceedings

The Nomination Committee recommends new appointments to the Board and the group companies. Based on the recommendation of the Nomination Committee, the Board approves the new appointments of Executive and Non-Executive Directors to the Board.

Any Director of the Board and the Chief Executive Officer/ Director-in-Charge of the subsidiary companies and other members of senior management may be invited to attend Meetings of the Nomination Committee. The Committee may also invite appointed external consultants to aid the Committee in the discharge of its duties. The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when considered necessary.

The Nomination Committee Charter requires the Committee to meet at least twice a year. As allowed by the Nomination Committee Charter, the Committee held two (02) meetings with all the members in attendance.

### 14.5.4 Related Party Transactions Review Committee

The Related Party Transactions Review Committee of the Company comprises of the following members;

Related Party Transactions Review Committee Members	Executive	Non-Executive	Independent
Mr. L.R.De Lanerolle (Chairman)	-	✓	✓
Mr. M. Dayananda	-	✓	✓
Mr. D.C.R. Gunawardena	-	✓	-
Mr. H. Selvanathan (Executive/Non-Executive w.e.f 06/11/2023)	-	✓	-
Mr. M. Selvanathan (Executive/Non-Executive w.e.f 06/11/2023)	-	✓	-

The Related Party Transactions Review Committee Report is given on page 90 of this Annual Report.

### Declaration

The Directors have made self declarations for the purpose of identifying parties related to them. The said declarations were noted at the Related Party Transactions Review Committee Meetings.

The Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions, during the financial year.

### Related Party Transactions Exceeding 10% of the Equity or 5% of the Total Assets of the Company

The Directors declare in terms of the requirements of the Listing Rules of the Colombo Stock Exchange that the transactions carried out by the Company with its Related Parties during the year ended 31st March 2024, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2024.

The details of the Related Party Transactions are given in Note 52 on page 226 of the Financial Statements.

### Recurrent Related Party Transactions

All the Recurrent Related Party transactions which in aggregate value exceeded 10% of the revenue of the Company as per 31st March 2024 audited Financial Statements are disclosed under Note 52 to the Financial Statements, as required by Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

### Non-Recurrent Related Party Transactions

When the aggregate value of all Non-Recurrent Related Party Transactions exceeds 10% of the equity or 5% of the total assets of the Company, whichever is lower as per 31 March 2024 audited financial statements, disclosure has been made under Note 52 to the Financial Statements, as required by the Colombo Stock Exchange Listing Rule 9.14.8(1) and Code of Best Practices on Related Party Transactions under the Securities and Exchange

## Annual Report of the Board of Directors on the Affairs of the Company

Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

### 15 INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a group wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the element of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallization of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

The delegation of the effective maintenance of internal controls and risk identification and mitigation is handed down to the respective management within the guidelines of benchmark policies, procedures and authority limits clearly laid down. This team is supported by the risk officers appointed per sector. The risk officers would confer with the respective management teams and will update the risk registers and the relevant action plans to be followed by the management teams in their respective spheres of operation. Group Internal Audit, whose scope of scrutiny is entirely driven by the grading of the risk involved will be monitoring and providing feedback to the management and the respective Audit Committees.

Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the directors abreast of the health of the company resource base and governance requirements. This allows the Board to have total control of the fulfilment of governance requirements.

### 16 INDEPENDENT AUDITORS

Independent confirmation has been provided by Messrs KPMG as required by Section 163 (3) of the Companies Act No. 07 of 2007, in connection with the audit for the year ended 31st March 2024 confirming that KPMG is not aware of any relationship with or interest in the Group and the Company that would impair their independence within the meaning of the Code of Professional Conduct and Ethics issued by the ICASL, applicable as at the reporting date.

#### Company

Company's Auditors during the year under review was Messrs KPMG, Chartered Accountants.

A sum of Rs. 805,000/- was paid to them by the Company as audit fees for the year ended 31st March 2024 (2023 - Rs. 718,000/-). In addition, they were paid Rs. 110,000/- (2023 Rs. 100,000/-) by the Company as fees for audit related services.

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditor, its effectiveness and its relationship with the group, including the scope of audit and non-audit fees paid to the Auditor.

#### Group

The group works with firms of Chartered Accountants in Sri Lanka and abroad, namely, KPMG and Ernst & Young. Details of audit fees are set out in Note 15 (a) of the financial statements.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report.

### Independent Auditor's Report

The independent Auditor's Report on the Financial Statements is given on pages 94 to 99 of this Annual Report.

### 17 DIVIDENDS

A First Interim Dividend of Rs.1/80 per ordinary share amounting to Rs.183,600,000/- for the year ended 31st March 2024 was announced on 15th August 2023. Shareholders of the Company who had provided accurate bank account details were paid on 01st September 2023. Shareholders who had not provided accurate bank account details or had not provided any bank account details were paid dividends on 14th September 2023 via cheques.

A First Interim Dividend of Rs.3/80 per ordinary share amounting to Rs.387,600,000/- for the year ending 31st March 2025 was announced on 06th June 2024. Shareholders of the Company who had provided accurate bank account details were paid on 25th June 2024. Shareholders who had not provided accurate bank account details or had not provided any bank account details were paid dividends on 08th July 2024 via cheques.

The details of the dividends paid during the year are set out in Note 19 to the financial statements.

A final dividend was not recommended by the Board of Directors.

### 18 SOLVENCY TEST

As required by Section 56(3) of the Companies Act, No. 07 of 2007, the Directors had signed the Solvency Statements confirming that the Board has reasonable grounds to believe that the Company would satisfy the Solvency Tests immediately after the distributions are made pertaining to the dividend payments for the year ended 31st March 2024 and in relation to the Interim Dividend paid for the year ending 31st March 2025.



As per Section 56(2) of the Companies Act, the Board had obtained Certificate of Solvency from the Company's Auditors, KPMG, Chartered Accountants in relation to the dividend payments stated above.

## 19 STATED CAPITAL

The Stated Capital of the Company as at 31st March 2024 was Rs.412,634,771/60 consisting of 102,000,000 Ordinary shares and 1,839,568, 8% Participating Cumulative Preference Shares. There was no change in the Stated Capital of the Company during the year.

## 20. COMPLIANCE WITH SECTION 9 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE ON CORPORATE GOVERNANCE AS AT DATE

Rule No.	Subject	Criteria	Compliance Status	Details
9.1.3.	Applicability of Corporate Governance Rules	All Listed Entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity	Compliant	Please refer to page 74 of the Annual Report of the Board of Directors
9.2	Policies	Policies	Not Applicable	Considering the effective date of 01 October 2024, the Company is in the process of reviewing existing policies and establishing new policies to comply with the stipulated timeline.
9.3	Board Committees	Board Committees	Compliant	Please refer page 75 to 77 of the Annual Report of the Board of Directors.
9.4.1.	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Listed Entities shall maintain records of all resolutions and information pertaining to its adoption	Compliant	The Company Secretaries maintain records of all resolutions and requisite information. The Company Secretaries could provide extracts of such resolutions to the SEC and CSE if required.
9.4.2	Communication and relations with shareholders and investors	Communication and relations with shareholders and investors	Compliant	Please refer page 85 of the Annual Report of the Board of Directors.
9.5	Policy on matters relating to the Board of Directors	Policy on matters relating to the Board of Directors	Compliant	Considering the effective date of 01 October 2024, the Company is in the process of introducing policies to comply with the stipulated timeline.
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual.	Compliant	Chairman is a Non-Executive Director

## Annual Report of the Board of Directors on the Affairs of the Company

Rule No.	Subject	Criteria	Compliance Status	Details
9.6.2	Chairperson and CEO	Where the Chairperson of a Listed Entity is an Executive Director and/ or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement	Not Applicable	Chairman is a Non-Executive Director and the positions of the Chairperson and CEO are not held by the same individual
9.6.3. and 9.6.4.	The Requirement for a SID	SID to be appointed in the following instances; <ol style="list-style-type: none"> <li>i. The positions of the Chairperson and CEO are held by the same individual.</li> <li>ii. The Chairperson is an Executive Director.</li> <li>iii. The Chairperson and CEO are Close Family Members or Related Parties.</li> </ol>	Not Applicable	Chairman is a Non-Executive Director, the positions of the Chairperson and CEO are not held by the same individual and the Chairman and CEO are not Close Family Members or Related Parties.
9.7	Fitness of Directors and CEO	Fitness of Directors and CEO	Compliant	The Company obtained annual declaration from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. All Directors met the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Compliant	The Board comprises of 08 Directors.
9.8.2/ 9.8.3 and 9.8.5.	Independent Directors	Minimum no. of Independent Directors / Criteria for defining independence and declaration & disclosures relating to Directors	Compliant	Please refer page 75 of the Annual Report of the Board of Directors.
9.9	Alternate Director	Alternate Director	Compliant	No Alternate Directors were appointed to the Board throughout the reporting period. The Company has set out Special Resolutions in the Notice of Meeting to change the Articles of Association of the Company to align with the Listing Rule requirement.
9.10.4.(a) and 9.10.4(b)	Disclosure relating to Directors	Company shall publish a brief resume in the Annual Report including expertise in relevant functional areas of each Director	Compliant	Please refer the Profile of the Directors on pages 7 to 9.

Rule No.	Subject	Criteria	Compliance Status	Details
9.10.4.(c)	Disclosure relating to Directors	Whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity	Compliant	As at the conclusion of the last AGM and throughout the financial year, none of the Directors or Close Family Members have had any material business relationship with other Directors of the Company.
9.10.4.(d) /9.10.4.(e) / 9.10.4.(f)/ 9.10.4.(g) and 9.10.4.(h)	Disclosure relating to Directors	Disclosure relating to Directors	Compliant	Please refer pages 82 to 84 of the Annual Report of the Board of Directors
9.11	Nomination and Governance Committee	Nomination and Governance Committee	Compliant	Please refer page 77 of the Annual Report of the Board of Directors.
9.12	Remuneration Committee	Remuneration Committee	Compliant	Please refer page 76 of the Annual Report of the Board of Directors.
9.13	Audit Committee	Audit Committee	Compliant	Please refer page 76 of the Annual Report of the Board of Directors.
9.14	Related Party Transaction Review Committee	Related Party Transaction Review Committee	Compliant	Please refer page 77 of the Annual Report of the Board of Directors.
9.16.(i)	Additional Disclosures	The Board of Directors should declare all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested	Compliant	Directors declared at a board meeting that they have no material interests in contracts with the Company and there were no matters in which they were materially interested.
9.16.(ii)	Additional Disclosures	The Board of Directors should conduct a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith	Compliant	The Board, having reviewed the system of internal controls covering financial, operational and compliance controls and risk management, is satisfied with the Company's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.

## Annual Report of the Board of Directors on the Affairs of the Company

Rule No.	Subject	Criteria	Compliance Status	Details
9.16(iii)	Additional Disclosures	The Board of Directors should make arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly of Listing Rules and Applicable capital market provisions.	Compliant	The Board of Directors have declared that the Company and the Board of Directors have complied with applicable laws, rules and regulations and also are aware of changes particularly to the Listing Rules of the Colombo Stock Exchange including the new rules on Corporate Governance initially issued in October 2023 and all other applicable capital market provisions.
9.16(iv)	Additional Disclosures	The Board of Directors should disclose relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Compliant	The Board of Directors have no disclosures to be made of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations.

### 21. DISCLOSURE RELATING TO THE DIRECTORS AS PER SECTION 9.10.4 (E) OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

Name of the Director	Name of the Company, functioning capacity, Listed/Unlisted
Mr. H. Selvanathan (Total No. of Directorships - 26) (Total No. of Companies within the Bukit Darah PLC Group where Mr. H. Selvanathan is a Key Management Personnel but not a Director - 07)	<p><b>Bukit Darah PLC Group of Companies</b></p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies – Carson Cumberbatch PLC, Bukit Darah PLC, Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies - Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Director and/or Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <p><b>Other Companies</b></p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Riverside Resorts (Private) Limited, Hambros Investments (Pvt) Ltd, Interkrish Investment Co. (Pvt) Ltd, Ceylon Securities and Investments (Pvt) Ltd, Eskaycee Travels Limited, Krish Investment Co. (Pvt) Ltd, Korea Lanka Garments (Pvt) Ltd, S. Kanapathy Chetty (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd, Skan Investments (Pvt) Ltd, Tower Investments (Pvt) Ltd, Bukit Investments (Pvt) Ltd, Fulcrum (Pvt) Limited, Goodhope Holdings (Pvt) Ltd, Goodhope Investment (Pvt) Ltd, Boutique Resorts (Pvt) Ltd.</p>

Name of the Director	Name of the Company, functioning capacity, Listed/Unlisted
<p>Mr. M. Selvanathan</p> <p>(Total No. of Directorships - 22)</p> <p>(Total No. of Companies within the Bukit Darah PLC Group where Mr. M. Selvanathan is a Key Management Personnel but not a Director - 08)</p>	<p><b>Bukit Darah PLC Group of Companies</b></p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Carson Cumberbatch PLC, Bukit Darah PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Lion Brewery (Ceylon) PLC, Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Director and/or Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <hr/> <p><b>Other Companies</b></p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Hambros Investments (Pvt) Ltd, Interkrish Investment Co. (Pvt) Ltd, Ceylon Securities and Investments (Pvt) Ltd, Eskaycee Travels Limited, Krish Investment Co. (Pvt) Ltd, Korea Lanka Garments (Pvt) Ltd, S. Kanapathy Chetty (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd, Skan Investments (Pvt) Ltd, Tower Investments (Pvt) Ltd, Bukit Investments (Pvt) Ltd, Fulcrum (Pvt) Limited and Goodhope Holdings (Pvt) Ltd.</p>
<p>Mr. D.C.R. Gunawardena</p> <p>(Total No. of Directorships - 11)</p> <p>(Total No. of Companies within the Bukit Darah PLC Group where Mr. D.C.R. Gunawardena is a Key Management Personnel but not a Director - 09)</p>	<p><b>Bukit Darah PLC Group of Companies</b></p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Ceylon Beverage Holdings PLC, Bukit Darah PLC, Carson Cumberbatch PLC and Lion Brewery (Ceylon) PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Director and Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <hr/> <p><b>Other companies</b></p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Carino (Pvt) Ltd and Noorani Estates Limited.</p>
<p>Mr. S. K. Shah</p> <p>(Total No. of Directorships - 06)</p> <p>(Total No. of Companies within the Bukit Darah PLC Group where Mr. S. K. Shah is a Key Management Personnel but not a Director - 06)</p>	<p><b>Bukit Darah PLC Group of Companies</b></p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Bukit Darah PLC and Carson Cumberbatch PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p> <hr/> <p><b>Other companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Companies –Ceylon Tobacco Company PLC, Hunters PLC and Hatton National Bank PLC.</p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Company – Lanka Canneries Pvt Ltd.</p>

## Annual Report of the Board of Directors on the Affairs of the Company

Name of the Director	Name of the Company, functioning capacity, Listed/Unlisted
<p>Mr. L. R. de Lanerolle</p> <p>(Total No. of Directorships - 06)</p> <p>(Total No. of Companies within the Bukit Darah PLC Group where Mr. L. R. de Lanerolle is a Key Management Personnel but not a Director - 01)</p>	<p><b>Bukit Darah PLC Group of Companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Bukit Darah PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Company – Carson Cumberbatch PLC.</p> <p><b>Other companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Overseas Reality (Ceylon) PLC.</p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies – Mireks Homes (Pvt) Ltd, Mireka Capital Land (Pvt) Ltd, Reality Management Services (Pvt) Ltd and Havelock City (Pvt) Limited.</p>
<p>Mr. M. Dayananda</p> <p>(Total No. of Directorships - 03)</p> <p>(Total No. of Companies within the Bukit Darah PLC Group where Mr. M. Dayananda is a Key Management Personnel but not a Director - 01)</p>	<p><b>Bukit Darah PLC Group of Companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Companies –Bukit Darah PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Company – Carson Cumberbatch PLC</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p> <p><b>Other companies</b></p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Company –Total Tea Concepts (Pvt) Ltd.</p>
<p>Mr. A. S. Amaratunga</p> <p>(Appointed w.e.f. 17/06/2024)</p> <p>(Total No. of Directorships - 04)</p> <p>(Total No. of Companies within the Bukit Darah PLC Group where Mr. A. S. Amaratunga is a Key Management Personnel but not a Director - 06)</p>	<p><b>Bukit Darah PLC Group of Companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Companies – Carson Cumberbatch PLC and Bukit Darah PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p> <p><b>Other companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Hemas Holdings PLC.</p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Company – SAARA LABs (Pvt) Ltd.</p>
<p>Mr. Narayanan G.K.</p> <p>(Appointed w.e.f. 17/06/2024)</p> <p>(Total No. of Directorships - 01)</p> <p>(Total No. of Companies within the Bukit Darah PLC Group where Mr. Narayanan G.K. is a Key Management Personnel but not a Director - 01)</p>	<p><b>Bukit Darah PLC Group of Companies</b></p> <p>He is an Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Bukit Darah PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Company – Carson Cumberbatch PLC.</p>

## 22 STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements.

## 23 OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the Company lawyers, litigations currently pending against the Group will not have material impact on the reported financial results or future operations of the Group. Details of litigations pending against the Group are given in Note 50 (d (iii)) on page 224 of the Annual Report.

## 24 GOING CONCERN

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that has the resources to continue in business for the foreseeable future.

The Group's businesses recorded a strong growth in profitability compared to previous year owing to the positive consumer sentiment, global commodity pricing and the effectiveness of business strategies adopted by the management.

In determining the basis of preparing the financial statements for the year ended 31st March 2024, based on available information, the management has assessed the prevailing uncertain and Volatile macro – economic environment and its impact on the Group companies operating in Sri Lankan domain and the appropriateness of the use of the going concern basis.

Based on these proactive analyses and actions plans, the Group operating model consisting of diversified businesses both regionally and industry wise, Group is confident that it is well placed. Therefore Group envisages no impact on the Group business continuity and expects to manage the above challenges effectively.

Furthermore, with the information available as at present the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

## 25 SIGNIFICANT EVENTS DURING THE YEAR

### Delisting of four Malaysian subsidiaries

The ordinary voting shares of Indo-Malay PLC, Good Hope PLC, Selinsing PLC and Shalimar (Malay) PLC have been delisted from the Official List of the Colombo Stock Exchange with effect from 18th January 2024.

## 26 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The commitments made on account of capital expenditure and contingent liabilities as at 31st March 2024 are given in note 50 to the financial statements.

## 27 RESEARCH AND DEVELOPMENT

The Group has an active approach to research and development and recognises the contribution that it can make to the Group's operations. Significant expenditure has taken

place over the years and substantial efforts will continue to be made to introduce new products and processes and develop existing products and processes to improve operational efficiency.

## 28 HUMAN RESOURCE

The Group continued to invest in Human Capital Development and implement effective Human Resource practices and policies to develop and build an efficient and effective workforce aligned around new business priority and to ensure that its employees are developing the skills and knowledge required for the future success of the Group.

The number of persons employed by the Group as at 31st March 2024 was 16,423 (31st March 2023 - 14,964). The Company had no employees as at 31st March 2024 (2023 - Nil).

## 29 EQUITABLE TREATMENT TO SHAREHOLDERS

The Company ensures that the rights of all shareholders are preserved and has established procedures to ensure the fair and equitable treatment of all shareholders. An array of measures is also in place to ensure that shareholder views are identified and fully considered.

Shareholders' concerns are brought to the attention of the Board of Directors through the Company Secretaries who serve as a point of contact for all shareholders.

## Annual Report of the Board of Directors on the Affairs of the Company

### 30 EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements, other than the above which is disclosed in note 51 to the financial statements, if any.

### 31 SHARE INFORMATION

Information relating to earnings, dividends, net assets and market price per share is given on pages 59 to 66 of the Annual Report. Information on share trading is given on page 59 of the Annual Report.

### 32 MAJOR SHAREHOLDERS

Twenty Major Shareholders - Ordinary Shares

	Name of Shareholder	31st March 2024		31st March 2023	
		No. of Shares	%	No. of Shares	%
1	Rubber Investment Trust Ltd A/C No.03*	20,438,250	20.04	20,438,250	20.04
2	Portelet Limited	9,409,500	9.23	9,409,500	9.23
3	Mr. V. Nataraj	8,662,766	8.49	8,595,446	8.43
4	Skan Investments (Pvt) Limited.	8,357,904	8.19	8,357,904	8.19
5	Goodhope Holdings (Pvt) Limited.	8,149,039	7.99	8,149,039	7.99
6	Newgreens Limited	7,905,000	7.75	7,905,000	7.75
7	Interkrish Investment Company (Pvt) Limited	7,314,903	7.17	7,314,903	7.17
8	Krish Investment Company (Pvt) Ltd.	7,304,150	7.17	7,304,150	7.16
9	Carson Cumberbatch PLC A/C No.2*	6,270,781	6.15	6,270,781	6.15
10	Gee Gees Properties (Pvt) Ltd	3,734,220	3.66	3,734,220	3.66
11	Employee's Provident Fund	2,857,872	2.80	2,857,872	2.80
12	S Kanapathy Chetty (Private) Limited.	2,139,922	2.10	2,139,922	2.10
13	Ceylon Securities and Investments (Private) Limited	1,006,085	0.99	1,006,085	0.99
14	Auerbach Grayson and Co.	925,385	0.91	925,385	0.91
15	Mr. E.A. Samaraweera	612,000	0.60	612,000	0.60
16	Mrs. H. Pope (Decd)	612,000	0.60	612,000	0.60
17	J.B. Cocoshell (Pvt) Ltd	540,721	0.53	540,098	0.53
18	Mr. K.C. Vignarajah	525,276	0.51	524,027	0.51
19	Mr. W. Tippetts	520,200	0.51	520,200	0.51
20	Thurston Investments Limited	501,490	0.49	504,000	0.49

\* Not eligible to vote at a General Meeting of the Company as per Section 72 of the Companies Act, No. 07 of 2007.



### 33 AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

The Board of Directors have proposed that the Articles 59, 78, 88 and 98 be amended and the requisite Special Resolutions to give effect to the above is set out in the Notice Convening the Annual General Meeting on pages 237 to 238 of the Annual Report.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on page 237 of the Annual Report.

Signed on behalf of the Board

(Sgd.)  
M. Selvanathan  
Director

### 34 ANNUAL REPORT

The information provided herein is in pursuance of the requirements of the Companies Act, No.07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

(Sgd.)  
D. C. R. Gunawardena  
Director

The Board of Directors have approved the Financial Statements of the Company together with the Reviews which form part of the Annual Report on 16th July 2024. The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within applicable time frames.

(Sgd.)  
K. D. De Silva (Mrs.)  
Director  
Carsons Management Services (Private) Limited  
Secretaries

16th July 2024

### 35 ANNUAL GENERAL MEETING

108th Annual General Meeting of the Company will be held on Friday, the **09th day of August 2024 at 11.15 a.m.** at the Auditorium, the Institute of Chartered Accountants of Sri Lanka, Ground Floor, 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka.

# Statement of Directors' Responsibility

The Statement sets out the responsibility of the Board of Directors, in relation to the Financial Statements of Bukit Darah PLC and the Consolidated Financial Statements of the Company and its Subsidiaries (the Group). The responsibilities of the External Auditors in relation to the Financial Statements are set out in the "Independent Auditors' Report" given on pages 94 to 99.

In terms of Sections 150 (1), 151, 152 and 153 (1) and (2) of the Companies Act No. 07 of 2007, the Board of Directors of the Company are responsible for ensuring that the Group and the Company keep proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Group and the Company as at end of each financial year and place them before a general meeting. The Financial Statements comprise of the Statement of Financial Position as at 31st March 2024, the Statement of profit or loss and Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Board of Directors confirm that the Financial Statements of the Group and the Company give a true and fair view of the financial position of the Group and the Company as at March 31, 2024; and financial performance of the Group and the Company for the financial year then ended.

## COMPLIANCE REPORT

The Board of Directors also wishes to confirm that:

- (a) appropriate Accounting Policies have been selected and applied in preparing the Financial Statements exhibited on pages 109 to 129 based on the latest financial reporting framework on a consistent basis, while reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected and material departures, if any, have been disclosed and explained;
- (b) the Financial Statements for the financial year 2024, prepared and presented in this Annual Report are in agreement with the underlying books of account and are in conformity with the requirements of the following:
  - Sri Lanka Accounting Standards;
  - Companies Act, No. 07 of 2007 (Companies Act);
  - Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995;
  - Listing Rules of the Colombo Stock Exchange (CSE), and
- (c) proper accounting records which correctly record and explain the Company's transactions have been maintained as required by Section 148 (1) of the Companies Act to determine at any point of time the Company's financial position, with reasonable accuracy, enabling preparation of the Financial Statements, in accordance with the Companies Act to facilitate proper audit of the Financial Statements;
- (d) they have taken appropriate steps to ensure that the Group and the Company maintain proper books of account and review the financial reporting system directly by them at their regular meetings and also through the Audit Committee. The Report of the said Committee is given on pages 92 to 93. The Board of Directors approves the Interim Financial Statements following a review and recommendation by the Audit Committee;
- (e) they accept responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report;
- (f) they have taken reasonable measures to safeguard the assets of the Group and the Company and to prevent and detect frauds and other irregularities. In this regard, the Board of Directors have instituted what they reasonably believe is an effective and comprehensive system of internal controls comprising internal checks, internal audit and financial and other controls required to carry on the business in an orderly manner and safeguard its assets and secure as far as practicable, the accuracy and reliability of the records.
- (g) to the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its Subsidiaries, and all other known statutory dues as they were due and payable by the Company and its Subsidiaries as at the reporting date have been paid or, where relevant, provided for.

- (h) as required by Section 56 (2) of the Companies Act, they have authorized distribution of the dividends paid upon being satisfied that the Company would satisfy the solvency test after such distributions are made in accordance with Section 57 of the Companies Act and have obtained in respect of dividends paid, necessary certificates of solvency from the External Auditors;
- (i) as required by Sections 166 (1) and 167 (1) of the Companies Act, they have prepared this Annual Report in time and ensured that a copy thereof is sent to every shareholder of the Company, within the stipulated period of time as required by Rule 7.5 (a) and (b) on Continuing Listing Requirements of the Listing Rules of the CSE;
- (j) that all shareholders in each category have been treated equitably in accordance with the original terms of issue;
- (k) that the Company has met all the requirements under Rule 7 on Continuing Listing Requirements of the Listing Rules of the CSE, where applicable;
- (l) that after considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the "Code of Best Practice on Corporate Governance" issued by the CA Sri Lanka, the Board of Directors have a reasonable expectation that the Company and its Subsidiaries possess adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the Financial Statements;
- (m) the Financial Statements of the Group and the Company have been certified by the Director - Finance, Carsons Management Services (Private) Limited the Secretariat who is responsible for the preparation of accounts, as required by Sections 150 (1) (b) and 152 (1) (b) of the Companies Act and also have been signed by two Directors of the Company on 16th July 2024 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act and other regulatory requirements; and
- (n) the Company's External Auditors, Messrs. KPMG who were appointed in terms of Section 158 of the Companies Act and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors together with all the financial records, related data and minutes of shareholders' and Directors' meetings and expressed their opinion which appears as reported by them on pages 94 to 99.
- Accordingly, the Board of Directors are of the view that they have discharged their responsibilities as set out in this Statement.
- By Order of the Board,
- (Sgd.)  
K.D. De Silva (Mrs)  
Director  
Carsons Management Services  
(Private) Limited  
Secretaries
- Colombo  
16th July 2024

# Report of the Related Party Transactions Review Committee

## COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee (RPTRC) of the Company comprises of five Members as follows:

RPTRC Members	Executive/ Non-Executive/ Independent
Mr. L.R. de Lanerolle (Chairman)	Non-Executive, Independent
Mr. M. Dayananda	Non-Executive, Independent
Mr. D.C.R. Gunawardena	Non-Executive
Mr. H. Selvanathan	Non-Executive*
Mr. M. Selvanathan	Non-Executive*

\*Mr. H. Selvanathan – Non-Executive Director w.e.f. 30th October 2023

\*Mr. M. Selvanathan – Non-Executive Director w.e.f. 30th October 2023

The RPTRC is compliant with Rule 9.14.2(1) of the Listing Rules of the Colombo Stock Exchange.

## MEETINGS OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Bukit Darah PLC-RPTRC held One (01) Meeting in each calendar quarter and a total of Four (04) Meetings were held during the financial year. In addition, the approval of the RPTRC Members were sought via one (01) Circular Resolution during the financial year.

The attendance of the Members of the Committee were as follows:

RPTRC Members	Meetings (physical & virtual) Attended (out of 04)
Mr. L.R. De Lanerolle (Chairman)	4/4
Mr. M. Dayananda	4/4
Mr. D.C.R. Gunawardena	4/4
Mr. H. Selvanathan	4/4
Mr. M. Selvanathan	4/4

## PURPOSE OF THE COMMITTEE

The objective of the RPTRC is to review all Related Party Transactions (RPTs) of the Company, other than those exempted by the 'Related Party Transactions Compliance Code' (RPT Code), prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

## POLICIES AND PROCEDURES

- The RPTRC reviews the relevant Related Party Transactions of the Company and where the Committee decides that the approval of the Board of Directors of the Company is necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.
- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.

- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

Self-declarations from the Directors and Key Management Personnel are obtained for the purpose of identifying parties related to them. Further, the guidelines which senior management must follow in routing Related Party Transactions to the relevant forum, including transaction threshold values and pricing where applicable, have been documented. This includes once approved recurrent transactions that are operational in nature and which as per the RPT Code need not be repeatedly approved if within the broad thresholds.

The RPTRC in discharging its function endeavours to ensure that :

- there is compliance with the Code;
- shareholder interests are protected; and
- fairness and transparency are maintained.

The Committee has a criteria for designating Key Management Personnel (KMP) and quarterly disclosures are made by the KMPs so designated, as relevant.

The Related Party Transactions of the Company for the period 1st April 2023 to 31st March 2024 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

In accordance with Rule 9.14.8 (1) of the Listing Rules of the Colombo Stock Exchange there were no Non-Recurrent Related Party Transactions entered into by the Company, where the aggregate value of the Non-Recurrent Related Party Transactions exceeded 10% of the equity or 5% of the total assets, whichever is lower, of the Company, as per the Audited Financial Statements as at 31st March 2024.

Further, as per Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange there were no Recurrent Related Party Transactions entered into by the Company, where the aggregate value of the Recurrent Related Party Transactions exceeded 10% of the gross revenue/income of the Company, as per the Audited Financial Statements as at 31st March 2024.

The Committee is aware of the new Colombo Stock Exchange Listing Rules which were initially released in October 2023 and had several deliberations on same and on its impact to the Company. The Company is in the process of taking necessary steps to ensure compliance with Section 9.14 of the said Rules with effect from 1st October 2024.

The Company is in compliance with the existing Rules pertaining to RPTs.

(Sgd.)

L.R. De Lanerolle

Chairman

Related Party Transactions Review Committee

Bukit Darah PLC

Colombo

16th July 2024

# Audit Committee Report

The Audit Committee of the Company comprises of three Members as follows:

Audit Committee Members	Executive / Non-Executive / Independent
Mr. L.R. De Lanerolle (Chairman)	Non-Executive, Independent
Mr. D.C.R. Gunawardena	Non-Executive
Mr. M. Dayananda	Non-Executive, Independent

Mr. L.R. De Lanerolle is a Director of Overseas Realty (Ceylon) PLC.

Mr. D.C.R. Gunawardena is a Non-Executive Director of Carson Cumberbatch PLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr. M. Dayananda is a Non-Executive/Independent Director of Bukit Darah PLC, Pegasus Hotels of Ceylon PLC and was also an Independent, Non-Executive Director of Nestle Lanka PLC and resigned from the company with effect from 1st February 2024. He was a Non-Executive Director of Delmege Ltd. An expert on economic issues and he was a former Chairman of the Sri Lanka Business Development Centre.

## MEETINGS OF THE AUDIT COMMITTEE

As allowed by the Bukit Darah PLC-Audit Committee Charter, the Audit Committee held six (06) virtual Meetings during the financial year to discuss matters relating to the

Company and the attendance of Members were as follows:

Audit Committee Members	Meetings attended (out of 06)
Mr.L.R. De Lanerolle (Chairman)	6/6
Mr. D.C.R. Gunawardena	6/6
Mr. M. Dayananda	6/6

Director-Finance, internal auditors and senior management staff members of Carons Management Services (Private) Limited, who provides secretariat services to the Company also attended the Audit Committee Meetings by invitation.

The Audit Committee met the External Auditors, Messrs. KPMG, twice during the year to discuss the audit plan, scope and outcomes from the review, including Key Audit Matters and to deliberate the draft Financial Report and Accounts at the completion stage of the audit. Committee also provides the opportunity to the External Auditors of the Company to provide matters of importance via a private audience.

Minutes/extracts of the Minutes of Audit Committee Meetings are circulated to the Board of Directors. The Chairman-Audit Committee also issues a written update for circulation to the Board, as relevant, indicating the important matters discussed and decisions taken in respect of the Company, following the Audit Committee Meetings.

## PURPOSE OF THE AUDIT COMMITTEE

To assist the Board of Directors in fulfilling its oversight responsibilities of the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring

compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes. Also, to select the Company's External Auditors and implement a direct reporting relationship with them and ensuring their independence.

An Audit Committee Charter is in place.

## FINANCIAL STATEMENTS

The interim financial statements of the Company have been reviewed by the Audit Committee Members at Audit Committee Meetings, prior to approval by the Board of Directors and release of same to the Regulatory Authorities and to the shareholders.

The financial statements, audit opinion and external audit matters of Bukit Darah PLC for the year ended 31st March 2024 were reviewed at a Meeting of the Audit Committee, together with the External Auditors, Messrs. KPMG, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required, by Carsons Management Services (Private) Limited, Secretariat that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act, No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

## INTERNAL AUDIT

The objectives of the Group Internal Audit (GIA) work was to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-a-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective/preventive action where necessary.

The Audit Committee approved the audit plan for the financial year 2023/2024 and the GIA carried out the audits of the Company based on the plan.

The findings and contents of the Group Internal Audit reports have been discussed with the relevant management staff and subsequently the audit reports were circulated to the Audit Committee and to the senior management.

## RISK MANAGEMENT

The Committee reviews the Key risks of each sector and the activities of the risk management function, especially the processes adopted with management to identify, assess and mitigate risks through appropriate and timely action.

## EXTERNAL AUDIT

The External Auditors' Letter of Engagement was reviewed and discussed by the Committee with them and management prior to the commencement of the audit and the Committee followed up on all matters raised by the External Auditors after the final review.

The Members of the Audit Committee have determined that the independence of Messrs.KPMG, Chartered Accountants, has not been impaired by any event or service that gives rise to a conflict of interest. The Committee also reviewed the arrangements made by the Auditors to maintain

their independence and written confirmation has been received from the Auditors of their compliance, with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

Messrs.KPMG have been the External Auditors of the Company since 1923 and the Audit Engagement Partner for the financial year ended 31st March 2024 is Mr. Rajesh Harsha Rajan, who was appointed in 2022 following the rotation of the previous partner.

The Committee reviews the Non-audit services obtained from Messrs. KPMG and the fees paid to them for such services, at quarterly Audit Committee Meetings.

The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2025, subject to the approval of the shareholders of Bukit Darah PLC at the Annual General Meeting.

The Committee is aware of the new Colombo Stock Exchange Listing Rules which were initially released in October 2023 and had several deliberations on same and on its impact to the Company. The Company is in the process of taking necessary steps to ensure compliance with Section 9.13 of the said Rules by 1st October 2024.

[Sgd.]

L.R. de Lanerolle  
Chairman – Audit Committee  
Bukit Darah PLC

Colombo  
16th July 2024

# Independent Auditor’s Report



KPMG  
(Chartered Accountants)  
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## TO THE SHAREHOLDERS OF BUKIT DARAH PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Bukit Darah PLC (“the Company”) and the consolidated statements Profit or Loss of the Company and its subsidiaries (“the Group”), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set at on pages 100 to 227 of this annual report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for professional

Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Revenue Recognition	
Risk Description	Our responses
<p>Refer Note 5 (accounting policy) and Note 8 to the Financial statements.</p> <p>The Company recorded revenues of Rs. 261 Mn for year ended 31 March 2024 and Group recorded revenue of Rs. 277,009 Mn for the year ended 31 March 2024.</p>	<p><b>Our audit procedures included:</b></p> <p>Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management’s key internal controls in relation to revenue recognition from sales transactions.</p> <p>Testing the operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the general IT control environment with the assistance of IT specialists.</p> <p>Obtaining an understanding and testing design, implementation and operating effectiveness of controls over journal entries and post-closing adjustments.</p>

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C. P. Jayatilake FCA  
Ms. S. Joseph FCA  
G. A. U. Karunaratne FCA  
R. H. Rajan FCA  
A.M.R.P. Alahakoon ACA

T. J. S. Rajakarier FCA  
W. K. D. C. Abeyrathne FCA  
R.M.D.B. Rajapakse FCA  
M.N.M. Shameel FCA  
Ms. P.M.K. Sumanasekara FCA

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

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





Revenue Recognition	
Risk Description	Our responses
<p>Whilst revenue recognition and measurement is not complex for the Company, the subsidiaries operate in markets which are affected by different customer behaviour and the various discounts and locally imposed duties and fees in regard to revenue recognition introduce an inherent risk to the revenue recognition process. This, together with the focus on volumes and revenue as key performance measures resulted in revenue being selected as a key audit matter.</p>	<p>Comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts, underlying goods delivery and acceptance notes, where appropriate, to assess whether the related revenue was recognized in accordance with the Company's revenue recognition accounting policies.</p> <p>Agreeing the monthly sales system reports to the general ledger to ensure that the revenue is accounted accurately and completely in the general ledger.</p> <p>On a sample basis, testing that sales have been recognized in the correct accounting period and evaluating whether there are any significant product returns after the year end.</p>
Carrying value of investments in financial instruments	
Risk Description	Our responses
<p>Refer Note 5 (accounting policy) and Note 28- 29 to the Financial statements.</p> <p>The financial investments of the Group as at 31 March 2024 comprises FVTPL financial assets amounting to Rs. 10,039 Mn. As at the reporting date, the Group's FVTPL portfolio is made up of listed equity investments amounting to Rs.8,934 Mn, unlisted equity investments amounting to Rs.131 Mn, investment in Treasury Bonds Rs. 583 Mn and unit trust investments amounting to Rs. 391 Mn.</p> <p>Investment in listed equity and unit trust investments are measured based on quoted market prices. Unlisted equity instruments require the exercise of judgment and the use of estimates and assumptions as observable market prices or market parameters are not available. For such instruments, the fair value is determined through the use of valuation techniques or models applied by the Group.</p> <p>As a result of the prevailing uncertain and volatile macro-economic environment, volatility in the financial markets has increased. The Group has recorded a fair value gain of Rs. 1,880 Mn, compared to the fair value gain of Rs. 923 Mn recorded in the previous year.</p> <p>Due to the materiality of the FVTPL in the context of the financial statements, degree of judgement involved in making assumptions in arriving at valuations and measurement uncertainty created due to the prevailing uncertain macro-economic environment, we considered valuation of FVTPL and FVOCI financial instruments as a Key Audit Matter.</p>	<p><b>Our audit procedures included:</b></p> <p>Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key controls in relation to the investment valuation process.</p> <p>Checking the Central Depository Systems (CDS) statements to verify the existence, completeness and accuracy of the number of quoted shares and agreeing the market price as of 31 March 2024 with the Colombo Stock Exchange (CSE) prices.</p> <p>Checking the number of units and the unit price as at 31 March 2024 with the external confirmations received from the Unit Trust Management Company to verify the existence, accuracy and completeness;</p> <p>Assessing the appropriateness of the valuation techniques used by the Group in valuing the unquoted equity instruments as at 31 March 2024;</p> <p>Assessing and challenging the key assumptions, inputs and judgments used in the valuation of the unquoted equity instruments by;</p> <ul style="list-style-type: none"> <li>• Comparing the assumptions to expectations based on current trends and investee industry knowledge.</li> <li>• Challenging the management on key assumptions used to generate forward looking cash flow and revenue estimates and other key assumptions used in the valuation process such as discount rates, liquidity adjustments etc;</li> </ul> <p>Assessing the adequacy of disclosure in the financial statements in relation to the fair valuation of the financial investments as required by the accounting standards.</p>

## Independent Auditors' Report



Valuation of Land and Buildings	
Risk Description	Our Response
<p>Refer Note 5 (accounting policy) Note 20 and Note 23 to the Financial statements.</p> <p>As at the reporting date, Land and buildings carried at the fair value, classified as Property, Plant and equipment and Investment Properties amounted to Rs. 49,631 Mn and Rs. 6,107 Mn respectively. The fair value of these properties were determined by the professional external valuer engaged by the Group management.</p> <p>The valuation of Land and buildings is considered as a significant audit risk due to the materiality of the carrying amount and the subjective nature of property valuations using level 3 assumptions which depend on the nature of property, its location, expected future net rental values, market yields, capitalization rates, per perch price, value for square foot and comparable market transactions. A change in the key assumptions will have a significant impact to the valuation.</p>	<p><b>Our audit procedures included:</b></p> <p>Assessing the objectivity, independence, competence and professional qualification of the external valuer.</p> <p>Assessing the appropriateness of the valuation techniques used by the external valuer, taking into account the profile of the investment properties.</p> <p>Compare with alternative valuation methods in order to determine the highest and best use of the property.</p> <p>Discussions with management and the external valuer and comparing the key assumptions used against externally published market comparable or industry data where available and challenging the reasonableness of key assumptions in particular rental rates, capitalization rates, occupancy rates, based on our knowledge of the business and industry and internal benchmarks.</p> <p>Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.</p>
Carrying value of Brands acquired	
Risk Description	Our Response
<p>Refer Note 5 (accounting policy) and Note 24 to the Financial statements.</p> <p>The subsidiary, Lion Brewery (Ceylon) PLC has recognized an intangible asset relating to Brands acquired with a carrying value of Rs. 612 Mn as at the reporting date.</p> <p>The annual impairment testing relating to the brand which is an indefinite life intangible asset is considered to be a key audit matter due to the significant judgment required in determining the assumptions to be used to estimate the recoverable amount.</p> <p>The recoverable amount of the CGU, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from a discounted forecast cash flow model. This model uses several key assumptions, including estimates of future sales volumes, contribution growth rate, terminal value growth rates and the cost of equity (discount rate).</p>	<p><b>Our audit procedures included:</b></p> <p>Evaluating the appropriateness of the impairment testing methodology and consistency of underlying assumptions via corroborating estimates of future cash flows and discussing whether they are reasonable and supported by the most recent approved management budgets, including expected future performance of the CGUs, and discussing whether these are appropriate in light of future macro-economic expectations in the markets including prevailing uncertain and volatile macro-economic conditions within the country and our own assessment based on the knowledge of the Subsidiary and the industry.</p> <p>Recomputing and comparing the data used in the forecasted cash flow model with information maintained by management and historical trends.</p> <p>Assessing the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.</p>



## Impairment assessment of bearer plants and valuation of biological assets

Risk Description	Our Response
<p>Refer Note 5 (accounting policy) and Note 21 and 22 to the Financial statements.</p> <p>The carrying values of bearer plants of the Plantation sector subsidiaries were tested for impairment based on internal valuations. The recoverable values of the Plantation Assets have been established based on their cash generating potential over their useful economic life on a 'Going Concern' basis. Significant risk has been identified due to the significant judgment required in determining the assumptions to be used to estimate the recoverable amount.</p> <p>As at 31 March 2024, the fair value of biological assets amounted to Rs. 188 Mn. The biological assets are related to agricultural produce growing on bearer plant which referred as Fresh Fruit Bunches (FFB). The fair value of biological assets was based on market prices and the estimated yield, net of maintenance and harvesting costs, and estimated cost to sell. The estimated yield is dependent on the age of the oil palm trees, the location of the plantations, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the assets. Significant risk has identified due to judgemental nature involves in determination of fair values.</p>	<p><b>Our audit procedures included:</b></p> <p>Communicating with the component auditors on audit approach in respect of bearer plant and biological assets to ensure cover following;</p> <ul style="list-style-type: none"> <li>• Evaluating reasonableness of cash flows and related assumptions associated with deriving the fair value of biological assets and impairment assessment of bearer plant.</li> <li>• Assessing the key assumptions and methodology used in the valuation, in particular the discount rate, and average market price by comparing with industry norms that are generally accepted.</li> <li>• Assessing the adequacy of the related disclosures in the financial statements and consistency with the accounting policies.</li> <li>• Reviewing component auditors workpapers where necessary</li> </ul>

## Independent Auditors' Report



### 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements 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 and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.

### CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

16th July 2024

# Statement of Profit or Loss

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Continuing operations</b>					
Revenue	8	277,008,844	330,420,613	260,513	179,424
Direct operating expenses		(199,834,154)	(237,472,167)	-	-
<b>Gross profit</b>		<b>77,174,690</b>	<b>92,948,446</b>	<b>260,513</b>	<b>179,424</b>
Other income	10	3,839,221	3,731,665	-	-
Administrative expenses		(19,958,290)	(21,136,394)	(48,065)	(30,703)
Distribution expenses		(13,432,932)	(14,700,515)	-	-
Other operating expenses	11	(575,759)	(780,518)	-	-
(Provision)/Reversal of impairment of business assets	12	291,063	(353,229)	-	-
Foreign exchange gains/(losses)	13	61,148	(507,410)	-	-
<b>Profit from operations</b>		<b>47,399,141</b>	<b>59,202,045</b>	<b>212,448</b>	<b>148,721</b>
Net finance costs	14	(12,557,362)	(14,615,590)	-	-
Change in fair value of investment properties	23	390,581	578,712	-	-
Change in fair value of biological assets	22	188,414	(3,696,464)	-	-
Change in fair value of Financial assets - fair value through profit or loss	28	1,880,387	923,001	-	-
Share of net results of equity accounted investee	27	(12,702)	(13,787)	-	-
<b>Profit before tax</b>	15	<b>37,288,459</b>	<b>42,377,917</b>	<b>212,448</b>	<b>148,721</b>
Current taxation	16	(13,297,456)	(14,500,894)	(1,680)	(5,934)
Deferred taxation	16	(1,789,430)	(580,687)	-	-
Tax expenses		(15,086,886)	(15,081,581)	(1,680)	(5,934)
<b>Profit from continuing operations</b>		<b>22,201,573</b>	<b>27,296,336</b>	<b>210,768</b>	<b>142,787</b>
<b>Discontinued operations</b>					
Loss from discontinued operations, (net of tax)	34	-	(649,745)	-	-
Gain on disposal of joint venture	34	-	5,001	-	-
Gain on disposal of subsidiary	34	-	2,172,145	-	-
<b>Net impact from discontinued operations, (net of tax)</b>		<b>-</b>	<b>1,527,401</b>	<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>22,201,573</b>	<b>28,823,737</b>	<b>210,768</b>	<b>142,787</b>
<b>Profit Attributable to:</b>					
<b>Owners of the Company</b>					
Profit from continuing operations, (net of tax)		8,412,977	12,251,107	210,768	142,787
Profit from discontinued operations, (net of tax)		-	771,886	-	-
		<b>8,412,977</b>	<b>13,022,993</b>	<b>210,768</b>	<b>142,787</b>
<b>Non controlling interest</b>					
Profit from continuing operations, (net of tax)		13,788,596	15,045,229	-	-
Profit from discontinued operations, (net of tax)		-	755,515	-	-
		<b>13,788,596</b>	<b>15,800,744</b>	<b>-</b>	<b>-</b>
Basic earnings per share (Rs.)	17	82.22	127.52	1.81	1.24
Basic earnings per share - Continuing operations (Rs.)	17	82.22	119.95	1.81	1.24
Basic earnings per share - Discontinued operations (Rs.)	17	-	7.57	-	-
Dividend Per ordinary share (Rs.)	19	1.80	1.10	1.80	1.10
Earnings before interest, tax, depreciation and amortisation (EBITDA)	18	58,335,217	71,191,094	-	-

The Notes from pages 109 to 227 form an integral part of these financial statements.

Figures in brackets indicate deductions.

# Statement of Comprehensive Income

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Profit for the year</b>		<b>22,201,573</b>	<b>28,823,737</b>	<b>210,768</b>	<b>142,787</b>
<b>Other Comprehensive Income</b>					
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translation of foreign operations		(14,963,706)	(400,094)	-	-
Gain on effective portion of changes in fair value of cash flow hedge		-	707,553	-	-
Share of other comprehensive income of equity accounted investee, (net of tax)	27	(113,121)	58,224	-	-
<b>Items that will not be reclassified to profit or loss:</b>					
Revaluation Surplus on Property, Plant & Equipment	20	1,836,413	-	-	-
Deferred tax on revaluation surplus	16	(674,877)	(293,906)	-	-
Remeasurements of defined benefit obligation	45	332,804	(63,954)	-	-
Related tax on actuarial gain/(losses)	16	(58,739)	21,330	-	-
Equity investments at FVOCI – net change in fair value	28	-	-	310,050	246,675
<b>Other comprehensive income/(expenses) for the year, (net of tax)</b>		<b>(13,641,226)</b>	<b>29,153</b>	<b>310,050</b>	<b>246,675</b>
<b>Total Comprehensive Income for the year</b>		<b>8,560,347</b>	<b>28,852,890</b>	<b>520,818</b>	<b>389,462</b>
<b>Total Comprehensive Income Attributable to:</b>					
Owners of the Company		1,278,363	12,741,185	520,818	389,462
Non controlling interest		7,281,984	16,111,705	-	-
		<b>8,560,347</b>	<b>28,852,890</b>	<b>520,818</b>	<b>389,462</b>
<b>Attributable to:</b>					
<b>Owners of the Company</b>					
Total comprehensive income from continuing operations, (net of tax)		1,278,363	11,969,301	520,818	389,462
Total comprehensive income from discontinued operations, (net of tax)		-	771,884	-	-
		<b>1,278,363</b>	<b>12,741,185</b>	<b>520,818</b>	<b>389,462</b>
<b>Non controlling interest</b>					
Total comprehensive income from continuing operations, (net of tax)		7,281,984	15,356,190	-	-
Total comprehensive income from discontinued operations, (net of tax)		-	755,515	-	-
		<b>7,281,984</b>	<b>16,111,705</b>	<b>-</b>	<b>-</b>

The Notes from pages 109 to 227 form an integral part of these financial statements.  
Figures in brackets indicate deductions.

# Statement of Financial Position

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
Property, plant & equipment	20	98,749,259	100,396,730	-	-
Bearer plants	21	41,806,827	49,139,580	-	-
Investment properties	23	6,107,100	5,669,869	-	-
Intangible assets	24	10,071,725	11,304,301	-	-
Investments in subsidiaries	25	-	-	7,026,770	7,026,770
Investments in equity accounted investee	27	753,203	879,026	-	-
Investment in equity and debt securities	28	-	-	1,239,225	929,175
Deferred tax assets	40	3,627,926	5,357,490	-	-
Other financial receivables	32	4,920,860	4,084,317	-	-
Other non financial receivables	32	13,718,843	15,737,499	-	-
<b>Total non - current assets</b>		<b>179,755,743</b>	<b>192,568,812</b>	<b>8,265,995</b>	<b>7,955,945</b>
<b>Current Assets</b>					
Inventories	30	20,280,105	17,763,393	-	-
Trade receivables	31	11,259,347	8,541,283	-	-
Other financial receivables	32	1,877,210	2,022,466	-	-
Other non financial receivables	32	7,432,202	11,341,942	4,060	3,915
Current tax recoverable	41	298	321	298	321
Investment in equity and debt securities	28	9,648,262	8,808,313	-	-
Investment in Unit trust	29	390,765	242,173	-	-
Derivative financial instruments	39	8,194	33,044	-	-
Biological assets	22	3,748,501	4,085,613	-	-
Cash and cash equivalents	33	41,546,054	41,687,765	50,959	52,451
<b>Total current assets</b>		<b>96,190,938</b>	<b>94,526,313</b>	<b>55,317</b>	<b>56,687</b>
<b>Total assets</b>		<b>275,946,681</b>	<b>287,095,125</b>	<b>8,321,312</b>	<b>8,012,632</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Stated capital	35	412,635	412,635	412,635	412,635
Capital reserves	36	4,957,232	2,936,575	40,000	40,000
Revenue reserves	37	49,350,097	50,694,429	7,778,127	7,466,467
<b>Equity attributable to owners of the Company</b>		<b>54,719,964</b>	<b>54,043,639</b>	<b>8,230,762</b>	<b>7,919,102</b>
<b>Non-controlling interest</b>	26	<b>76,976,357</b>	<b>73,687,507</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>131,696,321</b>	<b>127,731,146</b>	<b>8,230,762</b>	<b>7,919,102</b>
Investment through subsidiary	38	(10,688)	(10,688)	-	-
<b>Total equity</b>		<b>131,685,633</b>	<b>127,720,458</b>	<b>8,230,762</b>	<b>7,919,102</b>



(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>LIABILITIES</b>					
<b>Non - Current Liabilities</b>					
Loans and borrowings	42	59,038,044	63,648,270	-	-
Lease liabilities	43	457,857	654,022	-	-
Other financial payables	44	87,399	104,479	-	-
Other non financial liabilities	44	406,257	301,906	-	-
Employee Benefits	45	3,701,222	3,941,252	-	-
Derivative financial instruments	39	-	2,077,195	-	-
Deferred tax liabilities	40	16,126,372	15,830,605	-	-
<b>Total non - current liabilities</b>		<b>79,817,151</b>	<b>86,557,729</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>					
Trade payables	44	7,617,547	5,906,650	-	-
Other financial payables	44	21,473,289	22,302,742	90,550	93,530
Other non financial payables	44	4,879,734	4,137,860	-	-
Current tax liabilities	41	2,690,780	4,768,891	-	-
Loans and borrowings	42	27,410,843	35,061,209	-	-
Lease liabilities	43	371,704	639,586	-	-
<b>Total current liabilities</b>		<b>64,443,897</b>	<b>72,816,938</b>	<b>90,550</b>	<b>93,530</b>
<b>Total liabilities</b>		<b>144,261,048</b>	<b>159,374,667</b>	<b>90,550</b>	<b>93,530</b>
<b>Total equity and liabilities</b>		<b>275,946,681</b>	<b>287,095,125</b>	<b>8,321,312</b>	<b>8,012,632</b>
Net assets per ordinary share	46	536.07	529.44	80.29	77.24

The Notes from pages 109 to 227 form an integral part of these financial statements.

I certify that these financial statements are in compliance with the requirements of Companies Act No. 7 of 2007.

(Sgd.)

V. R. Wijesinghe

Director-Finance

Carsons Management Services (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 16th July 2024.

(Sgd.)

M. Selvanathan

Director

(Sgd.)

D.C.R. Gunawardena

Director

# Statement of Changes in Equity

(Amounts expressed in Sri Lankan Rs. '000)

Description	Stated Capital		Capital Reserves	
	Ordinary Shares	Preference Shares	Capital Redemption Reserve	Other Capital Reserve
<b>Group</b>				
<b>Balance as at 31st March 2022</b>	371,880	40,755	40,000	2,961,424
Surcharge tax for the year of assessment 2020/21 (Note 16 f (v))	-	-	-	-
Balance as at 1st April 2022 (adjusted)	371,880	40,755	40,000	2,961,424
<b>Total comprehensive income</b>				
Profit for the year	-	-	-	-
Other Comprehensive Income/(expense) for the year	-	-	-	-
<b>Total comprehensive Income/(expense) for the year</b>	-	-	-	-
<b>Transactions with owners of the Company</b>				
<b>Contributions and Distributions</b>				
Dividends on ordinary shares (Note 19)	-	-	-	-
Dividends paid to Non-controlling Shareholders	-	-	-	-
Forfeiture of unclaimed dividends	-	-	-	-
Other reserves adjustments and transfers	-	-	-	(65,545)
Rights issues of shares by Subsidiaries	-	-	-	-
<b>Total Contributions by and distributions to owners</b>	-	-	-	(65,545)
<b>Changes in ownership interests</b>				
Change in ownership in subsidiaries without change in control	-	-	-	696
Dilution of ownership in a subsidiary with change in control	-	-	-	-
<b>Total changes in ownership interests</b>	-	-	-	696
<b>Balance as at 31st March 2023</b>	371,880	40,755	40,000	2,896,575
<b>Total comprehensive income</b>				
Profit for the year	-	-	-	-
Other Comprehensive Income/(expense) for the year	-	-	-	345,233
<b>Total comprehensive Income/(expense) for the year</b>	-	-	-	345,233
<b>Transactions with owners of the Company</b>				
<b>Contributions and Distributions</b>				
Dividends on ordinary shares (Note 19)	-	-	-	-
Dividends paid to Non-controlling Shareholders	-	-	-	-
Forfeiture of unclaimed dividends	-	-	-	-
Other reserves adjustments and transfers	-	-	-	1,650,937
Rights issues of shares by Subsidiaries	-	-	-	-
<b>Total Contributions by and distributions to owners</b>	-	-	-	1,650,937
<b>Changes in ownership interests</b>				
Change in ownership in subsidiaries without change in control	-	-	-	24,487
<b>Total changes in ownership interests</b>	-	-	-	24,487
<b>Balance as at 31st March 2024</b>	371,880	40,755	40,000	4,917,232

The Notes from pages 109 to 227 form an integral part of these financial statements.  
Figures in brackets indicate deductions.

Revenue Reserves							Total Equity
Currency Translation Reserve	Revenue Reserve	Cash flow hedging Reserve	Retained Earnings	Attributable to Owners of the Company	Non-Controlling Interest		
7,590,585	43,629	(278,902)	32,850,242	43,619,613	61,718,773	105,338,386	
-	-	-	(333,240)	(333,240)	(1,037,949)	(1,371,189)	
7,590,585	43,629	(278,902)	32,517,002	43,286,373	60,680,824	103,967,197	
-	-	-	13,022,993	13,022,993	15,800,744	28,823,737	
(570,484)	-	423,950	(135,280)	(281,808)	310,961	29,153	
(570,484)	-	423,950	12,887,713	12,741,185	16,111,705	28,852,890	
-	-	-	(128,440)	(128,440)	-	(128,440)	
-	-	-	-	-	(2,182,886)	(2,182,886)	
-	-	-	4,013	4,013	6,608	10,621	
-	-	-	(69,993)	(135,544)	(210,410)	(345,954)	
-	-	-	-	-	7,619	7,619	
-	-	-	(194,420)	(259,971)	(2,379,069)	(2,639,040)	
-	11,804	-	15,783	28,283	(21,319)	6,964	
74,204	-	-	(1,826,435)	(1,752,231)	(704,634)	(2,456,865)	
74,204	11,804	-	(1,810,652)	(1,723,948)	(725,953)	(2,449,901)	
7,094,305	55,433	145,048	43,399,643	54,043,639	73,687,507	127,731,146	
-	-	-	8,412,977	8,412,977	13,788,596	22,201,573	
(7,645,817)	-	-	165,970	(7,134,614)	(6,506,612)	(13,641,226)	
(7,645,817)	-	-	8,578,947	1,278,363	7,281,984	8,560,347	
-	-	-	(209,899)	(209,899)	-	(209,899)	
-	-	-	-	-	(2,660,226)	(2,660,226)	
-	-	-	4,412	4,412	7,888	12,300	
-	-	(145,048)	(1,586,969)	(81,080)	(71,209)	(152,289)	
-	-	-	-	-	17,167	17,167	
-	-	(145,048)	(1,792,456)	(286,567)	(2,706,380)	(2,992,947)	
36,704	2,741	-	(379,403)	(315,471)	(1,286,754)	(1,602,225)	
36,704	2,741	-	(379,403)	(315,471)	(1,286,754)	(1,602,225)	
(514,808)	58,174	-	49,806,731	54,719,964	76,976,357	131,696,321	

## Statement of Changes in Equity

(Amounts expressed in Sri Lankan Rs. '000)

Description	Stated Capital		Capital Reserve	Revenue Reserves		Total Equity
	Ordinary Shares	Preference Shares	Capital Redemption Reserve	FVOCI Reserve	Retained Earnings	
<b>Company</b>						
<b>Balance as at 31st March 2022</b>	371,880	40,755	40,000	570,208	6,634,417	7,657,260
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	142,787	142,787
Other Comprehensive income for the year	-	-	-	246,675	-	246,675
<b>Total comprehensive income for the year</b>	-	-	-	246,675	142,787	389,462
Dividend paid (Note 19)	-	-	-	-	(128,440)	(128,440)
Forfeiture of unclaimed dividends	-	-	-	-	820	820
<b>Total Contributions by and distributions to owners</b>	-	-	-	-	(127,620)	(127,620)
<b>Balance as at 31st March 2023</b>	371,880	40,755	40,000	816,883	6,649,584	7,919,102
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	210,768	210,768
Other Comprehensive income for the year	-	-	-	310,050	-	310,050
<b>Total comprehensive income for the year</b>	-	-	-	310,050	210,768	520,818
Dividend paid (Note 19)	-	-	-	-	(209,899)	(209,899)
Forfeiture of unclaimed dividends	-	-	-	-	741	741
<b>Total Contributions by and distributions to owners</b>	-	-	-	-	(209,158)	(209,158)
<b>Balance as at 31st March 2024</b>	371,880	40,755	40,000	1,126,933	6,651,194	8,230,762

The Notes from pages 109 to 227 form an integral part of these financial statements.

Figures in brackets indicate deductions.

# Statement of Cash Flows

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Cash flows from operating activities</b>					
Profit before tax from continuing operations		37,288,459	42,377,917	212,448	148,721
Loss before tax from discontinued operations		-	(645,124)	-	-
		37,288,459	41,732,793	212,448	148,721
<b>Adjustments for:</b>					
Change in fair value of biological assets	22	(188,414)	3,696,464	-	-
Changes in fair value of investment properties	23	(390,581)	(578,712)	-	-
Changes in fair value of FVTPL financial assets	28	(1,880,387)	(923,001)	-	-
Provision/(Reversal) of impairment of business assets	12	(291,063)	353,229	-	-
Share of net results of equity accounted investee	27	12,702	13,787	-	-
Depreciation of property, plant & equipment	20	8,233,164	7,673,188	-	-
Depreciation of Bearer Plants	21	2,632,834	2,932,241	-	-
Amortization of intangible assets/prepaid lease payment	24	422,289	522,981	-	-
Provision for retiring gratuity	45	1,062,210	2,313,228	-	-
Finance expenses		12,557,362	14,613,556	-	-
Profit on disposal of property, plant & equipment	10	(479,692)	(72,410)	-	-
Net unrealised fair value gain on RCPS derivative financial instruments	10	-	(165,473)	-	-
Unrealized loss on Derivative financial instruments	11	20,316	63,375	-	-
Provision/(Reversal) for Inventories		13,450	(926,628)	-	-
Exchange impact on translation of foreign operations		(4,620,697)	4,121,437	-	-
		17,103,493	33,637,262	-	-
<b>Operating profit before working capital changes</b>		<b>54,391,952</b>	<b>75,370,055</b>	<b>212,448</b>	<b>148,721</b>
Changes in working capital:					
Inventories		(2,530,162)	4,194,485	-	-
Trade and other receivables		3,527,756	(991,213)	(145)	373
Trade and other payables		1,710,589	424,473	1,025	519
		57,100,135	78,997,800	213,328	149,613
Net cash movement in investments		854,009	737,604	-	-
<b>Cash generated from operations</b>		<b>57,954,144</b>	<b>79,735,404</b>	<b>213,328</b>	<b>149,613</b>
Interest paid		(9,500,509)	(12,794,775)	-	-
Income tax paid		(14,530,030)	(14,073,983)	(1,657)	(6,096)
Employee benefits paid	45	(476,031)	(407,524)	-	-
<b>Net cash generated from operating activities</b>		<b>33,447,574</b>	<b>52,459,122</b>	<b>211,671</b>	<b>143,517</b>

## Statement of Cash Flows

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Cash flows from investing activities</b>					
Additions to property, plant & equipment/investment property	20	(14,929,543)	(15,276,665)	-	-
Additions to bearer plants	21	(1,558,582)	(810,186)	-	-
Additions to intangible assets (including land rights)	24	(112,554)	(149,417)	-	-
Advance for capital expenditure		(1,017,682)	(799,884)	-	-
Acquisition of additional interest in subsidiaries	25	(1,644,964)	(20,215)	-	-
Investment in fixed deposits		(836,543)	(4,059,558)	-	-
Net cash Inflow from disposal of a subsidiary/JV	34	-	3,010,932	-	-
Proceeds from disposal of property, plant & equipment		1,062,182	816,408	-	-
<b>Net cash used in investing activities</b>		<b>(19,037,686)</b>	<b>(17,288,585)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>					
Proceeds from long - term loans	42	70,125,501	7,034	-	-
Settlement of borrowings	42	(73,771,427)	(19,501,782)	-	-
Payment of finance lease creditors	43	(802,460)	(930,532)	-	-
Dividends paid to non - controlling shareholders by subsidiaries		(2,660,226)	(2,153,151)	-	-
Effects of Changes in non controlling interest		(80,083)	(2,170,423)	-	-
Dividends paid by the Company		(209,899)	(117,411)	(213,163)	(117,411)
<b>Net cash used in financing activities</b>		<b>(7,398,594)</b>	<b>(24,866,265)</b>	<b>(213,163)</b>	<b>(117,411)</b>
<b>Net Increase in cash &amp; cash equivalents</b>		<b>7,011,294</b>	<b>10,304,272</b>	<b>(1,492)</b>	<b>26,106</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	33	<b>15,453,361</b>	<b>5,149,089</b>	<b>52,451</b>	<b>26,345</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	33	<b>22,464,655</b>	<b>15,453,361</b>	<b>50,959</b>	<b>52,451</b>

The Notes from pages 109 to 227 form an integral part of these financial statements.  
Figures in brackets indicate deductions.

# Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

## 1. REPORTING ENTITY

Bukit Darah PLC is a limited liability company incorporated and domiciled in Sri Lanka. The shares of the Company have a primary listing on the Colombo Stock Exchange.

The Company's registered office and principal place of business is located at No. 61, Janadhipathi Mawatha, Colombo 01.

The consolidated financial statements as of and for the year ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The Group is a diversified conglomerate and one of the foremost business establishments in Sri Lanka, backed by a heritage of well over 100 years. Today, it is positioned as a group whose outlook is regional and focused on a future that is technology-oriented, results-driven, and world-class.

The businesses range from oil palm plantations and related oils & fats industry in Indonesia and Malaysia to brewing, importing and distributing alcoholic beverages, investment holdings, portfolio management, real estate and leisure in Sri Lanka. The Group has offices in Malaysia, Singapore and Indonesia.

The Group has ten subsidiaries listed on the Colombo Stock Exchange; out of the 51 subsidiaries, one Associate entity is set out in Note 25 and 27 in the financial statements.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

The Group had 16,423 (2023 - 14,964) employees at the end of the financial year. The Company had no employees at the reporting date (2023 - Nil).

The consolidated financial statements were authorised for issue by the Board of Directors on 16th July 2024.

## 2. BASIS OF PREPARATION

### Statement of compliance

The consolidated financial statements of the Group and separate financial statements of the Company comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes to the financial statements.

The consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act, No. 7 of 2007.

### Basis of measurement

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

- Derivative financial assets are measured at fair value;
- Non- derivative financial instruments classified as fair value through profit or loss are measured at fair value;
- Fair value through OCI financial assets are measured at fair value;

- Biological assets are measured at fair value;
- Land and buildings are measured at revalued amounts;
- Defined benefit obligations are measured at their present value, based on an actuarial valuation as explained in Note 45;
- Investment properties are measured at fair value.

### Functional and Presentation Currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, the Company's functional and presentation currency.

### Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs'000), except when otherwise indicated.

### Materiality and aggregation

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

### Going Concern

Financial Statements of the Group and the Company are prepared on a going-concern basis.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### 3.1. Judgements made in applying accounting policies

In applying the Group's accounting policies, management made the following judgements, which significantly affect the amounts recognised in the consolidated financial statements.

##### (a) Determination of owner-occupied properties and investment properties.

In determining whether a property qualifies as an investment property, the Group makes a judgment on whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also to other assets. Judgment is also applied to determine if ancillary services provided are significant so that a property does not qualify as an investment property.

##### (b) Determination of functional currency

The Group measures foreign currency transactions using the functional currencies of the respective Group entities. In determining the functional currencies of the Group entities, judgement is required to determine the currency that mainly influences sales prices for goods and services and of

the country whose competitive forces and regulations mainly determine the sales prices of its goods and services. The functional currencies of the Group entities are determined based on management's assessment of the economic environment in which the entities operate and their capital structure.

##### (c) Current taxation

Current tax liabilities arise in various jurisdictions where the Group entities operate. These liabilities are provided in the financial statements by applying the relevant tax statutes and regulations that the management believes reflect the actual liability.

There can be instances where revenue authorities contest the stand taken by the Group on transactions.

Any additional costs incurred due to these issues are accounted for as a tax expense when the liability is confirmed on any group entity.

#### 3.2. Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

##### (a) Assessment of Impairment -

Key assumptions used in discounted cash flow projections.

The Group assesses at each reporting date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an Asset or Cash Generating Unit (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 present value using appropriate discount rates that reflect the current market assessments of the time value of money and risks

specific to the asset. The carrying value of goodwill is reviewed at each reporting date and is written down to the extent that probable future benefits no longer support it. Goodwill is allocated to CGU for impairment testing.

##### (b) Fair value of freehold land

Where the fair value of freehold land recorded on the statement of financial position cannot be derived from active markets, it is determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgements include considerations of liquidity and model inputs regarding the investee's future financial performance, risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of freehold land. The valuation of freehold land is described in more detail in Note 20.

##### (c) Defined benefit plans

The assessment of the liability of defined benefit obligations involves a significant element of assumptions, including discount rates, future salary increases, mortality rates and future pension increases and due to the long-term nature of these plans, such estimates are subject to uncertainty.

##### (d) Biological assets valuation - Fair value of biological assets (FFB)

Biological assets are measured at fair value, less estimated costs to sell. The fair value of FFB is measured by reference to estimated FFB quantities and publicly available index prices set by the government of Indonesia. In determining the fair value of the FFB, the Company considers the



(Amounts expressed in Sri Lankan Rs. '000)

estimated yield of the biological assets, which depends on the age of the oil palm tree, the location, soil type and infrastructure.

#### (e) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits and future tax planning strategies, the Group assessed the probability of future cash inflows based on expected revenues from existing orders and contracts for the next five years.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses.

#### (f) Collectively assessed allowance for expected credit losses

Due to the economic crisis and its aftermath, there could be a possible increase in credit risk due to the loss of income by some of the businesses and the individuals who are our customers, which would delay the settlements of customer dues whilst the possibility of default also exists.

This uncertainty is reflected in the Group's assessment of expected credit losses from its credit portfolio, which are subject to several management judgements and estimates. Judgements relevant to expected credit loss computations are further discussed in Notes 31 and 47 of these financial statements.

## 4. DETERMINATION OF FAIR VALUES

Fair value 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.

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

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised 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 identifiable assets and liabilities.
- Level 2 - Inputs other than the quoted price included in Level 1 that are observable from the asset or liability either directly (as prices) or indirectly (derived prices)
- Level 3 - Inputs from the assets 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 might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety at the same fair value hierarchy level as the lowest level input, which is significant to the entire measurement.

## 5. MATERIAL ACCOUNTING POLICIES

The Group adopted following Changes to accounting policies with effect from 01 April 2023.

### Changes in material accounting policies

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred tax related assets and liabilities arising from a single transaction (amendment LKAS 12) from 01 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that arise to equal and offsetting temporary differences. Eg: Leases.

### Material Accounting Policy Information

The Group adopted Disclosure of Accounting Policies (Amendments to LKAS 01) from 01 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

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

Management reviewed the accounting policies and made updates to the information disclosed in certain instances inline with the amendments.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

Except for the above, the following accounting policies have been applied consistently to all periods presented in these financial statements of the Group and Company unless otherwise indicated.

### Basis of consolidation and business combinations

The consolidated financial statements comprise the Group's and its subsidiaries' financial statements as of 31st March 2024. Control is achieved when the Group is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee;
- Exposure, or rights, variable returns from its involvements with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that majority voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Right arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate changes to one

or more of the three control elements. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full for the consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other equity components, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### Merger accounting for common control combination

The Group adopted the Statement of Recommended Practice (SoRP) for Merger Accounting for Common Control Combinations approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19 December 2012, applicable for

annual periods beginning on or after 1st April 2012. The SoRP applies to Consolidated Financial Statements. Due to the absence of clear guidance on accounting for amalgamation in the separate Financial Statements, the Group adopted the SoRP for Merger Accounting for Common Control Combinations in preparing the Company's separate Financial Statements.

### Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at the acquisition date fair value and the amount of any non-controlling interests in the target entity (acquiree). For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets. Costs related to the acquisition are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the acquiree separating embedded derivatives in host contracts. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value, and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is

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accounted for within equity. Otherwise, other contingent considerations are remeasured at fair value on each reporting date, and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is more than the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these

circumstances is measured based on the relative values of the disposal operation and the portion of the cash-generating unit retained.

### Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration.

The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. After the acquisition, the Company continues to recognise the investment in the subsidiary at cost.

The consolidated financial statements are prepared for a common financial year at the end of 31st March.

### Loss of control

When the Group loses control of a subsidiary, it derecognises the subsidiary's assets and liabilities, any non-controlling interests, and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;

- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Any interest retained in the former subsidiary is measured at fair value;
- Recognises any surplus or deficit in profit or loss;

### Non-controlling interest (NCI)

NCI are measured initially at their proportionate share of the acquirer's identifiable net assets at the date of acquisition. Changes in the Group's interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

### Financial year-end

All Group entities have a common financial year ending on 31st March.

### Interest in equity-accounted investee.

The Group's interest in equity-accounted investees comprises interest in an associate. Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. After initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees until significant influence or joint control ceases.

### Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intragroup transactions are eliminated when preparing the consolidated financial

## Notes to the Financial Statements

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statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### Foreign currency

#### Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate as of the reporting date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate on the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to a functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- on investment in equity securities designated as at fair value through other comprehensive income (in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and
- qualifying cash flow hedges to the extent the hedge is effective.

#### Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition, are translated to Sri Lanka Rupees at exchange rates on the reporting date. The income and expenses of foreign operations are translated to Sri Lanka Rupees at exchange rates on the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in equity in the foreign currency translation reserve.

However, if the foreign operation is not a wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling

interests. When the Group disposes of only part of its investment in an

associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### Financial Instruments

#### Recognition and initial measurement

A financial instrument is any contract that gives rise to one entity's financial asset and another's financial liability or equity instrument.

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and liabilities are initially recognised when the Group becomes 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 fair value through profit or loss (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

Classification and subsequent measurement of financial assets

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

Amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

(Amounts expressed in Sri Lankan Rs. '000)

Financial assets are not reclassified after their initial recognition unless the Group changes 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;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI 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 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 not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition,

the Group 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 Group assesses 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 realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group'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 expectations 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 Group'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 of whether contractual cash flows are solely principal and interest payments.

For this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as the consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period and for other primary lending risks and costs (e.g. liquidity risk and administrative expenses), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes evaluating whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- 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 Group's claim to cash flows from specified assets (e.g. non-recourse features).

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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 Fair Value Through Profit or Loss (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. However, see Note 38 for derivatives designated as hedging instruments.

#### 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 or losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### Debt investments at Fair Value Through Other Comprehensive Income (FVOCI)

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, and foreign exchange gains, losses, and impairment are recognised in the profit or loss. Other net gains and losses are recognised 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 recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the investment's cost. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### 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 at FVTPL if it is held-for-trading, is a derivative or 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 recognised as 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.

### Derecognition

#### Financial assets

The Group derecognises 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 or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognises 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 recognised 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 recognised in profit or loss.

#### Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when and only when the Group currently has a legally enforceable right

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to set off the amounts, and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value, and the fair value changes are generally recognised in the profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At the inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

### Cash flow hedges

The hedging instrument's effective portion of the gain or loss is recognised in OCI in the cash flow hedge reserve. In contrast, any ineffective portion is recognised immediately in the statement of profit or loss. The cash

flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses commodity swap contracts for its exposure to volatility in the commodity prices. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

### Impairment

#### Financial Assets

The Group recognises loss allowances for Expected Credit Loss (ECL) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECLs.

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

The Group assumes that a financial asset's credit risk has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or
- the financial asset is more than 90 days past due.

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

12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the instrument's expected life is less than 12 months).

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

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### 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 Group expects to receive).

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

### Credit-impaired financial assets

The Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired at each reporting date. 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 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation or
- the disappearance of an active market for a security because of financial difficulties.

### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually assesses the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Group's procedures to recover amounts due.

### Non-financial assets

The carrying amounts of the Group's non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated.

Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

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. For impairment testing, assets are grouped into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss concerning 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 amortisation, if no impairment loss had been recognised.

### Non-current assets held for sale

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition.



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Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the classification date.

Comparatives in the statement of the financial position are not re-presented when a non-current asset is classified as held for sale. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

### Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which;

- represent a separation of a major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

### Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production

of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress, and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs when borrowing funds.

### Stated Capital

#### Ordinary shares

Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognised as an expense.

#### Property, plant and equipment Recognition and measurement

All items of property, plant equipment are initially recorded at cost. Where items of property, plant & equipment are subsequently revalued, the entire class of such assets is revalued.

Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date. After the initial recognition of the asset at cost, the revalued property, plant & equipment are carried at revalued amounts less accumulated depreciation and impairment losses.

The Group applies the revaluation model to freehold properties and the cost model to the remaining assets under property, plant, and equipment. These are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour;
- Any other cost directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing cost;
- Cost also includes transfers from the equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.
- When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### Revaluation of freehold properties

The freehold properties of the Group are carried at revalued amounts.

These assets are revalued at least once every two (2) years to ensure their book value every year reflects their realisable value and is depreciated over their remaining useful lives, wherever applicable.

When an asset is revalued, any increase in the carrying amount is recognised in other comprehensive income and accounted in equity under revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances, the increase is recognised as income to the extent of the previous write-down. When an

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asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged in other comprehensive income to the extent that the decrease does not exceed the amount held in the Revaluation surplus in respect of that same asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the revaluation reserve. Any balance remaining in the revaluation surplus on retirement or disposal of assets is transferred directly to retained earnings.

### Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on this re-measurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in the profit or Loss.

### Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

### Depreciation

Items of property, plant, and equipment are depreciated from the date they are available for use or, with respect to self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant,

and equipment minus their estimated residual values using a straight-line basis over their estimated useful lives.

Depreciation is generally recognised in profit or loss unless the amount is included in the carrying amount of another asset. Lands are not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows;

Property, Plant and Equipment	Oil Palm Plantation & Oils and fats	Beverage	Leisure	Other sectors
No of Years				
Leasehold land	36 to 42	-	Over the lease period	-
Land improvements	30	-	-	-
Buildings	20 – 42	2 – 50	2 – 50	-
Plant & machinery	5 – 27	3 – 22	3 – 15	5 – 27
Heavy equipment	10	-	-	-
Motor vehicles	4 – 6	4 – 5	4 – 5	4 – 5
Furniture, fittings & office Equipment	5 – 16	3 – 10	5 – 20	5 – 16
Computers	3 – 5	2 – 5	3 – 5	3 – 5
Returnable Containers	-	5	-	-
Cutlery, Crockery and glassware	-	-	5	-

Depreciation begins when an asset is available for use and ceases at the earliest date the asset is classified as held for sale and when the asset is derecognised. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

### Disposal

The gains or losses arising on 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 are recognized net within Other Income in the Statement of Income. When revalued assets are sold, the related revaluation reserve balance is transferred to retained earnings.

### Returnable containers

Returnable containers of subsidiary Lion Brewery (Ceylon) PLC are classified under Property, Plant and Equipment. All purchases of returnable containers are recognised at cost and depreciated over five years. If a returnable container breaks within the premises of the Company, the written down value, on a First in First out (FIFO) basis, is charged to the Profit or Loss.

(Amounts expressed in Sri Lankan Rs. '000)

Empty bottles used for exports are recognised as an expense in the Profit or Loss when the export takes place.

Deposits are collected from the agents for the returnable containers in their possession and are classified under current liabilities as explained in Note 44. The said deposit will be refunded to the agent only upon returning these returnable containers due to cessation of their operation or a contraction in sales.

### 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 in progress is transferred to the respective asset accounts when they are substantially completed and ready for their intended use.

### Bearer Plants

Bearer plants are living plants used in the production or supply of agricultural produce. They are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants comprise mature and immature oil palm plantations.

Immature plantations are stated at acquisition cost, which includes the cost of field preparation, planting, fertilising, and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature plantations, and allocation of other indirect costs based on planted hectares.

No depreciation is provided during the immature period. The carrying values of the Immature Plantations are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered.

Mature plantations are measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the estimated useful life of 25 years of the Mature Plantations and recognised in profit or loss. Carrying values of the Mature Plantations are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered.

The residual value, useful life and depreciation method are reviewed at each reporting date and adjusted prospectively, if appropriate.

Bearer plants are de-recognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss on the de-recognition of the bearer plant is included in the profit or loss in the year the asset is de-recognised.

### Plasma advances

Costs incurred during the development of the Plasma oil palm plantation area up to the productive stage of the oil palm plantation are capitalised as Plasma development costs in the Advances to Plasma account.

Once the Plasma oil palm plantation area reaches its productive stage, that will be transferred to the Plasma farmers based on the agreed conversion amounts, generally determined at the inception date of the Plasma arrangement. The Plasma arrangement is based on an agreement between the relevant plantation company and a cooperative representing the Plasma farmers. The difference between the accumulated development costs of Plasma oil palm plantations and their conversion values is charged to the Income Statement.

### Lease land rights

Land rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and impairment losses. Land use rights are amortised throughout the lease.

### Intangible assets and goodwill Recognition and measurement Goodwill

Goodwill arising from the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Note 24.

### Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. With respect to equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole. Goodwill is tested for impairment annually.

### Research and development

Expenditure on research activities undertaken to gain new scientific or technical knowledge and understanding is recognised in profit or loss as incurred. Development activities involve a plan or design to produce new or substantially improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The capitalised expenditure includes the cost of materials, direct

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

labour, overhead costs directly attributable to preparing the asset for its intended use, and capitalised borrowing costs.

Other development expenditure is recognised in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

### Software

Costs incurred for computer software licensed for use by the Group are not integrally related to the associated hardware, which can be clearly identified and reliably measured and will probably lead to future economic benefits, are included in the Statement of Financial Position under the category intangible assets and carried at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to the Statement of profit or loss using the straight-line method over 3 to 10 years.

### Brands

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### Other intangible assets

Other intangible assets acquired by the Group and having finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset it relates to.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

### Amortisation

Except for goodwill and brand intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows;

	No of Years
Land rights	30
Software development cost and licenses	3 – 10

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

### Impairment

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised.

The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

### Investment property

Investment property is held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

After initial recognition, investment properties are measured at fair value, which reflects market conditions as of the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Statement of profit or loss in the year they arise.

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

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

(Amounts expressed in Sri Lankan Rs. '000)

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant & equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is of income.

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Statement of profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of profit or loss. When an investment property previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

#### Biological assets

Biological assets comprise fresh fruit bunches ("FFB") of oil palm plantations, measured at fair value net of estimated selling costs. The fair value of the FFB is measured by reference to estimated FFB quantities and publicly available index prices set by the Indonesian government. In determining the estimated FFB production quantities, the Group considers the estimated yield of the biological assets, which depends on the age of the oil palm trees, the location, soil type and infrastructure.

#### Inventories

Inventories are measured at cost or net realisable value, whichever is lower, after making due allowance for obsolete and slow-moving items, except for fresh fruit bunches valued at realised values.

The cost of inventories of the group;

Raw Material and Containers	Cost of purchase and any incidental expenses
Work - in - progress	Raw material cost and a proportion of manufacturing expenses
Finished Goods	Raw material cost and manufacturing expenses in full
Food Items	Weighted average cost basis
Linen Stock	In the year of purchase at the cost of purchase and the second year in use at 25% of the Cost of purchase

#### Employee benefits

##### Short-term employee benefits

Short-term employee benefit obligations are measured undiscounted and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation due to past service provided by the employee, the obligation can be estimated reliably.

##### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit

expense in the statement of profit or loss when employees render related services.

##### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets (if applicable) are deducted. All actuarial gains/(loss) are recognised in the Other Comprehensive Income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the profit or loss. The group recognises gains or losses on the settlement of a defined plan when the settlement occurs.

The discount rate is the yield at the reporting date on high-quality corporate bonds with maturity dates approximating the terms of the Group's obligations and denominated in the currency in which the benefits are expected to be paid.

The defined benefit plans are regulated at each of the geographical locations the Group operates in, and the salient features of each of such plans are tabulated below;

##### Sri Lankan Subsidiaries

The subsidiaries are liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

The liability recognised in the Financial Statements regarding defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligations are calculated by a qualified actuary as of the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations are carried out once every year. The liability is not externally funded. All Actuarial gains or losses are recognised immediately in other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, an employee is entitled to gratuity benefits only after five years of continued service.

### Indonesian Subsidiaries

These subsidiaries recognise an unfunded retirement benefits liability relating to the settlement of termination, gratuity, compensation and other benefits set forth in Labour Law No. 13 year 2003 (Law No. 13/2003) based on an actuarial calculation by an independent actuary using the 'Projected Unit Credit Method'. All actuarial gains or losses are recognised immediately in other comprehensive income.

### Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal, detailed plan to terminate employment before the normal retirement date or to provide termination benefits due to an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group 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.

### Provisions

A provision is recognised if, as a result of a past event, the Group 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 recognised as a finance cost.

### Derivative financial instrument and hedge accounting

Derivatives are initially recognised at fair value when a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting. The Group classifies its hedges as cash flow hedges, which hedges the exposure to variability in cash flows that is attributable to a highly probable forecast transaction. At inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting, as well as the risk management objective and strategy for undertaking the hedge.

The documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below:

### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve. In contrast, any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

(Amounts expressed in Sri Lankan Rs. '000)

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

#### 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 Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in rare cases where liability cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

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

When the Group acquires entities under business combinations, the assumed contingent liabilities are

initially measured at their fair value on the acquisition date, irrespective of the extent of any minority interest.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	No of Years
Buildings	2 - 6
Motor vehicles	1 - 6
Heavy equipment	1 - 6

If the ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in the Notes 5. The Group's right-of-use assets are

presented within property, plant and equipment (Note 20).

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease if the lease term reflects the Group's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are in (Note 43).

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases with a term of 12 months or less from the commencement date.

It also applies the lease of low-value assets recognition exemption to leases considered of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

### Revenue

#### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. Determining the timing of the transfer of control at a point in time or over time requires judgment.

The Group revenue represents sales to customers outside the Group and sales within the Group, which are intended for internal consumption.

The following specific criteria are used to recognise revenue according to the timing of the performance obligations being met.

#### Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates and sales taxes. Revenue is recognised at the point in time when the control of goods and products is

transferred to the customer with a right of return within a specified period; the Group considers the timing of recognition. Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

#### Rendering of services

Revenue from a contract to provide services is recognised by reference to the contract's completion stage. The stage of completion of the contract is determined as follows;

- Servicing fees included in the price of the products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

#### Commissions

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

#### Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income over the lease term. Rental income from other property is recognised as other income.

### Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis throughout the agreement.

Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

### Dividend income

Dividend income is recognised in the statement of income on the date the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

### Gain on disposal of financial assets (categorised as fair value through profit or loss)

Profits or losses on disposal of investments are accounted for in the Statement of Income based on realised net profit.

### Other Income - on an accrual basis

Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the Income Statement.

### Expenditure recognition

#### Operating expenses

All expenses incurred in the business's day-to-day operations and in maintaining the property, plant, and equipment efficiently have been charged to revenue in arriving at the profit or loss for the year. Provision is made for bad and doubtful debts, all known liabilities, and depreciation on property, plant, and equipment.



(Amounts expressed in Sri Lankan Rs. '000)

### Finance income and finance costs

Finance income comprises interest income on funds invested, gains on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination, gains on hedging instruments that are recognised in the statement of profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in the profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, dividends on preference shares classified as liabilities, contingent consideration, losses on hedging instruments that are recognised in the profit or loss, and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost, depending on whether foreign currency movements are in a net gain or net loss position.

### Income tax expense

Income Tax expense comprises current and deferred tax. Current and deferred tax are recognised in the income statement except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

The Group has concluded that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore, they are accounted for under LKAS 37 Provisions, Contingent liabilities, and Contingent Assets.

### Current taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable for previous years. Current tax payable may also include any tax liability arising from the declaration of dividends. Current tax assets and liabilities are offset if certain criteria are met.

### Deferred taxation

Deferred tax is recognised 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 in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to right-of-use assets and lease liability are regarded as a net package (leased asset) to recognise deferred tax.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that future taxable profits will probably be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised based on the level of future taxable profit forecasts and tax planning strategies.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### Tax exposures

In determining the current and deferred tax amount, the Group considers 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 tax expense when such a determination is made.

### Sales tax

Revenues, expenses and assets are recognised net of sales tax except:

- Where the sales taxes incurred in a purchase of assets or services are not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amounts of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

### Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

### Related party transactions

Disclosure has been made with respect to transactions in which one party has the ability to control or exercise significant influence over the other's financial and operating policies/decisions, regardless of whether a price is charged.

### Events after the reporting period

All material and important events that occurred after the reporting period have been considered and disclosed in Note 51.

### Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when the Company's shareholders approve them. Interim dividends are deducted from equity when declared and are no longer at the discretion of the Company.

### Presentation

Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern. Where appropriate, the significant accounting policies are disclosed in the succeeding notes.

### Offsetting Income and Expenses

Income and expenses are not offset unless required or permitted by accounting standards.

### Offsetting Assets and Liabilities

Assets and liabilities are offset, and the net amount reported in the statement of financial position only where there is;

- A current enforceable legal right to offset the assets and the liability; and

- An intention to settle the liability simultaneously

### Director's responsibility

The Board of Directors is responsible for the preparation and presentation of the Financial Statements. This is more fully described in the Directors' Report.

### Comparative Information

The presentation and classification of the Financial Statements of the previous years are amended, where relevant, for better presentations and to be comparable with the current year's.

### Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances at the bank and in hand. Cash and bank balances are stated at recoverable values. The group entities held no cash and cash equivalents that were not available for use.

Bank overdrafts and short-term borrowings that are repayable on demand, which form an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the Statement of Cash Flows.

## 6. OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group, who regularly review the segment results to allocate resources to the segments and to assess the segment performance.

(Amounts expressed in Sri Lankan Rs. '000)

Additional disclosures are made on each segment, including the factors used to identify the reportable segments and the measurement basis of segment information.

## **7. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE**

The following amendments have been made to the Accounting Standards from annual periods beginning on or after 1 January 2024. However, the Company did not adopt the amended standards early in preparing these financial statements.

- A) LKAS 1 Presentation of Financial Statements-Classification of Liabilities as Current or Non-current
- B) LKAS 1 Presentation of Financial Statements-Non-current Liabilities with Covenants
- C) LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instrument Disclosures-Supplier Finance Arrangements
- D) LKAS 12 Income Taxes-International Tax Reform-Pillar Two Model Rule
- E) SLFRS 16 Leases-Lease Liability in a Sale and Leaseback
- F) General Requirements for Disclosure of Sustainability-related Financial Information (SLFRS S1)
- G) Climate-related Disclosures (SLFRS S2)

The Directors do not expect that adopting the Standards listed above will have a material impact on the Company's financial statements.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 8. REVENUE

#### (i) Revenue streams

The Group generates revenue primarily from Oil palm plantation, Beverage and Oils and fats segments. (Note 9)

#### (ii) Revenue Analysis

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>Gross Revenue</b>	<b>355,016,844</b>	<b>396,210,613</b>	<b>260,513</b>	<b>179,424</b>
Taxes to the Government of Sri Lanka	(78,008,000)	(65,790,000)	-	-
<b>Net Revenue</b>	<b>277,008,844</b>	<b>330,420,613</b>	<b>260,513</b>	<b>179,424</b>
<b>Revenue from contract with customers</b>				
Sale of Goods	302,294,745	349,680,698	-	-
<b>Revenue from other revenue sources</b>				
Investment income	10,700,321	16,146,456	260,513	179,424
Property rental income	381,466	326,860	-	-
Support services fees & royalty fees	10,184,831	20,025,425	-	-
Hospitality services	927,369	719,766	-	-
	22,193,987	37,218,507	260,513	179,424
	324,488,732	386,899,205	260,513	179,424
Elimination of internal revenue	(47,479,888)	(56,478,592)		
<b>Total external revenue</b>	<b>277,008,844</b>	<b>330,420,613</b>	<b>260,513</b>	<b>179,424</b>

#### Disaggregation of revenue from contract with customers.

Revenue from contracts with customers (including revenue related to the discontinued operations) is disaggregated by primary geographical market (Note 9) and major products and services.

### 9. SEGMENTAL INFORMATION

#### (i) Operating Segments

##### Basis of segmentation

The Group reports its segmental information primarily on its business segments and then on geographical segments as a secondary basis. The risks and returns of the Group's operations are primarily determined by the nature of the operations of its business segments rather than their geographical location. Each segment is separately managed as it requires different management strategies, as underscored by the Group's organizational structure.

The Group's business operations are classified into eight segments based on the products or services rendered, namely, Investment Holdings, Portfolio and Asset Management, Oil palm plantations, Oils & fats, Beverages, Real Estate, Leisure and Management Services. The following table describes the operations of each segment.

Inter segmental sales are made at prices that approximate the market prices. Segment revenue, expenses, and results include transactions between segments. On consolidation, these transactions and any unrealised profits and losses are eliminated. Segmental expenses are directly attributed to a relevant segment or a portion of expenses that can be allocated reasonably as determined by the management.

(Amounts expressed in Sri Lankan Rs. '000)

Reportable Segment	Description of Operations
Investment Holdings	- Holding of strategic investments
Portfolio and Asset Management	- Investment and management of listed, private equity, fixed income and unit trust investments
Oil Palm Plantations	- Production and sale of palm oil, palm kernel and fresh fruit bunches to the Indonesian domestic and international markets
Oils & Fats	- Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate and confectionery, ice creams and creamer industries and cooking oil products to end consumers
Beverage	- Production and sale of Beer, Import & distribution of alcoholic beverages
Real Estate	- Letting office and warehouse premises on rent for commercial purposes
Leisure	- Hoteliering
Management Services	- Providing support services to the Carsons Group entities in Sri Lanka

### (ii) Geographical Segments

The Group define its geographical segments based on the location of its assets and business operations. The Group operates in five geographical regions: Sri Lanka, Malaysia, Indonesia, Singapore, and Mauritius. Sales made to external customers are attributed to the relevant geographical segment where the transaction originated. The principal operations of each geographical segment are as follows:

Reportable Segment	Description of Operations
Sri Lanka	Investment holding, portfolio and assets management, production & sale of Beer, Import and distribution of alcoholic beverages, letting of office and warehouse premises for commercial purposes, hoteliering and management services.
Malaysia	Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice creams and creamer industries and cooking oil products to end consumers and management services.
Indonesia	Production and sale of palm oil and palm kernel to the domestic and international markets, production and sale of FFB and providing Management Services.
Singapore	Investment holding
Mauritius	Portfolio and assets management

### (iii) Principal categories of customers

The principal categories of customers for goods and services are corporate customers, government customers, wholesale customers and retail customers. The group's reportable segments are therefore as follows:

Investment Holding	- corporate customers
Portfolio and Asset Management	- corporate customers, retail customers
Oil Palm Plantations	- corporate customers
Oils & Fats	- corporate customers, retail customers
Beverage	- wholesale & retail customers
Real Estate	- corporate customers
Leisure	- corporate customers, retail customers
Management Services	- corporate customers

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 9. SEGMENTAL INFORMATION (CONTD.)

#### (iv) Operating segments - Information about reportable segments

##### (a) Primary/Business segmentation

Financial information related to each reportable segment is set out below. The management uses profit / (loss) before tax to measure the segmental performance and it is used as the most relevant measure in evaluating the results of the respective segments relative to other entities operating in the same industry.

For the year ended 31st March	Investment Holding		Portfolio & Asset Management		Oil Palm Plantations	
	2024	2023	2024	2023	2024	2023
<b>Total revenue</b>	2,143,128	1,446,597	2,774,011	1,370,446	147,175,093	201,002,323
Intra segment revenue	(188,384)	(134,560)	(484,014)	(260,334)	(39,995,342)	(50,623,767)
<b>Segment revenue</b>	1,954,744	1,312,037	2,289,997	1,110,112	107,179,751	150,378,556
Inter segment revenue	(1,930,057)	(1,213,557)	(37,245)	(29,661)	(416,323)	(870,493)
<b>External Revenue</b>	24,687	98,480	2,252,752	1,080,451	106,763,428	149,508,063
<b>Segment results - profit from operations before material non cash items</b>	(214,812)	(143,923)	1,847,280	786,679	27,372,366	41,976,820
<b>Other material non-cash items</b>						
Foreign exchange gains /(losses)	19,415	(8,364)	(632)	500	605,273	(469,251)
(Provision)/Reversal of impairment of business assets	-	-	-	-	-	-
<b>Profit/(loss) from operations</b>	(195,397)	(152,287)	1,846,648	787,179	27,977,639	41,507,569
Change in fair value of business assets	9,255	18,157	1,870,451	898,843	188,414	(3,696,464)
Net finance cost	(268,855)	(500,506)	(82,452)	(130,473)	(9,987,777)	(10,835,535)
Share of net results of equity accounted investee	-	-	-	-	-	-
<b>Profit/(loss) before Income tax expenses</b>	(454,997)	(634,636)	3,634,647	1,555,549	18,178,276	26,975,570
<b>Tax expenses</b>						
Current taxation	(74,858)	(11,184)	(279,455)	(149,020)	(6,866,930)	(10,194,822)
Deferred taxation	-	-	722	1,707	(1,215,463)	779,875
	(74,858)	(11,184)	(278,733)	(147,313)	(8,082,393)	(9,414,947)
<b>Profit/(loss) from continuing operations</b>	(529,855)	(645,820)	3,355,914	1,408,236	10,095,883	17,560,623
<b>Discontinued operations</b>						
Profit/(loss) from discontinued operations, net of tax	-	-	-	729	-	-
<b>Profit/(loss) for the year</b>	(529,855)	(645,820)	3,355,914	1,408,965	10,095,883	17,560,623
<b>Attributable to:</b>						
Owners of the Company	(277,842)	(312,331)	884,283	367,309	5,378,475	9,577,517
Non controlling interest	(252,013)	(333,489)	2,471,631	1,041,656	4,717,408	7,983,106
	(529,855)	(645,820)	3,355,914	1,408,965	10,095,883	17,560,623
<b>Earnings/(loss) per ordinary share (Rs.)</b>	(2.72)	(3.06)	8.67	3.60	52.73	93.90
<b>(b) Summarised statement of cash flows</b>						
Cash flows from/(used in) operating activities	211,671	143,517	1,576,764	52,519,931	16,921,092	40,352,832
Cash flows from/(used in) investing activities	-	-	(1,768)	(17,288,585)	(8,712,101)	(7,377,590)
Cash flows from/(used in) financing activities	(213,163)	(117,411)	342,681	(24,953,180)	(9,393,965)	(23,218,218)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(1,492)	26,106	1,917,677	10,278,166	(1,184,974)	9,757,024
<b>(c) Other Information</b>						
Total cost incurred during the year to acquire Property, plant & equipment, Bearer Plants, Investments properties	-	-	3,273	1,280	9,948,857	11,541,289
Intangible assets (including land rights)	-	-	-	-	67,730	134,410
Depreciation	-	-	1,433	1,344	7,437,068	7,779,837
Amortization of intangible assets (including land rights)	-	-	-	2,593	407,138	457,984
Salaries, fees, wages and related expenses	49,573	50,331	130,738	94,973	19,707,861	22,159,715
Defined benefit plan expenses/Gratuity	-	-	2,450	2,441	968,011	2,249,677

(Amounts expressed in Sri Lankan Rs. '000)

Oils & Fats		Beverage		Real Estate		Leisure		Management Services		Group	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
54,478,750	81,843,699	115,536,800	99,464,675	381,466	326,860	927,369	719,766	1,072,115	724,839	324,488,732	386,899,205
-	-	(3,300,961)	(2,423,321)	-	-	-	-	-	-	(43,968,701)	(53,441,982)
54,478,750	81,843,699	112,235,839	97,041,354	381,466	326,860	927,369	719,766	1,072,115	724,839	280,520,031	333,457,223
-	(148,607)	-	-	(57,877)	(52,502)	-	-	(1,069,685)	(721,790)	(3,511,187)	(3,036,610)
54,478,750	81,695,092	112,235,839	97,041,354	323,589	274,358	927,369	719,766	2,430	3,049	277,008,844	330,420,613
2,533,048	3,822,830	15,376,696	13,664,781	173,873	143,690	(79,660)	(143,613)	38,139	(44,580)	47,046,930	60,062,684
(365,665)	2,320	(190,972)	(31,251)	-	-	(6,271)	(1,364)	-	-	61,148	(507,410)
-	-	291,063	(353,229)	-	-	-	-	-	-	291,063	(353,229)
2,167,383	3,825,150	15,476,787	13,280,301	173,873	143,690	(85,931)	(144,977)	38,139	(44,580)	47,399,141	59,202,045
-	-	5,000	163,100	386,262	421,613	-	-	-	-	2,459,382	(2,194,751)
(802,049)	(985,081)	(1,458,148)	(2,182,499)	78,353	41,936	(31,026)	(23,994)	(5,408)	562	(12,557,362)	(14,615,590)
(12,702)	(13,787)	-	-	-	-	-	-	-	-	(12,702)	(13,787)
1,352,632	2,826,282	14,023,639	11,260,902	638,488	607,239	(116,957)	(168,971)	32,731	(44,018)	37,288,459	42,377,917
(318,237)	(800)	(5,654,753)	(4,091,459)	(88,898)	(64,233)	-	-	(14,325)	10,624	(13,297,456)	(14,500,894)
(89,242)	(636,432)	(392,916)	(423,376)	(107,543)	(374,288)	12,168	72,765	2,844	(937)	(1,789,430)	(580,687)
(407,479)	(637,232)	(6,047,669)	(4,514,835)	(196,441)	(438,521)	12,168	72,765	(11,481)	9,687	(15,086,886)	(15,081,581)
945,153	2,189,050	7,975,970	6,746,067	442,047	168,718	(104,789)	(96,206)	21,250	(34,331)	22,201,573	27,296,336
-	1,526,672	-	-	-	-	-	-	-	-	-	1,527,401
945,153	3,715,722	7,975,970	6,746,067	442,047	168,718	(104,789)	(96,206)	21,250	(34,331)	22,201,573	28,823,737
451,431	1,852,247	1,825,169	1,527,693	184,827	65,776	(43,072)	(39,536)	9,706	(15,682)	8,412,977	13,022,993
493,722	1,863,475	6,150,801	5,218,374	257,220	102,942	(61,717)	(56,670)	11,544	(18,649)	13,788,596	15,800,744
945,153	3,715,722	7,975,970	6,746,067	442,047	168,718	(104,789)	(96,206)	21,250	(34,331)	22,201,573	28,823,737
4.43	18.16	17.89	14.98	1.81	0.64	(0.42)	(0.39)	0.10	(0.15)	82.22	127.52
1,712,518	7,504,847	11,197,867	1,406,818	69,575	75,893	(7,665)	(30,745)	69,101	95,270	33,447,574	52,459,122
(1,248,014)	(1,224,921)	(3,836,136)	(2,450,913)	(45,629)	(155,294)	(59,450)	22,279	(10,914)	(39,028)	(19,037,686)	(17,288,585)
(494,301)	(5,241,746)	(6,660,123)	(1,167,299)	(17,808)	(43,961)	91,837	(25,368)	(31,413)	(24,941)	(7,398,594)	(24,866,265)
(29,797)	1,038,180	701,608	(2,211,394)	6,138	(123,362)	24,722	(33,834)	26,774	31,301	7,011,294	10,304,272
1,284,279	1,233,754	5,490,222	4,371,975	46,650	29,295	17,532	9,866	16,066	51,021	16,806,879	17,238,480
3,602	6,838	41,222	7,815	-	-	-	-	-	354	112,554	149,417
883,657	845,190	2,422,956	1,862,462	8,160	7,955	85,269	87,509	27,455	21,132	10,865,998	10,605,429
1,141	49,771	13,463	12,101	-	-	336	336	211	196	422,289	522,981
1,976,827	2,376,377	2,198,411	1,495,284	82,732	76,917	205,074	202,753	708,490	574,474	25,059,706	27,030,824
-	-	71,785	41,658	770	671	3,746	3,782	15,448	14,999	1,062,210	2,313,228

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 9. SEGMENTAL INFORMATION (CONTD.)

(d) Segments assets / liabilities are as follows:

As at 31st March	Investment Holding		Portfolio & Asset Management		Oil Palm Plantations	
	2024	2023	2024	2023	2024	2023
<b>SEGMENT ASSETS</b>						
<b>Non - Current Assets</b>						
Fixed assets*	-	-	4,522	2,682	98,604,911	110,851,377
Intangible assets (Including land rights)	-	-	84,791	84,791	7,600,283	9,088,556
Financial assets measured at FVOCI/Equity accounted investee	-	-	-	-	-	-
Deferred tax assets	-	-	4,997	2,345	3,544,505	5,313,819
Other financial receivables	-	-	4,607,101	3,770,558	-	-
Other non financial receivables	-	-	-	-	13,718,843	15,737,499
<b>Total non - current assets</b>	-	-	<b>4,701,411</b>	<b>3,860,376</b>	<b>123,468,542</b>	<b>140,991,251</b>
<b>Current Assets</b>						
Inventories/biological assets	-	-	-	-	9,394,938	9,224,066
Trade debtors and other financial assets	769	74	24,361	47,694	3,583,889	2,668,927
Other non financial receivables	15,645	16,258	23,966	9,600	4,588,889	5,916,848
Financial assets measured at FVTPL	119,332	110,077	9,881,517	8,940,449	-	-
Cash and cash equivalents	565,199	267,919	3,508,642	1,534,173	22,985,931	27,130,714
<b>Total current assets</b>	<b>700,945</b>	<b>394,328</b>	<b>13,438,486</b>	<b>10,531,916</b>	<b>40,553,647</b>	<b>44,940,555</b>
<b>Total segmental assets</b>	<b>700,945</b>	<b>394,328</b>	<b>18,139,897</b>	<b>14,392,292</b>	<b>164,022,189</b>	<b>185,931,806</b>
<b>SEGMENT LIABILITIES</b>						
<b>Non - Current Liabilities</b>						
Loans and borrowings	141,668	335,417	-	-	55,437,568	59,638,152
Other financial payables	-	-	-	-	-	2,077,195
Other non financial liabilities	-	-	16,244	7,891	3,664,134	3,910,219
Deferred tax liabilities	-	-	-	-	5,831,000	6,514,849
<b>Total non - current liabilities</b>	<b>141,668</b>	<b>335,417</b>	<b>16,244</b>	<b>7,891</b>	<b>64,932,702</b>	<b>72,140,415</b>
<b>Current Liabilities</b>						
Trade and other financial liabilities	414,255	414,586	172,368	205,825	16,354,930	19,893,081
Loans and borrowings	1,968,046	1,624,243	1,302,714	526,566	11,343,638	18,344,251
<b>Total current liabilities</b>	<b>2,382,301</b>	<b>2,038,829</b>	<b>1,475,082</b>	<b>732,391</b>	<b>27,698,568</b>	<b>38,237,332</b>
<b>Total segmental liabilities</b>	<b>2,523,969</b>	<b>2,374,246</b>	<b>1,491,326</b>	<b>740,282</b>	<b>92,631,270</b>	<b>110,377,747</b>

\*Fixed assets include Property, Plant and Equipments, Bearer Plants, Right of use Assets and Investment Properties.



(Amounts expressed in Sri Lankan Rs. '000)

Oils & Fats		Beverage		Real Estate		Leisure		Management Services		Group	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
11,047,800	12,462,499	28,200,237	24,016,599	6,034,011	5,438,703	2,720,117	2,363,279	51,588	71,040	146,663,186	155,206,179
1,490,691	1,544,530	882,525	572,443	12,799	12,799	336	672	300	510	10,071,725	11,304,301
753,203	879,026	-	-	-	-	-	-	-	-	753,203	879,026
-	-	46,715	26,378	-	-	-	-	31,709	14,948	3,627,926	5,357,490
-	-	-	-	289,000	289,000	24,759	24,759	-	-	4,920,860	4,084,317
-	-	-	-	-	-	-	-	-	-	13,718,843	15,737,499
13,291,694	14,886,055	29,129,477	24,615,420	6,335,810	5,740,502	2,745,212	2,388,710	83,597	86,498	179,755,743	192,568,812
5,428,000	5,027,040	9,166,557	7,555,505	-	-	38,866	41,987	245	408	24,028,606	21,849,006
5,095,915	6,435,738	4,229,377	1,298,054	94,571	77,361	107,244	35,901	431	-	13,136,557	10,563,749
865,207	1,008,951	1,759,482	4,232,385	135,635	125,103	8,966	9,014	34,710	24,104	7,432,500	11,342,263
8,193	33,004	-	-	38,179	-	-	-	-	-	10,047,221	9,083,530
1,427,175	1,072,680	12,569,326	11,348,047	231,865	173,214	151,713	81,589	106,203	79,429	41,546,054	41,687,765
12,824,490	13,577,413	27,724,742	24,433,991	500,250	375,678	306,789	168,491	141,589	103,941	96,190,938	94,526,313
26,116,184	28,463,468	56,854,219	49,049,411	6,836,060	6,116,180	3,052,001	2,557,201	225,186	190,439	275,946,681	287,095,125
2,183,613	2,917,798	1,607,368	1,266,500	-	-	125,684	144,425	-	-	59,495,901	64,302,292
-	-	-	-	87,399	104,479	-	-	-	-	87,399	2,181,674
-	-	293,934	257,729	5,412	2,984	22,365	13,192	105,390	51,143	4,107,479	4,243,158
1,581,835	1,760,785	6,581,795	5,687,985	1,559,580	1,407,386	572,162	459,600	-	-	16,126,372	15,830,605
3,765,448	4,678,583	8,483,097	7,212,214	1,652,391	1,514,849	720,211	617,217	105,390	51,143	79,817,151	86,557,729
4,559,643	5,573,382	14,616,264	10,607,032	199,983	168,235	173,922	141,437	169,985	112,565	36,661,350	37,116,143
7,190,445	7,045,851	5,849,413	8,044,551	18,143	-	110,148	115,333	-	-	27,782,547	35,700,795
11,750,088	12,619,233	20,465,677	18,651,583	218,126	168,235	284,070	256,770	169,985	112,565	64,443,897	72,816,938
15,515,536	17,297,816	28,948,774	25,863,797	1,870,517	1,683,084	1,004,281	873,987	275,375	163,708	144,261,048	159,374,667

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 9. SEGMENTAL INFORMATION (CONTD.)

#### (v) Operating segments - Information about reportable segments

##### (a) Secondary/Geographical segments

For the year ended 31st March	Sri Lanka		Malaysia		Indonesia	
	2024	2023	2024	2023	2024	2023
Revenue	115,739,516	99,207,193	54,480,664	81,699,088	106,760,278	147,293,703
Segment results - profit from operations before material non cash items	17,270,456	14,354,745	3,344,352	4,463,183	25,919,033	37,032,051
Other material non-cash items						
Foreign exchange gains /(losses)	(225,671)	(16,434)	(252,713)	107,285	(1,219,383)	(599,495)
[Provision]/Reversal of impairment of business assets	291,063	(353,229)	-	-	-	-
<b>Profit/(loss) from operations</b>	<b>17,335,848</b>	<b>13,985,082</b>	<b>3,091,639</b>	<b>4,570,468</b>	<b>24,699,650</b>	<b>36,432,556</b>
Change in fair value of business assets	2,270,968	1,572,529	-	-	188,414	(3,696,464)
Net finance cost	(1,728,114)	(2,725,361)	(804,166)	(983,214)	(2,713,410)	(4,402,307)
Share of net results of equity accounted investee	-	-	(12,702)	(13,787)	-	-
<b>Profit/(loss) before Income tax expenses</b>	<b>17,878,702</b>	<b>12,832,250</b>	<b>2,274,771</b>	<b>3,573,467</b>	<b>22,174,654</b>	<b>28,333,785</b>
<b>Tax expenses</b>						
Current taxation	(6,118,185)	(4,318,383)	(497,098)	(160,622)	(6,138,872)	(8,153,824)
Deferred taxation	(484,724)	(724,130)	(122,225)	(693,502)	(1,182,481)	836,945
	(6,602,909)	(5,042,513)	(619,323)	(854,124)	(7,321,353)	(7,316,879)
<b>Profit/(loss) from continuing operations</b>	<b>11,275,793</b>	<b>7,789,737</b>	<b>1,655,448</b>	<b>2,719,343</b>	<b>14,853,301</b>	<b>21,016,906</b>
<b>Discontinued operations</b>						
Profit/(loss) from discontinued operations, net of tax	-	729	-	-	-	-
<b>Profit/(loss) for the year</b>	<b>11,275,793</b>	<b>7,790,466</b>	<b>1,655,448</b>	<b>2,719,343</b>	<b>14,853,301</b>	<b>21,016,906</b>

##### (b) Other Information

Total cost incurred during the year to acquire Property, plant & equipment, Bearer Plants, Investments properties	5,597,894	4,521,432	1,284,279	1,271,964	9,924,706	11,445,084
Intangible assets (including land rights)	41,222	16,715	3,602	6,838	67,730	111,878
Depreciation	2,562,884	1,992,926	883,657	875,157	7,372,087	7,682,820
Amortization of intangible assets (including land rights)	25,001	26,287	1,142	49,771	394,513	446,923
Salaries, fees, wages and related expenses	3,932,015	3,136,358	2,333,533	3,361,731	16,574,758	17,354,325
Defined benefit plan expenses/Gratuity	108,323	75,111	-	-	953,887	2,238,117

(Amounts expressed in Sri Lankan Rs. '000)

Singapore		Mauritius		India		Group	
2024	2023	2024	2023	2024	2023	2024	2023
10,236	2,198,973	18,150	21,656	-	-	277,008,844	330,420,613
546,998	4,231,336	(33,909)	(18,631)	-	-	47,046,930	60,062,684
1,758,915	1,258	-	(24)	-	-	61,148	(507,410)
-	-	-	-	-	-	291,063	(353,229)
2,305,913	4,232,594	(33,909)	(18,655)	-	-	47,399,141	59,202,045
-	-	-	(70,816)	-	-	2,459,382	(2,194,751)
(7,311,672)	(6,504,708)	-	-	-	-	(12,557,362)	(14,615,590)
-	-	-	-	-	-	(12,702)	(13,787)
(5,005,759)	(2,272,114)	(33,909)	(89,471)	-	-	37,288,459	42,377,917
(541,253)	(1,867,452)	(2,048)	(613)	-	-	(13,297,456)	(14,500,894)
-	-	-	-	-	-	(1,789,430)	(580,687)
(541,253)	(1,867,452)	(2,048)	(613)	-	-	(15,086,886)	(15,081,581)
(5,547,012)	(4,139,566)	(35,957)	(90,084)	-	-	22,201,573	27,296,336
-	2,172,145	-	-	-	(645,473)	-	1,527,401
(5,547,012)	(1,967,421)	(35,957)	(90,084)	-	(645,473)	22,201,573	28,823,737
-	-	-	-	-	-	16,806,879	17,238,480
-	13,986	-	-	-	-	112,554	149,417
47,370	54,526	-	-	-	-	10,865,998	10,605,429
1,633	-	-	-	-	-	422,289	522,981
2,219,400	3,178,410	-	-	-	-	25,059,706	27,030,824
-	-	-	-	-	-	1,062,210	2,313,228

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 9. SEGMENTAL INFORMATION (CONTD.)

(c) Segments Assets/Liabilities are as follows:

As at 31st March	Sri Lanka		Malaysia		Indonesia	
	2024	2023	2024	2023	2024	2023
<b>SEGMENT ASSETS</b>						
<b>Non - Current Assets</b>						
Fixed assets*	37,066,196	31,946,737	11,111,243	12,560,360	98,432,960	110,591,712
Intangible assets (Including land rights)	1,011,938	713,953	1,510,578	1,567,824	7,535,433	9,005,846
Equity accounted investee	-	-	753,203	879,026	-	-
Deferred tax assets	83,421	43,670	-	17,665	3,544,505	5,296,155
Other financial receivables	4,920,860	4,084,317	-	-	-	-
Other non financial receivables	-	-	-	-	13,718,843	15,737,499
<b>Total non - current assets</b>	<b>43,082,415</b>	<b>36,788,677</b>	<b>13,375,024</b>	<b>15,024,875</b>	<b>123,231,741</b>	<b>140,631,212</b>
<b>Current Assets</b>						
Inventories/biological assets	9,194,273	7,597,900	5,428,000	5,027,040	9,394,938	9,224,066
Trade debtors and other financial assets	4,446,519	1,459,983	5,096,001	6,439,876	3,583,801	2,663,890
Other non financial receivables	2,031,504	4,480,524	878,392	1,030,976	4,503,784	5,775,437
Financial assets measured at FVTPL	9,157,277	8,166,935	8,193	33,004	-	-
Cash and cash equivalents	17,362,747	13,734,449	2,294,831	1,404,201	19,263,420	18,418,318
<b>Total current assets</b>	<b>42,192,320</b>	<b>35,439,791</b>	<b>13,705,417</b>	<b>13,935,097</b>	<b>36,745,943</b>	<b>36,081,711</b>
<b>Total segmental assets</b>	<b>85,274,735</b>	<b>72,228,468</b>	<b>27,080,441</b>	<b>28,959,972</b>	<b>159,977,684</b>	<b>176,712,923</b>
<b>SEGMENT LIABILITIES</b>						
<b>Non - Current Liabilities</b>						
Loans and borrowings	1,874,720	1,746,342	2,188,725	2,929,738	42,178,472	37,710,343
Other financial payables	87,399	104,479	-	-	-	-
Other non financial liabilities	478,757	375,736	-	-	3,628,722	3,867,422
Deferred tax liabilities	8,713,538	7,554,969	1,599,271	1,760,785	5,813,563	6,514,851
<b>Total non - current liabilities</b>	<b>11,154,414</b>	<b>9,781,526</b>	<b>3,787,996</b>	<b>4,690,523</b>	<b>51,620,757</b>	<b>48,092,616</b>
<b>Current Liabilities</b>						
Trade and other financial liabilities	16,023,014	11,922,290	4,668,012	5,750,772	14,130,862	16,840,578
Loans and borrowings	9,248,465	10,310,693	7,205,304	7,074,414	4,561,510	3,866,428
<b>Total current liabilities</b>	<b>25,271,479</b>	<b>22,232,983</b>	<b>11,873,316</b>	<b>12,825,186</b>	<b>18,692,372</b>	<b>20,707,006</b>
<b>Total segmental liabilities</b>	<b>36,425,893</b>	<b>32,014,509</b>	<b>15,661,312</b>	<b>17,515,709</b>	<b>70,313,129</b>	<b>68,799,622</b>

\*Fixed assets include Property, Plant and Equipments, Bearer Plants, Right of use Assets and Investment Properties.

(Amounts expressed in Sri Lankan Rs. '000)

Singapore		Mauritius		Group	
2024	2023	2024	2023	2024	2023
52,787	107,370	-	-	146,663,186	155,206,179
13,776	16,678	-	-	10,071,725	11,304,301
-	-	-	-	753,203	879,026
-	-	-	-	3,627,926	5,357,490
-	-	-	-	4,920,860	4,084,317
-	-	-	-	13,718,843	15,737,499
66,563	124,048	-	-	179,755,743	192,568,812
11,395	-	-	-	24,028,606	21,849,006
10,236	-	-	-	13,136,557	10,563,749
17,325	53,894	1,495	1,432	7,432,500	11,342,263
-	-	881,751	883,591	10,047,221	9,083,530
2,152,631	7,553,560	472,425	577,237	41,546,054	41,687,765
2,191,587	7,607,454	1,355,671	1,462,260	96,190,938	94,526,313
2,258,150	7,731,502	1,355,671	1,462,260	275,946,681	287,095,125
13,253,984	21,915,869	-	-	59,495,901	64,302,292
-	2,077,195	-	-	87,399	2,181,674
-	-	-	-	4,107,479	4,243,158
-	-	-	-	16,126,372	15,830,605
13,253,984	23,993,064	-	-	79,817,151	86,557,729
1,831,819	2,507,063	7,643	95,440	36,661,350	37,116,143
6,767,268	14,449,260	-	-	27,782,547	35,700,795
8,599,087	16,956,323	7,643	95,440	64,443,897	72,816,938
21,853,071	40,949,387	7,643	95,440	144,261,048	159,374,667

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>10. OTHER INCOME</b>		
	Group	
For the year ended 31st March	2024	2023
<b>Gain/(Loss) on disposal of fixed assets:</b>		
Beverage	189,520	26,163
Oil Palm Plantations	290,132	34,478
Management Services	40	11,769
	479,692	72,410
Net unrealised fair value gain on RCPS derivative financial instruments	-	165,473
Plasma management fee	220,637	208,027
Plasma interest income	1,132,677	1,412,666
Premium from sale of RSPO	115,087	5,013
Fee income	134,162	148,949
Scrap sales	63,584	90,587
Bulking rental income	171,359	213,398
Sale of palm kernel shell	730,898	655,232
Income from Co2 Sale	120,936	94,393
Sundry income	670,189	665,517
	3,839,221	3,731,665
<b>11. OTHER OPERATING EXPENSES</b>		
	Group	
For the year ended 31st March	2024	2023
Unrealised fair value loss on derivative financial instruments	20,316	63,375
Other operating expenses	555,443	717,143
	575,759	780,518

(Amounts expressed in Sri Lankan Rs. '000)

## 12. IMPAIRMENT OF BUSINESS ASSETS

For the year ended 31st March	Group	
	2024	2023
(Provision)/Reversal of impairment (Note 24 (d))	291,063	(353,229)
	291,063	(353,229)

## 13. FOREIGN EXCHANGE GAINS/(LOSSES)

For the year ended 31st March	Group	
	2024	2023
Foreign exchange gains/(losses)	61,148	(507,410)

### (a) Investments holding sector

As at 31st March 2024, the Carson Cumberbatch PLC incurred a foreign exchange gain of Rs. 19.42 Mn (2023 - loss of Rs. 8.36 Mn), from the translation of Sterling Pound denominated liability (Note 44 (d)).

### (b) Oil Palm plantations and Oils and fats sectors

The foreign exchange gain/(loss) relating to Goodhope Asia Holdings Limited and its subsidiaries whose certain transactions and balances are recorded in different currencies other than presentation currency of each such subsidiary is given below.

For the year ended 31st March 2024, Goodhope Asia Holding Limited group recorded a foreign exchange gain of Rs.239.61 Mn (2023 - loss Rs. 466.93 Mn).

The closing exchange rate of IDR against USD as of 31st March 2024 was IDR 15,853 which is a 5 % Depreciation compared to the closing exchange rate that prevailed as of 31st March, 2023 which was IDR 15,062.

### (c) Beverage Sector

The foreign exchange gain/(loss) relating to Beverage sector whose certain transactions and balances are recorded in different currencies other than presentation currency of each such subsidiary is given below..

For the year ended 31st March 2024 Beverage sector recorded a foreign exchange loss Rs. 190.97 Mn (2023 - Rs. 31Mn). The unrealized exchange loss mainly arose from the translation of US dollar denominated deposits and cash balances as at the reporting date consequent to appreciation of the Sri lankan Rupee against the US dollar (USD) throughout the year.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

14. NET FINANCE COSTS	Group	
	2024	2023
For the year ended 31st March		
<b>Finance income from:</b>		
Interest income - Fixed Deposits	1,505,513	1,675,096
Interest income - Other Deposits	662,409	379,711
<b>Total finance income</b>	<b>2,167,922</b>	<b>2,054,807</b>
<b>Finance Costs on:</b>		
Bank borrowings	(14,628,689)	(16,509,977)
Unwinding of interest on refundable deposits	(11,455)	(8,182)
Interest expenses on lease liabilities (Note 43)	(85,140)	(152,238)
<b>Total finance costs</b>	<b>(14,725,284)</b>	<b>(16,670,397)</b>
<b>Net Finance costs</b>	<b>(12,557,362)</b>	<b>(14,615,590)</b>



(Amounts expressed in Sri Lankan Rs. '000)

15. PROFIT BEFORE INCOME TAX EXPENSES	Group		Company	
	2024	2023	2024	2023
For the year ended 31st March				
<b>Profit before tax has been arrived at after charging</b>				
Auditors' remuneration and other professional services (Note (a))	143,122	161,387	915	818
Professional services (Note (b) )	732,674	737,221	297	85
Personnel costs (Note (c) )	26,121,916	29,344,052	2,277	2,176
Audit committee fees	2,280	2,280	600	600
Remuneration committee Fees	300	300	100	100
Nomination committee Fees	425	350	100	100
Related Party Transactions Review Committee fees	1,600	1,600	400	400
Royalty paid to the Carlsberg A/S	415,474	271,469	-	-
Research and development costs	183,122	188,334	-	-
Depreciation of property, plant and equipment, bearer plants	10,865,998	10,605,429	-	-
Amortization of intangible assets and prepaid lease payments for land (Note 24)	422,289	522,981	-	-
Total depreciation and amortization included in the Statement of Profit or Loss	11,288,287	11,128,410	-	-
<b>(a) Auditors' Remuneration and other professional services</b>				
Fees payable to KPMG for Bukit Darah PLC	805	718	805	718
Fees payable to KPMG for the subsidiaries of Bukit Darah PLC	11,965	10,758	-	-
Fees payable to other Auditors for the Subsidiaries of Bukit Darah PLC	115,723	134,269	-	-
	128,493	145,745	805	718
<b>Non audit services</b>				
Advisory/compliance services - (Other Auditors)	8,393	8,623	-	-
Advisory services - (KPMG Sri Lanka)	270	810	-	-
	8,663	9,433	-	-
<b>Audit related services</b>				
KPMG Sri Lanka	5,966	6,209	110	100
Other Auditors	-	-	-	-
	5,966	6,209	110	100
	143,122	161,387	915	818

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 15. PROFIT BEFORE INCOME TAX EXPENSES (CONTD.)

#### (b) Professional Services

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Legal services	123,225	109,393	297	85
Valuation services	57,987	76,512	-	-
Consultation fees	464,840	478,634	-	-
Other services	86,622	72,682	-	-
	<b>732,674</b>	<b>737,221</b>	<b>297</b>	<b>85</b>

#### (c) Personnel Costs

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Salaries, fees, wages and other related expenses	23,401,647	25,551,552	2,277	2,176
Defined contribution plan expenses - EPF & ETF	1,658,059	1,479,272	-	-
Employee benefit expenses (Note 45)	1,062,210	2,313,228	-	-
	<b>26,121,916</b>	<b>29,344,052</b>	<b>2,277</b>	<b>2,176</b>

The above include:

Directors' fees and emoluments	3,538,233	3,006,522	2,277	2,176
	<b>3,538,233</b>	<b>3,006,522</b>	<b>2,277</b>	<b>2,176</b>

(Amounts expressed in Sri Lankan Rs. '000)

**(d) The number of employees during the year were:**

	Group			
	2024		2023	
	Year end	Average	Year end	Average
<b>Employees by Industry</b>				
Portfolio and assets management	17	19	21	23
Oil palm plantations/Oils and fats	15,765	15,039	14,313	13,574
Beverage	338	328	317	290
Real Estate	20	18	16	17
Leisure	238	245	252	239
Management services	45	45	45	44
	16,423	15,694	14,964	14,187
<b>Employees by geographical location</b>				
Sri Lanka	776	774	771	723
Malaysia	341	338	335	298
Indonesia	15,298	14,575	13,853	13,134
India	-	-	-	27
Singapore	8	7	5	5
	16,423	15,694	14,964	14,187

There were no employees at Bukit Darah PLC during the year (2023 - Nil).

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

16. INCOME TAX EXPENSES	Group		Company	
	2024	2023	2024	2023
For the year ended 31st March				
<b>(a) Statement of profit or loss</b>				
<b>(i) Current taxation</b>				
Charge for the year	11,523,044	13,109,741	1,680	5,934
Economic service charge	-	945	-	-
Under provision for previous years	43,374	6,480	-	-
Tax on inter company dividends/restructuring	1,731,038	1,383,728	-	-
	13,297,456	14,500,894	1,680	5,934
<b>(ii) Deferred Taxation</b>				
Deferred tax expenses (Note 16 (b))	1,789,430	580,687	-	-
	1,789,430	580,687	-	-
<b>Total Income tax expense on continuing operations</b>	<b>15,086,886</b>	<b>15,081,581</b>	<b>1,680</b>	<b>5,934</b>
Income tax expenses may be analysed as follows:				
<b>Current Taxation</b>				
Sri Lanka	6,118,185	4,318,383	1,680	5,934
Overseas	7,179,271	10,182,511	-	-
	13,297,456	14,500,894	1,680	5,934
<b>Deferred Taxation</b>				
Sri Lanka	484,724	724,130	-	-
Overseas	1,304,706	[143,443]	-	-
	1,789,430	580,687	-	-
<b>Total</b>				
Sri Lanka	6,602,909	5,042,513	1,680	5,934
Overseas	8,483,977	10,039,068	-	-
	15,086,886	15,081,581	1,680	5,934
Group tax expenses is based on the taxable profit of individual companies within the group. At present the tax laws of Sri Lanka does not provide for group taxation.				

(Amounts expressed in Sri Lankan Rs. '000)

(b) Deferred tax expenses	Group	
	2024	2023
For the year ended 31st March		
<b>Statement of Profit or Loss</b>		
Deferred tax expense arising from;		
Accelerated depreciation & amortisation for tax purposes	895,411	648,265
Investment property /Bearer Plants/Intangible assets/ Leased assets	362,068	486,511
Retirement benefit obligations	(126,968)	(734,454)
Reversal/(Benefit) arising from tax losses	658,919	180,365
<b>Deferred tax charged directly to Statement of Profit or Loss</b>	<b>1,789,430</b>	<b>580,687</b>
<b>Statement of comprehensive income</b>		
Deferred tax expense arising from;		
Actuarial gain/(loss) on defined benefit obligations	58,739	(21,330)
Revaluation surplus on Property plant & equipments	674,877	293,906
<b>Total deferred tax charged directly to statement of comprehensive income</b>	<b>733,616</b>	<b>272,576</b>
<b>Total deferred tax charged to the comprehensive income</b>	<b>2,523,046</b>	<b>853,263</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

16. INCOME TAX EXPENSES (CONTD.)	Group		Company	
	2024	2023	2024	2023
For the year ended 31st March				
<b>(c) Reconciliation of the Accounting Profit with the Taxable Profit</b>				
Profit before taxation	37,288,459	42,377,917	212,448	148,721
Aggregate tax disallowed expenses	10,487,376	19,597,895	47,062	24,691
Aggregate of allowable deductions	(5,730,302)	(7,093,924)	-	-
Dividend income	(5,047,522)	(1,426,051)	(253,910)	(134,560)
Exempt profit	(171,289)	(13,016,861)	-	-
Adjustments for change in fair value	(2,383,782)	(2,319,672)	-	-
Impairment of business assets	(291,063)	353,229	-	-
Operating losses incurred during the year	503,834	4,487,920	-	-
<b>Tax adjusted profits</b>	<b>34,655,711</b>	<b>42,960,453</b>	<b>5,600</b>	<b>38,852</b>
<b>Adjustments</b>				
Adjustments due to the consolidation/conversions	7,954,540	13,051,401	-	-
Share of net results of Equity accounted investee	12,702	13,787	-	-
Tax losses utilized during the year	(1,422,130)	(3,925,390)	-	-
<b>Taxable income</b>	<b>41,200,823</b>	<b>52,100,251</b>	<b>5,600</b>	<b>38,852</b>
<b>Taxation on Profits</b>				
Taxation at 14%	-	133,141	-	4,862
Taxation at 24% & 30%	902,136	592,390	1,680	1,072
Taxation at 40%	4,742,803	3,585,427	-	-
Tax on inter company dividends/restructuring	1,731,038	1,383,728	-	-
Off - Shore profits at varying rates	5,878,105	8,798,783	-	-
Economic Service Charge - write off	-	945	-	-
Under provision for previous years	43,374	6,480	-	-
	13,297,456	14,500,894	1,680	5,934
<b>Analysis of Tax Losses</b>				
Tax losses brought forward	22,343,218	15,203,162	-	-
Adjustment on losses (Finalization/write-off/conversions)	(3,405,770)	6,577,526	-	-
Tax losses incurred during the year	503,834	4,487,920	-	-
Utilization of tax losses during the year	(1,422,130)	(3,925,390)	-	-
<b>Tax losses carried forward</b>	<b>18,019,152</b>	<b>22,343,218</b>	<b>-</b>	<b>-</b>
Utilization of tax losses in the current year has resulted in tax saving of Rs. 328 Mn (2023 - Rs. 866 Mn) for the Group.				
As per section 19 of the Inland Revenue Act No. 24 of 2017 and amendments thereto, any unclaimed tax losses incurred during the year could be carried forward for further six years. Such losses can be set off against profits without any limitation but subject to source of income as provided in the Act. As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of the respective companies. Adjustment for taxation on the losses of overseas operations are made in accordance with the provisions of the relevant statutes in those countries.				

(Amounts expressed in Sri Lankan Rs. '000)

#### (d) Taxation of Profits

##### (i) Current Tax in Sri Lanka

The income tax provision for Bukit Darah PLC and its subsidiaries that are resident in Sri Lanka is calculated in accordance with the Inland Revenue Act No. 24 of 2017 and amendments thereto. In terms of above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 30% (2023 - 24% & 30%) except for companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below.

As per the Inland Revenue (Amendment) Act No.45 of 2022, 15% withholding tax is deducted from the dividend distribution by the paying company. Dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company exempt from income tax for the respective recipient.

##### (ii) Current Tax on Overseas Operations

Companies incorporated and operating outside Sri Lanka are liable for income tax in accordance with the provisions of the foreign jurisdictions applicable to those companies. The corporate income tax rates applicable to group companies operating in the following countries are;

	2024	2023
Singapore	17%	17%
Indonesia	22%	22%
Malaysia	24%	24%
Mauritius	15%	15%

##### (e) Companies with specified sources liable to income tax at concessionary rates and Higher rate specified under the IRD Act No 24 of 2017 and amendments there to

(i) As per the First Schedule of the Inland Revenue Act No 24 of 2017, a company with income from a business consisting of liquor (including beer) is liable to income tax at 40%. Therefore Company's subsidiaries Lion Brewery Ceylon PLC and Luxury Brand (Pvt) Limited having taxable income which consist of component of liquor, are liable to pay income tax at 40%.

##### (f) Specified sources exempt from income tax which applicable for companies within the group

- (i) In terms of item (h) of third schedule of the Inland Revenue Act, No. 24 of 2017, gains made on the realization of an asset consisting of shares quoted in any official list published by any stock exchange licensed by the Securities and Exchange Commission of Sri Lanka are exempt from income tax.
- (ii) In terms of Inland Revenue Act No 24 of 2017, Gains and profits from any service rendered in or outside Sri Lanka to any person to be utilised outside Sri Lanka, where the payment for such services is received in foreign currency and remitted to Sri Lanka through a bank are exempt from income tax.
- (iii) Dividend and gains realization of shares in a non - resident company where derived by a resident company with a holding of 10% or more either directly or indirectly in the non-resident company, are exempt from income tax.
- (iv) As per the subsection (iii) of Section (i) of the Third Schedule of the Act, interest income accruing or derived by the Company from foreign currency accounts are exempt from tax effective from 1st January 2021.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 16. INCOME TAX EXPENSES (CONTD.)

#### (v) Surcharge Tax

Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022 and is applicable to the Carson Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 million, for the year of assessment 2020/2021. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from subsidiaries.

Total Surcharge Tax liability of Rs.1,371 Mn has been recognised for the Group as an opening adjustment to the 1 April 2022 retained earnings in the statement of Changes in Equity as per addendum to the Statement of Alternative Treatment (SoAT) issued on 10th August 2022, by The Institute of Chartered Accountants of Sri Lanka.

#### (g) Corporate tax rates in Sri Lanka

As provided in LKAS 12 - "Income Taxes" deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Accordingly following income tax rates have been used during the year;

	2024	2023
Leisure Sector	30%	30%
Beverage Sector	40%	40%
Real Estate Sector	30%	30%
Other Sectors	30%	30%

#### (h) Reconciliation of the effective tax rate

The following table provides a reconciliation of the group weighted average statutory corporate income tax rate to the effective tax rate of the group on profit before taxation

For the year ended 31st March	2024	2023
Profit before taxation	37,288,459	42,377,917
Current taxation	13,297,456	14,500,894
Effective tax rate	36%	34%



(Amounts expressed in Sri Lankan Rs. '000)

## 17. EARNINGS PER ORDINARY SHARE

### (a) Earnings per ordinary share from Continuing and Discontinued operations

The Group's earnings per ordinary share and Company's earnings per ordinary share are calculated by dividing the profit attributable to the ordinary shareholders of Bukit Darah PLC by the Company's weighted average number of ordinary shares in issue during the year.

The amounts used in calculating the earnings per share are as follows:

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>Amount used as the Numerator</b>				
Profit for the year	22,201,573	28,823,737	210,768	142,787
Attributable to non controlling interest	(13,788,596)	(15,800,744)	-	-
Net Profit attributable to Ordinary Shareholders	8,412,977	13,022,993	210,768	142,787
Dividend on Preference shares (Note 19)	(26,299)	(16,240)	(26,299)	(16,240)
	8,386,678	13,006,753	184,469	126,547
<b>Number of Ordinary Shares used as the Denominator</b>				
Ordinary shares in issue (No's)	102,000,000	102,000,000	102,000,000	102,000,000
Basic earnings per Ordinary Share (Rs.)	82.22	127.52	1.81	1.24

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 17. EARNINGS PER ORDINARY SHARE (CONTD.)

#### (b) Earnings per share from Continuing operations

The Group's earnings per ordinary share from continuing operations is calculated by dividing the profit from continuing operations attributable to the ordinary shareholders of Bukit Darah PLC by the Company's weighted average number of ordinary shares in issue during the year.

The amounts used in calculating the earnings per share are as follows:

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>Amount used as the Numerator</b>				
Profit for the year from continuing operations	22,201,573	27,296,336	210,768	142,787
Attributable to non controlling interest from continuing operations	(13,788,596)	(15,045,229)	-	-
<b>Net Profit attributable to Ordinary Shareholders from continuing operations</b>	<b>8,412,977</b>	<b>12,251,107</b>	<b>210,768</b>	<b>142,787</b>
Dividend on Preference shares (Note 19)	(26,299)	(16,240)	(26,299)	(16,240)
	<b>8,386,678</b>	<b>12,234,867</b>	<b>184,469</b>	<b>126,547</b>
<b>Number of Ordinary Shares used as the Denominator</b>				
Ordinary shares in issue (No's)	102,000,000	102,000,000	102,000,000	102,000,000
<b>Basic earnings per Ordinary Share from continuing operations (Rs.)</b>	<b>82.22</b>	<b>119.95</b>	<b>1.81</b>	<b>1.24</b>

#### (c) Earnings per share from Discontinued operations

The Group's earnings per ordinary share from discontinued operations is calculated by dividing the Profit from discontinued operations attributable to the ordinary shareholders of Bukit Darah PLC by the Company's weighted average number of ordinary shares in issue during the year.

The amounts used in calculating the earnings per share are as follows:

For the year ended 31st March	Group	
	2024	2023
<b>Amount used as the Numerator</b>		
Profit for the year from discontinued operations	-	1,527,401
Attributable to non controlling interest from discontinued operations	-	(755,515)
<b>Net Profit attributable to Ordinary Shareholders from discontinued operations</b>	<b>-</b>	<b>771,886</b>
<b>Number of Ordinary Shares used as the Denominator</b>		
Ordinary shares in issue (No's)	102,000,000	102,000,000
<b>Basic earnings per Ordinary Share from discontinued operation (Rs.)</b>	<b>-</b>	<b>7.57</b>

(Amounts expressed in Sri Lankan Rs. '000)

## 18. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)

Management has chosen to present the Group EBITDA because it is used to monitor the Group's performance and is believed to be relevant for understanding the Group's financial performance. It is important to note that EBITDA is not a defined performance measure in LKS and SLFRS. Additionally, the Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities. EBITDA is calculated as follows:

### Reconciliation of EBITDA to profit from continuing operations

For the year ended 31st March	Group	
	2024	2023
Profit before tax	37,288,459	42,377,917
<b>Adjustments for:</b>		
Net finance costs	12,557,362	14,615,590
Depreciation	10,865,998	10,605,429
Amortisation	422,289	522,981
Provision/(Reversal) of Impairment of business assets	(291,063)	353,229
Foreign exchange (gains)/losses	(61,148)	507,410
Change in fair value of investment properties	(390,581)	(578,712)
Change in fair value of biological assets	(188,414)	3,696,464
Change in fair value of financial assets - fair value through profit or loss	(1,880,387)	(923,001)
Share of loss of equity accounted investee (net of tax)	12,702	13,787
<b>EBITDA</b>	<b>58,335,217</b>	<b>71,191,094</b>

## 19. DIVIDEND PER ORDINARY SHARE

For the year ended 31st March	Total dividend		Dividend per ordinary share	
	2024	2023	2024 (Rs.)	2023 (Rs.)
<b>Dividend paid</b>				
First interim	183,600	112,200	1.80	1.10
	183,600	112,200	1.80	1.10
<b>On Preference shares</b>				
Annual Dividend	147	146	0.08	0.08
Paid for 2023	26,152	16,094	14.22	8.75
	26,299	16,240	14.30	8.83
<b>Total</b>	<b>209,899</b>	<b>128,440</b>		

### Interim Dividend paid for FY 2024

The Board of Directors of Bukit Darah PLC (BUKIT/ the Company) approved the payment of a First Interim Dividend of Rs.1.80 per Ordinary Share for the year ended 31st March 2024 to the Shareholders. The total dividend of Rs. 183,600,000/- was paid entirely out of Dividend income received by BUKIT and was not subjected to withholding tax by the Company as per the Inland Revenue Act, No. 24 of 2017, as amendments there of.

### Proposed Dividend for FY 2025

A First Interim Dividend of Rs. 3/80 per ordinary share amounting to Rs. 387,600,000/- for the year ending 31st March 2025 was announced on 06th June 2024, Shareholders of the Company who had provided accurate bank account details were paid on 25th June 2024. Shareholders who had not provided accurate bank account details or had not provided any bank account details were paid dividends on 08th July 2024 via cheques.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 20. PROPERTY, PLANT & EQUIPMENT - GROUP

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total
<b>(a) For the year ended 31st March 2024</b>									
As at 1st April 2023	11,558,883	64,069,071	65,009,498	6,460,631	2,701,116	1,447,967	5,690,614	4,813,251	161,751,031
Additions	766,509	1,049,157	1,991,132	757,992	258,565	178,221	2,020,375	8,179,696	15,201,647
Revaluation	1,836,413	-	-	-	-	-	-	-	1,836,413
Disposal/write off	-	(51,318)	(90,942)	(91,564)	(9,334)	(56,566)	(331,196)	(201,236)	(832,156)
Transfers/ adjustments	(177,576)	1,076,379	3,825,028	(78,057)	18,920	6,944	-	(4,751,342)	(79,704)
Depreciation adjustments on revaluation	(317,793)	-	-	-	-	-	-	-	(317,793)
Effect of movements in exchange rates	-	(8,320,408)	(6,693,169)	(850,276)	(270,828)	(111,055)	-	(733,597)	(16,979,333)
As at 31st March 2024	13,666,436	57,822,881	64,041,547	6,198,726	2,698,439	1,465,511	7,379,793	7,306,772	160,580,105
<b>Accumulated Depreciation</b>									
As at 1st April 2023	325,871	22,242,815	29,992,495	3,035,284	2,138,436	1,167,359	2,452,041	-	61,354,301
Charge for the year	230,661	2,608,159	3,284,066	682,033	187,218	123,368	1,117,659	-	8,233,164
Disposal/write off	-	(10,756)	(33,235)	(64,076)	(4,318)	(54,845)	(324,064)	-	(491,294)
Transfers/adjustments on revaluation	(238,739)	47,868	283,302	(12,764)	21,686	(21,072)	-	-	80,281
Depreciation adjustments on revaluation	(317,793)	-	-	-	-	-	-	-	(317,793)
Effect of movements in exchange rates	-	(3,029,357)	(3,270,946)	(422,177)	(218,799)	(86,534)	-	-	(7,027,813)
As at 31st March 2024	-	21,858,729	30,255,682	3,218,300	2,124,223	1,128,276	3,245,636	-	61,830,846
<b>Carrying amounts as at 31st</b>									
March 2024	13,666,436	35,964,152	33,785,865	2,980,426	574,216	337,235	4,134,157	7,306,772	98,749,259

Property, plant and equipment includes right - of use assets of Rs 1,098 Mn (2023 - Rs 1,873 Mn) related to leased liabilities that do not meet the definition of investment property.

(Amounts expressed in Sri Lankan Rs. '000)

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total
<b>(b) For the year ended 31st March 2023</b>									
As at 1st April 2022	11,638,844	58,464,970	57,151,980	3,606,946	2,394,436	1,437,549	4,447,223	2,795,628	141,932,581
Additions	77,252	765,504	3,461,376	2,711,750	208,738	124,104	2,159,806	6,893,017	16,401,547
Disposal/write off	(1,359)	(40,520)	(286,361)	(115,606)	(7,592)	(6,777)	(916,415)	(174,499)	(1,549,129)
Transfers/Adjustments	(150,859)	1,607,584	2,699,949	310,643	(5,286)	(168,788)	-	(4,621,114)	(327,871)
Effect of movements in exchange rates	-	3,271,533	1,982,554	(53,102)	110,820	61,879	-	(79,781)	5,293,903
As at 31st March 2023	11,558,883	64,069,071	65,009,498	6,460,631	2,701,116	1,447,967	5,690,614	4,813,251	161,751,031
<b>Accumulated Depreciation</b>									
As at 1st April 2022	130,283	18,506,470	26,080,544	2,289,042	1,990,491	1,285,260	2,542,625	-	52,824,715
Charge for the year	162,920	2,888,777	3,120,861	420,251	182,140	106,804	791,435	-	7,673,188
Disposal/write off	-	(11,947)	(157,381)	(59,895)	(4,732)	(103,709)	(882,019)	-	(1,219,683)
Transfers/Adjustments	32,668	6,690	(14,791)	320,030	(128,318)	(183,611)	-	-	32,668
Effect of movements in exchange rates	-	852,825	963,262	65,856	98,855	62,615	-	-	2,043,413
As at 31st March 2023	325,871	22,242,815	29,992,495	3,035,284	2,138,436	1,167,359	2,452,041	-	61,354,301
<b>Carrying amounts as at 31st March 2023</b>									
	11,233,012	41,826,256	35,017,003	3,425,347	562,680	280,608	3,238,573	4,813,251	100,396,730

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 20. PROPERTY, PLANT & EQUIPMENT - GROUP (CONTD.)

(c) Details of Freehold Lands & Building stated at valuation are Indicated below: - Continuing Operations

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Number of Buildings/ Block	Carrying Value of Revalued Assets as at 31st March 2024 If carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2024)
Pegasus Hotels of Ceylon PLC, Wattala, Sri Lanka	Market Approach and Contractor's method	31.03.2024	Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company,- Incorporated valuers	12.28	1	546,880	2,623,501
Lion Brewery (Ceylon) PLC, Biyagama, Kaduwela, Tangalle, Kurunegala and Nuwara Eliya, Sri Lanka	Open Market Value method	31.03.2024	Mr. K. Arthur Perera & Co. Independent Professional Valuers	40.01	52	4,489,103	8,286,312
Millers Brewery Limited, Padukka, Sri Lanka	Open Market Value method	31.03.2024	Mr. K. Arthur Perera & Co. Independent Professional Valuers	22.85	12	599,522	2,030,330
Equity Two PLC No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka	Investment Approach	31.03.2024	Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company,- Incorporated valuers	0.18	1	134,408	726,292
				75.32	66	5,769,913	13,666,436

**Open market value method:** This method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities.

**Investment approach method:** This valuation method considers the present value of net cash flows to be generated from the property taking into account the expected rental income, occupancy rate and other costs not paid by the tenants. The expected net cash-flows are capitalized using expected rate of return.

**Contractor's method:** The contractor's method works on the basis that a property's value can be equated to its cost. Valuer assesses the cost of the building if it would have been constructed in the current year, and deduct margin for usage of the property-based on the respective year of construction.

#### (d) Fair value measurement

The fair value of the Land & Building were determined by external, independent property valuers, having appropriate recognised professional qualifications for the category of Property being valued. The properties measured at fair value are classified under level 3 in the fair value hierarchy based on the valuation techniques used.

(Amounts expressed in Sri Lankan Rs. '000)

#### (e) Valuation techniques and significant unobservable inputs

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

Description	Effective date of valuation	Valuation technique	Significant Unobservable Inputs	Interrelationship between key unobservable inputs and fair value measurements
				The estimated fair value would increase/(decrease) if -
Land of Lion Brewery (Ceylon) PLC	31.03.2024	Open Market Value method	(i) Per perch value at Biyagama, between Rs. 675,000/- to Rs. 1,000,000/- Per perch value of land at Kaduwela Rs. 850,000/-, Tangalle Rs. 57,500/- and Kurunagala Rs. 490,000/-, Nuwara Eliya Rs. 560,000/-.	Market value per perch was higher/(lower)
Buildings of Lion Brewery (Ceylon) PLC	31.03.2024	Open Market Value method	(i) Estimated price per square foot between Rs. 2,500/- to Rs. 16,250/-	Price per sq.ft. was higher/(lower)
Land of Millers Brewery Limited	31.03.2024	Open Market Value method	(i) Per perch value between Rs. 4,375/- to Rs. 425,000/-	Market value per perch was higher/(lower)
Buildings of Millers Brewery Limited	31.03.2024	Open Market Value method	(i) Estimated price per square foot between Rs. 2,750/- to Rs. 7,750/-	Price per sq.ft. was higher/(lower)
Lands of Pegasus Hotels of Ceylon PLC	31.03.2024	Market Approach	(i) Per perch value between Rs 750,000/- to Rs. 1,500,000/-	Market value per perch was higher/(lower)
Buildings of Pegasus Hotels of Ceylon PLC	31.03.2024	Contractor's method	(i) Estimated price per square foot between Rs. 6,000/- to 19,000/-  (ii) Depreciation rate for the usage of assets 50%.	Price per sq.ft. was higher/(lower)  Depreciation rate for usage (higher)/lower
Land & Building of Equity Two PLC No. 61, Janadhipathi Mawatha,	31.03.2024	Investment Approach	(i) Contractual rentals agreed with the tenants.  (ii) Occupancy rate 75%  (iii) Capitalization rate 6.25%  (iv) Repair and insurance 20%	Contractual rentals were higher / (lower)  Occupancy rate was higher/(lower)  Capitalization rate was (higher) / lower  Repair and insurance was (higher) / lower
			(v) Valuer has used market price per perch for excess land in existing location using a range of prices for similar lands based on adjusted fair value taking in to account of other valuation considerations Market price per perch range between Rs. 10,500,000/- to Rs. 15,250,000/-	Market value per perch was higher / (lower)

#### (f) Impairment/write-off of Property, plant & equipment

The property, plant and equipment of the Group carried at cost were tested for impairment based on internal valuations. The recoverable values of the Assets have been established based on their cash generating potential over their useful economic life on a 'Going Concern' basis. Accordingly, the recoverable value exceeds net carrying value of property, plant and equipment. No impairment was required for the financial year ended 31st March Group.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 20. PROPERTY, PLANT & EQUIPMENT - GROUP (CONTD.)

#### (g) Carrying value of Property, plant & equipment

As at 31st March	Group	
	2024	2023
At cost	83,984,728	87,239,336
At valuation (note 20 (c) )	13,666,436	11,284,291
Right of use assets (refer note 20 (k))	1,098,095	1,873,103
	98,749,259	100,396,730

#### (h) Capital work-in-progress consists of

As at 31st March	Group	
	2024	2023
Land Improvements	781,094	512,370
Buildings	1,816,061	1,024,023
Plant & Machinery	4,194,519	2,903,055
Others	515,098	373,803
	7,306,772	4,813,251

#### (i) Acquisition of property, plant and equipment

The cash outflow of acquisition for property, plant and equipment amounted to Rs. 14,930 Mn. (2023 - Rs. 15,277 Mn)

#### (j) Assets pledged as security

The carrying value of certain property, plant and equipment of the Group amounting to approximately Rs. 37.92Bn or equivalent to US\$ 126,221,000 (2023 - Rs. 71.90 Bn or equivalent to US\$ 219,787,000) are pledged as security for bank borrowings.

#### (k) Right of use assets

Set out below, are the carrying amounts of the Group's right of use assets and the movements for the period ended 31st March 2024.

	Land/Building Warehouse	Motor vehicles	Heavy equipment	Total 2024	Total 2023
As at 1st April 2023	406,535	533,565	933,003	1,873,103	1,721,642
Additions	300,666	18,088	-	318,754	932,144
Amortization expense	(170,983)	(74,575)	(91,711)	(337,269)	(453,819)
Disposal	(16,184)	-	-	(16,184)	(25,064)
Adjustment on lease modifications	(14,392)	-	-	(14,392)	(6,123)
Transfers	-	(161,526)	(405,561)	(567,087)	(394,929)
Effect of movements in exchange rates	(24,349)	(49,663)	(84,818)	(158,830)	99,252
As at 31st March 2024	481,293	265,889	350,913	1,098,095	1,873,103

Following are the amounts recognised in profit or loss for the year ended 31st March 2024

For the year ended 31st March	2024	2023
Amortization of right-of-use assets	337,269	453,819

During the financial year ended 31st March 2024, the Group recognised additions of right-of use assets with an aggregated cost of Rs. 319 Mn (2023 - Rs. 932 Mn).



(Amounts expressed in Sri Lankan Rs. '000)

<b>(l) Reconciliation of additions to property, plant and equipment (Cash flow purposes)</b>		
	2024	2023
Addition of property, plant and equipment	15,201,647	16,401,547
Addition of Investment property	46,650	26,747
Less: Addition of assets under finance lease	(318,754)	(1,151,629)
	14,929,543	15,276,665
<b>21. BEARER PLANTS</b>		
	Group	
As at 31st March	2024	2023
<b>Cost</b>		
At the beginning of the year	84,294,056	78,820,207
Increase due to plantation development costs	1,558,582	810,186
Disposal	(174,983)	(30,701)
Effect of movements in exchange rates	(10,847,133)	4,694,364
Balance as at end of the year	74,830,522	84,294,056
<b>Accumulated depreciation</b>		
At the beginning of the year	26,882,183	22,709,078
Charge for the year	2,632,834	2,932,241
Disposal	(137,663)	(102)
Effect of movements in exchange rates	(3,571,590)	1,240,966
Balance as at end of the year	25,805,764	26,882,183
<b>Accumulated Impairment</b>		
At the beginning of the year	8,272,293	7,800,183
Effect of movements in exchange rates	(1,054,362)	472,110
Balance as at end of the year	7,217,931	8,272,293
<b>Net balance as at end of the year</b>	<b>41,806,827</b>	<b>49,139,580</b>
<b>(a) Analysis of bearer plants</b>		
At the end of the financial year, the Group's total planted area and related value of mature and immature plantations are as follows:		
	Indonesian Plantations	
As at 31st March	2024	2023
<b>Area (Hectares)</b>		
<b>Planted Area:</b>		
- Mature	61,744	61,744
- Immature	44	44
	61,788	61,788

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 21. BEARER PLANTS (CONTD.)

As at 31st March Value	Indonesian Plantations	
	2024	2023
<b>Planted Area:</b>		
- Mature	39,195,703	47,481,414
- Immature	2,611,124	1,658,166
	<b>41,806,827</b>	<b>49,139,580</b>

(b) Depreciation amounting to Rs. 2,633 Mn (2023: Rs. 2,932 Mn) has been charged under cost of sales.

(c) The carrying value of bearer plants of the Group pledged/undertaken as security for the bank borrowings amounted to approximately Rs. 13 Bn or equivalent to US\$ 43,283,000 (2023 Rs. 50.47 Bn or equivalent to US\$ 154,290,000).

(d) The carrying values of bearer plants of the Indonesian Plantation Subsidiaries were tested for impairment based on internal valuations. The recoverable values of the Plantation Assets have been established based on their cash generating potential over their useful economic life on a 'Going Concern' basis. Accordingly, the recoverable value exceeds net carrying value of bearer plants. No impairment was required for the financial year ended 31st March 2024.

(e) Group is exposed to the following risks relating to its Oil palm plantations - Bearer Plants

#### (i) Regulatory and environmental risk

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environment and other laws.

#### (ii) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume due to market supply and demand. Management performs regular industry trend analysis for projected harvested volumes and pricing.

#### (iii) Climate and Other risks

The Group Palm Oil plantations are exposed to the risk of damage from climatic changes, disease and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular plants inspections and industry pest and disease surveys. The Group is also insured against natural disasters such as floods and hurricanes.

(Amounts expressed in Sri Lankan Rs. '000)

## 22. BIOLOGICAL ASSETS

As at 31st March	Group	
	2024	2023
Biological assets	3,748,501	4,085,613
<b>Movement of biological Assets</b>		
At the beginning of the year	4,085,613	7,364,627
Change in fair value	188,414	(3,696,464)
Effect of movements in exchange rates	(525,526)	417,450
At the end of the year	3,748,501	4,085,613

Biological assets comprise fresh fruit bunches (FFB), ready to be harvested on mature oil palm plantations (Bearer Plants). The fair value of these biological assets was determined based on estimated unharvested FFB quantities and publicly available index price set by the Government of Indonesia.

Significant assumptions made in determining the fair values of the biological assets and sensitivity analysis of price fluctuation is provided below:

As at 31st March	Group	
	2024	2023
FFB - Volume (MT)	87,299	90,850
Average FFB Price (US\$/MT)	108 -174	99-170

Fair valuation of FFB fall under level 3 category in the fair value hierarchy as provided in Note 47 to this financial statement.

The following table shows the impact on the fair value measurement of assets that are sensitive to changes in market price.

As at 31st March	Group	
	Change in market price	Increase / (decrease) in fair value US\$'000
<b>2024</b>	Increased by 10%	1,455
Index price	Decreased by 10%	(1,455)
<b>2023</b>	Increased by 10%	1,476
Index price	Decreased by 10%	(1,476)

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>23. INVESTMENT PROPERTIES</b>			Group					
As at 31st March	Freehold Land	Freehold Building	Other Equipment	2024	2023			
<b>(a) Investment Properties of the Group comprise of:</b>								
Equity One Ltd	2,780,806	484,242	20,885	<b>3,285,933</b>	3,042,388			
Equity Two PLC	849,128	318,102	7,446	<b>1,174,676</b>	1,091,497			
Equity Three (Private) Limited	657,040	138,375	35,876	<b>831,291</b>	725,784			
Ceylon Beverage Holdings PLC	780,100	35,100	-	<b>815,200</b>	810,200			
	<b>5,067,074</b>	<b>975,819</b>	<b>64,207</b>	<b>6,107,100</b>	<b>5,669,869</b>			
For the year ended 31st March	Freehold Land 2024	2023	Freehold Building 2024	2023	Other Equipment 2024	2023	Total 2024	2023
<b>(b) Movements of Investment Properties</b>								
At the beginning of the year	<b>4,729,499</b>	4,333,488	<b>867,053</b>	656,732	<b>73,317</b>	74,190	<b>5,669,869</b>	5,064,410
Additions during the year	<b>39,499</b>	-	-	7,353	<b>7,151</b>	19,394	<b>46,650</b>	26,747
Gain/(loss) on fair value adjustment (Note c)	<b>298,076</b>	396,011	<b>108,766</b>	202,968	<b>(16,261)</b>	(20,267)	<b>390,581</b>	578,712
Balance at end of the year	<b>5,067,074</b>	4,729,499	<b>975,819</b>	867,053	<b>64,207</b>	73,317	<b>6,107,100</b>	5,669,869
<b>(c) Change in fair value of investment properties</b>								
Equity One Ltd	<b>205,347</b>	140,853	<b>41,912</b>	121,532	<b>(5,571)</b>	(6,361)	<b>241,688</b>	256,024
Equity Two PLC	<b>62,419</b>	51,415	<b>22,939</b>	58,444	<b>(5,564)</b>	(9,855)	<b>79,794</b>	100,004
Equity Three (Private) Limited	<b>26,205</b>	49,278	<b>43,020</b>	14,357	<b>(5,126)</b>	(4,051)	<b>64,099</b>	59,584
Ceylon Beverage Holdings PLC	<b>4,105</b>	154,465	<b>895</b>	8,635	-	-	<b>5,000</b>	163,100
	<b>298,076</b>	396,011	<b>108,766</b>	202,968	<b>(16,261)</b>	(20,267)	<b>390,581</b>	578,712

(Amounts expressed in Sri Lankan Rs. '000)

**(d) Details of investment properties - Group**

Company	Location	Description	Method of valuation	Number of Buildings	Net rentable area (In Sq.ft.)	Extent (Perch)	Historical Cost	Fair Value 2024	Fair Value 2023
As at 31st March								2024	2023
Equity One Ltd	Dharmapala Mw, Colombo 07.	Office Space	Investment approach	1.00	44,647	94.00	132,916	2,056,161	1,895,000
Equity One Ltd	Vauxhall Lane, Colombo 02	Warehouse Space	Depreciated replacement cost	1.00	32,408	180.05	237,348	1,229,772	1,147,238
Equity Two PLC	No 55, Janadhipathi Mawatha, Colombo 1	Office Space	Investment approach	1.00	44,046	57.55	437,552	1,174,676	1,091,497
Equity Three (Private) Limited	George R. De Silva Mw, Colombo 13	Office Space	Depreciated replacement cost	1.00	31,237	85.23	150,112	831,291	725,934
Ceylon Beverage Holdings PLC	Nuwara Eliya		Open Market value approach	1.00	6,720	595.00	-	772,200	771,700
Ceylon Beverage Holdings PLC	Trincomalee		Open Market value approach		2,428	36.70	-	43,000	38,500
								<b>6,107,100</b>	<b>5,669,869</b>

The Investment Properties of the Group comprise a number of commercial properties that are leased to external tenants. The lease agreements are typically entered in to two to five year periods with the option for subsequent renewals.

Change in fair value of investment properties (gain/loss), which is unrealized, is recognised in the Profit or Loss.

The Group recognized the land and building located at 61, Janadhipathi Mawatha owned by the subsidiary Equity Two PLC which is and classified as investment property by the said subsidiary as Property Plant and Equipment since the subsidiary Carsons Management Services (Private) Limited occupies a substantial portion at the said property as a tenant.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 23. INVESTMENT PROPERTIES (CONTD.)

#### (e) Fair value hierarchy

The fair value of the investment properties was determined by external, independent property valuer, Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company, having appropriate recognised professional qualifications and recent experience in the location and category of the properties valued. Fair values were determined with reference to the entities' ability to generate economic benefit by using the asset and recent market transactions for similar properties in the same location as the respective companies' investment properties.

#### (f) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Description	Location	Valuation technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Land & Building	Colombo	Investment approach  The valuation method considers the present value of net cash flows to be generated from the property taking into account the expected rental income, occupancy rate and other costs not paid by the tenants. The expected net cash-flows are capitalized using expected rate of return.	Contractual rentals agreed with the tenants. Occupancy Rate 70% - 90% Capitalization rate 5 % - 6.5% Repair and insurance 20% Valuer has used market price per perch for excess land in existing location using a range of prices for similar lands based on adjusted fair value taking in to account of other valuation considerations. Market price per perch range between Rs. 10,500,000/- to Rs. 15,250,000/-	The estimated fair value would increase / (decrease) if – Contractual rentals was higher/(lower) Occupancy rate was higher / (lower) Capitalization rate was (higher)/lower Repair and insurance was (higher)/lower Market value per perch was higher/(lower)

(Amounts expressed in Sri Lankan Rs. '000)

Description	Location	Valuation technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Land & Building	Colombo	Market/Depreciated replacement cost approach	Construction cost per square foot Rs.7,250 - Rs.10,000.	Cost per square feet was higher/(lower)
		In this approach, the market value of a property is estimated as a function of the current cost to purchase or replace the property. Accordingly, adjustments are made to account for all forms of depreciation (physical, functional, and economic; as applicable) to determine the market value of the property.	Valuer has used market price per perch for excess land in existing location using a range of prices for similar lands based on adjusted fair value taking in to account of other valuation considerations  Market price per perch range between Rs.6,000,000/- to Rs. 8,000,000/-	Market value per perch was higher/(lower)
			Depreciation rate for the usage of assets 55 % - 72.5%	Depreciation rate for usage (higher)/lower
Land & Building	Nuwara Eliya Trincomalee	Open market value approach	Valuer has used market price per perch for excess land in existing location using a range of prices for similar lands based on adjusted fair value taking in to account of other valuation considerations.  Market price per perch Nuwara Eliya Land Rs.1,250,000/- and Trincomalee Land Rs 1,000,000/-	Market value per perch was higher/(lower)

#### Sensitivity Analysis

Significant judgement is required when evaluating the inputs into fair value determination of investment properties. Reasonably possible changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have affected the fair value of the properties by the amounts shown below.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 23. INVESTMENT PROPERTIES (CONTD.)

As at 31st March	Group	
	Increase	Decrease
<b>Discount rate</b>		
2024: 1% movement	(472,391)	684,289
2023: 1% movement	(424,985)	616,031
<b>Occupancy rate</b>		
2024: 10% movement	376,615	(376,609)
2023: 10% movement	350,347	(350,353)
<b>Repairs and Insurance</b>		
2024: 10% movement	(571,680)	571,680
2023: 10% movement	(513,533)	513,533
<b>Construction cost per sq.ft.</b>		
2024: Rs. 1,000 movement	23,026	(23,026)
2023: Rs. 1,000 movement	19,751	(19,751)

#### Operating leases

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

#### Rental Income

Rental income recognized and related cost incurred by the Group are as follows:

For the year ended 31st March	2024	2023
Rental income derived from investment properties	381,467	326,861
Direct operating expenses generating rental income	(159,872)	(141,519)



(Amounts expressed in Sri Lankan Rs. '000)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

As at 31st March	Group	
	2024	2023
Less than one year	321,649	258,081
One to two years	230,981	168,137
Two to three years	205,671	121,323
Three to four years	196,373	110,949
Four to five years	126,995	99,374
More than five years	78,909	158,692
	1,160,578	916,556

**(g) Capitalization of borrowing costs into investment properties**

No borrowing cost was capitalized for the year ended 31st March 2024 (2023 - Rs. Nil).

**(h) Contractual obligations to construct and develop investment properties**

There were no contractual obligations entered to construct and develop investment properties as at the 31st March 2024.

**(i)** All the direct operating expenses of the Group are incurred on investment properties that are generating rental income.

**(j)** There were no restrictions on title of investment properties as at the reporting date.

**(k)** No items of the investment properties of the Group were pledged as security for liabilities as at the reporting date.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 24. INTANGIBLE ASSETS - GROUP

For the year ended 31st March	Goodwill		Computer Software	
	2024	2023	2024	2023
<b>Cost/Valuation</b>				
At the beginning of the year	1,426,450	1,426,450	2,919,599	2,739,704
Additions	-	-	70,209	91,359
Disposal/Dilution	-	-	(109,573)	(18,192)
Impairment (Note 24 (d))	-	-	-	-
Effect of movements in exchange rates	-	-	(283,907)	106,728
<b>Balance as at end of the year</b>	<b>1,426,450</b>	<b>1,426,450</b>	<b>2,596,328</b>	<b>2,919,599</b>
<b>Accumulated Amortization</b>				
At the beginning of the year	-	-	1,314,465	1,203,712
Amortization	-	-	44,445	83,876
Disposal	-	-	(84,063)	(1,235)
Effect of movements in exchange rates	-	-	(81,932)	28,112
<b>Balance as at end of the year</b>	<b>-</b>	<b>-</b>	<b>1,192,915</b>	<b>1,314,465</b>
<b>Carrying amounts as at the end of the year</b>	<b>1,426,450</b>	<b>1,426,450</b>	<b>1,403,413</b>	<b>1,605,134</b>

#### (a) Goodwill

Goodwill is tested for impairment annually. Goodwill from business combinations has been allocated to an individual cash-generating unit (CGU) for impairment testing. Impairment occurs when circumstances indicate that the carrying amount of the cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value, less the cost to sell or value in use (VIU). The carrying amounts of goodwill allocated to each CGU under respective sectors are as follows.

As at 31st March	2024	2023
Oils & Fats sector	1,150,348	1,150,348
Beverage sector	113,600	113,600
Portfolio and asset management sector	84,791	84,791
Oil palm plantation sector	64,912	64,912
Real estate sector	12,799	12,799
	<b>1,426,450</b>	<b>1,426,450</b>

#### Oil palm plantation and oils and fats sector

The recoverable amounts of the CGUs for the oil palm plantation and oil and fats segments have been determined based on Value-In-Use ("VIU") calculations using cash flow projections from financial budgets approved by management. Management has used cash flow projections covering a seven to ten years period for oil palm plantation based on the age of the plantations and a seven years period for oil and fats.

The pre-tax discount rates applied to the cash flow projections and forecasted terminal growth rates used to extrapolate cash flow projections beyond the forecasted period are as follows:

	Land rights		Brand/Trade mark/Patents		Total	
	2024	2023	2024	2023	2024	2023
	11,967,938	11,235,783	467,978	824,827	16,781,965	16,226,764
	1,123	57,854	41,222	204	112,554	149,417
	(10,073)	(857)	(8,740)	(5,600)	(128,386)	(24,649)
	-	-	291,063	(353,229)	291,063	(353,229)
	(1,524,640)	675,158	4,762	1,776	(1,803,785)	783,662
	10,434,348	11,967,938	796,285	467,978	15,253,411	16,781,965
	4,122,409	3,514,734	40,790	32,884	5,477,664	4,751,330
	376,971	432,030	873	7,075	422,289	522,981
	-	-	-	-	(84,063)	(1,235)
	(557,754)	175,645	5,482	831	(634,204)	204,588
	3,941,626	4,122,409	47,145	40,790	5,181,686	5,477,664
	6,492,722	7,845,529	749,140	427,188	10,071,725	11,304,301

As at 31st March	Oil palm Plantation sector		Oils and fats	
	2024	2023	2024	2023
Pre-tax discount rates (USD)	12.02%	13.16%	8.71%	11.16%
Terminal Growth Rate	0%	0%	2%	3%

#### Key assumptions used in the Value-In-Use calculations

##### The value in use calculations for the CGUs are most sensitive to the following assumptions:

**Pre-tax discount rates** - Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowing the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

**Terminal growth rate** - The forecasted terminal growth rate used does not exceed the longterm average growth rate of the industry and country in which the entities operate.

**Projected CPO selling price** - The projected selling price of CPO is based on the consensus of reputable independent forecasting service firms for the short-term period and the World Bank forecast for the remaining projection period.

#### Sensitivity to changes in assumptions

With regards to the assessment of Value-In-Use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 24. INTANGIBLE ASSETS - GROUP (CONTD.)

#### Beverage Sector

Goodwill relating to the beverage sector comprises Lion Brewery Ceylon PLC Market price 2024 Rs. 953 (2023 - Rs. 714) and Ceylon Beverages Holdings PLC Market price 2024 Rs.1,532 - (2023- Rs. 1,134). The recoverable amount is measured with respect to the market capitalisation of the two listed Companies at their last traded price. Accordingly, no goodwill impairment has been recognised for the current financial year.

#### Portfolio and Assets Management Sector

Goodwill relating to the Portfolio and Assets Management Sector comprises Ceylon Guardian Investment Trust PLC. The recoverable amount is measured with respect to the Share repurchase value of 2024 Rs. 237 (2023 - Rs. 212) of the listed Company. Accordingly, no goodwill impairment has been recognised for the current financial year.

#### (b) Software development costs and licences

Software with a finite life is amortized over the period of expected economic benefit.

Software development costs and licences represent the costs incurred in the development of the group Enterprise Resource Planning ("ERP") systems and its related licences that are used to generate financial and management information and have an average remaining amortisation period of 3 years (2023: 2 years).

All research costs and development costs not eligible for capitalization amounting to Rs. 183.12. Mn (2023: Rs. 188.33 Mn) have been expensed and are recognized in the Statement of Profit or Loss.

#### (c) Land Rights

##### (i) Details of leasehold property - Indonesia

Land rights are right-of-use assets representing amounts paid on obtaining land rights certificate under Hak Guna Usaha ("HGU") or right to cultivate and expenses incurred for obtaining operating licences. The land rights have an average remaining amortisation period of 19 years (2023: 20 years). Amortisation of land rights has been recognised under the line "Administrative expenses" in the statement of Profit or loss.

Management believes that the existing land rights of the Group will be renewed by the Government of Indonesia upon expiry because under the laws of Indonesia, land rights can be renewed upon the request of the HGU holder (subject to the approval of the Government of Indonesia).

##### (ii) Provision for impairment on land rights

The carrying value of assets of the Indonesian Plantation Companies were tested for impairment based on an internal valuation. The recoverable value of the plantation assets have been established based on their cash generating potential over their useful economic life on 'going concern' basis. As per the internal valuation, the recoverable value of the assets were higher than its carrying value, No impairment was required for the financial year ended 31 March 2024 and 31 March 2023.

(Amounts expressed in Sri Lankan Rs. '000)

### (iii) Analysis of prepaid land rights

As at 31st March	Group	
	2024	2023
Prepaid lease rights that are to be amortised;		
Not later than one year	348,210	398,457
Later than one year but not later than 5 years	1,490,783	1,704,072
Later than five years	4,653,729	5,743,000
	6,492,722	7,845,529

### (d) Brands - of Millers Brewery Limited

Lion Brewery (Ceylon) PLC (LBPLC) acquired brands amounting to Rs. 4 Bn during FY 2014/15 from Millers Brewery Limited. The said acquisition consisted of five brands namely, Sando Power, Sando Stout, Three Coins, Grand Blonde and Irish Dark. Brands are not amortised as the useful life is considered to be infinite given the nature of the assets. However, the assessment of indefinite life is reviewed annually.

### Impairment assumptions of Brands

An impairment test was carried out for the brands acquired from Millers Brewery Ltd as at 31st March 2024 as per the accounting standard LKAS 36. The LBPLC computed its recoverable amount of the acquired brands by forecasting the annual sales values and discounting such estimated cash flows by its cost of equity adjusted with a risk premium. Cost of equity was determined based on the risk-free rate of a 5-year treasury bond at 12.40% for the relevant cash flows, whereas the equity risk premium added was based on non-observable inputs as estimated for the valuation. Therefore, the difference in the discount rate compared with previous financial year is the change in the risk-free rate due to market changes.

The contribution growth was determined based on the historical records (rate not disclosed due to commercial sensitivity) along with a zero volume growth rate. Accordingly, the carrying value of the said brands as at 31st March 2024 stands at Rs. 612 Mn resulting in an impairment reversal of Rs. 291 Mn which has been credited to the statement of Profit or Loss.

### (e) Patent and trademarks

Patent and trademarks comprise expenditure incurred in respect of registration and patenting of the products of Oils and fats segment. Trademarks have indefinite useful lives as there is no foreseeable limit to the period over which they are expected to generate net cash flows. The average remaining amortisation period of patents as at 31st March 2024 is 16 years (2023: 17 years). Amortisation of patents has been recognised under the line "Administrative expenses" in the Statement of Profit or Loss.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>25. INVESTMENT IN SUBSIDIARIES</b>								
	Principal activities	Country of incorporation	Effective equity Interest held by the Group %		Investment through Group		Direct Investment by the Company	
			2024	2023	Cost 2024	Cost 2023	Cost 2024	Cost 2023
As at 31st March			2024	2023	2024	2023	2024	2023
<b>(i) Quoted Investments</b>								
<b>Investments in Ordinary Shares</b>								
<b>Cost</b>								
Carson Cumberbatch PLC	Investment holding	Sri Lanka	45.68%	45.68%	221,272	221,272	579,363	579,363
Equity Two PLC	Real Estate	Sri Lanka	40.18%	40.16%	389,851	389,166	-	-
Pegasus Hotels of Ceylon PLC	Leisure	Sri Lanka	41.10%	41.10%	621,382	477,048	-	-
Selinsing PLC **	Investment holding	Sri Lanka	-	57.33%	-	724,640	-	-
Good Hope PLC **	Investment holding	Sri Lanka	-	54.48%	-	497,584	-	-
Indo - Malay PLC **	Investment holding	Sri Lanka	-	52.22%	-	1,382,499	-	-
Shalimar (Malay) PLC **	Investment holding	Sri Lanka	-	58.85%	-	616,029	-	-
Ceylon Guardian Investment Trust PLC	Portfolio and Asset Management	Sri Lanka	31.82%	31.82%	721,482	726,170	-	-
Ceylon Investment PLC	Portfolio and Asset Management	Sri Lanka	20.98%	20.98%	555,803	569,450	-	-
Ceylon Beverage Holdings PLC	Beverage	Sri Lanka	34.54%	34.54%	761,151	761,151	-	-
Lion Brewery (Ceylon) PLC	Beverage	Sri Lanka	23.48%	23.03%	3,155,159	2,450,955	-	-
<b>Total investment in Subsidiaries - quoted</b>					<b>6,426,100</b>	<b>8,815,964</b>	<b>579,363</b>	<b>579,363</b>
<b>Market Value of Quoted Investments*</b>								
As at 31st March	Group		Company					
	2024	2023	2024	2023				
Carson Cumberbatch PLC	23,233,966	24,377,723	23,233,966	24,377,723				
Equity Two PLC	1,132,301	1,046,252	-	-				
Pegasus Hotels of Ceylon PLC	873,600	1,042,243	-	-				
Selinsing PLC **	-	3,782,687	-	-				
Good Hope PLC **	-	3,713,541	-	-				
Indo - Malay PLC **	-	5,561,838	-	-				
Shalimar (Malay) PLC **	-	5,918,077	-	-				
Ceylon Guardian Investment Trust PLC	4,937,438	3,789,242	-	-				
Ceylon Investment PLC	3,099,019	2,216,597	-	-				
Ceylon Beverage Holdings PLC	24,326,804	17,998,105	-	-				
Lion Brewery (Ceylon) PLC	46,194,800	34,083,094	1,239,225	929,175				
	<b>103,797,928</b>	<b>103,529,399</b>	<b>24,473,191</b>	<b>25,306,898</b>				
* Market value is determined directly by reference to closing price as at the reporting date, published by the Colombo Stock Exchange.								

(Amounts expressed in Sri Lankan Rs. '000)

	Principal activities	Country of incorporation	Effective equity Interest held by the Group %		Investment through Group		Direct Investment by the Company	
			2024	2023	Cost 2024	Cost 2023	Cost 2024	Cost 2023
As at 31st March								
<b>(ii) Unquoted Investment</b>								
Equity One Ltd	Real Estate	Sri Lanka	45.22%	45.22%	1,105,328	1,105,108	-	-
Leechman and Company (Private) Limited	Portfolio and Asset Management	Sri Lanka	45.68%	45.68%	849	849	-	-
Rubber Investment Trust Limited	Portfolio and Asset Management	Sri Lanka	26.40%	26.40%	612	612	-	-
Guardian Fund Management Limited	Portfolio and Asset Management	Sri Lanka	31.82%	31.82%	55,682	55,682	-	-
Guardian Value Fund Management LLC	Portfolio and Asset Management	Mauritius	26.40%	26.40%	805,153	805,153	-	-
Guardian Fund Management LLC	Portfolio and Asset Management	Mauritius	26.40%	26.40%	155,767	16,521	-	-
Baillie Street Holdings (Pte) Ltd	Investment holding	Singapore	45.68%	-	65,600	-	-	-
Goodhope Asia Holdings Ltd	Investment holding	Singapore	59.92%	59.92%	12,034,421	12,034,421	6,447,407	6,447,407
Shalimar Developments Sdn. Bhd.	Investment holding	Malaysia	58.25%	57.68%	2,665,105	2,665,105	-	-
Goodhope Investments Ltd	Business outsourcing	Sri Lanka	59.92%	59.92%	15,000	15,000	-	-
Selinsing Ltd **	Investment holding	Sri Lanka	57.87%	-	856,203	-	-	-
Good Hope Ltd **	Investment holding	Sri Lanka	57.11%	-	1,083,427	-	-	-
Indo - Malay Ltd **	Investment holding	Sri Lanka	52.83%	-	1,521,799	-	-	-
Shalimar (Malay) Ltd **	Investment holding	Sri Lanka	59.38%	-	699,181	-	-	-
PT Agro Indomas	Oil palm plantation	Indonesia	55.10%	54.61%	2,300,042	2,300,042	-	-
PT Karya Makmur Sejahtera ***	Oil palm plantation	Indonesia	54.08%	56.92%	2,614,607	2,614,607	-	-
PT Rim Capital ***	Oil palm plantation	Indonesia	54.08%	56.92%	1,293,076	1,293,076	-	-
PT Agro Bukit	Oil palm plantation	Indonesia	56.92%	56.92%	4,785,841	4,785,841	-	-
PT Agro Wana Lestari	Oil palm plantation	Indonesia	56.92%	56.92%	4,077,542	4,077,542	-	-
PT Nabire baru	Oil palm plantation	Indonesia	56.92%	56.92%	8,190,664	8,190,664	-	-
PT Agrajaya Baktitama	Oil palm plantation	Indonesia	56.92%	56.92%	4,065,951	4,065,951	-	-
PT Batu Mas Sejahtera	Oil palm plantation	Indonesia	56.92%	56.92%	2,508,442	2,508,442	-	-
PT Sawit Makmur Sejahtera	Oil palm plantation	Indonesia	56.92%	56.92%	2,277,516	2,277,516	-	-
PT Sumber Hasil Prima	Oil palm plantation	Indonesia	56.92%	56.92%	6,708,448	6,708,448	-	-
PT Sinar Sawit Andalan	Oil palm plantation	Indonesia	56.92%	56.92%	2,019,203	2,019,203	-	-
PT Siritwana Adi Pereksa	Oil palm plantation	Indonesia	56.92%	56.92%	1,096,637	1,096,637	-	-
PT Agro Bina Lestari	Oil palm plantation	Indonesia	56.92%	56.92%	257,929	257,929	-	-
					63,260,025	58,894,349	6,447,407	6,447,407

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>25. INVESTMENT IN SUBSIDIARIES (CONTD.)</b>								
	Principal activities	Country of incorporation	Effective equity Interest held by the Group		Investment through Group		Direct Investment by the Company	
			2024	2023	Cost 2024	Cost 2023	Cost 2024	Cost 2023
As at 31st March								
PT Agro Surya Madiri	Oil palm plantation	Indonesia	56.92%	56.92%	257,929	257,929	-	-
PT Agro Asia Pacific	Trading of palm oil products	Indonesia	59.92%	59.92%	15,313	15,313	-	-
Agro Asia Pacific Limited	Trading of palm oil products	Singapore	59.92%	59.92%	20,489	20,489	-	-
PT Agro Harapan Lestari	Plantation management services	Indonesia	59.83%	59.81%	119,898	119,898	-	-
Agro Harapan Lestari (Private) Limited	Management services	Sri Lanka	59.92%	59.92%	26,865	26,865	-	-
AHL Business Solutions (Private) Limited	Business outsourcing	Sri Lanka	59.92%	59.92%	207,500	207,500	-	-
Premium Nutrients Pvt Ltd	Investment holding	Singapore	59.92%	59.92%	7,917,699	7,917,699	-	-
Premium Oils & Fats Sdn. Bhd.	Operating headquarters	Malaysia	59.92%	59.92%	36,504	36,504	-	-
Premium Vegetable Oils Sdn. Bhd.	Oils and Fats	Malaysia	47.93%	47.93%	5,146,677	5,146,677	-	-
Carsons Management Services (Private) Limited	Management Services	Sri Lanka	45.68%	45.68%	323,341	323,341	-	-
Equity Hotels Limited	Leisure	Sri Lanka	41.10%	41.10%	203,716	83,292	-	-
Equity Three (Private) Limited	Real Estate	Sri Lanka	45.22%	45.22%	54,000	54,000	-	-
Millers Brewery Ltd	Beverage	Sri Lanka	23.48%	23.03%	1,150,000	1,150,000	-	-
Lion Beer (Ceylon) Pte. Ltd.	Beverage	Singapore	23.48%	-	105,600	-	-	-
Pubs 'N Places (Private) Ltd	Beverage	Sri Lanka	34.54%	34.54%	646,831	511,881	-	-
Retail Spaces ( Private) Limited	Beverage	Sri Lanka	34.54%	34.54%	-	-	-	-
Luxury Brands ( Private) Limited	Beverage	Sri Lanka	34.54%	34.54%	650,000	250,000	-	-
					<b>80,142,387</b>	<b>75,015,737</b>	<b>6,447,407</b>	<b>6,447,407</b>



(Amounts expressed in Sri Lankan Rs. '000)

### (iii) Investments in Deferred Shares

	Investment through Group		Direct Investment by the Company	
	Cost 2024	Cost 2023	Cost 2024	Cost 2023
As at 31st March				
Ceylon Guardian Investment Trust PLC	125,458	126,158	-	-
Total Investment in Subsidiaries - Deferred Shares	125,458	126,158	-	-
<b>Total Investment in Subsidiaries</b>	<b>86,693,945</b>	<b>83,957,859</b>	<b>7,026,770</b>	<b>7,026,770</b>

\*\* Pursuant to the approvals of shareholders and Securities Exchange Commission of Sri Lanka, Goodhope Asia Holdings Ltd, the major shareholder made exit offers to purchase the shares of shareholders who wished to sell their shares of Shalmar (Malay) PLC, Selinsing PLC, Indo-Malay PLC and Goodhope PLC and delisted these companies from the Official List of Colombo Stock Exchange with effect from 18th January 2024. These investments are now reclassified under unquoted companies.

\*\*\* During the year, the Goodhope Asia Holdings Ltd (GAHL) disposed 95% equity interest in PT Karya Makmur Sejahtera (PT KMS) and PT Rim Capital (PT RIM) to PT Agro Bukit, a 95%-owned subsidiary of the GAHL for a consideration of approximately Rs. 3,908 Mn (US\$51,383,000). This resulted in a dilution of interest in PT KMS and PT RIM from 56.92% to 54.08% shareholding.

### (a) Acquisition of additional interest in subsidiaries - 2023/24

Immediate holding company	Name of subsidiary	Acquired interest	Consideration
Carson Cumberbatch PLC	Lion Brewery Ceylon PLC	0.97%	704,203
	Pegasus Hotels of Ceylon PLC *	0.00%	144,334
	Equity One Limited	0.00%	220
	Baillie Street Holdings Pte. Ltd (Incorporated)	100%	65,600
Lion Brewery Ceylon PLC	Lion Beer (Ceylon) Pte. Ltd (Incorporated)	100%	105,600
Equity One Limited	Equity Two PLC	0.05%	683
Goodhope Asia Holdings Ltd	Selinsing PLC	0.89%	131,563
	Good Hope PLC	4.39%	585,843
	Indo - Malay PLC	1.03%	139,300
	Shalimar (Malay) PLC	0.63%	83,152

\*During the year Pegasus Hotels of Ceylon PLC carried out a rights issue of ordinary shares.

The Group's investments in subsidiaries to acquire additional interest in them amount to Rs. 1,645 Mn excluding investments in wholly-owned subsidiaries and contributions for the rights issues.

### Acquisition of additional interest in subsidiaries - 2022/23

Immediate holding company	Name of subsidiary	Acquired interest	Consideration
Carson Cumberbatch PLC	Pegasus Hotels of Ceylon PLC*	0.0%	68,368
	Ceylon Guardian Investment Trust PLC	0.35%	20,215

\*During the financial year 2022/23 Pegasus Hotels of Ceylon PLC carried out a rights issue of ordinary shares.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### (b) Disposal of interest in subsidiary with loss of control - 2022/23

During the year the Group disposed total interest in the following subsidiary with loss of control.

Immediate holding company	Name of subsidiary	Disposal of interest	Consideration
Premium Nutrients Pvt Ltd	Arani Agro Oil Industries Pvt Ltd	100.00%	3,236,037

### (c) Amalgamation of Subsidiaries 2022/23

Pearl Springs (Pvt) Limited (PSPL) was a subsidiary of Lion Brewery Ceylon PLC (LBCPLC) and the Group. The Board of Directors of LBPLC resolved to amalgamate PSPL effective from 31st January 2023 in accordance with Section 244(i)(a) of the Companies Act No 07 of 2007. The certificate of amalgamation was received on 31st January 2023, and the assets and liabilities of PSPL and LBPLC were amalgamated at their book values. Also, the investment in PSPL amounted to Rs.1.150 Mn in LBCPLC books, and the shareholders' equity of PSPL were set off.

The Amalgamation of Pearl Springs (Pvt) Ltd with Lion Brewery Ceylon PLC was recognised as common control combination in accordance with the statement of Recommended Practice (SoRP) for Merger Accounting for Common control Business combinations Issued by CA Sri Lanka. Accordingly there is no impact in the Consolidated Financial Statements since Pearl Springs (Pvt) Ltd was consolidated with Carson Cumberbatch PLC as at 31st March 2023 with the non controlling interest.

### (d) Incorporation of Subsidiaries

#### Incorporation of - Baillie Street Holdings Pte. Ltd - 2023/24

Carson Cumberbatch PLC (CCPLC) incorporated a subsidiary "Baillie Street Holdings Pte. Ltd", in Singapore on the 17th of August 2023. CCPLC holds 100% shareholding through the 266,000 ordinary shares for a share price of SG \$ 1 as at 31st March 2024.

#### Incorporation of Lion Beer (Ceylon) Pte. Ltd - 2022/23

LBCPLC incorporated "Lion Beer (Ceylon) Pte. Ltd", in Singapore on 13th of March 2023 as a wholly owned subsidiary. LBCPLC continues to hold 100% of the subsidiary's shares with a Rs. 105.6 Mn investment made during FY2023/24.

## 26. NON CONTROLLING INTEREST

Group had established control over all of its subsidiaries without having to make significant assumptions throughout the year.

### (a) Summary of non controlling interest

	Group	
	2024	2023
Balance as at 31st March	73,687,507	61,718,773
Surcharge tax for the year of assessment 2020/21	-	(1,037,949)
Adjusted balance as at 1st April	73,687,507	60,680,824
Total comprehensive income for the year	7,281,984	16,111,705
Total contributions by and distributions to owners	(2,706,380)	(2,379,069)
Total changes in ownership interests in subsidiaries	(1,286,754)	(725,953)
Balance as at 31st March	76,976,357	73,687,507

(Amounts expressed in Sri Lankan Rs. '000)

**(b) The following table summarises the Group's material Non controlling interest and summarised financial information.**

Carson Cumberbatch PLC (CCPLC) is a subsidiary of Bukit Darah PLC.

For the year ended 31st March	Carson Cumberbatch PLC Group	
	2024	2023
<b>Summarised statement of Profit or loss</b>		
Revenue	277,076,515	330,458,690
Profit before Income tax expenses	37,378,454	42,433,522
Tax expenses	(15,073,642)	(15,075,647)
Net profit for the year	22,304,812	29,002,219
Other comprehensive income	(14,222,171)	1,825,405
Total comprehensive income	8,082,641	30,827,624
Net profit attributable to NCI	11,535,275	15,272,573
Other comprehensive income attributable to NCI	(7,818,884)	971,087
Total comprehensive income attributable to NCI	3,716,391	16,243,660
<b>Summarised statement of Financial Position</b>		
Non-current assets	191,653,608	205,048,404
Current assets	96,157,716	94,469,626
Non-current liabilities	79,817,151	86,557,730
Current liabilities	64,375,442	72,723,408
Net assets	143,618,731	140,236,892
Net assets attributable to NCI	76,976,357	73,687,507
<b>Summarised Cashflow Information</b>		
Cash flows from operating activities	33,553,915	52,519,931
Cash flows from investing activities	(19,036,905)	(17,288,585)
Cash flows from financing activities	(7,504,224)	(24,953,180)
Dividends paid to NCI during the year	2,513,287	2,062,897
Effective ownership interests held by NCI of Carson Cumberbatch PLC	54.32%	54.32%

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 27. INVESTMENTS IN EQUITY ACCOUNTED INVESTEE

(a) The summarized financial information of the equity accounted investee, adjusted for the proportion of ownership interest held by the Group is as follows:

As at 31st March 2024, the Group has a 49% (31st March 2023: 49%) interest in Premium Fats Sdn. Bhd. (PFSB), which is involved in the manufacture and sale of oils and fats. The Group's interest in PFSB is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in PFSB:

#### (i) Summarised Statement of Financial Position

As at 31st March	Group	
	2024	2023
Non - Current assets	707,837	786,117
Current assets	1,090,297	1,218,597
Total assets	1,798,134	2,004,714
Non - Current Liabilities	20,430	14,827
Current liabilities	240,552	195,957
Total liabilities	260,982	210,784
Shareholders' equity (100%)	1,537,152	1,793,930
Proportion of the Group's ownership interest.	49.00%	49.00%
Carrying amounts of investment	753,203	879,026

#### (ii) Summarised Income Statement

Revenue	1,354,339	1,981,449
Other income	54,682	26,138
Cost of sales	(1,149,281)	(1,686,416)
Administrative expenses	(159,278)	(160,048)
Selling and distribution costs	(118,118)	(197,644)
Loss before tax	(17,656)	(36,521)
Income tax credit/(expenses)	(8,266)	8,384
Loss after tax	(25,922)	(28,137)
Group's share of loss for the year	(12,702)	(13,787)
Group's share of other comprehensive income for the year	(113,121)	58,224

(Amounts expressed in Sri Lankan Rs. '000)

### (b) Movement in investment in Equity Accounted Investee - Group

	Carrying Value 2024	Carrying Value 2023
For the year ended 31st March		
Investment at cost (Unquoted shares)	91,648	91,648
<b>Investor's share of net assets</b>		
At the beginning of the year	787,378	742,941
Share of net results (net of tax)	[12,702]	[13,787]
Share of Other comprehensive income/(expenses) (net of tax)	[113,121]	58,224
<b>Group's share of net assets</b>	661,555	787,378
<b>Carrying amount at year end</b>	753,203	879,026

## 28. INVESTMENT IN EQUITY AND DEBT SECURITIES

### (a) Summary - Group

	Group	
As at 31st March	2024	2023
Investment in Equity Securities - Quoted Shares (28 (d) (i))	8,934,181	8,245,177
Investment in Equity Securities - Unquoted Shares (28 (d) (ii))	131,094	143,134
Investment in Debt Securities - Treasury bonds- Unquoted (28 (d) (iii))	582,987	420,002
Total Investments in equity and debt securities - Current assets	9,648,262	8,808,313
<b>Change in fair value of fair value through profit or loss financial assets</b>		
Investment in Equity and Debt Securities (28 (b))	1,843,459	895,908
Investment in unit trust (Note 29)	36,928	27,093
	1,880,387	923,001

Information about the Group's exposure to credit and market risks and fair value measurement are included in Note 48.

The fair value of the Group's listed investment portfolio as at 31st March 2024 was based on the last traded volume weighted average price as at 31st March 2024 published by the Colombo Stock Exchange (31st March 2023 - same basis).

The fair value of the Group's unlisted investment portfolio is based on the valuation carried out by investment managers, Guardian Fund Management Limited.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 28. INVESTMENT IN EQUITY AND DEBT SECURITIES (CONTD.)

#### (b) Movement of Investment in Equity and debt Securities - 2024

Current Assets	Fair Value as at 01st April 2023	Additions	Disposals / Write Off	Amortised interest	Change in Fair Value	Effect on currency translation	Fair Value as at 31st March 2024
Investment in Equity Securities - Quoted Shares - FVTPL	8,245,177	2,098,500	(3,227,308)	-	1,855,649	(37,837)	8,934,181
Investment in Equity Securities - Unquoted Shares - FVTPL	143,134	150	-	-	(12,190)	-	131,094
Investment in debt Securities - FVTPL	420,002	162,985	-	-	-	-	582,987
	8,808,313	2,261,635	(3,227,308)	-	1,843,459	(37,837)	9,648,262

#### Movement of Investment in Equity and debt Securities - 2023

Current Asset	Fair Value as at 01st April 2022	Additions	Disposals / Write Off	Amortised interest	Change in Fair Value	Effect on currency translation	Fair Value as at 31st March 2023
Investment in Equity Securities - Quoted Shares - FVTPL	7,860,934	2,825,591	(3,378,564)	-	875,002	62,214	8,245,177
Investment in Equity Securities - Unquoted Shares - FVTPL	123,072	-	-	-	20,062	-	143,134
Investment in debt Securities - FVTPL	297,188	1,065,028	(963,014)	(13,690)	844	33,646	420,002
	8,281,194	3,890,619	(4,341,578)	(13,690)	895,908	95,860	8,808,313

(c) The fair value adjustment represents the net unrealised gains/(losses) on fair value adjustment of investment portfolios including any adjustment on impairment losses.

(Amounts expressed in Sri Lankan Rs. '000)

<b>(d) Fair value through profit or loss (FVTPL)</b>				
	No of Shares	Fair value	No of Shares	Fair value
As at 31st March	2024	2024	2023	2023
<b>(i) Investment in equity securities - Quoted</b>				
<b>Banks</b>				
Hatton National Bank PLC	1,043,919	187,905	1,199,927	155,391
Nations Trust Bank PLC	560,783	60,284	12,594	806
Sampath Bank PLC	2,681,611	214,529	4,902,325	257,372
		462,718		413,569
<b>Chemicals &amp; Pharmaceuticals</b>				
Union Chemicals Lanka PLC	200	119	200	140
		119		140
<b>Capital goods</b>				
ACL Cables PLC	2,006,939	168,784	902,835	74,303
Hemas Holdings PLC	15,898,518	1,278,241	14,141,969	919,227
Hayleys PLC	622,091	51,074	410,000	29,520
John Keells Holdings PLC	1,278,241	484,700	4,417,451	618,444
Richard Pieris And Company PLC	-	-	1,461,008	30,243
Royal Ceramics Lanka PLC	1,718,480	53,444	184,468	5,090
Vallibel One PLC	404,544	20,428	-	-
		2,056,671		1,676,827
<b>Consumer Durables &amp; Apparel</b>				
Dankotuwa Porcelain PLC	-	-	198,820	4,076
Hayleys Fabric PLC	-	-	586,827	14,788
Teejay Lanka PLC	5,393,548	202,797	4,907,389	157,036
		202,797		175,900
<b>Consumer service</b>				
Aitken Spence Hotels Holdings PLC	4,604,086	304,790	5,817,524	348,470
Asian Hotels & Properties PLC	330,500	20,161	-	-
John Keells Hotels PLC	1,465,103	27,251	5,036,213	95,184
		352,202		443,654
<b>Diversified financials</b>				
Central Finance Company PLC	14,151,567	1,510,677	14,628,648	1,059,114
LB Finance PLC	1,900,000	119,130	-	-
People's Leasing and Finance Company PLC	36,861,515	405,477	39,232,901	309,940
		2,035,284		1,369,054

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>28. INVESTMENT IN EQUITY AND DEBT SECURITIES (CONTD.)</b>				
	No of Shares	Fair value	No of Shares	Fair value
As at 31st March	2024	2024	2023	2023
<b>Energy</b>				
Lanka IOC PLC	190,000	22,183	20,000	3,430
		22,183		3,430
<b>Food beverage &amp; Tobacco</b>				
Ceylon Cold Stores PLC	2,780,745	149,882	4,171,019	166,841
Ceylon Grain Elevators PLC	1,212,950	206,808	1,776,345	149,035
Ceylon Tobacco Company PLC	407,042	499,949	397,042	270,286
Distilleries Company of Sri Lanka PLC	22,280,023	599,333	32,299,478	633,070
Kelani Valley Plantations PLC	226,102	16,732	-	-
Melstacorp PLC	-	-	2,873,415	157,750
Sunshine Holdings PLC	7,664,006	456,008	4,221,584	189,971
Nestle Lanka PLC	-	-	149,400	159,709
Watawala Plantations PLC	233,000	20,667	-	-
		1,949,379		1,726,662
<b>Food &amp; Staples Retailing</b>				
Cargills (Ceylon) PLC	1,020,788	367,484	2,020,788	470,844
		367,484		470,844
<b>Insurance</b>				
Ceylinco Insurance PLC - Non Voting	325,266	276,476	325,266	342,668
HNB Assurance PLC	10,068,026	598,041	10,068,026	502,394
		874,517		845,062
<b>Materials</b>				
Alumex PLC	6,030,421	57,892	-	-
Chevron Lanka Lubricants PLC	-	-	619,104	56,710
Ex-Pack Corrugated Cartons PLC	-	-	1,352,918	19,753
Tokyo Cement Company (Lanka) PLC	-	-	2,829,095	141,454
		57,892		217,917
<b>Retailing</b>				
Diesel & Motor Engineering PLC	52,761	27,080	42,131	19,633
RIL Property PLC	5,722,359	36,051	5,722,359	31,473
United Motors Lanka PLC	389,427	22,587	389,427	23,327
		85,718		74,433
<b>Telecommunication</b>				
Dialog Axiata PLC	14,198,911	166,132	34,198,911	355,674
		166,132		355,674



(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	No of Shares 2024	Fair value 2024	No of Shares 2023	Fair value 2023
<b>Utilities</b>				
LVL Energy Fund Limited	-	-	1,257,100	8,423
	-	-		8,423
<b>Foreign equity investment</b>				
British American Tobacco PLC	1,750	16,053	16,400	188,786
CK Hutchison Holdings Ltd	44,700	65,435	45,700	93,530
Makemytrip Ltd	845	18,038	-	-
PayPal Holdings Inc	2,107	42,406	2,107	52,344
Reckitt Benckiser Group PLC	1,520	26,147	-	-
Thai Beverage PCL	1,211,500	133,006	825,500	128,928
		301,085		463,588
<b>Total Investment in FVTPL</b>		<b>8,934,181</b>		<b>8,245,177</b>
<b>FVTPL</b>				
As at 31st March	No of Shares 2024	Fair value 2024	No of Shares 2023	Fair value 2023
<b>(ii) Investments in equity securities - Unquoted</b>				
ACW Insurance (Private) Limited	449,999	-	449,999	-
Asia Pacific Golf Course Limited	10	-	10	-
Sea Food Exporters Consortium (Private) Limited	402,000	-	402,000	-
Ceybank Asset Management Ltd	360,001	100,749	360,001	94,070
Equity Investment Lanka (Private) Limited	22,500	2	22,500	2
Kandy Private Hospitals Limited	1,200	18	1,200	18
Lanka Communications Limited	1,428,496	29,872	1,428,496	48,741
Nestle Lanka Limited	100	150	-	-
Produce Transport Limited	1	-	1	-
Riverside Resorts (Pvt) Ltd	2,600,020	-	2,600,020	-
Serendib Agro Products Limited	2,500	-	2,500	-
Findmyfare (Pvt) Ltd	302,791	303	302,791	303
Swiss Institute For Service Industry Development (Private) Limited - Ordinary shares	847	-	847	-
- 10% Cumulative Preference Shares	1,273	-	1,273	-
<b>Total Investment in equity securities - Unquoted</b>		<b>131,094</b>		<b>143,134</b>
<b>Total investment equity securities</b>		<b>9,065,275</b>		<b>8,388,311</b>

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### 28. INVESTMENT IN EQUITY AND DEBT SECURITIES (CONTD.)

#### (iii) Investment in debt securities

	Maturity Date	Interest Rate	Face Value 2024	Fair Value 2024	Face Value 2023	Fair Value 2023
<b>Investments in bonds</b>						
BAT International Finance PLC	6/15/25	3.95%	USD 200,000	59,604	USD 200,000	64,806
Michael Kors USA INC	11/1/24	4.00%	USD 100,000	30,191	USD 100,000	32,364
Shriram Transport Finance Co Ltd	3/13/24	4.40%	USD 200,000	-	USD 200,000	63,341
State Bank of India/London	9/28/23	4.50%	USD 400,000	-	USD 400,000	130,449
United States Treasury Bill	5/07/23	4.14%	USD 250,000	-	USD 250,000	80,800
United States Treasury Bill	10/08/23	4.58%	USD 150,000	-	USD 150,000	48,242
Reckitt Benckiser Treasury Services PLC	4/26/24	2.75%	USD 300,000	90,158	-	-
Oracle Corp	7/8/24	3.40%	USD 150,000	45,133	-	-
Nestle Holdings INC	9/14/24	0.61%	USD 200,000	58,812	-	-
Hutchison Whampoa International	10/31/24	3.63%	USD 200,000	60,309	-	-
BAT Capital Corp	9/6/24	2.79%	USD 100,000	29,730	-	-
Bank Of America Corporation	1/22/25	4.00%	USD 200,000	59,770	-	-
Booking Holdings INC	3/15/25	3.65%	USD 100,000	29,626	-	-
United States Treasury Bill-I	6/15/25	5.59%	USD 200,000	29,987	-	-
United States Treasury Bill-II	4/9/24	5.34%	USD 100,000	44,876	-	-
United States Treasury Bill-III	4/25/24	5.40%	USD 150,000	44,791	-	-
<b>Total investment in debt securities</b>				<b>582,987</b>		<b>420,002</b>

#### (e) Movement of Investment in Equity and Debt Securities - Company

As at 31st March	2024 Fair value	2023 Fair value
<b>Non Current Assets</b>		
Investment in Equity Securities- Quoted Shares - FVOCI	1,239,225	929,175
<b>Total Investments in equity securities - Non current assets</b>	<b>1,239,225</b>	<b>929,175</b>

(Amounts expressed in Sri Lankan Rs. '000)

#### Movement of Investment in Equity Securities - 2024 - Company

	Fair Value as at 01st April 2023	Additions	Change in Fair Value	Fair Value as at 31st March 2024
<b>Non Current Assets</b>				
Investment in Equity Securities - Quoted Shares - FVOCI	929,175	-	310,050	1,239,225
	929,175	-	310,050	1,239,225

#### Movement of Investment in Equity Securities - 2023 - Company

	Fair Value as at 01st April 2022	Additions	Change in Fair Value	Fair Value as at 31st March 2023
<b>Non Current Assets</b>				
Investment in Equity Securities - Quoted Shares - FVOCI	682,500	-	246,675	929,175
	682,500	-	246,675	929,175

#### (f) Measurement of investment in equity securities - Company

	FVOCI			
	No of Shares 2024	Fair value 2024	No of Shares 2023	Fair value 2023
As at 31st March				

#### (g) Investment in equity securities - Quoted

Lion Brewery (Ceylon) PLC*	1,300,000	1,239,225	1,300,000	929,175
<b>Total Investment in equity securities - Quoted</b>		<b>1,239,225</b>		<b>929,175</b>

\* The Company has elected to classify these investment securities as FVOCI due to its intention to hold them to meet various requirements including long term appreciation and ability to liquidate etc. During the year, the Company recognised dividend income of Rs 65.52 Mn. (2023 Rs. 40.1 Mn). from these investment.

\*\* There were no strategic investment disposed during the year.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 29. INVESTMENT IN UNIT TRUST

#### 29.1 Movement in investment in unit trust

	Group	
	2024	2023
As at 31st March		
Balance as at the beginning of the year	242,173	488,035
Investments during the year	408,208	359,325
Disposals during the year	(296,544)	(632,280)
Fair value adjustment	36,928	27,093
	390,765	242,173

#### 29.2 Investment in unit trust

	Group			
	No. of Units		Fair Value	
	2024	2024	2023	2023
As at 31st March				
<b>Current Assets</b>				
CT CLSA Equity Fund	-	-	620,159	12,826
CT CLSA Money Market Fund	13,198,485	390,765	9,283,854	229,347
<b>Total investment in unit trust</b>		<b>390,765</b>		<b>242,173</b>

Valuation of unit trust is based on the unit price published by the Unit Trust Managers, CT CLSA Asset Management (Pvt) Ltd as at 31st March 2024.

### 30. INVENTORIES

	Group	
	2024	2023
As at 31st March		
Raw materials	8,190,829	7,567,629
Work-in-progress	3,488,848	3,066,457
Goods in Transit	1,374,926	1,924,838
Finished goods	7,476,387	5,441,904
	20,530,990	18,000,828
Impairment provision for inventory	(250,885)	(237,435)
	20,280,105	17,763,393

#### Assets pledged as security

The Group has pledged inventories amounting to approximately Rs 5,428 Mn or equivalent to US\$ 18,070,000 (2023: Rs. 7,657 Mn or equivalent to US\$ 23,408,000) as security for bank borrowings.

(Amounts expressed in Sri Lankan Rs. '000)

### 31. TRADE RECEIVABLES

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Trade receivables</b>				
Trade receivables (net of provisions)	11,168,577	8,450,983	-	-
Amount due from related companies (Note (c) )	90,770	90,300	-	-
	11,259,347	8,541,283	-	-

#### (a) Assets pledged as security

The Group has pledged trade receivables (including intercompany trade receivable) amounting to approximately Rs. 5.1 Bn or equivalent to US\$ 17,242,000 (2023: Rs. 7.1 Bn or equivalent to US\$ 21,823,000) as security for bank borrowings.

#### (b) Trade receivables denominated in foreign currency as follows:

As at 31st March	Group	
	2024	2023
US Dollar	1,895,776	2,904,349
Malaysian Ringgit	3,024,529	3,063,993
Indonesian Rupiah	1,827,877	757,656
Euro	158,332	177,964
	6,906,514	6,903,962

#### Expected credit losses

There are no material movement in allowance for expected credit losses of trade receivables based on lifetime ECL recorded by the Group during the financial year ended 31st March 2024 and 2023.

#### Credit Risk Exposure

##### Oil palm plantation & oils and fats

Trade receivables of the oil palm plantation business segment are generally non-interest bearing and within 30 days term, while those of the oils and fats business segment generally have 30 to 180 days term. They are recognised at their original invoice amounts which represent their fair value at initial recognition.

##### Beverage sector

The Beverage sector has a well established credit policy for both international and domestic customers to minimise credit risk. A credit evaluation team comprising of personnel from Finance, Sales & Operations evaluate and recommend the credit worthiness of the customer. The Group obtains bank guarantees from all the agents to cover part of their outstanding whilst the balance is covered through a facility from a bank. This banking facility is extended to all agents except those who are out of this scheme.

The bank guarantees and the facility from the bank cover is 86% (2023 - 85%) of the trade receivables.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 31. TRADE RECEIVABLES (CONTD.)

#### Real estate sector

Real estate sector obtains refundable rental deposits from non-related tenants, covering the rental income for a period of 3-6 months, which provides cover to the sector in the event of a default.

The terms of the lease agreements also require tenants to pay rental in advance on a monthly basis, which provides further cover against risk of a default.

The sector also follows a careful credit evaluation process for new tenants before entering into any rent agreements with them.

#### Leisure sector

The sector's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the sector'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 sector has established a credit policy under which each new customer is analysed individually for creditworthiness before the sector's standard payment, delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum open amount that can be offered without requiring specific approval.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a corporate customer or tour operator, and also evaluate to identify the existence of previous financial difficulties. Trade and other receivables relate mainly to the sector's corporate and tour operator segments. Customers that are graded as 'high risk' are placed on a restricted customer list, monitored and future sales are made on prepayment basis.

#### (c) Amounts due from related companies

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Current</b>				
Premium Fats Sdn. Bhd.	90,770	90,300	-	-
	90,770	90,300	-	-

Current amounts due from wholly owned group subsidiaries are unsecured, non-interest-bearing and are repayable on demand. These balances are expected to be settled in cash.

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>32. OTHER FINANCIAL RECEIVABLES AND OTHER NON - FINANCIAL RECEIVABLES</b>				
<b>32.1 Other Financial Receivables</b>				
<b>Non Current</b>				
Land compensation receivable (Note (a))	24,759	24,759	-	-
Term deposits with financial institutions	4,896,101	4,059,558	-	-
	4,920,860	4,084,317	-	-
<b>Current</b>				
Other receivables	1,840,552	1,996,152	-	-
Loans given to employees	36,658	26,314	-	-
	1,877,210	2,022,466	-	-
<b>Total Other Financial Receivables</b>	<b>6,798,070</b>	<b>6,106,783</b>	<b>-</b>	<b>-</b>
<b>32.2 Other Non Financial Receivables</b>				
<b>Non Current</b>				
Plasma receivables (Note (b) )	6,398,749	7,977,794	-	-
Income tax receivable (Note 41)	2,425,642	3,271,179	-	-
Other receivables	4,894,452	4,488,526	-	-
	13,718,843	15,737,499	-	-
<b>Current</b>				
Plasma receivables (Note (b) )	3,750,072	4,894,356	-	-
Advances made on projects	953	2,269	-	-
Taxes receivable	565,338	669,922	-	-
Prepayments	3,115,839	5,775,395	4,060	3,915
	7,432,202	11,341,942	4,060	3,915
<b>Total Other Non Financial Receivables</b>	<b>21,151,045</b>	<b>27,079,441</b>	<b>4,060</b>	<b>3,915</b>
<b>Other Financial receivable carried at amortised Cost</b>				
Other financial receivables - Current	1,877,210	2,022,466	-	-
Other financial receivables - Non current	4,920,860	4,084,317	-	-
	6,798,070	6,106,783	-	-
<b>Financial assets carried at amortised Cost</b>				
Trade Receivables	11,259,347	8,541,283	-	-
Other financial receivables	6,798,070	6,106,783	-	-
	18,057,417	14,648,066	-	-

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 32. OTHER FINANCIAL RECEIVABLES AND OTHER NON - FINANCIAL RECEIVABLES (CONTD.)

#### (a) Land compensation receivable

##### Pegasus Hotels of Ceylon PLC (PRH)

The Government of Sri Lanka acquired approximately 1,605 perches of land owned by PRH under section 38 provision (a) of the Land Acquisition Act, No.28 of 1964 by Gazette notification dated 14th May 2008 for the public purpose of building a fisheries harbour.

Accordingly, PRH submitted 2 claims of compensation amounting to Rs.563 Mn for a portion of 1,251 perches of the acquired land and a claim for Rs.159.3mn for balance portion of 353.89 perches of land in 2008/09 and 2016/17 respectively. However, PRH recorded carrying value of the 2 compensation claims in the financial statements at Rs.189.5 Mn and Rs.43,310/- respectively, on prudence based on the market conditions and the land terrain conditions.

Accordingly, the carrying value of said total approximately 1,605 perches of land amounting to Rs. 293.7mn has been removed from the property, plant and equipment during the financial years 2008/09 and 2017/18. On 06.05.2019, PRH received an official notification pertaining to the claim of compensation for the said 353.89 perches, awarding a compensation of Rs.5,459,500/- relating to the claim of Rs.159.3 Mn. PRH has filed an appeal against the said award of compensation at the Land Acquisition Board of Review on 21.05.2019 and the inquiry is presently ongoing.

The value of the compensation award for the balance land of 1,251 perches is yet to be announced by the Divisional Secretary due to an ongoing litigation, where an individual has appealed to the Supreme Court after having lost both cases he filed in the District Court and Civil Appellate High Court against PRH claiming part of the land as a co-owner. In the opinion of the lawyer's a time estimation cannot be given for the finality of this appeal. Under these circumstances, even if a valuation is determined by the Government, such value will not be disclosed until the said litigation has come to a finality. However, as a matter of prudence PRH made a provision for the compensation receivable for this land also based on the criteria of compensation awarded for the aforesaid 353.89 perches. Accordingly, a total of Rs.164.78 Mn provision has been made on the compensation receivable over the years.

The full compensation claim for the total land acquired of 1,605 perches at Rs.722 Mn as of the reporting date, whilst the carrying value of the compensation receivable stood at Rs.24.8 Mn subsequent to the provisioning mentioned above as at 31st March 2024.

#### (b) Plasma receivables

In accordance with the Indonesian government's policy, oil palm plantation companies are required to develop new plantations for the local communities within and around the companies' estates. A cooperative establishment is formed to take care of the landholder's rights and obligations and this form of assistance to local communities is generally known as the "Plasma Programme".

Plasma advances represent costs incurred for plasma plantation development and advances to Plasma farmers for working capital purposes during the early maturity stage. These include bearer plants and their infrastructures, covering costs incurred for land clearing, planting, upkeep, fertilisation, mature plantation management, harvesting and other indirect expenses. The advances will be subsequently recovered through revenue generated from the Plasma plantations.

Land rights of the Plasma plantation are mortgaged and pledged security for obtaining bank loans from commercial banks in Indonesia. These land rights will be handed over to the Group upon the repayment of loan. In accordance with management agreements signed with the Plasma Corporative, which represent the Plasma members and the Group's subsidiary companies, these land titles can be retained by the Group as security until advances provided are paid in full through Plasma revenue.



(Amounts expressed in Sri Lankan Rs. '000)

### 33. CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Deposits</b>				
Call deposits	10,486,458	17,459,765	-	-
Fixed deposits and Savings	11,778,409	10,704,610	-	-
Short - term deposits	22,264,867	28,164,375	-	-
Cash in hand and at bank	19,281,187	13,523,390	50,959	52,451
Total cash and cash equivalents	41,546,054	41,687,765	50,959	52,451

(a) Cash and cash equivalents denominated in foreign currencies as at 31st March are as follows:

As at 31st March	Group	
	2024	2023
US Dollars (USD)	8,282,229	12,076,700
Indonesian Rupiah (IDR)	16,084,656	17,004,737
Malaysian Ringgit (MYR)	2,065,225	1,977,234
Euro	171,802	91,117
Singapore Dollar ('SGD')	40,559	42,528

#### Assets pledged as security

Certain bank accounts of the Group have been pledged as security for bank borrowings. As at 31st March 2024, these accounts had a total amount of Rs.1,630 Mn or equivalent to US\$ 5,428,000 (2023: Rs. 594.41 Mn or equivalent to US\$1,817,000). There are no legal and contractual restrictions on the use of the pledged bank accounts.

#### Cash management

##### Oil palm plantations

Short-term deposits earn interest at floating rates based on daily bank deposit rates and are made for varying periods from one day to a month, depending on the immediate cash requirements of the Group. For the financial year ended 31 March 2024, Re Purchase Agreements (REPO's) placed in Sri Lanka earned interest of 8.5% to 21% per annum (2023: 5.00% to 22.00% per annum). Fixed deposit placed in Sri Lanka earned interest of 4% to 7.75% for USD short-term deposits (2023: 5% to 9.5%), Currently there is no LKR-denominated short-term deposits In Sri Lanka (2023: 5.0% to 6.5%). Group earns 4.5% on the funds maintained in the interest bearing savings accounts in Singapore. Call Deposit placed in Indonesia earned interest of 2.07% to 5.16% for IDR short-term deposits (2023: 2.0% - 4.9%) and no interest was earned for Malaysian Ringgit ("MYR") and as no funds were placed in these short-term deposits.

##### Oils and fats

Certain deposits that are kept with banks are used as lien against the bank guarantees. The maturity of these deposits ranged from a period of a week to three months. For MYR deposits, interest earned ranged from 2.50 % to 2.80% per annum (2023: 2.45 % to 3.10% per annum). Any excess cash is further utilised to reduce the overdraft interest incurred.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 33. CASH AND CASH EQUIVALENTS (CONTD.)

#### Real estate sector

Short-term deposits earn interest at fixed rates based on bank deposit rates and are made for varying periods four month to 5 year, depending on the cash availability and cash requirements of the sector. For the financial year ended 31st March 2024, fixed deposits placed earned interest of .10.4% to 25% (2023: 14.65% to 25%).

#### Leisure sector

Short-term deposits earn interest at fixed rates based on bank deposit rates and are made for varying periods from one months to six month, depending on the cash availability and cash requirements of the sector. For the financial year ended 31st March 2024, fixed deposits placed earned interest of 3% to 8 % (2023: 14% to 24%).

(b) For the purpose of the consolidated cash flow statement, cash equivalent comprise of the following:

As at 31st March	Group		Company	
	2024	2023	2024	2023
Short - term deposits	22,264,867	28,164,375	-	-
Cash-in-hand and at bank	19,281,187	13,523,390	50,959	52,451
	41,546,054	41,687,765	50,959	52,451
Interest payable	1,466,528	1,107,847	-	-
Short - term borrowings (Note 42)	(20,547,927)	(27,342,251)	-	-
	22,464,655	15,453,361	50,959	52,451

### 34. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

- i. Non-current assets of Arani Agro Oil Industries (Pvt) Ltd (AAOIL) had been classified as held for sale as the management intended to recover the carrying amount principally through a sale transaction rather than through continuing use.

On 5th January 2023, Premium Nutrients Private Limited (PNPL), a fully owned subsidiary of Goodhope Asia Holdings Limited disposed 100% of shares in its fully owned subsidiary Arani Agro Oil Industries Private Limited (AAOIL), India for a consideration of US\$ 8,999,241.

Guardian Acuity Asset Management Limited, (GAAM) was incorporated in Sri Lanka, to set up and carry out unit trust management activities licensed by Securities and Exchange Commission of Sri Lanka, and governed by a Joint Venture agreement between Acuity Partners (Private) Limited and Ceylon Guardian Investment Trust PLC. Ceylon Guardian Investment Trust PLC and Acuity Partners (Pvt) Limited held 50% each of the issued share capital of GAAM. On 13th January 2023, Ceylon Guardian Investment Trust PLC and Acuity Partners (Pvt) Limited disposed its entire holding in GAAM.

(Amounts expressed in Sri Lankan Rs. '000)

<b>(a) Result for the year from discontinued operations</b>			
As at 31st March		2023	
	AAOIL	GAAM	Total
Loss from discontinued operations, net of tax	(645,473)	(8,544)	
Total gross Group holding	100%	50%	
Group's share of loss for the year	(645,473)	(4,272)	(649,745)
<b>(c) Net cash flows from discontinued operations</b>			
			Group
For the year ended 31st March			2023
Net cash out flows			(377,967)
<b>(ii) The details relating to the disposal of investment in subsidiary - Arani Agro Oil Industries (Pvt) Ltd.</b>			
			2023
Cash consideration received			3,236,037
Net assets directly associated with disposal			(1,651,790)
Carrying amount of the non-controlling interest as at the disposal date			662,102
Realization of currency translation reserve with disposal			(74,204)
Gain on disposal of subsidiaries			2,172,145
<b>(iii) The details relating to the disposal of investment in jointly controlled entity - Guardian Acuity Asset Management Limited</b>			
			2023
Net assets			91,524
Applicable to the group (50%)			45,762
Net assets directly associated with disposal entity			(45,762)
Cash consideration received from disposal of Group shares			50,763
Profit from disposal of Joint venture company			5,001
<b>(iv) Proceed from disposal of Subsidiary and jointly controlled entity for cash flow purpose</b>			
			2023
Net assets			91,524
Applicable to the group (50%)			45,762
Consideration received in cash - subsidiary			3,236,037
Consideration received in cash - jointly controlled entity			50,763
Cash and cash equivalent disposed - subsidiary			(275,868)
Net cash flow on disposal on Subsidiary/Joint Venture			3,010,932

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 35. STATED CAPITAL

As at 31st March	Group/ Company			
	No of shares		Stated capital	
	2024	2023	2024	2023
<b>Dividends Paid</b>				
At the beginning/end of the year	102,000,000	102,000,000	371,880	371,880
	102,000,000	102,000,000	371,880	371,880
<b>Preference shares</b>				
At the beginning/end of the year	1,839,568	1,839,568	40,755	40,755
	1,839,568	1,839,568	40,755	40,755
			412,635	412,635

(a) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All ordinary shares rank equally with regard to the right to the Company's net assets at the point of distribution.

(b) The holders of the "Eight Percent (8%) Participating Cumulative Preference Shares" are entitled to 8 votes per share at a poll and eight percent (8%) cumulative preference dividend. In addition, they are entitled to the right to participate with the ordinary shares in the surplus in excess of 0.625% of the dividend on ordinary shares but at eight (8) times the rate of dividend of the ordinary shares in excess of 0.625% of the dividend on such shares. These preference shares are not entitled to participate in the surplus assets in a winding up.

### 36. CAPITAL RESERVES

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Represented by</b>				
Capital Redemption reserve	40,000	40,000	40,000	40,000
Other capital reserves (Note a)	4,917,232	2,896,575	-	-
	4,957,232	2,936,575	40,000	40,000

#### (a) Other capital reserves

Represents the amounts set aside for future expansion and to meet any contingencies.

(Amounts expressed in Sri Lankan Rs. '000)

### 37. REVENUE RESERVES

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Represented by</b>				
Revenue reserve (Note c)	58,174	55,433	-	-
Currency translation reserve (Note a)	(514,808)	7,094,305	-	-
FVOCI Reserve (Note b)	-	-	1,126,933	816,883
Cash flow hedging reserve	-	145,048	-	-
Retained earning	49,806,731	43,399,643	6,651,194	6,649,584
	49,350,097	50,694,429	7,778,127	7,466,467

#### (a) Currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

#### (b) FVOCI Reserve

This consists of net unrealised gain/(loss) arising from change in the fair value of financial instruments not held for trading but for long term, strategic purposes net of cumulative impairments losses incurred as at the reporting date.

#### (c) Revenue reserve

This represents the amounts set aside to meet any contingencies.

### 38. INVESTMENT THROUGH SUBSIDIARY

As at 31st March	No of shares	2024		2023	
		Cost	Market Value	Cost	Market Value
Bukit Darah PLC - Ordinary shares*	26,710,158	10,687	10,877,712	10,687	11,458,658
Bukit Darah PLC - Preference shares	31,875	1	-	1	-
		10,688	10,877,712	10,688	11,458,658

\* The details of Investment through Subsidiary ordinary shares is as follows;

As at 31st March	No of shares	Percentage of ownership
Rubber Investment Trust Limited**	20,438,250	20.04%
Carson Cumberbatch PLC**	6,271,908	6.15%
	26,710,158	26.19%

\*\* Not eligible to vote at a General Meeting of the Company as per Section 72 of Companies Act No 07 of 2007.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 39. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract / Notional amount	Group			Asset	Liability
		Asset	Liability	Contract / Notional amount		
As at 31st March	2024	2024	2024	2023	2023	2023
<b>Non - current</b>						
Embedded derivatives						
RCPS derivative	-	-	-	-	-	2,077,195
	-	-	-	-	-	2,077,195
<b>Current</b>						
<b>Derivatives not designated as hedging instruments</b>						
Foreign exchange forward contracts	7,200,645	8,194	-	8,484,703	33,044	-
	7,200,645	8,194	-	8,484,703	33,044	-

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are commodity price risk and foreign exchange risk. The Group's risk management strategy and how it is applied to manage risks is explained in Note 47.

#### Foreign currency risk

The Group entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchase. These contracts are not designated in hedge relationships and are measured at fair value through profit and loss. No unrealised fair value changes (2023: US\$Nil) in respect of these contracts were recognised in the statement of other comprehensive income since the Group has not adopted hedge accounting as of 31 March 2024.

#### Embedded derivative

Along with the Senior Secured Non-Amortising Term Loan Facility disclosed in Note 42, the GAHL also issued Redeemable Convertible Preference Shares (RCPS) to the Lender under this facility. The RCPS holder has the option to convert the preference shares to ordinary shares of the GAHL at any time during the term i.e. 6-years from issuance date of 3rd October 2019. The RCPS holder is entitled to dividends paid to ordinary shareholders of the GAHL from time to time. The RCPS also is redeemable at the end of the term for a pre-determined amount of cash if not converted to ordinary shares of the GAHL. The GAHL has accounted for the equity conversion option of the RCPS as a derivative liability.

The RCPS derivative has been separated and carried at fair value through profit or loss. The carrying value as at 31st March 2024 amounted to Rs.Nil (2023: Rs. 2,077.34 Mn (US\$ 6,350,000)).

In January 2024, GAHL redeemed its RCPS. Accordingly, the RCPS derivative has been de-recognised through profit or loss.

(Amounts expressed in Sri Lankan Rs. '000)

#### 40. DEFERRED TAX ASSETS AND LIABILITIES

The closing deferred tax asset and liability balances relate to the following;

As at 31st March	Assets		Liabilities	
	2024	2023	2024	2023
Property, plant & equipment	137,699	311,421	10,673,572	9,764,460
Bearer Plants	228,744	333,281	3,684,509	4,207,569
Investment properties	-	-	1,749,433	1,551,066
Intangible assets	-	-	641,925	625,373
Leased assets	19,413	55,195	110,273	174,551
Employee benefit liability	743,809	734,318	(124,498)	(106,207)
Tax losses available against future taxable income	2,486,790	3,873,269	(555,242)	(333,937)
Others	11,471	50,006	(53,600)	(52,270)
	3,627,926	5,357,490	16,126,372	15,830,605

Deferred tax assets and liabilities are recognised based on applicable tax rates under Inland Revenue Act No. 24 of 2017 and other applicable tax laws in operating jurisdictions.

(a) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, were shown in the statements of financial position:

As at 31st March	Group	
	2024	2023
Deferred tax assets	3,627,926	5,357,490
Deferred tax liabilities	(16,126,372)	(15,830,605)
<b>Net deferred tax liability</b>	<b>(12,498,446)</b>	<b>(10,473,115)</b>

#### Movement of net Deferred tax assets/Liabilities

As at 31st March	2024	2023
Balance as at beginning of the year	(10,473,115)	(9,579,655)
Recognised in Statement of income (Note 16 (b))	(1,789,430)	(580,687)
Recognised in Other Comprehensive Income (Note 16 (b))	(733,616)	(272,576)
Effect of movements in exchange rates	497,715	(40,197)
Balance as at end of the year	(12,498,446)	(10,473,115)

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 40. DEFERRED TAX ASSETS AND LIABILITIES (CONTD.)

#### (b) Recognized deferred tax assets

The recognition of deferred tax assets relating to unutilised tax losses carried forward by subsidiaries of the Group have been reassessed by the respective management at the year end. Accordingly, approximately Rs 574.44 Mn (2023: Rs 349.38 Mn) of unused tax losses of Indonesian subsidiaries for which deferred tax assets had been recognised in previous years were derecognised during the year and charged to the income statement. Management has assessed that the losses may not be used to offset taxable profits in the future and there are no other tax planning opportunities or other evidence of recoverability of such tax losses in the near future.

Management believes that sufficient taxable profit will be available to allow the remaining tax losses to be utilised. Accordingly, the relevant subsidiaries have recognised deferred tax assets relating to the remaining unutilised tax losses carried forward.

The additional liability has been charged to the Statement of Other Comprehensive Income and Statement of Profit or Loss with Rs 293.9 Mn and Rs 219.9 Mn, respectively.

#### (c) Unrecognised deferred tax assets

##### Group

The amounts of unutilised tax losses which deferred tax assets have not been recognised for Indonesian subsidiaries as at the end of the financial year amounts to Rs. 2,611 Mn (2023: Rs. 1,587 Mn) . The expiry dates of the tax losses for the Indonesian subsidiaries ranges from 1 to 5 years and 1 to 8 years respectively. Further, in the beverage sector deferred tax assets not accounted in respect of the tax losses amounted to Rs. 680 Mn. (2023 - 696 Mn) since the utilization against the future taxable profit are not probable.

#### (d) Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2023: nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as the Group has determined that undistributed earnings of these subsidiaries will not be distributed in the foreseeable future.



(Amounts expressed in Sri Lankan Rs. '000)

<b>41. CURRENT TAX RECOVERABLE/(LIABILITIES)</b>				
As at 31st March	Group		Company	
	2024	2023	2024	2023
At the beginning of the year	(1,497,391)	301,933	321	158
Subsidiaries'/Company's taxation on current year's profit	(11,523,044)	(13,109,741)	(1,680)	(5,933)
Irrecoverable economic service charge	-	(945)	-	-
(Under)/over provision for previous years	(43,374)	(6,480)	-	-
Tax on inter company dividends/restructuring	(1,731,038)	(1,383,728)	-	-
Payments and set off against refunds	14,530,007	12,701,570	1,657	6,096
Net Income Tax recoverable/(liabilities)	(264,840)	(1,497,391)	298	321
<b>Break-up of net Income tax recoverable/(payable)</b>				
<b>Income tax recoverable</b>				
Non Current (Note 32)	2,425,642	3,271,179	-	-
Current (Note 32)	298	321	298	321
<b>Total income tax recoverable</b>	<b>2,425,940</b>	<b>3,271,500</b>	<b>298</b>	<b>321</b>
Income tax payable	(2,690,780)	(4,768,891)	-	-
Net Income Tax recoverable/(liabilities)	(264,840)	(1,497,391)	298	321
<b>42. LOANS AND BORROWINGS</b>				
As at 31st March	Note	Maturity	Group	
			2024	2023
<b>Current Liabilities</b>				
<b>Secured</b>				
Long term borrowings - amount due within one year	A	2025	6,218,661	7,005,733
Working capital facilities	B	2025	11,988,447	17,790,738
			<b>18,207,108</b>	<b>24,796,471</b>
<b>Unsecured</b>				
Long term borrowings - amount due within one year		2025	644,255	713,225
Working capital facilities		2025	8,559,480	9,551,513
			<b>9,203,735</b>	<b>10,264,738</b>
<b>Total loan payable within the year</b>			<b>27,410,843</b>	<b>35,061,209</b>
<b>Non - Current Liabilities</b>				
<b>Secured</b>				
Long term borrowings	A	2029-2033	57,408,286	56,922,071
Redeemable Convertible Preference Shares (RCPS)			-	5,207,323
			<b>57,408,286</b>	<b>62,129,394</b>
<b>Unsecured</b>				
Long term borrowings			1,629,758	1,518,876
			<b>1,629,758</b>	<b>1,518,876</b>
<b>Total long term bank borrowings - amount due after one year</b>			<b>59,038,044</b>	<b>63,648,270</b>
<b>Total loans and Borrowings</b>			<b>86,448,887</b>	<b>98,709,479</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 42. LOANS AND BORROWINGS (CONTD.)

As at 31st March	Group	
	2024	2023
<b>Long term Bank Borrowings</b>		
<b>Movement in Long - Term Borrowings</b>		
Balance as at the beginning of the year	71,367,228	79,206,168
<b>Cash Movement</b>		
Obtained during the year	70,125,501	7,034
Re - payments during the year	(73,771,427)	(19,501,782)
<b>Non cash Movement</b>		
Exchange differences	(6,510,569)	10,209,417
Interest accrued during the year	4,564,218	1,377,060
Unamortized transaction cost	126,009	69,331
	65,900,960	71,367,228
Amounts falling due within one year	(6,862,916)	(7,718,958)
Amounts falling due after one year	59,038,044	63,648,270

Loan (including Lease liability) denominated in foreign currencies as at 31st March are as follows:

As at 31st March	Group	
	2024	2023
Malaysian Ringgit (MYR)	2,977,961	23,352
US Dollar (USD)	29,486,684	69,170,311
Indonesian Rupiah (IDR)	31,162,538	868,865

#### A. Long-Term Loans - Goodhope Asia Holdings Ltd. (GAHL) and its Subsidiaries

##### 2024

Group's long-term loans are secured by pledges over the respective Borrowers' certain properties, plant and equipment along with Corporate Guarantee from the GAHL.

##### (a) US\$120 million Club Loan Facility at Oil palm plantation segment

In January 2024, the Group secured a US\$120 million, 7-year Senior Secured Amortizing Term Loan Facility from a consortium of banks to refinance the existing senior long-term loans at the Group's Oil Palm Plantations segment. This facility was fully drawn as at 31 March 2024. Repayments will commence from July 2024 on a semi-annual basis over the term with a final bullet payment in 2031. This is a multi-currency facility in which US\$20 million equivalent is denominated in Indonesia Rupiah (IDR).

(Amounts expressed in Sri Lankan Rs. '000)

#### **(b) Rupiah denominated Bi-lateral Term Loan Facilities at Oil palm plantation segment**

The Group secured the following bi-lateral Senior Secured Amortizing Term Loan Facilities from PT Bank Mandiri:

- IDR 658.5 billion at PT Nabire Baru in August 2023 maturing in 2032, and
- IDR 718 billion at PT Agro Wana Lestari in November 2023 maturing in 2033

to refinance the existing senior long-term loans at the Group's Oil Palm Plantations segment. These facilities were fully drawn as at 31 March 2024. Repayments have commenced and are on monthly basis.

Following the repayment of its existing senior facilities, in January 2024 Company also voluntarily redeemed its Redeemable Convertible Preference Shares ("RCPS") that was issued together with the US\$105 million Senior Secured Non-Amortizing Term Loan Facility in 2019.

#### **(c) MYR 50 million Term Loan Facility at Oils and fats segment**

Premium Vegetable Oils Sdn Bhd ("PVO"), the Company's Downstream subsidiary, refinanced its existing Term Loan in November 2023 with a MYR 50 million, 4-year, bi-lateral senior secured term-loan facility from Ambank (M) Berhad.

#### **2023**

Group secured the following long-term loan facilities in September 2019:

##### **(a) Group secured the following long-term loan facilities in September 2019:**

US\$170 million, 5-year Senior Secured Amortizing Term Loan Facility from a consortium of banks to partly refinance the existing senior long-term loan at the Group's Oil Palm Plantations segment.

##### **(b) Senior Secured Non-Amortising Term Loan Facility**

GAHL together with its subsidiary plantation companies secured a US\$105 million, 6-year Senior Secured Non-Amortising Term Loan Facility, from a private credit arm of a global investment and private equity firm. The facility was to refinance part of the existing senior long-term loan at the Group's Oil Palm Plantations segment, to support the development plans of the Group's Oil Palm Plantation segment and for other general corporate purpose.

Company issued Redeemable Convertible Preference Shares (RCPS) to the Lender as part of this loan facility and representing 6.30% of the enlarged post-conversion share capital of the Company. RCPS holder has the option to convert to ordinary shares of the Company at any time during the term (i.e. 6-years from issuance date of 3rd October 2019) and at the time of IPO. RCPS has to be redeemed at the end of the term by the issuer, at a pre-determined amount, if not converted to ordinary shares of the Company already. It is a zero-coupon instrument however RCPS holder is entitled to dividends paid to ordinary shareholders of the Company from time to time. Details on derivative instrument of RCPS is disclosed under Note 39.

#### **B. Short term loan facilities - Goodhope Asia Holdings Ltd. (GAHL) and its Subsidiaries**

##### **(a) Trade / Working Capital Financing Facilities**

GAHL has Trade Finance/Working Capital facilities amounting to MYR 158.75 million for the Edible Oils & Fats segment. As at 31 March 2024, utilization stood at MYR 99.42 million (2023: MYR 89.02 million).

These facilities are secured by stocks and trade receivables of the Edible Oils & Fats segment's subsidiaries together with a Corporate Guarantee from GAHL.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 42. LOANS AND BORROWINGS (CONTD.)

#### (b) Revolving Loan Facilities

These facilities have been provided a Corporate Guarantee from the Company.

#### C. Leases

Lease obligations are secured by a charge over the leased assets.

Effective interest rates

The effective interest rates per annum of the GAHL Group's US Dollar loans and borrowings as at the reporting date are as follows:

As at 31st March	2024	2023
Long-term loans	11.00%	9.9%
Short-term loans	8.3%	8.6%
Lease liabilities	4.0% - 14.34%	4.0% - 13.0%

### 43. LEASE LIABILITIES

The Group has lease contracts for buildings, equipment, machinery, vehicles and land rights used in its operations. Leases of buildings generally have lease terms between 1 and 6 years, equipment, machinery and vehicles generally have lease terms between 1 and 5 years while land rights generally have lease terms of 30 years. The Group's obligations under some of its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

#### a) Set out below are the carrying amounts of lease liabilities movements

	Group	
As at 31st March	2024	2023
As at 1st April	1,293,608	1,032,941
Additions	318,754	1,151,629
Accretion of interest	85,140	152,238
Payments	(802,460)	(930,532)
Effect of movements in exchange rates	(65,481)	(112,668)
As at 31st March	829,561	1,293,608
Current	371,704	639,586
Non-current	457,857	654,022
	829,561	1,293,608

#### b) Following are the amounts recognised in profit or loss

Interest expense on leases liabilities	85,140	152,238
Total amount recognised in profit or loss	85,140	152,238

c) The Group had total cash outflows for leases amounting to Rs. 802 Mn (2023 - Rs. 931 Mn) during the year.

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>44. TRADE AND OTHER FINANCIAL PAYABLES AND OTHER NON-FINANCIAL LIABILITIES</b>				
<b>44.1 Trade payables</b>	7,617,547	5,906,650	-	-
<b>44.2 Other Financial Payables</b>				
<b>Non current</b>				
Rental and other deposits (Note 44 (a))	87,399	104,479	-	-
<b>Current</b>				
Customer deposits (Note 44 (b))	2,996,694	2,742,490	-	-
Taxes payable	4,548,409	895,872	-	-
Accrued expenses	6,718,721	12,294,365	5,300	4,275
Other creditors	7,209,465	6,370,015	85,250	89,255
	21,473,289	22,302,742	90,550	93,530
<b>Total Other Financial Payables</b>	21,560,688	22,407,221	90,550	93,530
Trade and other financial liabilities measured at amortised cost	29,178,235	28,313,871	90,550	93,530
<b>44.3 Other Non Financial Payables</b>				
<b>Non current</b>				
Plasma payable	406,257	301,906	-	-
<b>Current</b>				
Sales Advances	3,289,217	2,922,014	-	-
Taxes payable	1,306,914	1,013,480	-	-
Plasma payable	283,603	202,366	-	-
	4,879,734	4,137,860	-	-
<b>Total Other Non Financial Payables</b>	5,285,991	4,439,766	-	-
<b>Financial liabilities carried at amortised cost</b>				
Trade and other financial payable - current	29,090,836	28,209,392	90,550	93,530
Other financial payables - non-current	87,399	104,479	-	-
Loans and borrowings (Note 42)	86,448,887	98,709,479	-	-
<b>Total financial liabilities carried at amortised cost</b>	115,627,122	127,023,350	90,550	93,530
Terms and conditions of the above current Financial liabilities:				
- Trade payables are non - interest bearing and are normally settled in 60 to 90 day terms.				
- Other payables are non - interest bearing and have an average term of six months.				
<b>Total trade and other financial payables</b>	29,178,235	28,313,871	90,550	93,530

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 44. TRADE AND OTHER FINANCIAL PAYABLES AND OTHER NON-FINANCIAL LIABILITIES (CONTD.)

#### (a) Rental and other deposits

As at 31st March	Group	
	2024	2023
Balance as at the beginning of the year	104,479	86,698
Receipts during the year	4,339	29,393
Transferred to deferred revenue	(28,408)	(10,999)
Refunds during the year	(4,466)	(8,795)
Unwinding of interest on refundable deposits	11,455	8,182
Balance as at the end of the year	87,399	104,479
Face value	123,168	123,294

The Group has obtained refundable rental deposits from non-related party tenants, covering the rental income for a period of 3-6 months, which provides cover to the Group in the event of a default. The rental and telephone deposits are re-payable on termination of the tenancy agreements in the real estate sector.

#### (b) Customer Deposits

As at 31st March	Group	
	2024	2023
Balance as at the beginning of the year	2,742,490	2,301,181
Receipts during the year	451,251	441,309
Empty deposit write back during the year	(197,047)	-
Balance as at the end of the year	2,996,694	2,742,490

Customer deposits are taken as security against the containers with the agents in the beverage sector.

#### (c) Trade payable denominated in foreign currencies are as follows

As at 31st March	Group	
	2024	2023
<b>Currency</b>		
US Dollar (USD)	61,590	96,506
Malaysian Ringgit (MYR)	1,905,691	2,150,946
Indonesian Rupiah (IDR)	3,233,335	2,533,045

(d) An order has been made for the enforcement of an ex-parte judgment (in default of appearance) issued against the Subsidiary Carson Cumberbatch PLC (CCPLC) by an overseas Court for a sum of Sterling Pounds 271,323.38 plus costs, in an action filed by a former consultant of the subsidiary. CCPLC appealed against the said enforcement order in the High Court of Civil Appeals and the said court delivered judgment against the Company. CCPLC filed a leave to appeal application in the Supreme Court and the case is concluded and pending judgement. The potential liability is fully provided for under accrued expenses.

(Amounts expressed in Sri Lankan Rs. '000)

	Group			
	2024	2023		
As at 31st March				
<b>Balance as at the beginning of the year</b>	<b>3,941,252</b>	<b>1,556,911</b>		
<b>The amounts recognized in the income statement are as follows</b>				
Current service cost	632,869	707,846		
Interest cost	312,746	279,806		
Past service costs	64,119	1,298,494		
Immediate recognition on new entrants	-	7,072		
Termination Cost	38,697	17,991		
Curtailment gain	(33,391)	(35,635)		
Adjustment on the previous year	47,170	37,654		
	<b>1,062,210</b>	<b>2,313,228</b>		
<b>The amount recognized in Statement of Comprehensive Income</b>				
Remeasurements of defined benefit obligation	(332,804)	63,954		
	<b>(332,804)</b>	<b>63,954</b>		
<b>Others</b>				
Benefits Paid	(476,031)	(407,524)		
Effect of movements in exchange rates	(493,405)	414,683		
	<b>(969,436)</b>	<b>7,159</b>		
<b>Balance as at the end of the year</b>	<b>3,701,222</b>	<b>3,941,252</b>		
<b>(a) Accounting judgements, estimates and assumptions</b>				
<b>Employee benefit liability</b>				
<p>The employee benefit liability of the Group is based on the actuarial valuations carried out by Independent actuarial specialists. The actuarial valuations involve making assumptions about discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.</p>				
<p>The actuarial valuation was made using the following assumption:</p>				
	Sri Lanka		Indonesia	
	2024	2023	2024	2023
Discount rate	12% per annum	18% per annum	6.76% per annum	7.10% per annum
Future salary increment rate	11% per annum	15% per annum	4% per annum	4% per annum
Mortality rate	A 1967/70 Mortality Table, issued by the Institute of Actuaries, London was used.	A 1967/70 Mortality Table, issued by the Institute of Actuaries, London was used.	Indonesian Table of Mortality year 2019	Indonesian Table of Mortality year 2019
Disability rate	10% of mortality table	10% of mortality table	10% of mortality rate	10% of mortality rate
Retirement age	60 years	60 years	56 years	56 years
<b>Weighted average duration (years) of defined benefit obligation</b>				
Beverage sector	6	5.3		
Management / property / leisure sectors	9	7.38 - 5.3		

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 45. EMPLOYEE BENEFITS (CONTD.)

The adjusted treasury bond rate for the credit spread has been used as the discounted rate.

(b) Sensitivity analysis on the key assumptions used in actuarial valuation is as follows:

2024	Discount Rate		Future Salary Increments	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>Consolidated Statement of Financial Position</b>				
<b>Employee benefit liability</b>				
Sri Lankan Subsidiaries	(27,305)	30,447	32,032	(29,173)
Overseas Subsidiaries	(236,446)	264,387	297,436	(266,490)
<b>Consolidated statement of comprehensive income</b>				
Sri Lankan Subsidiaries	27,305	(30,447)	(32,032)	29,173
Overseas Subsidiaries	236,446	(264,387)	(297,436)	266,490

2023	Discount Rate		Future Salary Increments	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>Consolidated Statement of Financial Position</b>				
<b>Employee benefit liability</b>				
Sri Lankan Subsidiaries	(14,710)	16,162	17,924	(16,508)
Overseas Subsidiaries	(310,783)	276,760	301,623	(271,199)
<b>Consolidated statement of comprehensive income</b>				
Sri Lankan Subsidiaries	14,710	(16,162)	(17,924)	16,508
Overseas Subsidiaries	310,783	(276,760)	(301,623)	271,199

### 46. NET ASSETS PER SHARE

As at 31st March	Group		Company	
	2024	2023	2024	2023
Total Equity	131,696,321	127,731,146	8,230,762	7,919,102
<b>Less</b>				
Outstanding preference share capital	(40,755)	(40,755)	(40,755)	(40,755)
Non -controlling interest	(76,976,357)	(73,687,507)	-	-
Total equity attributable to owners of the Company	54,679,209	54,002,884	8,190,007	7,878,347
<b>Number of ordinary shares used as the denominator</b>				
Ordinary shares in issue (Nos.)	102,000,000	102,000,000	102,000,000	102,000,000
Net Assets per Share (Rs.)	536.07	529.44	80.29	77.24



(Amounts expressed in Sri Lankan Rs. '000)

#### 47. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) According to accounting classification and fair value, classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value are current portion of trade and other receivables (Note 31, 32), cash and cash equivalents (Note 33), trade and other payables (Note 44) and loans and borrowings (Note 42). The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

#### (b) Fair value of assets and liabilities that are carried at fair value - Group

The following table shows an analysis of assets and liabilities carried at fair value by level of fair value hierarchy:

As at 31st March	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Investment in equity and debt securities - Current	8,934,181	582,987	131,094	9,648,262
Investment in Unit trust	-	390,765	-	390,765
Derivative financial instruments	-	8,194	-	8,194
As at 31st March 2024	8,934,181	981,946	131,094	10,047,221
<b>Non-financial assets:</b>				
Biological assets	-	-	3,748,501	3,748,501
Investment properties	-	-	6,107,100	6,107,100
Freehold Land & Buildings	-	-	13,666,436	13,666,436
As at 31st March 2024	-	-	23,522,037	23,522,037
<b>Liabilities measured at fair value</b>				
Financial liabilities	-	-	-	-
Derivative financial instruments	-	-	-	-
As at 31st March 2024	-	-	-	-

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 47. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

As at 31st March	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>2023</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Investment in equity and debt securities - Current	8,245,177	420,002	143,134	8,808,313
Investment in Unit trust	-	242,173	-	242,173
Derivative financial instrument	-	33,044	-	33,044
As at 31st March 2023	8,245,177	695,219	143,134	9,083,530
<b>Non-financial assets:</b>				
Biological assets	-	-	4,085,613	4,085,613
Investment properties	-	-	5,669,869	5,669,869
Freehold Land & Buildings	-	-	11,233,012	11,233,012
As at 31st March 2023	-	-	20,988,494	20,988,494
<b>Liabilities measured at fair value</b>				
Financial liabilities	-	-	-	-
Derivative financial instrument	-	-	2,077,195	2,077,195
As at 31st March 2023	-	-	2,077,195	2,077,195

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### (c) Fair value of financial and non financial assets and liabilities

##### Fair value hierarchy

The table below analyses financial and non financial assets and liabilities carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows.

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

Level 2 : Use of inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

(Amounts expressed in Sri Lankan Rs. '000)

#### Methods and assumptions used to determine fair values

The methods and assumptions used by the management to determine the fair values of financial and non financial assets and liabilities other than those carrying amounts reasonably approximate to their fair values as mentioned in Note 46 (b) are as follows:

Financial & non financial assets/Liability category	Fair Value Basis, Valuation techniques	Fair Value Hierarchy
Quoted equity instruments	Fair value is determined directly by reference to last market price as at the balance sheet date	Level 1
Investment in Unit Trusts	Use of inputs for the assets or liability that are not based on observable market data.	Level 2
Biological Assets	Fair value of biological assets has been determined based on the market price and the estimated yield of FFB, net of maintenance and harvesting costs, overhead costs and estimated cost to sell. Please refer to Note 22 for more details	Level 3
RCPS derivative	Fair value of RCPS derivative has been determined by using the valuation technique of binominal lattice model. Unobservable inputs are Equity value range of 3,186 IDR and Annual Volatility of stock returns range 31.45 %.	Level 3
Investment properties	The fair value of investment property is based on current and estimated future rental income generated from comparable properties	Level 3
Freehold Land & Buildings	Market approach/Existing use	Level 3

#### (d) Movements in Level 3 assets and liabilities measured at fair value:

Fair value of financial instruments by classes that are not carried at fair value and of which carrying amounts are reasonable approximation of fair value are, Current trade and other financial receivables and payables, current and noncurrent loans and borrowings at floating rate, other bank deposits and cash and bank balances. The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

#### Movements in Level 3 assets

As at 31st March	Investment in equity securities unquoted	Total Financial assets	Investment properties	Freehold Land & Buildings	Biological assets	Total Non Financial assets	Total
As at 31st March 2022	123,072	123,072	5,064,410	11,554,845	7,364,627	23,983,882	24,106,954
<b>Net gain arising from changes in fair value of assets</b>							
Foreign currency translation	-	-	-	-	417,450	417,450	417,450
Change in fair value	20,062	20,062	578,712	-	(3,696,464)	(3,117,752)	(3,097,690)
Movements in assets	-	-	26,747	(270,554)	-	(243,807)	(243,807)
As at 31st March 2023	143,134	143,134	5,669,869	11,284,291	4,085,613	21,039,773	21,182,907
<b>Net gain arising from changes in fair value of assets</b>							
Foreign currency translation	-	-	-	-	(525,526)	(525,526)	(525,526)
Change in fair value	(12,190)	(12,190)	390,581	1,836,413	188,414	2,415,408	2,403,218
Movements in assets	150	150	46,650	584,069	-	630,719	630,869
As at 31st March 2024	131,094	131,094	6,107,100	13,704,773	3,748,501	23,560,374	23,691,468

There have been no transfers from level 1, level 2 or level 3 for the financial years ended 31st March 2024 and 31st March 2023.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 47. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

#### Movements in Level 3 liabilities

As at 31st March	Derivative financial instruments
As at 31st March 2022	2,013,392
Net (gain)/loss arising from changes in fair value of liabilities	(165,473)
Foreign currency translation	229,276
As at 31st March 2023	2,077,195
Settlement	(2,057,131)
Foreign currency translation	(20,064)
As at 31st March 2024	-

There have been no transfers from level 1, level 2 or level 3 for the financial years ended 31st March 2024 and 31st March 2023.

Description	Fair value		Valuation technique	Unobservable inputs	Range
	2024	2023			
As at 31st March					
Biological assets	<b>3,748,501</b>	4,085,613	Income approach	Projected Harvested Quantities	87,299 (2023-90,850)
				Market price of FFB	108-174 (USD/MT) (2023 99 -170 USD MT)
RCPS derivative	-	2,077,195	Binominal lattice model	Equity value	(2023 - 3,186, (IDR))
				Annual Volatility of stock returns	2023 (31.45%)

(Amounts expressed in Sri Lankan Rs. '000)

**48. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS****(a) Financial assets and liabilities by categories in accordance with SLFRS 9 - Group**

As at 31st March 2024	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount
<b>Financial assets</b>					
Investment in equity securities	-	9,648,262	-	-	9,648,262
Investment in unit trust	-	390,765	-	-	390,765
Trade and other financial receivables	-	-	18,057,417	-	18,057,417
Derivative financial instruments	-	8,194	-	-	8,194
Cash and cash equivalents	-	-	41,546,054	-	41,546,054
	-	10,047,221	59,603,471	-	69,650,692
<b>Financial liabilities</b>					
Long term borrowings	-	-	-	65,900,960	65,900,960
Redeemable Convertible Preference Shares (RCPS)	-	-	-	-	-
Lease liabilities	-	-	-	829,561	829,561
Trade and other financial payables	-	-	-	29,178,235	29,178,235
Derivative financial instrument	-	-	-	-	-
Short term borrowings	-	-	-	20,547,927	20,547,927
	-	-	-	116,456,683	116,456,683
<b>As at 31st March 2023</b>					
<b>Financial assets</b>					
Investment in equity securities	-	8,808,313	-	-	8,808,313
Investment in unit trust	-	242,173	-	-	242,173
Trade and other financial receivables	-	-	14,648,066	-	14,648,066
Derivative financial instruments	-	33,044	-	-	33,044
Cash and cash equivalents	-	-	41,687,765	-	41,687,765
	-	9,083,530	56,335,831	-	65,419,361
<b>Financial liabilities</b>					
Long term borrowings	-	-	-	71,367,228	71,367,228
Redeemable Convertible Preference Shares (RCPS)	-	-	-	5,207,323	5,207,323
Lease liabilities	-	-	-	1,293,608	1,293,608
Trade and other financial payables	-	-	-	28,313,871	28,313,871
Derivative financial instrument	-	2,077,195	-	-	2,077,195
Short term borrowings	-	-	-	27,342,251	27,342,251
	-	2,077,195	-	133,524,281	135,601,476

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 48. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (CONTD.)

#### (b) Financial assets and liabilities by categories in accordance with SLFRS 9 - Company

	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount
<b>Financial assets</b>					
Investment in equity securities	1,239,225	-	-	-	1,239,225
Trade and other financial receivables	-	-	-	-	-
Cash and cash equivalents	-	-	50,959	-	50,959
	1,239,225	-	50,959	-	1,290,184
<b>Financial liabilities</b>					
Trade and other financial payables	-	-	-	90,550	90,550
	-	-	-	90,550	90,550
<b>Financial assets</b>					
Investment in equity securities	929,175	-	-	-	929,175
Trade and other financial receivables	-	-	-	-	-
Cash and cash equivalents	-	-	52,451	-	52,451
	929,175	-	52,451	-	981,626
<b>Financial liabilities</b>					
Trade and other financial payables	-	-	-	93,530	93,530
	-	-	-	93,530	93,530

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency, commodity price and market price risk. The Group's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant financial instruments to hedge the risks of commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by the risk management framework and systems. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks for the financial years ended 31st March 2024 and 31st March 2023. Mechanisms adopted by the Group in managing eventual impact of such risks are given overleaf.

(Amounts expressed in Sri Lankan Rs. '000)

## 1. Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should an external default occur on its obligations. The carrying amount of trade and other receivables, amounts due from related companies and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Credit risk with respect to accounts receivable is limited due to the creditworthiness of the Group's customer base. Management regularly monitors the creditworthiness of its customers and believes that it has adequately provided for any exposure to potential credit losses.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all third-party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, when they fall due, which are derived based on the Group's historical information and forward-looking factors.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the counterparty
- Significant changes in the expected performance and behaviour of the counterparty including changes in the payment status of the borrowers in the Group and changes in the operating results of the counterparty

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the counterparty
- A breach of contract, such as default or past due event
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

The Group computes expected credit loss for the Group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking factors.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 48. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (CONTD.)

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision (ECL)
Grade I	Customers have a low risk of default and have a strong capacity to meet contractual cashflows.	12-month ECL
Grade II	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Impairment provision/write off

#### Trade receivables

The Group provides for expected credit losses for trade receivables using a provision matrix. The provision rates are determined based on Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region.

#### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular region.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

#### Exposure to credit risk

As the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and other financial receivable at the end of the reporting period is as follows:

As at 31st March	2024	2024	2023	2023
		% of total		% of total
Investment Holding/Portfolio and Asset Management	25,130	0%	47,768	0%
Oil Palm Plantations	3,583,889	27%	2,668,927	25%
Oils & Fats	5,095,915	39%	6,435,738	62%
Beverage	4,229,377	32%	1,298,054	12%
Real Estate	94,571	1%	77,361	1%
Leisure	107,244	1%	35,901	0%
Management Services	431	0%	-	0%
	13,136,557	100%	10,563,749	100%



(Amounts expressed in Sri Lankan Rs. '000)

The credit risk for the trade and other receivable at the end of the reporting period by geographical segment is as follows:

As at 31st March	2024	2024 % of total	2023	2023 % of total
Sri Lanka	4,446,519	34%	1,459,983	14%
Malaysia	5,096,001	39%	6,439,876	61%
Indonesia	3,583,801	27%	2,663,890	25%
Singapore	10,236	0%	-	0%
Mauritius	-	0%	-	0%
	13,136,557	100%	10,563,749	100%

The ageing of trade receivables at the reporting date are as follows:

	2024	2023
0 - 30 days	1,942,075	828,202
30 - 365 days	9,290,255	7,698,192
More than 365 days	69,280	67,304
Gross carrying value	11,301,610	8,593,698
Allowance for expected credit losses	(133,033)	(142,715)
Total	11,168,577	8,450,983

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with credit worthy debtors with good payment record with the Group. Cash at bank and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings with no history of default.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 48. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (CONTD.)

#### Fair value through profit or loss financial assets - investment in unit trusts

Name of the fund	Fund category	Fund's investment instruments
CT CLSA Money Market Fund	Money market fund	Fixed income securities within the maturity period less than 365 days to provide short term returns

The Group continuously monitors the performance, asset allocation, credit quality and maturity profiles of these funds in order to assess and mitigate the credit risk.

#### 2. Liquidity Risk

Both at Company and Group level short term liquidity constraints are indicated by the current ratio etc. However, such indications have not affected the day to day activities of the Company or the Group due to prudent operational discipline and mitigating circumstances that are expected to manifest with the economic and operational recovery. The Group actively manage its operating and financing cash flows to ensure all refinancing, repayment and investment needs are satisfied. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain unutilised banking facilities of a reasonable level compared to its overall debt. The Group raises committed funding from both capital markets and financial institutions and prudently balance its debt maturity profile with a mix of short and longer term funding to achieve overall cost effectiveness. In the event of acute liability restrictions Group has resorted to liquidating non-strategic, least yielding investments and fixed assets in the past to meet urgent current liabilities which cannot be re-scheduled. Liquidity restrictions of subsidiary levels will and can affect their dividend payment policies which in turn will affect the cashflows of the parent entity.

At Company level, such cascading events and possible need for equity capital infusions will impact the liquidity of the parent Company. Restricted capital expenditure, internalized cost management, disposal of non-strategic investments and revising own dividend payment policies would be the mitigating steps taken at the parent company level.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the segment treasury. The Treasury invests surplus cash in interest bearing savings/call accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above mentioned forecasts.

As at 31st March	Group		Company	
	2024	2023	2024	2023
Total cash and bank balances	41,546,054	41,687,765	50,959	52,451
Less: Fixed deposits pledged for bank facilities	(1,630,788)	(594,413)	-	-
Less: Other deposits with more than 3 months maturity	(20,634,079)	(27,569,962)	-	-
Less: Bank overdrafts and short term loans	(20,547,927)	(27,342,251)	-	-
Cash and cash equivalents	(1,266,740)	(13,818,861)	50,959	52,451
Net cash flows generated from operating activities	33,447,574	52,459,122	211,671	143,517
Net cash flows used in investing activities	(19,037,686)	(17,288,585)	-	-
Net cash flows generated from financing activities	(7,398,594)	(24,866,265)	(213,163)	(117,411)
Net cash movement	7,011,294	10,304,272	(1,492)	26,106
Major application of funds as follows:				
Payments for property, plant & equipment/investment property	(14,929,543)	(15,276,665)	-	-
Payments for bearer plant development costs	(1,558,582)	(810,186)	-	-

(Amounts expressed in Sri Lankan Rs. '000)

(a) Group	One year or less	One to five years	Over five years	Total
<b>2024</b>				
<b>Financial assets</b>				
Investment in equity securities - current	8,934,181	-	-	8,934,181
Trade and other financial receivables	13,136,557	4,920,860	-	18,057,417
Derivative financial instruments	8,194	-	-	8,194
Cash and cash equivalents	41,546,054	-	-	41,546,054
Total undiscounted financial assets	63,624,986	4,920,860	-	68,545,846
<b>Financial liabilities</b>				
Trade and other financial payables	29,090,836	87,399	-	29,178,235
Loans and borrowings	27,410,843	30,017,821	29,020,223	86,448,887
Lease liabilities	371,704	457,857	-	829,561
Derivative financial instruments	-	-	-	-
Total undiscounted financial liabilities	56,873,383	30,563,077	29,020,223	116,456,683
Total net undiscounted financial liabilities	6,751,603	(25,642,217)	(29,020,223)	(47,910,837)
<b>2023</b>				
<b>Financial assets</b>				
Investment in equity securities - current	8,245,177	-	-	8,245,177
Trade and other financial receivables	10,563,749	4,084,317	-	14,648,066
Derivative financial instruments	33,044	-	-	33,044
Cash and cash equivalents	41,687,765	-	-	41,687,765
Total undiscounted financial assets	60,529,735	4,084,317	-	64,614,052
<b>Financial liabilities</b>				
Trade and other financial payables	28,209,392	104,479	-	28,313,871
Loans and borrowings	35,061,209	63,617,137	31,133	98,709,479
Lease liabilities	639,586	654,022	-	1,293,608
Derivative financial instruments	-	2,077,195	-	2,077,195
Total undiscounted financial liabilities	63,910,187	66,452,833	31,133	130,394,153
Total net undiscounted financial liabilities	(3,380,452)	(62,368,516)	(31,133)	(65,780,101)

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>48. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (CONTD.)</b>				
(b) Company	One year or less	One to five years	Over five years	Total
<b>2024</b>				
<b>Financial assets</b>				
Investment in equity securities - Non current	-	-	1,239,225	1,239,225
Trade and other financial receivables	-	-	-	-
Cash and cash equivalents	50,959	-	-	50,959
Total undiscounted financial assets	50,959	-	1,239,225	1,290,184
<b>Financial liabilities</b>				
Trade and other financial payables	90,550	-	-	90,550
Total undiscounted financial liabilities	90,550	-	-	90,550
Total net undiscounted financial Assets/(liabilities)	(39,591)	-	1,239,225	1,199,634
<b>2023</b>				
<b>Financial assets</b>				
Investment in equity securities - Non current	-	-	929,175	929,175
Trade and other financial receivables	-	-	-	-
Cash and cash equivalents	52,451	-	-	52,451
Total undiscounted financial assets	52,451	-	929,175	981,626
<b>Financial liabilities</b>				
Trade and other financial payables	93,530	-	-	93,530
Total net undiscounted financial Assets/(liabilities)	93,530	-	-	93,530
Total net undiscounted financial liabilities	(41,079)	-	929,175	888,096

(Amounts expressed in Sri Lankan Rs. '000)

The table below shows the contractual expiry by maturity of the Group's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called in.

Group	2024	2023
<b>Financial guarantees</b>		
One year or less	6,405,381	13,649,262
One to five years	3,262,778	64,628,797
Over five years	63,162,403	-
	<b>72,830,562</b>	<b>78,278,059</b>

### 3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity price and equity prices, will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### (a) Commodity price risk (GAHL Group)

The Group's primary exposure to commodity price risk arises from the sale of Oil Palm based products and purchase of raw materials. These commodities are subject to volatility in prices, due to a number of varying market forces and factors.

The Group manages the price risk, due to the impact of such price volatility on its cash flows, by hedging its sales by entering into forward physical sales contract or by hedging its sales through CPO (Crude Palm Oil) swaps and options where required.

As at 31st March 2024 had the prices of CPO and PK (Palm Kernal) been 5 % higher/lower with all other variables held constant, profit before tax would have increased/decreased by US\$ 20,635,000 (2023 : US\$ 23,968,000).

CPO, PK and PKO are also key raw materials in our edible oils and fats business segment. These are as stated above freely-traded market commodities and are subject to varying market forces that determine its prices.

In the edible oils and fats business segment, the GAHL Group manages the impact of such price volatility on its cash flows, by hedging its purchases either by entering into forward purchase contract or through a back-to-back purchase arrangement for the respective sales or taking hedging positions in Bursa Malaysia Derivatives ("BMD").

#### (b) Equity price risk (Guardian (CGIT) Group)

The CGIT Group operate as an investment house, where the principle activity of each of the companies within the Group being to act as specialized investment vehicle to undertake, among others; listed and private equity investments, the CGIT Group is categorically exposed to equity price risk. Having a substantial portion of 54% (2023 : 60%) of its investment portfolio designated as listed investments in the Colombo Stock Exchange and private equity investments, market volatilities bring in substantial volatility to the CGIT Groups earnings and value of its asset base at the reporting date.

#### Management of market price risk

##### Listed equity

Management of the CGIT Group monitors the its investment portfolio based on market indices, where decisions concerned with the timing of buy/sell decisions are well supported with structured in-house research recommendations. Transactions of a major magnitude within the portfolio are subject to review and approval by the Investment Committee.

##### Private equity investments

Due evaluations are carried out prior to investing on financial and operational feasibility of the private equity projects that the CGIT Group ventures into, with a view to ascertain the respective company's investment decision and the risks involved. Continuous monitoring of the operations against the budgets and the industry standards ensure that the projects meet the desired outcome, and thereby the returns. Further, the CGIT Group generally enters into investment agreements with the parties concerned, which carry specific 'exit clauses' to private equity projects - such as 'Initial Public Offering' 'Buy-out' etc.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 48. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (CONTD.)

#### Sensitivity Analysis

An increasing / (decreasing) of the equity market prices would have increased / (decreased) the investment as at the end of the periods by the amounts shown below. The analysis assumes that all other variables, remain constant and ignores any impact of further investments or withdrawals.

Movement in equity market prices	Group	
	Increasing	Decreasing
As at 31 March 2024		
- Equity market price (10% movement)	1,726,942	(1,726,942)
As at 31 March 2023		
- Equity market price (10% movement)	1,705,907	(1,705,907)

#### Investment in equity securities - Quoted shares at fair value through profit or loss

As at 31st March	Group			
	2024	% of total	2023	% of total
Banks	462,718	5%	413,569	5%
Chemicals & Pharmaceuticals	119	0%	140	0%
Capital goods	2,056,671	23%	1,676,827	20%
Consumer Durables & Apparel	202,797	2%	175,900	2%
Consumer service	352,202	4%	443,654	5%
Diversified financials	2,035,284	23%	1,369,054	17%
Energy	22,183	0%	3,430	0%
Food beverage & Tobacco	1,949,379	22%	1,726,662	21%
Food & Staples Retailing	367,484	4%	470,844	6%
Insurance	874,517	10%	845,062	10%
Materials	57,892	1%	217,917	3%
Retailing	85,718	1%	74,433	1%
Telecommunication	166,132	2%	355,674	4%
Utilities	-	0%	8,423	0%
Foreign equity investment	301,085	3%	463,588	6%
	8,934,181		8,245,177	

#### (c) Foreign currency risk (Good Hope Asia Group (GAHL))

The GAHL Group has currency exposures arising from loans and borrowings of Indonesian entities denominated in a currency other than the functional currency, the IDR. The foreign currency in which these loans and borrowings are denominated in USD.

A significant portion of the raw material purchases in the edible oils and fats business segment in Malaysia is also denominated in USD, resulting in a currency exposure against the functional currencies of MYR.

The GAHL Group's currency exposure arising from sales and purchases (excluding above), as well as all other assets, liabilities and operational expenses is limited as these are primarily denominated in the respective functional currencies of GAHL Group entities, primarily IDR and MYR.

The GAHL Group manages the impact of such exchange movements on its cash flows, by hedging its currency exposure through forward booking arrangements on a selective basis. The Group does not have any other foreign currency hedge arrangements as at reporting date.

(Amounts expressed in Sri Lankan Rs. '000)

### Foreign exchange - Sensitivity analysis

The following Table demonstrates the sensitivity of the Group's profit/loss before taxation to a reasonably possible change in MYR and IDR exchange rate against the USD, with all other variables held constant:

	2024	2023
<b>Increase/(decrease) in profit before tax:</b>		
MYR strengthened by 5%	7,948	52,275
MYR weakened by 5%	(7,948)	(52,275)
IDR strengthened by 5%	(386,591)	(50,485)
IDR weakened by 5%	386,591	50,485

### (d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in the market interest rates arises primarily from the group's debt obligation with floating exchange rates.

The Group will pursue derivative mechanisms such as interest swaps, where necessary, to manage its interest risk arising from the group's sources of finance. The Group does not actively pursue derivative mechanisms at the moment.

### Sensitivity analysis on interest rate fluctuation

#### (i) Goodhope Asia Group

Interest expense had been capitalised to bearer plants to the extent that the borrowing is used to fund the qualifying assets (bearer plants) until the point of maturity. The remaining interest expenses were charged to the income statement.

At the balance sheet date, if US Dollar interest rate had been 50 basis points higher/lower with all other variables held constant, the Group's profit or loss would have decreased/increased by US\$ 1,070,000 (2023: US\$ 1,379,000).

If one percentage point change in the interest rate would have the following impact on pre tax profit

	Increase by one percentage Rs.'000s	Decrease by one percentage Rs.'000s
(ii) Beverage sector	21,458	(21,458)
(iii) Carson Cumberbatch PLC	15,497	(15,363)

### Management of interest rate risk

The facility limits given by banks are reviewed annually or whenever required. The market rates/values, trends & movements are reviewed weekly to ascertain the interest rate risk and plan of action. A daily review is made on outstanding balances and interest rates.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 48. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (CONTD.)

At the end of the reporting period the profile of the Group's interest-bearing financial instruments were as follows.

As at 31st March	2024	2023
<b>Financial assets</b>		
Short term deposits	22,264,867	28,164,375
	<b>22,264,867</b>	<b>28,164,375</b>
<b>Financial liabilities</b>		
Loans term borrowings	65,900,960	66,159,905
Lease liabilities	829,561	1,293,608
Short term borrowings	20,547,927	27,342,251
Redeemable Convertible Preference Shares (RCPS)	-	5,207,323
	<b>87,278,448</b>	<b>100,003,087</b>

### 49. CAPITAL MANAGEMENT

Group consist of companies operating in different business sectors spanning across several geographical domains. Due to the different industry/market specific business sensitivities across industries, Group does not promote a "one size fits all" policy in capital management for its subsidiaries.

Individual companies, through their respective Boards of directors determine the capital structure best suited for their business needs subject to regulatory framework, cash-flow capacity potential, availability or otherwise of cheaper external funding, future expansion plans and shareholder sentiments.

While subsidiaries have the flexibility to decide on their optimal capital structure, the group keeps an eye on capital using specific ratios (Eg. gearing ratio, debt to equity ratio). Each sector must report these ratios to their respective Boards and the parent company's Board during quarterly performance reviews. Additionally, every publicly listed company within the group must provide a solvency report that has been internally verified to their Board every quarter, along with interim reports, regardless of whether there is a proposed distribution or not.

#### (a) Analysis of Group Net Debt

The Group defines capital as the total equity of the group. The group's objective for managing capital is to deliver competitive, secure and sustainable returns to maximize long term shareholder value. Net debt is current and non current finance debt less cash and cash equivalents. The net debt ratio is the ratio of net debt to total equity. The net debt ratio enables investors to see how significant net debt is relative to equity from shareholders.

As at 31st March	2024	2023
<b>Gross Debt</b>	<b>87,278,448</b>	<b>100,003,087</b>
Cash and Cash Equivalents	(41,546,054)	(41,687,765)
<b>Net Debt</b>	<b>45,732,394</b>	<b>58,315,322</b>
Equity	131,696,321	127,731,146
Net Debt Ratio	35%	46%



(Amounts expressed in Sri Lankan Rs. '000)

### (b) Adjusted net gearing ratio

The adjusted net gearing ratio is calculated by dividing the adjusted net debt by the total equity capital (adjusted debt to equity). Adjusted net debt is calculated by subtracting liquid working capital from net debt, as shown in the table below.

As at 31st March	2024	2023
Total equity	131,696,321	127,731,146
<b>Liquid working capital:</b>		
Inventories (including biological assets)	24,028,606	21,849,006
Trade receivables	11,259,347	8,541,283
Less: Current liabilities (excluding loans and borrowings)	(31,781,616)	(32,978,283)
Total liquid working capital	3,506,337	(2,587,994)
Adjusted net debt	42,226,057	60,903,316
Adjusted net gearing ratio (%)	32%	48%

## 50. COMMITMENTS AND CONTINGENT LIABILITIES

### (a) Capital commitments

Capital expenditure contracted for as at the date of the reporting period but not recognised in the financial statements amount to Rs 1,808.42 Mn. (2023 - 1,551.21 Mn)

### (b) Finance commitment

Documentary credits established for foreign purchases of the Group as at 31st March 2024 amounts to Rs. 1,308 Mn (2023 - Rs. 1,657 Mn)

### (c) Commitments for purchase contracts

The Group has the following committed purchase contracts entered into for the use of the Group. The contractual or underlying amounts of the committed contracts with fixed pricing terms that were outstanding as at period end are as follows:

As at 31st March	Group	
	2024	2023
<b>Oil Palm plantation and Oil and Fats</b>		
Purchases	3,650,046	8,867,784
Sales	13,156,868	23,634,556
	16,806,914	32,502,340

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 50. COMMITMENTS AND CONTINGENT LIABILITIES (CONTD.)

#### (d) Contingent liabilities

##### (i) Corporate guarantees

- (a) The Goodhope Asia Holdings Group has provided a corporate guarantee to a bank for a loan taken under the Plasma programme. Loan value is equivalent to Rs.2,033,978 Mn (2023 - Rs. 310.45 Mn).

The Goodhope Asia Holdings Ltd (GAHL) has provided the following guarantees at the end of the reporting period:

GAHL has provided corporate guarantees to financial institutions for the financing facilities obtained by its subsidiaries, amounting to Rs. 72.8 Bn or equivalent US\$ 242,414,000 (2023 - Rs. 78.27 Bn or equivalent US\$ 239,280,000). It has undertaken to provide continuing financial support to certain subsidiaries to enable them to meet their liabilities as and when they fall due.

- (b) Contingent liabilities as at 31st March 2024 in Lion Brewery (Ceylon) PLC (LBCPLC) amounts to Rs. 781 Mn (2023 - Rs. 78 Mn), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

##### (ii) Material litigation

- (a) In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Ceylon Beverage Holdings PLC (CBH PLC) and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998 to 2001 and Rs.25,059,553/86 as its penalty. The CBH PLC and the Directors filed a Writ an application in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued to the CBH PLC and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the CBH PLC as required before submitting its appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86.

Subsequently the CA Application was dismissed and the CBH PLC appealed against the Order to the Supreme Court. The Supreme Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. Supreme Court Judgment was delivered in December 2022 where the CBH PLC Appeal was upheld and Certificate of Excise Duty in default issued by the Director General of Customs and Excise Duty in the Magistrates' Court of Fort was quashed.

The Director General of Excise was directed to consider the representations made by the CBH PLC and make a determination under section 9(2) of the said Act, pursuant to an inquiry which was to be concluded within six months from the date of the judgment. Despite the lapse of six months, inquiry is still pending.

- (b) An individual after having lost the cases he filed in the District Court and Civil Appellate Court of Negombo claiming declaratory title from court stating that he is the co-owner of 127.5 perches of land that belonged to the Pegasus Hotel of Ceylon PLC, has appealed to the Supreme Court and the case is listed to be heard on the question of leave to proceed. In any case, the claimed land extent falls within the 1,251 perches of land acquired by the Government for the fisheries harbour project and detailed under Note 32 (a). Since the crystallization of the contingent liability is subject to the ruling of the said Supreme Court appeal and the subsequent value determination of the claim by the Government valuer, said contingent liability cannot be quantified.

There were no contingent liabilities other than those disclosed above as at the reporting date.

(Amounts expressed in Sri Lankan Rs. '000)

## 51. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosures in the financial statements other than disclosure in note 19.

## 52. RELATED PARTY TRANSACTIONS

The Group entities carried out transactions in the ordinary course of its business with the parties who are defined as related parties in Sri Lanka Accounting standard (LKAS - 24 "Related party disclosures", the details of which are reported below.

### Terms and conditions of transactions with related parties

The Group entities carried out transactions in the ordinary course of business with its related entities. The list of Directors at each of the subsidiaries, joint venture have been disclosed in the Group Directorate under the Supplementary Information section of the Annual Report.

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

### Non-recurrent related party transactions

There were no non-recurrent related party transactions during the year which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2024 audited financial statements, which required additional disclosures in the Annual Report under Colombo Stock Exchange Listing Rule 9.14.8 (1) and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

### Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial Statements, which required additional disclosures in the Annual Report under Colombo Stock Exchange listing Rule 9.14.8 (2) and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 52. RELATED PARTY TRANSACTIONS (CONTD.)

#### (a) Recurrent Transaction Details

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>Transaction with Subsidiaries</b>				
Dividend Income received	-	-	253,910	174,665
Amounts paid for services obtained (Note b)	-	-	25,741	13,175
<b>(b) Carsons Management Services (Private) Limited</b>				
Support service fees (i)	-	-	24,867	12,392
Secretarial fees paid	-	-	628	540
Computer Fees paid	-	-	246	243
	-	-	25,741	13,175

(i) Support service fees and other expenses charged are based on the respective services provided by Carsons Management Services (Private) Limited (CMSL) as per the service agreements signed between the companies on an arm's length basis.

#### Transaction with Other related entities

Carson Cumberbatch PLC has provided letters of comfort in support of Carsons Management Services (Private) Limited confirming its intention to continue to provide financial and other support and meet liabilities to enable the wholly owned subsidiary to continue as a going concern, for audit purposes.

#### Transaction with Key Management Personnel (KMP)

According to LKAS 24 "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company/Group (including Executive and Non Executive Directors) and their immediate family members have been classified as KMP of the Company/Group.

Compensation paid to the key Management Personnel of the Company and the Group comprise as follows:

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Short term employee benefits	4,436,002	4,030,151	3,477	3,376
Post employment benefits	6,051	3,739	-	-
Termination benefits	-	-	-	-
Non-cash benefits	3,240	18,372	-	-
	4,445,293	4,052,262	3,477	3,376

#### (c) Non Recurrent Transaction with KMP

There were no non recurrent transaction during the current financial period.

#### (d) Amounts Due from equity accounted investee

Premium Fats Sdn. Bhd.	90,770	90,300	-	-
	90,770	90,300	-	-

(Amounts expressed in Sri Lankan Rs. '000)

### 53. EXCHANGE RATES

The exchange rates applicable during the period were as follows:

For the year ended 31st March	Closing rate for the Balance Sheet		Average Rate for the Income Statement	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Malaysian Ringgit	63.63	74.22	68.50	79.94
US Dollar	300.44	327.14	317.92	358.05
Indonesian Rupiah	0.0190	0.0217	0.0207	0.0238

### 54. BOARD OF DIRECTORS RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the preparation and presentation of the financial statements in accordance with Sri Lanka Accounting Standards.

### 55. COMPARATIVE FIGURES

Previous period's figures and phrases have been re-arranged wherever necessary to conform to the current period's presentation.

# Group Real Estate Portfolio

(Amounts expressed in Sri Lankan Rs. '000)

The values of land & buildings owned and leased by companies within the Group and which have been revalued by valuers are indicated below together with the last date of valuation:

As at 31st March 2024		Land & Building			
Company	Location	Extent (Hectares)	Market Value Rs. '000	Book Value Rs. '000	Date of last Valuation
Equity One Limited	Colombo 7	0.24	2,056,160	2,056,160	31-Mar-24
Equity One Limited	Colombo 2	0.46	1,229,773	1,229,773	31-Mar-24
Equity Two PLC	Colombo 1	0.07	741,289	741,289	31-Mar-24
Equity Two PLC	Colombo 1	0.15	1,165,743	1,165,743	31-Mar-24
Equity Three (Private) Limited	Colombo 13	0.21	831,567	831,567	31-Mar-24
		1.13	6,024,532	6,024,532	
PT Agro Indomas	Indonesia	26,516	16,860,596	5,085,749	30-Sep-20
PT Agro Bukit	Indonesia	13,966	11,406,691	5,151,986	30-Sep-20
PT Karya Makmur Sejahtera	Indonesia	10,872	6,647,017	2,829,037	30-Sep-20
PT Agro Wana Lastari	Indonesia	15,272	9,280,728	6,870,867	30-Sep-20
PT Rim Capital	Indonesia	3,933	1,968,134	779,900	30-Sep-20
PT Agrajaya Baktitama	Indonesia	7,029	4,339,082	2,613,087	30-Sep-20
PT Nabire baru	Indonesia	11,610	8,265,932	8,037,522	30-Sep-20
PT Batu Mas Sejahtera	Indonesia	2,478	1,595,017	2,336,050	30-Sep-20
PT Sawith Makmur Sejahtera	Indonesia	7,721	4,193,914	1,870,293	30-Sep-20
PT Sumber Hasil Prima	Indonesia	5,038	3,346,421	3,099,153	30-Sep-20
PT Sinar Sawit Andalan	Indonesia	3,281	1,801,474	717,713	30-Sep-20
PT Sariwana Adi Perkasa	Indonesia	5,097	3,317,141	917,867	30-Sep-20
		112,813	73,022,147	40,309,224	
Premium Vegetable Oil Sdn. Bhd.	Malaysia	4.63	3,491,196	1,864,152	6-Apr-23
		4.63	3,491,196	1,864,152	
Ceylon Beverage Holdings PLC	Nuwara-Eliya/ Trincomalee	1.60	815,200	815,200	31-Mar-24
Lion Brewery (Ceylon) PLC	Biyagama	16.09	8,286,313	8,286,313	31-Mar-24
Millers Brewery Limited	Padukka	9.25	2,030,327	2,030,327	31-Mar-24
		26.94	11,131,840	11,131,840	
Pegasus Hotels of Ceylon PLC	Wattala	5.87	2,623,501	2,623,501	31-Mar-24
Equity Hotels Ltd.	Giritale	6.03	327,131	327,131	31-Mar-24
		11.90	2,950,632	2,950,632	
<b>Total value</b>		<b>112,858</b>	<b>96,620,347</b>	<b>62,280,380</b>	

Indonesian Plantation Companies - Book Value reflects Carrying Value as at 31 March 2024 where as independent Market value reflects the value as at the date of last valuation as indicated. The above values are converted to LKR at the closing exchange rate as at 31 March 2024. Land and Building also includes value of Land Rights.

Indonesian plantation Companies - Land Hectareage extent reflects the most updated status as at 31 March 2024 based on the land certifications provided by Indonesian authorities.

# Income Statement - USD

(Amounts expressed in USD)

For the year ended 31st March	Group	
	2024	2023
<b>Continuing operations</b>		
Revenue	871,316,193	922,833,719
Direct operating expenses	(628,567,419)	(663,237,444)
<b>Gross profit</b>	<b>242,748,774</b>	<b>259,596,275</b>
Other income	12,076,060	10,422,190
Administrative expenses	(62,777,711)	(59,031,962)
Distribution expenses	(42,252,554)	(41,057,157)
Other operating expenses	(1,811,018)	(2,179,913)
(Provision )/Reversal of impairment of business assets	915,523	(986,535)
Foreign exchange gains/(losses)	192,338	(1,417,148)
<b>Profit from operations</b>	<b>149,091,412</b>	<b>165,345,750</b>
Net finance costs	(39,498,496)	(40,819,969)
Change in fair value of investment properties	1,228,551	1,616,288
Change in fair value of biological assets	592,646	(10,323,877)
Change in fair value of Financial assets - fair value through profit or loss	5,914,655	2,577,855
Share of net results of equity accounted investee	(39,953)	(38,506)
<b>Profit before tax</b>	<b>117,288,815</b>	<b>118,357,541</b>
Current taxation	(41,826,422)	(40,499,634)
Deferred taxation	(5,628,554)	(1,621,804)
<b>Tax expense</b>	<b>(47,454,976)</b>	<b>(42,121,438)</b>
<b>Profit from continuing operations</b>	<b>69,833,839</b>	<b>76,236,103</b>
<b>Discontinued operations</b>		
Loss from discontinued operations, (net of tax)	-	(1,814,677)
Gain on disposal of joint venture	-	13,967
Gain on disposal of subsidiary	-	6,066,597
<b>Net impact from discontinued operations, (net of tax)</b>	<b>-</b>	<b>4,265,887</b>
<b>Profit for the year</b>	<b>69,833,839</b>	<b>80,501,990</b>
Exchange rates (1 USD : LKR)	317.92	358.05

# Statement of Financial Position

(Amounts expressed in USD)

As at 31st March	Group	
	2024	2023
<b>ASSETS</b>		
<b>Non - Current Assets</b>		
Property, plant & equipment	328,682,130	306,892,248
Bearer Plants	139,152,000	150,209,635
Investment properties	20,327,187	17,331,629
Intangible assets	33,523,249	34,554,934
Investments in equity accounted investee	2,507,000	2,687,003
Deferred tax assets	12,075,376	16,376,750
Other financial receivables	16,378,844	12,484,921
Other non financial receivables	45,662,505	48,106,312
<b>Total non - current assets</b>	<b>598,308,291</b>	<b>588,643,432</b>
<b>Current Assets</b>		
Inventories	67,501,348	54,299,055
Trade receivables	37,476,192	26,108,953
Other financial receivables	6,248,203	6,182,264
Other non financial receivables	24,737,725	34,669,994
Current tax recoverable	992	981
Investment in equity and debt securities	32,113,773	26,925,209
Investment in Unit trusts	1,300,642	740,273
Derivative financial instruments	27,273	101,009
Biological assets	12,476,704	12,488,882
Cash and cash equivalents	138,284,030	127,430,962
<b>Total current assets</b>	<b>320,166,882</b>	<b>288,947,582</b>
<b>Total assets</b>	<b>918,475,173</b>	<b>877,591,014</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Stated capital	3,780,498	3,780,498
Capital reserves	16,499,907	8,976,509
Revenue reserves	161,852,347	152,443,331
<b>Equity attributable to owners of the Company</b>	<b>182,132,752</b>	<b>165,200,338</b>
<b>Non-controlling interests</b>	<b>256,212,079</b>	<b>225,247,622</b>
<b>Total equity</b>	<b>438,344,831</b>	<b>390,447,960</b>
Investment through subsidiary	(35,574)	(32,671)
<b>Total equity</b>	<b>438,309,257</b>	<b>390,415,289</b>
<b>LIABILITIES</b>		
<b>Non - Current Liabilities</b>		
Loans and borrowings	196,505,272	194,559,730
Lease liabilities	1,523,955	1,999,211
Other financial payables	290,903	319,371
Other non financial liabilities	1,352,207	922,865
Employee Benefits	12,319,338	12,047,600
Derivative financial instruments	-	6,349,560
Deferred tax liabilities	53,675,849	48,390,918
<b>Total non - current liabilities</b>	<b>265,667,524</b>	<b>264,589,255</b>
<b>Current Liabilities</b>		
Trade payables	25,354,637	18,055,420
Other financial payables	71,472,802	68,174,916
Other non financial payables	16,241,959	12,648,591
Current tax liabilities	8,956,131	14,577,523
Loans and borrowings	91,235,664	107,174,937
Lease liabilities	1,237,199	1,955,083
<b>Total current liabilities</b>	<b>214,498,392</b>	<b>222,586,470</b>
<b>Total liabilities</b>	<b>480,165,916</b>	<b>487,175,725</b>
<b>Total equity and liabilities</b>	<b>918,475,173</b>	<b>877,591,014</b>
Exchange rate (1 USD : LKR)	300.44	327.14



# Glossary

(Amounts expressed in Sri Lankan Rs. '000)

## ACTUARIAL GAINS AND LOSSES

Gain or loss arising from the difference between estimates and actual experience in a company's pension plan.

## AVAILABLE FOR SALE FINANCIAL ASSETS

Non derivative financial asset that are designated as available for sale or any other instruments that are not classified as loans and receivable, held to maturity investment or financial assets at fair value through profit and loss.

## ASSETS HELD FOR SALE

The carrying amount of the asset value which will be recovered through a sale transaction rather than through continuing use.

## AWDR

The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly based on the weighted average of all outstanding interest bearing deposits of commercial banks and the corresponding interest rates.

## AWPLR

The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

## AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

## BIOLOGICAL ASSET

A living plant or animal used in a business.

## CAPITAL EXPENDITURE

The total of additions to property, plant & equipment, Biological assets, intangible assets, prepaid lease payments for lands and investment property.

## CARRYING AMOUNT

The amount at which an asset is recognised in the statement of Financial Position.

## CREDIT RISK

Risk that the counterparty to a transaction fails to meet its contractual obligations in accordance to the agreed terms and conditions.

## CASH & CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant can't risk of changes in value.

## CONTINGENT LIABILITIES

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## CURRENT RATIO

Current Assets over Current Liabilities. A measure of liquidity.

## CAPITAL EMPLOYED

Shareholders' funds plus non-controlling interests and long term and short term borrowings.

## CURRENCY SWAP

An agreement between two parties to exchange two currencies at a certain exchange rate at a certain time in the future.

## CURRENT SERVICE COST

Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

## DEBENTURE

A long-term debt instrument issued by a corporate.

## DERIVATIVES

Financial contracts whose values are derived from the values of underlying assets.

## DIVIDENDS

Distribution of profits to ordinary shareholders of equity investments.

## DIVIDEND COVER

Profit after tax divided by gross dividends. This ratio measures the number of times dividend is covered by the current year's distributable profits.

## DIVIDEND YIELD

Dividend earned per share as a percentage of its market value.

## DIVIDENDS PER SHARE (DPS)

Dividends paid and proposed, divided by the number of issued shares, which ranked for those dividends.

## DEBT/EQUITY RATIO

Debt as a percentage of Shareholders Funds.

## DIVIDEND PAYOUT RATIO

Dividend paid as a percentage of profits attributed to equity holders.

## EBIT

Earnings before Interest and tax expenses.

## EBITDA

Earnings before interest, tax, depreciation and amortization.

## EFFECTIVE RATE OF INTEREST

Total long-term and short-term interest divided by average long-term and short-term liabilities at the beginning and end of the year.

## EFFECTIVE TAX RATE

Income tax expense divided by profit before tax.

## Glossary

### EMISSIONS

The release of greenhouse gases and/ or their precursors into the atmosphere over a specified area and period of time.

### EQUITY INSTRUMENTS

A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### ENTERPRISE VALUE (EV)

The total sum value of market capitalization, equity attributable to non- controlling shareholders and net debt.

### EARNINGS PER SHARE (EPS)

Profit attributable to ordinary shareholders, divided by the number of ordinary shares in issue.

### FAIR VALUE

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

### FAIR VALUE THROUGH PROFIT AND LOSS

A financial asset/liability acquired/ incurred principally for the purpose of selling or repurchasing it in the near term.

### FORWARD EXCHANGE CONTRACT

Agreement between two parties to exchange one currency for another at a future date at a rate agreed upon today.

### FINANCIAL ASSET

Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

### FINANCIAL INSTRUMENT

Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

### FINANCIAL LIABILITY

Any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

### FINANCE LEASE

A contract whereby a lessor conveys to the lessee the right to use an asset for rent over an agreed period of time which is sufficient to amortise the capital outlay of the lessor. The lessor retains ownership of the asset but transfers substantially all the risks and rewards of ownership to the lessee.

### GROSS DIVIDENDS

The portion of profit inclusive of tax withheld distributed to shareholders.

### GROUP

A group is a parent and all its subsidiaries, associates and joint ventures.

### GAIN ON BARGAIN PURCHASE

The amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate consideration transferred.

### GEARING

Proportion of total interest bearing borrowings to capital employed.

### GOODWILL ON CONSOLIDATION

The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

### GUARANTEES

A contractual obligation made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable if the guarantee fails to fulfil the contractual obligations under that said contract.

### HELD-TO-MATURITY

A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

### IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

### INTEREST COVER

Profit before tax and net finance cost divided by net finance cost. Measure of an entity's debt service ability.

### INTEREST RATE SWAP

An arrangement whereby two parties swap interest rate commitments with each other to reduce interest rate risks on fixed or floating rate loans.

### INTERNAL RATE OF RETURN (IRR)

Rate of return used in capital budgeting to measure and compare the profitability of investments.

### INTANGIBLE ASSET

An identifiable non-monetary asset without physical substance held for use in the production / supply of goods / services or for rental to others or for administrative purposes.

### KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

### LIBOR

The London Inter-Bank Offer Rate is an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market.

### LIQUIDITY RISK

The risk of an entity having constraints to settle its financial liabilities.

**LOANS AND RECEIVABLES**

A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

**LIQUID ASSETS**

Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, bills of exchange and treasury bills.

**MARKET CAPITALISATION**

Number of Shares in issue at the end of the period multiplied by the Market price at end of period

**MARKET RISK**

Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

**NON-CONTROLLING INTEREST (NCI)**

Equity in subsidiary not attributable, directly or indirectly, to a parent.

**NET ASSET VALUE PER SHARE**

Shareholders' funds divided by the number of ordinary shares in issue.

**OTHER COMPREHENSIVE INCOME**

An entry that is generally found in the shareholders' equity section of the balance sheet.

**PRICE EARNINGS RATIO (P/E RATIO)**

Market price of an ordinary share divided by earnings per share (EPS).

**PRICE TO BOOK VALUE RATIO (PBV)**

Market price per share divided by net assets per share.

**PUBLIC HOLDING**

Percentage of shares held by the public calculated as per the Colombo Stock Exchange Listing Rules as at the date of the Report.

**QUICK ASSET RATIO**

Total current assets less inventories divided by total current liabilities.

**RETURN ON AVERAGE ASSETS (ROA)**

Net income expressed as a percentage of average total assets, used along with ROE, as a measure of profit and as a basis of intra-industry performance comparison.

**RETIREMENT BENEFITS**

Present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

**RETURN ON EQUITY**

Profit attributable to equity holders of the company divided by average equity less non-controlling interest at the beginning and end of the year.

**RETURN ON CAPITAL EMPLOYED**

Earnings before interest and tax as percentage of Capital Employed.

**RELATED PARTIES**

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

**REVALUATION SURPLUS**

Surplus amount due to revaluing assets in accordance with its fair value.

**SHAREHOLDERS' FUNDS**

Shareholders' funds consist of stated capital plus capital and revenue reserves.

**SEGMENTS**

Constituent business units grouped in terms of similarity of operations and location.

**TOTAL VALUE ADDED**

The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources.

**TOTAL ASSETS**

Fixed Assets plus Investments plus Non-Current Assets plus Current Assets.

**VALUE ADDED**

Value added is the wealth created by providing products and services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to government by way of taxes and retained for expansion and growth.

**WEIGHTED AVERAGE COST OF CAPITAL (WACC)**

The rate that a company is expected to pay on average to all its equity and debt holders.

**WORKING CAPITAL**

Capital required to finance day- to-day operations, computed as the excess of current assets over current liabilities.

# Notes

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# Notice of Meeting

**NOTICE IS HEREBY GIVEN** that the 108th Annual General Meeting of Bukit Darah PLC will be held on **Friday, the 09th day of August 2024 at 11.15 a.m.** at the Auditorium, the Institute of Chartered Accountants of Sri Lanka, Ground Floor, 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka for the following purposes:

1. To consider the Annual Report of the Board of Directors including the financial statements of the Company for the financial year ended 31st March 2024 together with the Report of the Auditors thereon.
2. To re-elect Mr. Suresh Kumar Shah who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.
3. To re-elect Mr. Amitha Saktha Amaratunga who retires in terms of Article 68 of the Articles of Association of the Company.
4. To re-elect Mr. Narayanan Girish Kumar who retires in terms of Article 68 of the Articles of Association of the Company.
5. To re-appoint Mr. Leslie Ralph De Lanerolle as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:
 

**"IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Leslie Ralph De Lanerolle who is 81 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
6. To re-appoint Mr. Mahendra Dayananda as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:
 

**"IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Mahendra Dayananda who is 78 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
7. To re-appoint Mr. Manoharan Selvanathan as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:
 

**"IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Manoharan Selvanathan who is 77 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
8. To re-appoint Mr. Hariharan Selvanathan as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:
 

**"IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Hariharan Selvanathan who is 75 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

9. To re-appoint Mr. Don Chandima Rajakaruna Gunawardena as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:

**"IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Don Chandima Rajakaruna Gunawardena who is 73 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

10. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.
11. To amend the Articles of Association of the Company and to consider and if deemed fit to pass the following Resolutions as Special Resolutions;

#### Special Resolution (1)

That Article 59 to be amended by the deletion of words and numbers "two (02)" and replacing the same with the words and numbers "five (05)" and by the deletion of words and numbers "eight (08)" and replacing the same with the words and numbers "eleven (11)", appearing in line 3 thereof. The amended Article 59 would read as follows;

"59. Subject to the provisions of section 201 of the Act and unless otherwise determined by a Special Resolution of Shareholders, the Board shall consist of a minimum of five (05) and a maximum of eleven (11) members."

#### Special Resolution (2)

That Article 78 to be amended as follows:

- Article 78(1) to be deleted in its entirety and replaced with the following Article;

"78(1) Alternate Directors shall only be appointed in exceptional circumstances as determined by the Board. Any Director who wishes to appoint one of his co-directors or any other person as an Alternate Director to act in his place shall obtain the prior approval of the Board and appoint such Alternate Director by notice in Writing left at the Office. The provisions contained in the following sub-Articles shall apply to any such Alternate Director".

- First paragraph of Article 78(5) to be deleted in its entirety and be replaced with the following new Article;

"78(5) An Alternate Director shall be appointed for a maximum period of one (01) year unless provided otherwise in the Listing Rules of the Colombo Stock Exchange, but he shall *ipso facto* cease to be an Alternate Director in any one of the following events prior to completion of his term:-"

- That the following sub-articles will be introduced immediately after Article 78(6);

"78(7) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an Executive of the Company."

## Notice of Meeting

78(8) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria for independence specified in any applicable rules of the Company including the Listing Rules of the Colombo Stock Exchange and shall satisfy the requirements relating to the minimum number of Independent Directors specified therein. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.

78(9) The Company shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:-

- a) the exceptional circumstances leading to such appointment;
- b) the information on the capacity in which such Alternate Director is appointed, i.e. whether as an Executive Director, Non-Executive Director or Independent Director;
- c) the time period for which he is appointed, which shall not exceed one (01) year from the date of appointment; and
- d) a statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company.

78(10) The attendance of any Alternate Director at any meeting, including a board committee meeting shall be counted for the purpose of quorum.

78(11) The words "Executive Director", "Independent Director", "Non-Executive Director", "Market Announcement" and "Nominations and Governance Committee" shall have the meanings and definitions applicable to them in the Listing Rules of the Colombo Stock Exchange.

### Special Resolution (3)

That the existing Article 88 to be deleted in its entirety and be replaced by the following;

"88. The Board may, from time to time by Resolution, appoint any person or persons as its attorney for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such periods and subject to such conditions as the Board may from time to time think fit."

### Special Resolution (4)

That Article 98 to be amended by the introduction of a new sub Article as follows;

"98(3) Notwithstanding the above, the Board may by Resolution authorize any contract or other enforceable obligation executed in terms of Section 19 of the Act to be entered into on behalf of the Company in writing, without the Common Seal being affixed thereon, and signed under the name of the Company by:

- (i) any two Directors of the Company;
- (ii) any one Director signing together with the Company Secretary or any other person or class of persons duly authorized by the Board; or
- (iii) one or more Attorneys appointed by the Company".

By Order of the Board

(Sgd.)  
K. D. De Silva (Mrs.)  
Director  
CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED  
Secretaries

Colombo  
16th July 2024

### Notes:

1. The Annual Report 2023/24 and the Notice convening the Annual General Meeting (AGM) will be made available on the Colombo Stock Exchange website [www.cse.lk](http://www.cse.lk) and on the Group's website [www.carsoncumberbatch.com](http://www.carsoncumberbatch.com)
2. A member is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
3. The completed Form of Proxy must be submitted to the Company not later than 4.45 p.m. on 07th August 2024,
  - via email to [BUKITAGM2024@carcumb.com](mailto:BUKITAGM2024@carcumb.com), or
  - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683, or
  - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.
4. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
5. The transfer books of the Company will remain open.
6. Security Check - We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.



# Form of Proxy

\*I/We.....  
of.....  
being \*a Shareholder/Shareholders of BUKIT DARAH PLC hereby appoint .....  
of.....  
bearing NIC No./ Passport No ..... or failing him/her\*

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Leslie Ralph De Lanerolle	or failing him,
Suresh Kumar Shah	or failing him,
Amitha Saktha Amaratunga	or failing him,
Narayanan Girish Kumar	or failing him,
Mahendra Dayananda	

as \*my/our proxy to attend at the 108th Annual General Meeting of the Company to be held on **Friday, 09th of August 2024 at 11.15 a.m.** at the Auditorium, the Institute of Chartered Accountants of Sri Lanka, Ground Floor, 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka and any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To re-elect Mr. S. K. Shah who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.		
2.	To re-elect Mr. Amitha Saktha Amaratunga who retires in terms of Article 68 of the Articles of Association of the Company.		
3.	To re-elect Mr. Narayanan Girish Kumar who retires in terms of Article 68 of the Articles of Association of the Company.		
4.	To re-appoint Mr. L. R. De Lanerolle who is over Seventy years of age as a Director of the Company		
5.	To re-appoint Mr. M. Dayananda who is over Seventy years of age as a Director of the Company		
6.	To re-appoint Mr. M. Selvanathan who is over Seventy years of age as a Director of the Company		
7.	To re-appoint Mr. H. Selvanathan who is over Seventy years of age as a Director of the Company.		
8.	To re-appoint Mr. D.C.R.Gunawardena who is over Seventy years of age as a Director of the Company.		
9.	To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.		
10.	To pass the following Special Resolutions to amend the Articles of Association of the Company as set out in the Notice.		
	Special Resolution 01		
	Special Resolution 02		
	Special Resolution 03		
	Special Resolution 04		

Signed this .....day of ..... Two Thousand and Twenty Four.

.....  
Signature /s

**Note:**

- (a) \*Please delete the inappropriate words.
- (b) A shareholder entitled to attend and vote at a General Meeting of the company, is entitled to appoint a proxy to attend and vote instead of him/ her and the proxy need not be a shareholder of the company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- (c) A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
- (d) Instructions are noted on the reverse hereof.

## Form of Proxy

### INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy by filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 54 of the Articles of Association of the Company:

The instrument appointing a proxy shall be in writing and:

(i) in the case of an individual shall be signed by the appointor or by his attorney;

and

(ii) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

The Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

A proxy need not be a member of the company.

4. In terms of Article 50 of the Articles of Association of the Company:

Where there are joint registered holders of any Share, any one (01) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy as if he were solely entitled thereto and if more than one (01) of such joint holders be so present at any meeting, one (01) of such persons so present whose name stands first in the Register in respect of such Share, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Shareholder in whose name any Share stands shall for the purpose of this Article be deemed joint holders thereof.

5. To be valid the completed Form of Proxy should be submitted to the Company not later than **4.45 p.m. on 07th August 2024**;
  - via email to [BUKITAGM2024@carcumb.com](mailto:BUKITAGM2024@carcumb.com), or
  - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683 or
  - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.

Name	:	.....
Address	:	..... .....
Jointly with Share folio no.	:	.....

# Corporate Information

## NAME OF THE COMPANY

Bukit Darah PLC

## COMPANY REGISTRATION NUMBER

PQ 56

## LEGAL FORM

A Public Quoted Company with limited liability. Incorporated in Sri Lanka in 1916

## BOARD OF DIRECTORS

Mr. H. Selvanathan (Chairman)  
Mr. M. Selvanathan  
Mr. D.C.R. Gunawardena  
Mr. L.R. de Lanerolle  
Mr. S. K. Shah  
Mr. M. Dayananda  
Mr. A. S. Amaratunga  
*(Appointed w.e.f. 17/06/2024)*  
Mr. Narayanan G. K.  
*(Appointed w.e.f. 17/06/2024)*  
Mr. I. Paulraj  
*(Resigned w.e.f. 17/06/2024)*

## ALTERNATE DIRECTOR

Mr. K. Selvanathan - for  
Mr. M. Selvanathan (Ceased to be an Alternate Director w.e.f. 31/12/2023)

## AUDIT COMMITTEE

Mr. L.R. De Lanerolle (Chairman)  
*Non Executive/Independent Director*  
Mr. M. Dayananda  
*Non-Executive/ Independent Director*  
Mr. D.C.R. Gunawardena  
*Non-Executive Director*

## REMUNERATION COMMITTEE

Mr. M. Dayananda (Chairman)  
*Non-Executive/Independent Director*  
Mr. D.C.R. Gunawardena  
*Non-Executive Director*  
Mr. L.R. de Lanerolle  
*Non-Executive/Independent Director*

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. L. R. de Lanerolle (Chairman)  
*Non-Executive/Independent Director*  
Mr. M. Dayananda  
*Non-Executive/ Independent Director*  
Mr. D.C.R. Gunawardena  
*Non-Executive Director*  
Mr. H. Selvanathan  
*Executive Director/Non-Executive Director of BUKIT w.e.f. 06th November 2023*  
Mr. M. Selvanathan  
*Executive Director/Non-Executive Director of BUKIT w.e.f. 06th November 2023*

## NOMINATION COMMITTEE

Mr. L.R. de Lanerolle (Chairman)  
*Non-Executive/Independent Director*  
*(Appointed as Chairman w.e.f. 17/06/2024)*  
Mr. I. Paulraj (Chairman)  
*Non Executive Director (Ceased to be the Chairman/ Member of the Nomination Committee w.e.f. 17/06/2024)*  
Mr. D.C. R. Gunawardena  
*Non-Executive Director*

## BANKERS TO THE GROUP

Standard Chartered Bank  
Commercial Bank of Ceylon PLC  
Hatton National Bank PLC

## AUDITORS

Messrs. KPMG, Chartered Accountants  
No. 32A,  
Sir Mohamed Macan Markar Mawatha,  
Colombo 3, Sri Lanka.  
Tel: 94 11 5426426  
Fax: 94 11 2445872

## SECRETARIES

Carsons Management Services  
(Private) Limited  
No. 61, Janadhipathi Mawatha,  
Colombo 1, Sri Lanka.  
Tel: 94-11-2039200  
Fax: 94-11-2039300

## REGISTERED OFFICE OF THE COMPANY

No. 61, Janadhipathi Mawatha,  
Colombo 1, Sri Lanka.  
Tel: 94-11-2039200  
Fax: 94-11-2039300

## EMAIL

carsons@carcumb.com

## CORPORATE WEBSITE

www.carsoncumberbatch.com



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