

# ANILANA

HOTELS • RESORTS • RETREATS

a touch of paradise



Annual Report 2022-2023



Heaven on Earth







# ANILANA

HOTELS • RESORTS • RETREATS

a touch of paradise

## ANILANA

PASIKUDA

## ANILANA

NILAVELI

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# ANILANA

HOTELS • RESORTS • RETREATS

## *About Us*

Over the course of its history, Sri Lanka has confronted and successfully overcome numerous challenges. Despite a promising resurgence in the tourism industry following the post-war period, recent adversities have presented formidable obstacles. The devastating impact of the Easter attacks in 2019, followed by the onset of the COVID-19 pandemic exactly a year later, dealt a dual blow to the tourism sector. With the economic crisis that happened in the year 2022, the tourism sector of the country was massively affected resulting in the downfall of the hotel industry of the country.

Navigating through adversity is a familiar narrative for our resilient island and, by extension, for us at Anilana. It is in these testing times that our genuine strength and untapped potential come to the forefront. While acknowledging that we, like many others in this industry, have experienced more favorable periods, we remain steadfast in our conviction that we will prevail, and this challenging phase will eventually pass.

Anilana Hotels and Properties PLC is actively present in three distinctive locations: Nilaveli, Nuwaraeliya, and Pasikudah. Each location is intricately designed with its unique concept, yet the underlying themes of tranquility, serenity, and regality resonate across all our properties. The design of each resort encapsulates the very essence of Sri Lanka, enriched with elements of luxury, ingrained hospitality, and secluded privacy. This amalgamation ensures the





## PASIKUDAH

Pasikudah, the flagship of the Anilana brand, is a tropical paradise aptly described as “the green-algae-bay”. Its private coral pool is a standout feature that is carefully preserved, and the attentive yet unobtrusive service allows guests to relax on their own terms. Indulge in delicious seafood and tropical drinks at your leisure, and if you’re feeling adventurous, take a ride on the 48ft catamaran to explore Kalkudah or Elephant Rocks in the Indian Ocean. Pasikudah offers a unique experience that invites guests to unwind, find tranquility, and create lasting memories.



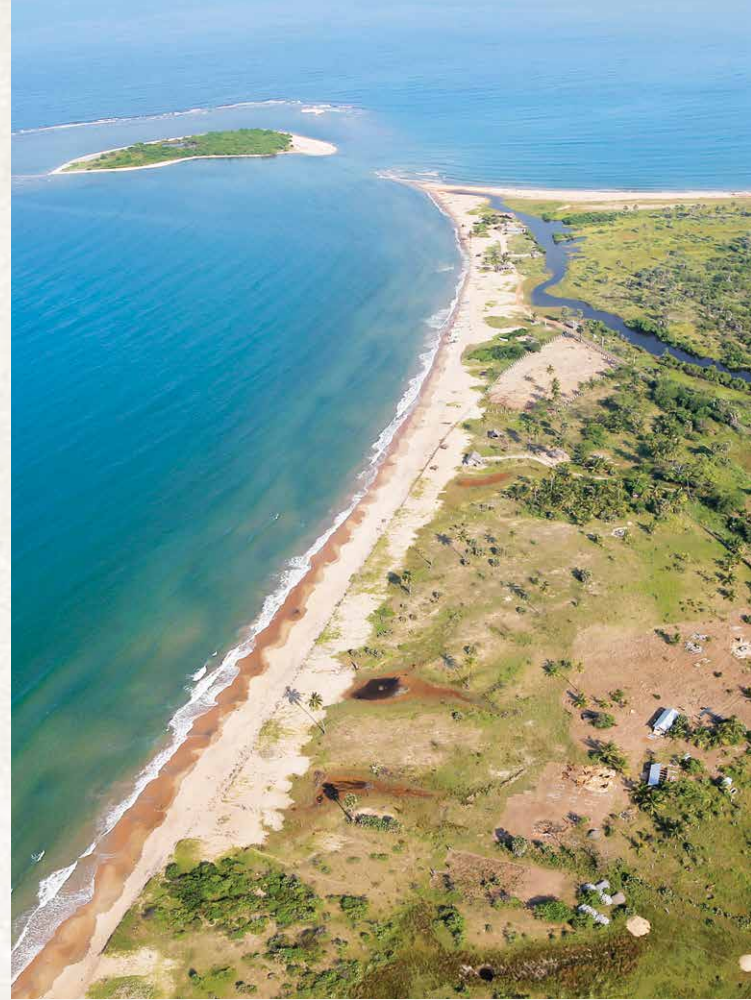
## NILAVELI

Nilaveli, , takes its name from the Tamil language, meaning “moon shining over land”. Situated on one of the world’s best beaches, it offers breathtaking views of the Indian Ocean, and each room or suite is thoughtfully designed to reflect the natural beauty of its surroundings, with emphasis on the sun, sea, and sand. Winner of the Best Luxury Beach Resort in 2016, Nilaveli invites guests to relax by one of its two pools, rejuvenate at the in-house spa, or soak up the sun on the pristine beach. For the more adventurous, the property is conveniently located near snorkeling and diving spots, dolphin and whale watching expeditions, as well as water sports and activity centers. Nilaveli appeals to all types of travelers, whether young or old, first-timers or seasoned globetrotters.



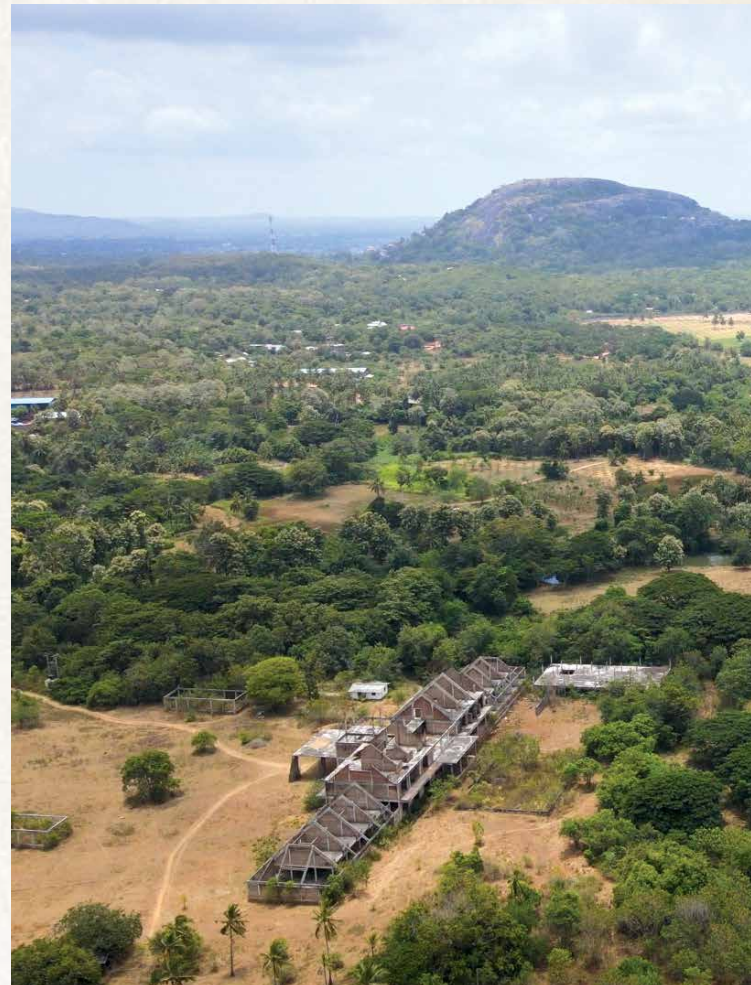
## SELLADIV ISLAND

Island life is part and parcel of who we are and Anilana's projects in the pipeline include Selladiv Island, a 10-acre property on a mini island off the East Coast. Situated in between Batticaloa and Trincomalee, this will be a retreat unto itself with luxurious water bungalows secluded away from the rest of the world and overlooking a vibrant coral reef. Paying special attention to the bio-diversity of the island, the Anilana property here will concentrate on Eco friendliness and the main building is set to be constructed on an elevation so as not to disrupt natural habitats. 24 exclusive water bungalows, 10 island suites, a lobby lounge, restaurant and bar, spa, water sports facility and diving center will complete this integrated resort project.



## DAMBULLA

Connecting the East with the rest of the nation, Dambulla is also a key town in Sri Lanka's history. Surrounded by historic and natural sights, this city has drawn tourists both local and international for many years and is also the gateway to other parts of the country. A 39-acre prime real estate plot on the Dambulla-Colombo road will soon house the exclusive Anilana Country Club. With an equestrian theme-the property will also include a professional horse-riding school, stables and even a show jumping course. The main building draws inspiration from an old English country manor and the large rooms and suites will also follow similar architecture and interior design. Riverside chalets have also been mapped out totaling 54-rooms on the property with swimming pools, spa, fully equipped gymnasium and much more ensuring a perfect getaway.







## VAKARAI

Another 21-acre land about 65km North of Batticaloa will be home to Anilana Vakarai. Concentrating heavily on water sports this property will focus mainly on adventure and outdoor tourists. Facilities here will include spacious, state-of-the-art and luxurious villas, clusters of eco-friendly beach houses, and a main hotel with up to 90 luxury rooms and suites. A well-designed spa, fully-equipped gymnasium, world-class restaurants highlighting island cuisine, multiple pools for relaxation and breathtaking views of the Indian Ocean await guests upon the completion of this property.



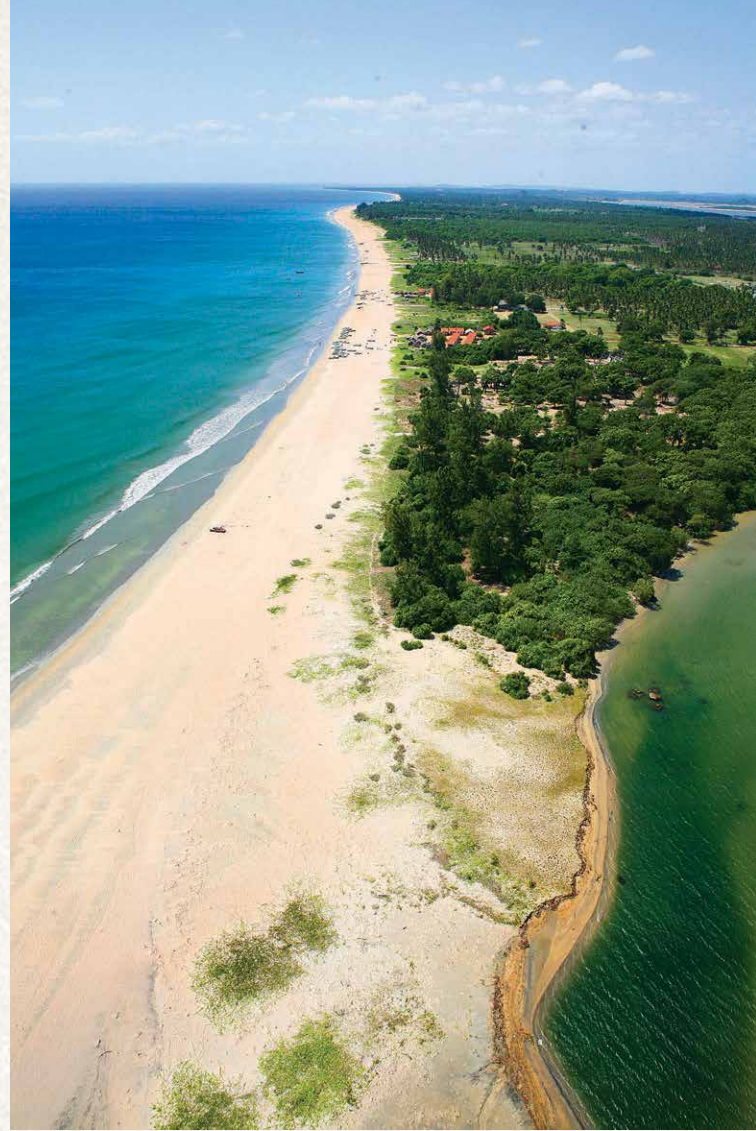
## KALKUDAH

A 34-acre pristine, beach-front property in Kalkudah is also among the Anilana portfolio. Set to be developed in to an eco-friendly, integrated resort, this will be a place where comfort and relaxation is of prime importance. Although the Kalkudah Bay is relatively busy during peak season, the white, sandy beaches have still retained their natural allure which is sure to draw tourists from around the world. The concept of indoor and outdoor living will be a part of the property once constructed, with independent villas, private plunge pools, beach houses and beach-front spas also being included in the final design.



## PANICHCHANKERNI

Situated between Trincomalee and Batticaloa on the Eastern Coast, Panichchankerni is a lesser known coastal village that will soon house an Anilana property spanning almost 17 acres of beachfront. An eco-friendly resort village has been planned for this location keeping in mind the relative anonymity of the village. An independent spa, water sports facility, high quality restaurants and shopping kiosks will surround the main “village” so that guests have a complete experience of village life once they enter the property. Rooms, suites and villas amounting to 70 keys has been mapped out, with focus also on destination weddings and banquet facilities.





# The Way Forward

Sri Lanka's hotel industry is at the cusp of a transformative period, with a surge in tourist arrivals and a more favorable economic environment. Sri Lanka has experienced a remarkable increase in tourist arrivals, signaling a significant rebound in the tourism sector. The country's rich cultural heritage, diverse landscapes, and warm hospitality have once again become major attractions for international travelers. The influx of tourists provides a golden opportunity for the hotel industry to capitalize on this resurgence and enhance its contribution to the national economy.

Unlike previous years, Sri Lanka's economy is witnessing positive trends, with increased availability of fuel and essential goods. The stability in these key sectors has created a conducive environment for businesses, including hotels, to operate more efficiently. This economic upturn positions hotels to invest in upgrading facilities, enhancing services, and exploring innovative strategies to meet the evolving demands of the growing tourist market.

The removal of pandemic-related travel restrictions has liberated people to explore and experience the beauty of Sri Lanka. Domestic and international tourists are more willing to embark on journeys, creating a substantial demand for accommodation. Hotels need to adapt to this newfound freedom by implementing flexible booking policies, personalized experiences, and marketing campaigns that highlight the joy of unrestricted travel.





Sri Lanka has many unique selling propositions as it is so much richer in attractions with its terraced rice fields, tea plantations, national parks, beaches, wildlife, adventure, and culture. Not to mention the hospitality and the beauty of its people who have been a core element of the overall Sri Lankan experience.

For all these reasons, and its affordability over neighbouring destinations such as Maldives, Sri Lanka tourism has always bounced back from crises. The COVID-19 pandemic preceded by the Easter bombings of 2019, showed this resilience clearly. Tourism is Sri Lanka's third largest foreign exchange earner after textiles and garments, and workers' remittances. The industry employs 402,000 people directly and indirectly, hence its survival also affects the ability of the country to revive.

The tourism industry is also very much dependent on the tour operators and agents. Additionally, the nations embassies that act as flag bearers of the nation. Sri Lanka in the past relied a lot on simply leisure tourism or business-related ones targeted at a select group of countries, however the way forward now seems to be more attuned to promoting experiences, whether it is wellness, adventure, food, or culture, to other nations as well. It will be a gradual process, but promotions have already kicked off and suitable new products are on offer to attract new markets and segments. Traditionally, beaches are a big Sri Lanka draw, especially for Europeans. Other allures such as Ayurveda treatments etc. are all marketing points.

Sri Lanka is a year-round holiday destination for travelers. It offers a diversity of experiences and stunning landscapes and has religious significance; hence the country has a lot to bank on as it propels itself through these troubled times.





# Chairman's Message





As we reflect on our journey with Anilana Hotels, I want to express my gratitude for your unwavering support and commitment to our shared vision of excellence in the hospitality industry.

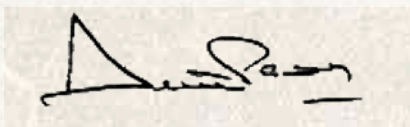
The past year has presented unprecedented challenges for our industry, and Anilana Hotels has not been immune to the impacts of global uncertainties, economic fluctuations, and travel disruptions. The hospitality landscape has witnessed seismic shifts, testing our resilience and adaptability. The challenges we faced have, undoubtedly, had financial implications. The decline in tourist arrivals, operational restrictions, and economic uncertainties have influenced our bottom line. It is important to acknowledge these realities transparently and with a commitment to navigating through them.

Despite the challenges, I am optimistic about the trajectory ahead, especially given the positive signs of economic resurrection in Sri Lanka. The gradual recovery of the tourism sector improved economic conditions, and the resilience of our team positions us strategically to rebound and capitalize on emerging opportunities.

Now, more than ever, we must prioritize our guests. Understanding their evolving needs and expectations will be crucial in tailoring our services to exceed their desires. We are committed to enhancing our operational efficiency. This includes optimizing costs, embracing technology for streamlined operations, and exploring innovative solutions to maintain and elevate our service standards. Strengthening partnerships with local businesses, tourism boards, and stakeholders will play a pivotal role in collectively driving the resurgence of the tourism industry in Sri Lanka.

In times of adversity, true resilience shines through. Anilana Hotels has weathered storms before, and we will emerge stronger from the current challenges. Your continued trust and support inspire our commitment to navigating this journey with transparency, innovation, and an unwavering focus on creating exceptional experiences for our guests.

As we move forward, let us remain united in our shared vision for Anilana Hotels. Together, we can leverage the positive shifts in the economic landscape and contribute to the resurgence of both our brand and the beautiful country.



**SONAL PANDEY**

*Chairperson*





# Managing Director's Message



Anilana Hotels PLC Annual Report highlights the tough economic and investment challenges faced by our Nation for the fiscal year ending March 31, 2023. This was one of the nation's most challenging times where the country went through extreme hardships that had a large impact on the travel and tourism industry.

The epidemic recovery was tainted by the worst economic catastrophe to hit the nation in recent times and completely destroyed the travel sector. The unfortunate period was made worse by political unrest that lasted from April until December 2022. The businesses and industries throughout the country suffered major disruption during this time of unprecedented upheaval. The leisure and travel sector was brought to a complete standstill. Shortages of essential food, fuel and continuous power shortages were a common factor in this financial year.

The political unrest progressively ended by January 2023, enabling the nation to reclaim some stability. Arrivals are expected to pick up at the later half of 2023 especially in the third quarter of the financial year 2024.

Sri Lanka's unique combination of beaches, historical sites, many ethnic genres of food, music, rich culture and festivals, sports events and parades can attract holiday makers if peace and financial stability return.

The allure of Anilana as a brand still holds and is unique. We faced unprecedented challenges during this year and have continued to make financial investments to keep the company afloat, even with the financial and economic challenges faced by all.

We are exploring the possibility of further capital infusions for refurbishments in order to reopen the hotels by April 2024. We hope the government will look at improving infrastructure and transportation facilities to the east coast of Sri Lanka like it promised way back in 2012. A sustainable and reasonable financial plan to help the resort hotel industry that has been devastated by external and internal forces, which were totally beyond their control and it is the government's responsibility to formulate a viable plan. The increased number of arrivals gives hope and some positive, proactive initiatives by the government is the need of the hour and would make a significant difference. Job creation and improved economic activities is critical for our countries revival.

The level of professionalism and excellence in hospitality is something our team at Anilana were renowned for. We plan to refurbish, regroup and reach the heights of our past levels of hospitality and service soon.



**ASANGA SENEVIRATNE**

*Managing Director*







# Board of Directors





**SONAL PANDEY, CHAIRMAN**  
**(EXECUTIVE, NON-INDEPENDENT DIRECTOR)**

As the Head of Business Development at the Somap Group, Sonal Pandey is all about new ideas and bringing in fresh new perspectives to operations. She strongly believes that values define people and people are the backbone of any successful organization. She serves the Anilana Board since 2017/2018 and was appointed as the Chairperson in February 2022. Sonal attempts to inculcate the same values in the operations and running of Anilana

**ASANGA SENEVIRATNE, DIRECTOR**  
**(EXECUTIVE, NON-INDEPENDENT DIRECTOR)**

Founder of Anilana Hotels & Properties Limited, spearheading the launch of the “Anilana” brand. He is also a Non Executive Director of Nation Lanka Finance PLC. Asanga Seneviratne was previously a director of Taru Villas Holdings (Pvt) Limited where he was instrumental in developing the hotel chain of Taru Villas, as well as being a Director and Chief Executive Officer of Asia Capital PLC, a public quoted Company on the Colombo Stock Exchange (since 1994). Mr Seneviratne was previously Managing Director of Asia Securities (Pvt) Ltd, and Chief Executive Officer of Asia Capital Ltd. He has also served as Chairman of the Stock Brokers Association of Sri Lanka (2005/2006), and a Director of the Colombo Stock Exchange.

**ARJUN DOSAJ, NON-EXECUTIVE**  
**(INDEPENDENT DIRECTOR)**

With more than 30 years’ experience in Banking, Insurance, Real Estate and Hospitality, Arjun Dosaj joined the Anilana Board in 2019. A seasoned business professional, he was instrumental in implementing organization-wide change and risk assessment and management in previous employment. In the past he has also been an advisor to noted multi-national banks, financial intuitions and other corporate entities. Arjun holds a Bachelors in Commerce and Business and is also a Six Sigma certified Professional. Arjun has resigned from his position in March 2023

**PANDAY P.**  
**(NON-EXECUTIVE/NON-INDEPENDENT DIRECTOR)**

Pramod Pandey joined the Anilana Board in the 2017/2018 financial year and functions as a Non-Executive, Non-Independent Director. Pramod has extensive trading experience to his name and has been with the Somap Group since its inception in 1996. Having travelled the world his knowledge of hospitality and the corporate world plays a key role in advising the Board of new strategies and markets to explore.



**SHARMA R.****(NON-EXECUTIVE / INDEPENDENT DIRECTOR)**

Rakesh Sharma also joined the Anilana Board in 2019 and brings to the table decades of expertise having worked with the state governments in India and corporate entities throughout his career. His work with the Government of Uttar hand and an impressive academic record are testament to his ability and knowledge in the fields of Economics and Business. He holds a PHD in Forest Management, a MSC in Economics from the prestigious Landon School of Economics and a MA in Economics from the Delhi School of Economics.

**TARUN SHARMA****(EXECUTIVE/NON-INDEPENDENT DIRECTOR)**

He is a Chartered accountant- fellow member of institute of chartered accountants of India. He has worked as head of finance in gurpreet group of industries, udaipur and currently contributing Anilana as the owner's representative

**MATHEW A.K.****(NON-EXECUTIVE DIRECTOR)**

Mr.Mathew was appointed to Anilana Board as Non-Executive Director in February 2022. He is a Commerce graduate and a Banker working with financial institution over 15 years.

**RAY N.****(NON-EXECUTIVE DIRECTOR)**

Mr.N.Ray was appointed to Anilana Board as Non-Executive Director in February 2022. He is a Banker with over 15 years' experience. He also is Commerce Graduate

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## ANILANA

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PASIKUDA

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NILAVELI



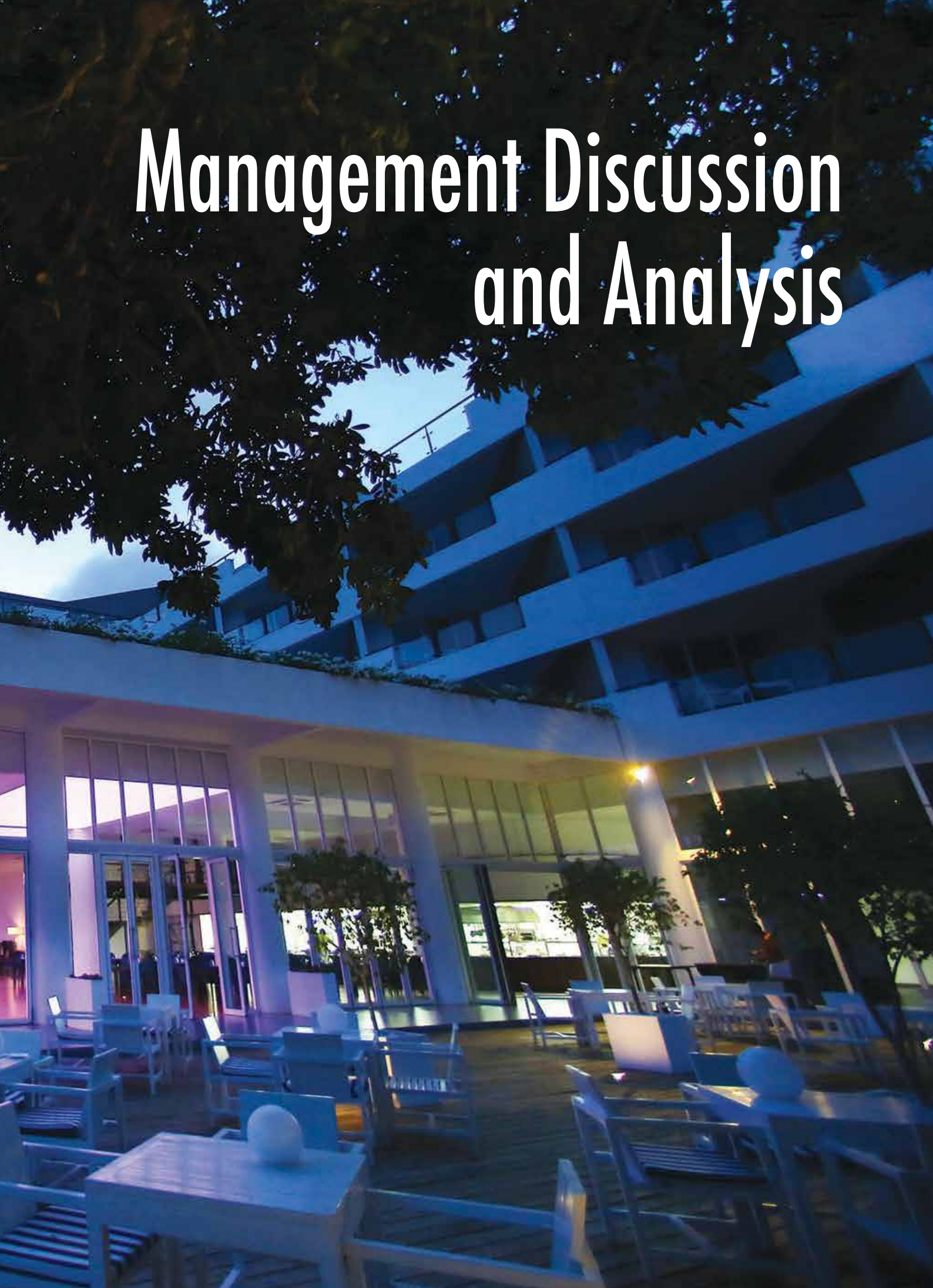


ANILANA

NILAVELI



# Management Discussion and Analysis







In 2014 Anilana Hotels and Properties PLC was established with the aim to cater to the requirements of both local and international tourists.

Anilana Hotel boasts an impressive track record of providing exceptional customer satisfaction to both local and foreign guests, delivering a hospitality experience that is truly unparalleled. Through this, Anilana has formed enduring, mutually beneficial relationships. Hotels comprise of a committed team that strives to fulfill all the needs of their guests, creating an atmosphere that feels like being with loved ones.

Guest satisfaction cards are made available at the hotel's reception and in the rooms for guests to provide feedback. Completed cards can be submitted to the front desk and all feedback is given due attention by both the General Manager and Managing Director. The hotel considers this feedback invaluable for training and development purposes. Additionally, it helps the management to rectify errors, enhance services, and discern trends in customer preferences.

#### **NILAVELI HOTEL**

The hotel features 54 rooms, including six categories: Deluxe Garden View, Deluxe Sea View, Pool Chalet, Anilana Studio, Nilaweli Studio, and An-

ilana Lux Suite. Guests can enjoy a large swimming pool, complete with a pool bar, as well as a spa and other amenities designed to provide the ultimate satisfaction. The rear of the hotel is adjacent to the beach, offering guests a stunning panoramic view of Pigeon Island.

#### **PASIKUDHA HOTEL**

This consists of 45 rooms. There are seven categories namely Anilana Deluxe, Beach Chalet, Lofts, Anilana Suite, Kalkudha Suite, Anilana Lux Suite. A large swimming pool with a pool bar, Spa and other facilities are available for providing maximum satisfaction to the guests. The rear side of the hotel is bordering the well-known Pasikudha beach.

#### **PROSPECTS OF THE INDUSTRY**

The hotel industry in Sri Lanka is a key contributor to the country's economy, generating significant revenue and providing employment opportunities. Despite facing challenges due to the COVID-19 pandemic, the industry has shown resilience and is expected to experience growth in the coming years. The government's commitment to developing tourism infrastructure and promoting the country as a tourist destination bodes well for the industry's future prospects.



Sri Lanka has a rich history and culture, coupled with picturesque landscapes, making it an attractive destination for tourists. The country's hotel industry has played a crucial role in attracting and accommodating visitors, providing them with an unforgettable experience. The industry has contributed significantly to the country's economy, with tourist arrivals generating revenue of approximately USD 4.3 billion in 2019.

The COVID-19 pandemic has hit the hotel industry hard, resulting in a significant decline in tourist arrivals and hotel occupancy rates. However, the industry has shown resilience and has adapted to the changing circumstances. Many hotels have implemented strict health and safety protocols to ensure the safety of guests and employees. Additionally, hotels have introduced new packages and offers to attract local tourists and provide alternative sources of revenue.

Despite the challenges faced by the industry due to the pandemic, the future prospects for the hotel industry in Sri Lanka look promising. The government has recognized the industry's importance and has taken steps to promote it further. The government's commitment to developing tourism infrastructure, such as the Colombo Port City project and the Mattala International Airport, will create new opportunities for the hotel industry.

Additionally, the government's efforts to promote Sri Lanka as a tourist destination through global marketing campaigns and the "Go Digital" initiative to enhance the country's online presence will help to attract more tourists. As a result, the industry is expected to experience growth in the coming years.

## PROPOSED DEVELOPMENT

Anilana intends to leverage its competitive edge of owning premium beachfront properties on the eastern coast of the country. The unique selling points that the company plans to leverage include its prime location, luxurious atmosphere, exceptional service, and convenient accessibility from the Colombo Airport.

# ANILANA

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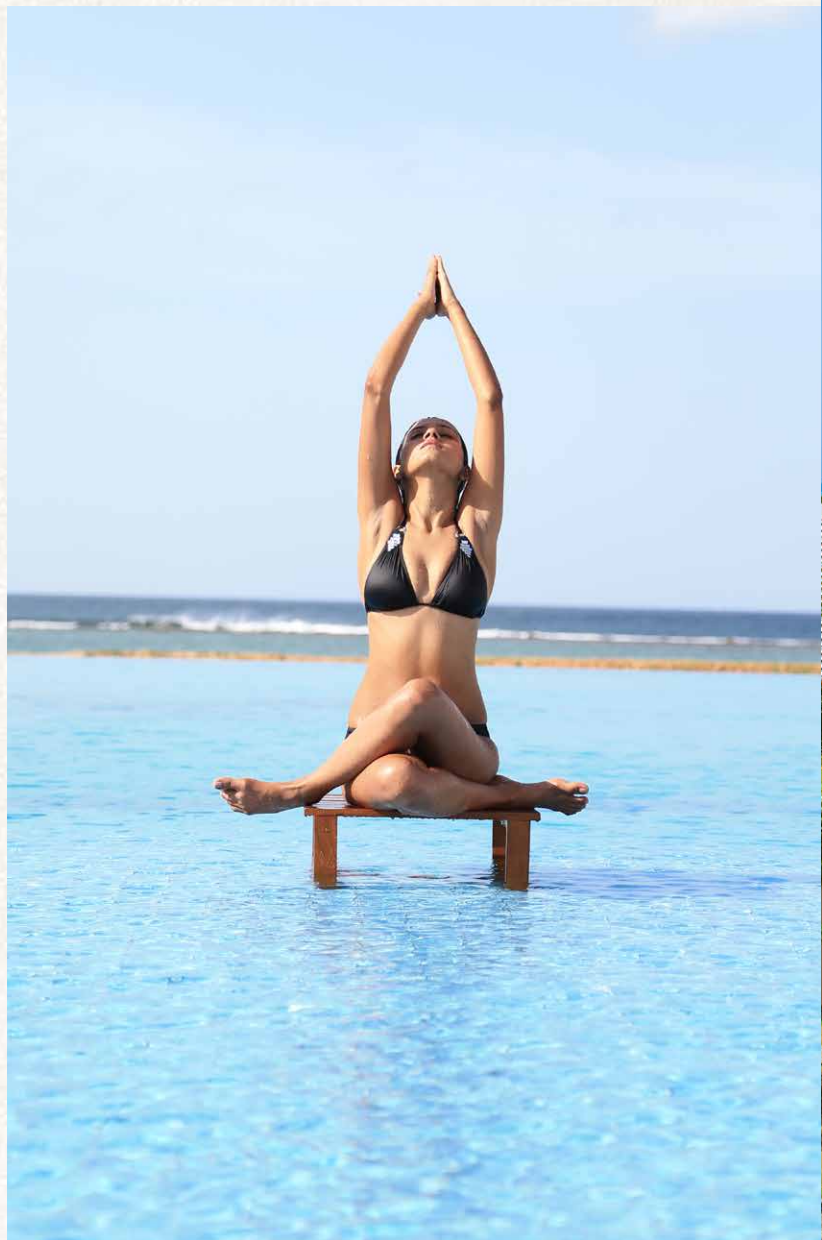


## TARGET MARKET AND STRATEGY

AHPL will strive to be one of the top-rated resorts in the Eastern Coast and will compete with other top tier resorts in the Country, particularly in the Eastern coast. Due to the geography of the eastern coast, AHPL will be in an advantageous position to attract upscale and medium scale leisure travelers and Groups on the basis of Location and quality of the facilities. Nila and Pasi are in a position to compete with all comparable properties across the country due to untapped beaches and planned development in this region.

Hotels will target the high end of the tourist segment and will be positioned as a five-star grade hotel. The Hotels expect to target high spending tourists from Europe as well as new markets such as China and India. The management is confident in attracting 85% of bookings through foreign markets while the balance is expected to be filled by local tourists.

The Management is keen to bring in an internationally reputed hotel management company who would bring with them a globally recognized hospitality Brand. Further the Company will collaborate with reputed operators to position the hotel as one of the leading Hotels in Sri Lanka.





# ANILANA

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PASIKUDA









# Operating Strategy and Review





The pivotal point of all Anilana operations stem from our wish to meet the consumers every need and our directives, both strategic and operational, ensure that the highest quality is achieved and maintained on a consistent basis, in all that we do. In order to do this in the best way possible we have brand standards and a strong human resource development plan, so that the resorts presently in operation and the development projects currently underway, are geared to sustain future levels of profitability. Our existing clientele always comes first but we need to widen our base, so we have furthered our efforts to attract new customers as well, who we are confident will grow to love Anilana as much as our long-standing customers do. The excellence in quality in every single process and its output at Anilana and our impeccable service that constantly amazes everyone that comes into contact with it, has been our long-standing recipe for success.

### CORPORATE STRUCTURE

We have a lean corporate structure for we do not believe in offloading inefficiencies or unseemly expenses to our valued customers, and with this in mind we have centralized some of our key functions, so that every advantage we gain by such

economies of scale will trickle down to all our stakeholders. Therefore, at Anilana Centre, our Head Office, which is situated in Colombo; we handle a vast range of support services, such as project management, finance, legal & compliance based work, marketing & sales, reservations, information technology, human resource management, technical services and procurement, so as to minimize our on-site manning levels and to give them the freedom to do what they do best, which is providing unmatched service to our guests. At Anilana Centre, we focus on the mantra to our success, which is sustaining profitability, developing human resources, achieving brand clarity and maintaining the integrity and consistency of our brand, which is a formula that holds the key to our success.

### SUSTAINABILITY

Life is a cycle, what we give out comes back to us, or so we believe. So, with this in mind, sustainability is something we at Anilana, fully endorse, be it our legal and moral obligations, or our ethical responsibility to society at large. We believe that all things come from the environment, so we treat it with inordinate respect and we believe this is one cornerstone of our success. We believe that man and nature can co-exist peacefully, and we act in



a manner that is beneficial to both, as is amply demonstrated by the decisions we take and in the way in which we fulfil our social, ethical and economic requirements.

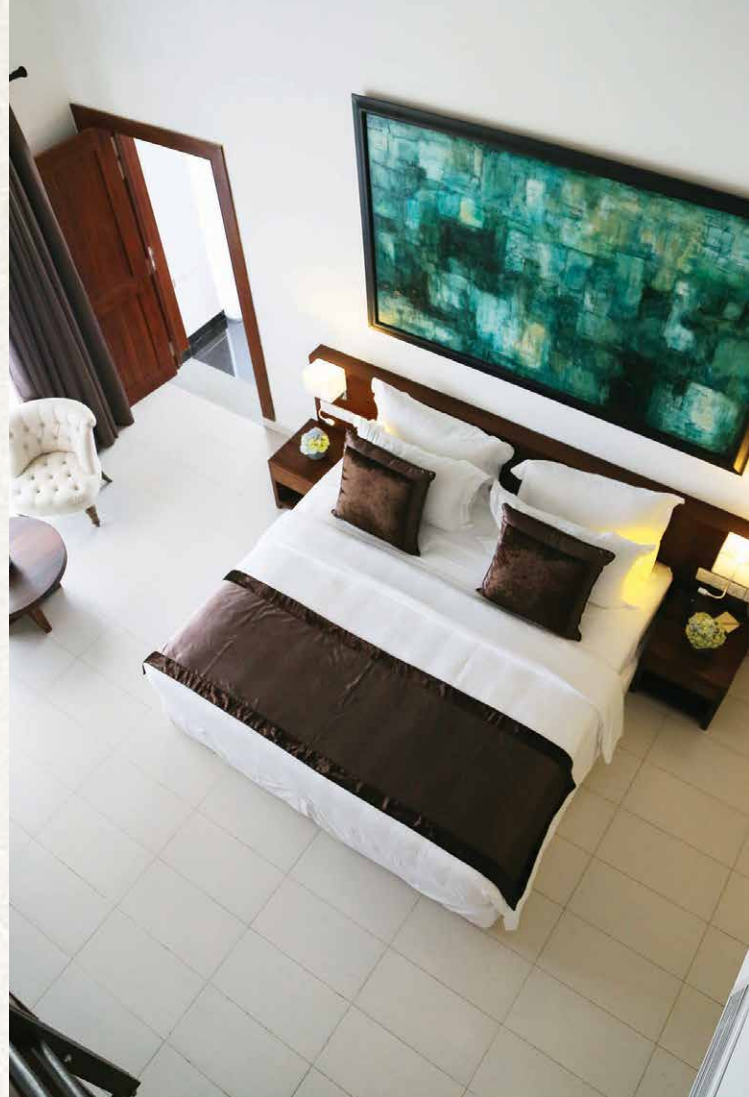
Our vision is not a short term one. We know the damage wrecked, when man tries to grasp all he can with little regard for everything around him, So we take the high road, and we carry out our actions in a way that both we and the environment prospers, a win-win situation if you will, and endeavor to protect our natural resources, be it water, energy or the natural environment, not only for its beauty and diversity, but because we believe that the earth is not ours to use and dispose, but something to protected for generations to come.

## ENVIRONMENT

All we have comes from our environment be it directly or indirectly. This is instilled in us at Anilana from inception and so it comes as no surprise to learn that we respect all environmental regulations, ordinances and laws that are put in place to safeguard our health, our people and our natural resources. We believe in cutting down waste at all levels, so we Reduce, Re-use & Re-cycle, wherever and whenever possible. We have invested in the best equipment and a cutting-edge computerized monitoring system that facilitates the efficient use of resources.

We believe in gratitude. Our environment offers us many resources, which we use in a sustainable manner. However, we believe that we also need to actively engage in bettering our natural surroundings, and so with this in mind, we engaged in a tree planting venture, which was indeed a highly successful one.

At Anilana, we are all eco-warriors in every sense of the word, but we do not shout out slogans from platforms, instead we incorporate environmental at each stage of our operations, be it design, construction or implementation, all of which is carried out in a sustainable and efficient manner. For instance:



- We know that only 0.01% of the water available on earth can be used for drinking, so we treat it very rightly, as a precious resource, which it indeed, is. We do this by incorporating an effective water management system and natural filtration program we ensure that we have access to clean water supplies at all times, which is adequate to fulfil all our operational requirements. However, we minimize the wastage of water by carrying out our functions carefully, in a well-thought-out manner, by gaining an in-depth understanding of local water conditions, treatment methods and optimal storage conditions.

- Fossil fuels are depleting fast, and so with this in mind nearly 80% of our light fittings use LED or solar powered lighting. Our air-conditioning units are solar powered for the most part, and hot water is dispersed as a by-product, which in turn helps us minimize the utilization of boilers. Despite such methods yielding a higher initial investment cost, it has found to be most economical in the long run, whilst yielding numerous environmental benefits as well.



- We are indeed committed to the 3R's and we are careful of the impact of all our actions on the world at large, and so we ensure that proper transportation, treatment and disposal methods are used when it comes to dealing with any toxic substance that may cross our path.

- Our future plans include living with nature as one, something we wish to do by tastefully incorporating the concept of indoor cum outdoor living which lessens our dependence on artificial lighting and cooling systems, which in turn reduces energy consumption. High ceilings and vast spaces provide natural cooling, and lessens are reliance on air-conditioning units. To this same end, we will be using water features and fountains, which in turn will provide a cool atmosphere, whilst being aesthetically appealing, too.

## BRANDING AND CUSTOMERS

To us, branding is a very important tool at our disposal. The Anilana brand always has and always will be synonymous with quality. With this end in mind, we develop relationships with our long-standing clientele and try to make a positive difference in their lives, by providing exceptional products and impeccable service; across all our resorts, through which we ensure that the Anilana experience is indelibly etched in their minds.

We are renowned for our beautiful, luxurious resorts which have an inbuilt exclusivity that is hard to define. Our three watchwords are “stylish, unique and contemporary”. We have garnered numerous awards and accolades over the years, of which shows that our commitment to quality and consistence does not go unremarked.

Our customers are our lifeblood; and so, we take all necessary steps to ensure that we maintain optimal standards of comfort and hygiene, safety and consistency, in all that we do, across the Board, in all our resorts.

Sri Lankan hospitality is renowned worldwide. So, we at Anilana combine this with innovative marketing strategies. Together with the time-honored

advertising avenues we have utilized social media, be it Twitter, Facebook or Instagram with undeniable skill, so as to highlight our achievements in order to attract new clientele whilst appreciating our existing customers whose loyalty is indeed, admirable.





# Taking Care of our People and Surroundings





## TAKING CARE OF OUR PEOPLE

Anilana as a brand has always taken great pride in our policies and practices which based on a family centric approach that is inculcated in our organizational culture. The COVID-19 pandemic caused an unforeseen shock to a system which was coming back to normalcy after the Easter bombings related setbacks. Sudden declarations by governments worldwide and locally for closures and lockdowns vastly impacted our employees.

We have always been firm believers of the concept that happy employees make happy guests. Hence taking care of our employees has always been a top priority. In the past years we have had many projects to give back to the communities that we were based in, while also making our employees very much a part of these activities. Our staff are part of the Anilana family and we take much effort to ensure their continuous betterment.

However difficult times come with difficult choices. As the closures continued and our resorts were forced to temporarily cease operations, many of our peers were letting go of staff or downsizing. However, we at Anilana have not forcibly made any staff redundant, unless they wished to leave of their own accord. Even then we have made every effort to do our best by them.

In addition we made arrangements to ensure all our staff were fully vaccinated, as soon as the vaccines were made available to us in our designated areas.

Special safety regulations were put in place to ensure the health and safety of all our staff. These protocols have been strictly adhered to. In case of any of our staff being infected, quarantine facilities and treatment requirements were also arranged.

## TAKING CARE OF THE PLANET

At Anilana we have always believed in giving back to the area and communities we are based in. We wished to reiterate, that contrary to popular belief and the negativity created when a resort is established, that we strive to improve and give back to the people and planet. In past years in addition



to numerous community based projects we have also organized projects to clean and improve our surroundings. From beach clean ups to Shramadanas, we are proud to note we have a long list of projects that we have successfully pulled off as part of our CSR vision. We also took initiative to host educational tours for children from nearby villages, to educate them on the environment, the need to adopt best practices such as in the disposal of garbage etc. and also to enhance their knowledge on the hospitality industry.

Unfortunately, yet again the ongoing pandemic has set a massive road block on the plans we had built to pursue our vision. Although faced with financial setbacks due to current non operation and continuous closure, we have still been adamant in at least upkeeping the cleanliness of our properties as well as its surroundings and environment. We continue to ensure that the beaches or rivers that our properties are adjacent to remain litter free. Our commitment remains unwavering in this regard. As part of our policy with regards to the area and communities, we will continue to strive to give back in whatever way possible.







# Corporate Governance

## ETHICS AND PHILOSOPHY

Company understands that the Corporate Governance plays a vital role in corporate world not only in local context but also in global context. This helps to enhance the

- Standards of the Corporate Management.
- Strengthen the Systems and Controls.
- Increasing the effectiveness and the productivity.
- Value to the Stakeholders.

Company always manages the ethics and the philosophy within the standard corporate governance frame work.

## COMPLIANCE WITH THE REGULATORY REQUIREMENTS AND THE BEST PRACTICES.

Company places utmost importance on the regulatory requirements mainly on Listing Rules of Colombo Stocks Exchange (CSE), Companies Act, Securities and Exchange Commission (SEC), and Best practices on Corporate Governance issued by CA Sri Lanka.

## ROLE OF DIRECTORS

Board's core responsibility is to lead the Company to attain long-term sustainability and achieving the goals and objectives but the survival in short term is also important especially in the problematic current context. There is a clear division of responsibilities between the Chairman (responsible for managing the Board) and the Managing Director (responsible for running the Company's business). The Board oversees the targets and controls within which the Company's Management shall operate.

The Board's culture is also very important on running the business and it should be a culture based on constructive deliberation. The Chairman is responsible for maintaining this culture.

Information of an appropriate quality is provided in a timely manner before Board meetings, and the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute and deliberate for the benefit of the Company. The Board meets once in a quarter and also when the need arises to review matters of importance and also the performance of the Company.

## BOARD MEETINGS AND THE ATTENDANCE.

The Board has met 4 times during the year (on 23rd June 2022, 22nd September 2022, 19th December 2022 and 07th February 2023) under review and the attendance for the meetings are as follows.

NAME OF THE DIRECTOR	EXECUTIVE/ NON-EXECUTIVE	INDEPENDENT / NON-INDEPENDENT	ATTENDANCE
Mr Asanga Senevirathna	Executive	Non-Independent	4/4
Mr Mathew A.K	Non-Executive	Independent	4/4
Mr Pramodh Pandey	Non-Executive	Non-Independent	4/4
Mrs Sonal Pandey	Executive	Non-Independent	4/4
Mr Arjuna Dosaj	Non-Executive	Independent	4/4
Mrs Rakesh Sharma	Non-Executive	Independent	4/4



Mr.T Sharma	Executive	Non-Independent	4/4
Mr. Ray N	Non-Executive	Independent	4/4

### BOARD'S SKILLS/EXPERTISE AND INDEPENDENT ADVICE

The Board is balanced in its composition and consists of members of professional accounting bodies namely the institute of Chartered Accountants of India, The Chartered Institute of Management Accountants, experienced bankers and experienced Property Development Consultants.

Their expertise enables them to contribute effectively to the Board's deliberations in respect of the affairs of the Company. The Board of Directors may seek independent professional advice when necessary to achieve the objectives of the Organization. The Board of Directors ensure complete disclosure of financial and non-financial information, and report Financials which the Company's Management shall operate.

### COMPOSITION OF BOARD OF DIRECTORS

The Company's Board consists of eight (8) Directors, as mentioned in the Annual Report of the Board of Directors on page 17 of this Report. The Board comprises a strong mix of highly qualified professional and experienced individuals, with the majority (five) being Non-Executive Directors and three of them are Independent Non-Executive Directors who can offer an external perspective of the business.

The Non-Executive Directors scrutinize the performance of the Management in meeting their agreed goals and objectives, and monitor the reporting of performance. At the beginning of the financial year there were Eight Directors four (4) of whom were Non-Executive Independent Directors. Mr. Dosaj resigned from his position in the same year.

NAME OF THE DIRECTOR	POSITION	CATEGORY
Mrs.Sonal Pandey	Chairman	Executive/Non Independent
Mr. Asanga Seneviratne	Managing Director	Executive/Non Independent
Mr. Pramodh Pandey	Director	Non-Executive/Non Independent
Mr. Arjun Dosaj	(Resigned 23.03.2023)	
Mr. Rakesh Sharma	Director	Non-Executive/ Independent
Mr T. Sharma	Director	Executive/Non Independent
Mr Mathew A.K	Director	Non-Executive/ Independent
Mr. Ray N	Director	Non-Executive/ Independent

### BOARD SUB COMMITTEES.

As per the regulatory requirements the Company operates the required below mentioned Board and Management Sub Committees.

- Audit Committee.
- Related Party Transactions Review Committee.
- Nomination Committee.
- Remuneration Committee.
- Integrated Risk Management Committee

### ROLE OF COMPANY SECRETARY ON THE BOARD AND MANAGEMENT SUB COMMITTEES.

The Company Secretary attends Board Subcommittee meetings as the Secretary and is responsible for advising the Board on corporate governance matters and facilitating the flow of information to and from the Board.



## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company operates its own internal control system, based on the size, scale and complexity of its operations. The scope of the internal audit as defined in the Internal Audit Charter covers the evolution of internal control system. The Internal Auditor monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the Report of Internal Auditor, the Company undertakes corrective actions in their respective areas and thereby strengthen the controls.

## COMPLIANCE WITH THE BEST PRACTICES AND CSE RULES ON CORPORATE GOVERNANCE

The Corporate Governance Practice adopted by the Company, including the adoption of Code of Best Practices issued jointly by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) with the support of the Securities and Exchange Commission of Sri Lanka and rules set out in Section 7.10 of the Colombo Stock Exchange Listing Rules on Corporate Governance are given in the following table:

RULE NO	SUBJECT	APPLICABLE REQUIREMENT	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION/REFERENCES
7.10.1 (a)	Non-Executive	At least one-third of the total number of Directors should be Non-Executive Directors.	Complied	5 Directors out of seven Directors are Non Executive directors.
7.10.2 (a)	Independent Directors	Two or one third of Directors, whichever is higher should be independent.	Complied	Two Independent Directors out of 5 Non-Executive Directors.
7.10.2 (b)	Independent Directors	Each Non-Executive Director should submit a declaration of Independence / Non-Independence in the prescribed format.	Complied	Declarations were made.
7.10.3 (a)	Disclosure relating to Independence	The Board shall annually make a determination as to the independence of the Non-Executive Directors and names of Independent Directors should be disclosed in the Annual Report.	Complied.	Refer page no 33 of Annual Report.
7.10.3 (c)	Disclosure relating to	A brief resume of each Director.	Complied.	Refer Directors' profiles given in page No 16 to 17 in the Annual Report.
7.10.3 (d)	Disclosure relating to	Directors Forthwith provide a brief résumé of new Director's appointment to the Board with details specified in 7.10.3 (a), (b) and (c) to the rules of the Colombo Stock Exchange	Complied at the time of new appointment is made.	A brief résumé of new Directors and the appointments are submitted to the Colombo Stock Exchange when such appointments are made.
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee.	Complied.	Refer page 40
7.10.5 (a)	Composition of Remuneration Committee	Shall comprise Non-Executive Directors, at which a majority of whom shall be independent.	Complied.	Two out of the three are Independent Directors and Non-Executive Directors.
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and Executive Directors.	Complied.	Remuneration Committee reported on page 40 of the report which set out the functions of the Committee.



RULE NO	SUBJECT	APPLICABLE REQUIREMENT	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION/REFERENCES
7.10.5 (c)	Disclosure relating to Remuneration Committee	a. Names of Directors of the Committee and Statement of Remuneration Policy. b. Aggregate remuneration paid to Executive and Non-Executive Directors.	Complied.	Refer on page 40 No Directors received any Remuneration during the year.
7.10.6	Audit Committee	The Company shall have an Audit Committee.	Complied.	Names of the members of the Audit Committee Stated on page 37
7.10.6 (a)	Composition of Audit Committee	a. Shall comprise Non-Executive Directors, a majority of who shall be independent. b. A Non-Executive Director shall be appointed as the Chairman of the Committee meetings. c. The Chairman of the Audit Committee or one member should be a member of a professional accounting body.	Complied.	Two out of the three Non-Executive Directors are Independent  Chairman of the Audit Committee is an Non-Executive Director  One Member of the Committee is a member of the Institute of Chartered Accountants India.
7.10.6 (c)	Disclosure in the Annual Report relating to Audit Committee	a. Names of Directors comprising the Audit Committee,	Complied.	Refer pages 37 and 39 for the functions of Audit Committee
		b. The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination,	Complied.	Refer pages 37 and 39 for the functions of Audit Committee.
		c. The Annual Report shall contain a report of the Audit Committee setting out the manner of compliance with their functions.	Complied.	Refer pages 37 and 39 for the functions of Audit Committee
9	Related Party Transactions Review Committee	The Board should establish a related Party Transactions Committee consisting exclusively of Non-Executive Directors with a minimum of three two whom should be independent.	Complied.	RPT-RC is formed with two Non-Executive Independent Directors and one Non Executive Non Independent Director.
	Nominations Committee	The Nominations Committee makes Recommendations to the Board for all new appointments of the members.	Complied.	A Report is given in the Page 42 of the Annual Report.
A.7.2	Assessment of Board Composition	The Board as a whole annually assesses the composition of the Board to ascertain whether combined knowledge and experience of the Board match with the strategic demands faced by the Company.  New Board members will be appointed as and when the need arises.	Complied.	A report is given on the page No. 36 of the Annual Report.



## A.2 THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Code requires clear division of responsibilities of the Chairman and Chief Executive Officer.

Division of responsibilities of the Chairman and Chief Executive Officer	Adopted	Chairmen and Managing Directors roles are two separate individuals.
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## BOARD EFFECTIVENESS

### Board and Board Committee Performance Evaluation

With a view to increasing the effectiveness of the Board of Directors and its relationship with the management, the Board gets the assistance from the Audit, Remuneration, Nomination and Related Party Transaction and Review Committee and in evaluating performance of the Board as a whole and its committees. At the same time each Board Committee is responsible for conducting an annual evaluation of their performance as well. In the event of re-nominating the same directors to the Board, their individual performance and the contributions are evaluated annually.





# Audit Committee (2022/2023)

The Anilana Audit committee is one of the main Board Sub committees in the Company.

The main objective of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, financial reporting, monitoring the compliance with laws and regulations, Company policies and procedures and the best practices on code of conduct.

As per the CSE Listing Rule No 7.10.6.a, the Board established the Audit Committee exclusively consist of three Non – Executive Directors and all of them hold Independent status.

## COMPOSITION AND THE ATTENDANCE FOR THE MEETINGS.

The Committee has met 4 times during the year (on 26th June 2020, 21st August 2020, 18th December 2020 and 26th March 2021) under review and the attendance for the meetings are as follows.

NAME	DIRECTORATE	POSITION	ATTENDANCE
Mr. Arjun Dosaj (Resigned 23-03-2023)	Independent Non-Executive Director	Chairman (Till 23-03-2023)	4/4
Mr. Rakesh Sharma.	Independent Non-Executive Director	Member (Chairman from 24-03-2023)	4/4
Mr Mathew A.K	Independent Non-Executive Director	Member	4/4
Mr. Arun Mathew	Independent Non-Executive Director	Member	4/4

The Executive Director Mr Asanga Senevirathna and Chief Financial Officer Mr Sameera Vithanage had participated for all the Audit Committees on the invitation of the Audit Committee Chairman.

The External Auditors had also participated for one Audit Committee meeting on invitation.

The credentials of the Audit Committee members are given in the Page No xx of the Annual Report of FY 2022/2023.

**Adherence to the requirements of the Section D3.1 of the Code of Best practices on Corporate Governance 2017 issued jointly by CA Sri Lanka and CSE is shown below.**

REQUIREMENT	STATUS	COMPLIANCE
Should consist with minimum of 3 Non-Executive Directors	All Four members were Non-Executive Directors.	Complied
Out of the AC members minimum of two should be independent.	Mr. Arjun Dosaj, Mr. Rakesh Sharma and Mr. Arun Mathew were Independent Directors.	Complied
The AC should be chaired by and Independent Non- Executive Director.	The AC was Chaired by Mr. Arjun Dosaj and subsequently Mr. Arun Mathew who were independent and Non-Executive Director.	Complied



At least one member of the AC has recent and relevant experience in financial	The Company has obtained the services of a competent independent expert, Sarukkali Associate (Chartered Accountant), to advise on matters assigned to the Audit Committee. Sarukkali Associated is not a related party of the Entity as defined in the Sri Lanka Accounting Standards and does not have a substantial shareholding in or a financial / business connection with the Entity and/or the group.	Complied
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## SECRETARIES TO THE AUDIT COMMITTEE

The Company Secretaries “Corporate Advisory Services PVT Ltd” had acted as the Secretary to the Audit Committee also. The secretary had maintained the minutes in comprehensive manner and submitted for the immediate next Audit Committee for the adopting purposes. The finalized Audit committee report is tabled at the immediate next Board Meeting for the consideration and taking further actions if required.

## OBJECTIVES OF THE AUDIT COMMITTEE

The main objective of the Audit Committee is to assist the Board to maintain the good governance of the Company. Since the Company believes that the rules and regulations of the Regulatory bodies are designed in a way that ensure good governance, the Audit Committee considers the compliance for the rules and regulations of the regulators at all the times.

## THE AUDIT COMMITTEE CHARTER AND THE TERMS OF REFERENCES

The Terms of Reference of the Audit Committee are well defined in the Audit Committee Charter approved by the Board of Directors. Further the Audit Committee Charter is annually reviewed by the Board. All the new developments and concerns in the industry are properly addressed in the reviewing process.

## THE ROLE OF THE AUDIT COMMITTEE

- a. Directing the Internal Auditors to be more vigilant on the transactions which the risk element is material.
- b. Reviewing the quarter, annual Financials and present the Audit Committee views to the Board together with the recommendations with special reference to the
  - i. Preparation, presentation and adequacy disclosures in the Financial Statements are in accordance with the Sri Lanka Accounting Standards.
  - ii. Compliance with the financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
  - iii. Ensuring the Company’s Internal Control and Risk Management techniques are well designed in a way to meet the requirement of the Sri Lanka Accounting Standards.
- c. Making recommendations to the Board for managing the risk factors towards the Company.
- d. Reviewing the Internal Audit Plan submitted by the Internal Auditors and closely monitor whether the Internal Audits are done according to the approved plan.

- e. Assisting the management for achieving the Company goals.
- f. Discussing the Internal Audit Reports in detail.
- g. Evaluating the recommendations made in the Internal Audit Reports.
- h. Advising to the Board on Risk Management Process.
- i. Discussing Management Letter released by the External Auditors.
- j. Ensuring the compliances with the Sri Lanka Accounting Standards and the requirements of the other regulating bodies.

### **SELECTION OF EXTERNAL AUDITOR**

The Audit Committee highly recognizes the importance of the independency status of the External Auditor. Accordingly, the Audit Committee evaluates the qualifications, performance and independence of the External Auditor and determines whether to reappoint as the External Auditor.

Accordingly, the Audit Committee recommends to reappoint the Amarasekera & Company (Chartered Accountants) as the External Auditor for 2023/2024 as well.

However, the Audit committee recommends getting the shareholder's consent at the AGM to ratify the appointment of the External Auditors.

### **OPINION OF THE AUDIT COMMITTEE**

The Audit Committee is of the opinion that the company has managed the risk factors up to an accepted level and have complied with the Rules and Regulations of the Regulatory bodies as well as the other guide lines recommended by the CA Sri Lanka and the other regulatory bodies to maintain the level of Corporate Governance of the company at the highest level.



Rakesh Sharma  
Chairman of the Audit Committee.  
29.12.2023.



# Remuneration Committee Report

Main objective of establishing the Board Remuneration Committee is to ensure that the remuneration arrangements align award with performance.

The Board Remuneration Committee (BRC) of Anilana Hotels and Resorts PLC is established as per the requirement of Section 7.10.5 of CSE Listing Rule No 7 and Schedule “D” of the “Code of Best Practices on Corporate Governance” jointly issued by Colombo Securities and Exchange (CSE) of Sri Lanka and the Institute of Chartered Accountant (CA) of Sri Lanka.

## COMPOSITION OF THE BRC

By complying with the requirements of Section 7.10.5 of the Listing Rule No 7 and the “Code of Best Practices on Corporate Governance” the Company BRC consist with four members of which all are Non-Executive Independent Directors including the Chairman.

The details of the members and the nature of the directorate are shown below.

NAME	DIRECTORATE	POSITION	ATTENDANCE
Mr. Arjun Dosaj (Resigned 23-03-2023)	Independent Non-Executive Director	Chairman (Till 23-03-2023)	2/2
Mr. Rakesh Sharma.	Independent Non-Executive Director	Member (Chairman from 24-03-2023)	2/2
Mr Mathew A.K	Independent Non-Executive Director	Member	2/2
Mr. Arun Mathew	Independent Non-Executive Director	Member (Chairman from 24-03-2023)	2/2

## SECRETARIES TO THE BRC AND KEEPING THE MINUTES

The Company Secretaries “Corporate Advisory Services PVT Ltd” had acted as the Secretary to the BRC also in the FY 2022/2023. The secretary had maintained the minutes in comprehensive manner and submitted for the immediate next BRC for the adopting purposes.

## ROLE OF THE BRC

1. Remuneration policy and its specific applications to the CEO and the Executive Directors and the general application to the Key Management personnel below the Board.
2. The Remuneration and incentive frame work, including any proposed equity incentive awards including terminal benefits / Pension rights for the CEO or any other executive directors or Key Management personnel.
3. Recommendations and Decisions on remuneration and all incentive including any equity incentive awards and terminal benefits/pension rights for the CEO or any other executive directors or Key Management personnel.
4. Evaluating the performance of the Managing Director/CEO, management development plans and succession planning.
5. Reviewing / monitoring evaluations of performance of the Key Management personnel and their management developments succession plans.

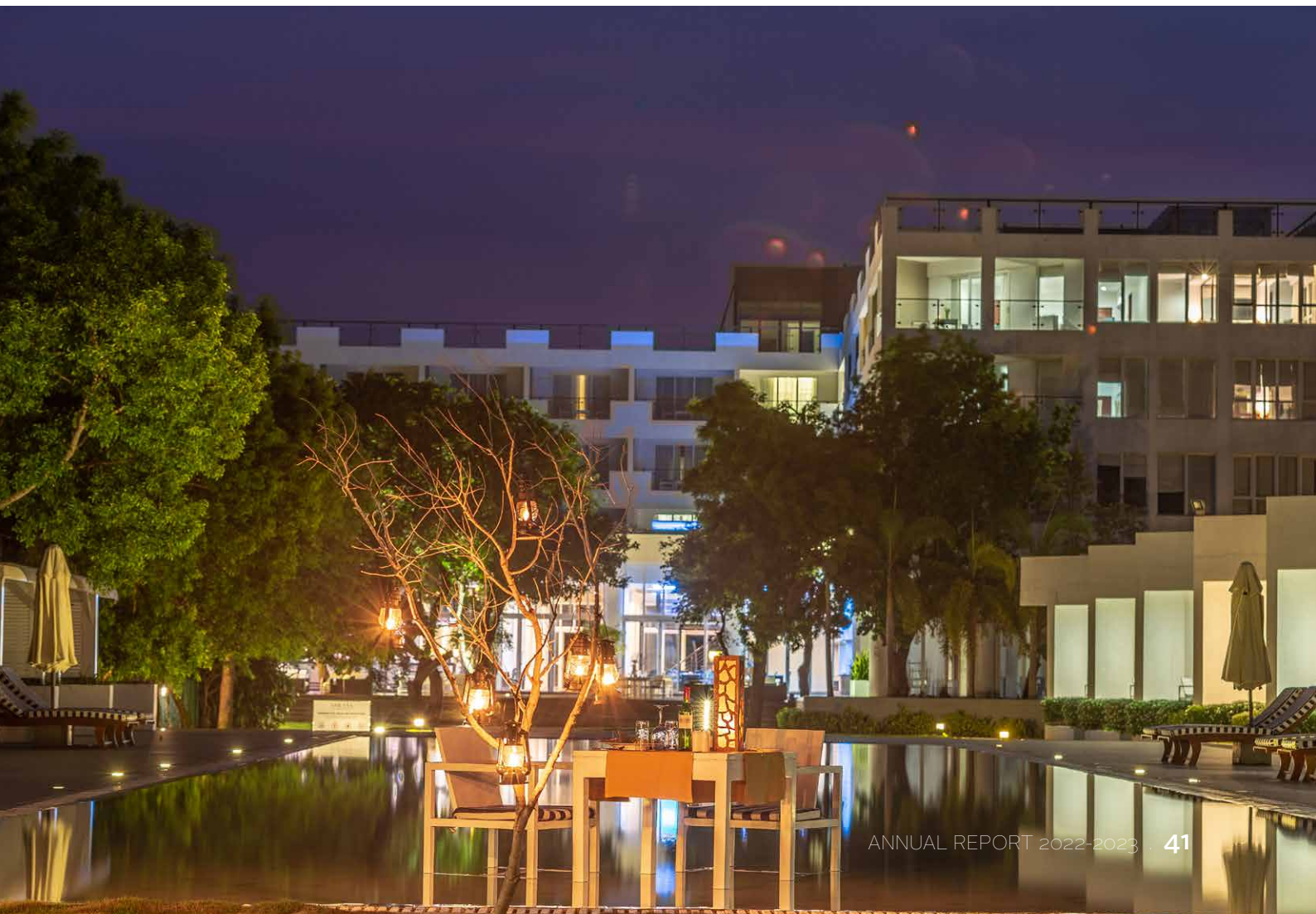
6. Strategic Human Resources policies.
7. Effective communication with share holders on the remuneration policy and the committee's work on behalf of the Board through a Remuneration Committee Report.
8. Recommending and ensuring that the appropriate service contracts are available for Executive Directors.
9. Determining the terms of any compensation package in the event of early termination of the contract of any Executive Director.

Accordingly, the adherence to the requirements of the Section 7.10.5 of CSE Listing Rule No 7 and Schedule "D" of the "Code of Best Practices on Corporate Governance" jointly issued by Colombo Securities and Exchange (CSE) of Sri Lanka and the Institute of Chartered Accountant (CA) of Sri Lanka is confirmed hereby.



Rakesh Sharma  
Chairman of the BRC

29.12.2023





# Nomination Committee Report

The Board Nomination Committee (BNC) of Anilana Hotels and Resorts PLC is established as per the requirement of Schedule “A” of the “Code of Best Practices on Corporate Governance” jointly issued by Colombo Securities and Exchange (CSE) of Sri Lanka and the Institute of Chartered Accountant (CA) of Sri Lanka.

## COMPOSITION OF THE BNC

As per the “Code of Best Practices on Corporate Governance” the Company BNC consist with four members of which all are Non-Executive Independent Directors including the Chairman.

The details of the members and the nature of the directorate are shown below.

NAME	DIRECTORATE	POSITION	ATTENDANCE
Mr. Arjun Dosaj (Resigned 23-03-2023)	Independent Non-Executive Director	Chairman (Till 23-03-2023)	1/1
Mr. Rakesh Sharma.	Independent Non-Executive Director	Member (Chairman from 24-03-2023)	1/1
Mr Mathew A.K	Independent Non-Executive Director	Member	1/1
Mr. Arun Mathew	Independent Non-Executive Director	Member	1/1

## SECRETARIES TO THE BNC AND KEEPING THE MINUTES

The Company Secretaries “Corporate Advisory Services PVT Ltd” had acted as the Secretary to the BNC also in the FY 2022/2023. The secretary had maintained the minutes in comprehensive manner and submitted for the immediate next BNC for the adopting purposes. The finalized BNC report was tabled at the immediate next Board Meeting for the consideration and taking further actions if required.

## DUTIES OF THE BNC

- Set out a Charter for appointing and reappointing the directors to the Board and act according to the Charter when proposing the appointments and reappointments. Further such Charter should cover
  - Fit and Proper status of the names proposing for the directorate.
  - Qualifications, Competencies, independency, relevant provisions of the Companies Act, and any other relevant regulations.
- Consider the making of any appointment or reappointment to the Board.
- Advising and Recommending to the Board to the Chairman on such appointment.
- Consider and selecting and appointing the Chairman and in case of a vacancy arises.
- Consider the succession plan for the MD/CEO and other key posts.
- Consider if each director is able to and has been adequately carrying out his/her duties as a

director taking in to consideration the knowledge and experience required to meet the strategic demands facing the Company, the number of directorships of listed company boards in which he/she represented and other principal commitments.

- g. Propose the maximum number of board representations in listed companies' directorates in listed companies which any director may hold and disclose this in the company's annual report.
- h. Propose the company's which could results in a conflict of interest if a director were to accept such directorships.
- i. Regularly review the structure, size, composition including gender representation and competencies of the Board and make recommendations to the Board with regard to any change.
- j. Recommend an adequate insurance cover on all the directors and the key officers' indemnity and insurance cover.
- k. The member of the Nomination committee should not participate in decisions in relation to his/her own appointment.

#### **BNC CHARTER AND TERMS OF REPRESENTATION**

The composition and the scope of the work of the BNC are in line with the same as set out in the TOR. The company BNC is governed by the Charter which includes the TOR too. Furthermore, this Charter and the TOR is reviewed by the Board in each financial year and make appropriate adjustments when required. In this reviewing process the company environments changes and the industry changes are considered.



Rakesh Sharma  
Chairman of the BNC

29.12.2023



# Related Party Transaction Review Committee Report

The transactions with related parties are not prohibited by any statutory regulation. The requirement is to confirm that no favoring to the related parties while entering in to the transaction or while performing the transaction.

The Related Party Transaction Review Committee (RPT-RC) functioned at the Company in the Financial Year 2022/2023 as per the requirements of the below mentioned documents.

- Code of Best Practice issued by the Securities and Exchange Commission of Sri Lanka (SEC).
- The Listing Rule No 9 released by the Colombo Stocks Exchange (CSE).
- Sri Lanka Accounting Standards (LKAS) No 24.

The RPT-RC of the Company comprises with the below mentioned four Non-Executive, Independent Directors. During the financial year 2022/2023 the RPT-RC held four meetings and the attendance of the members are shown in the below mentioned table.

NAME	DIRECTORATE	POSITION	ATTENDANCE
Mr. Arjun Dosaj (Resigned 23-03-2023)	Independent Non-Executive Director	Chairman (Till 23-03-2023)	4/4
Mr. Rakesh Sharma.	Independent Non-Executive Director	Member (Chairman from 24-03-2023)	4/4
Mr Mathew A.K	Independent Non-Executive Director	Member	4/4
Mr. Arun Mathew	Independent Non-Executive Director	Member	4/4

Accordingly, the Company RPT-RC is in line with the requirements of the Section 9.2.2 of The Listing Rule No 9 released by the CSE.

A brief profile of each member is given in the page number 16 of this Annual Report.

The Managing Director Mr. Asanga Senevirathna and the Chief Financial Officer Mr. Sameera Vithanage participated for all 4 meetings on invitation of the RPT-RC Chairman.

## RPT-RC CHARTER AND THE TERMS OF REFERENCES

The Company RPT-RC is governed by the Board approved Charter which clearly defined the Terms of Reference (TOR) of the RPT-RC. Further, the RPT-RC Charter is continuously reviewed by the Board of Directors.

## SECRETARIES TO THE RPT-RC

The Company Secretaries “Corporate Advisory Services PVT Ltd” had acted as the Secretary to the RPT-RC also in the FY 2022/2023. The secretary had maintained the minutes in comprehensive manner and submitted for the immediate next RPT-RC for the adopting purposes. The finalized RPT-RC report was tabled at the immediate next Board Meeting for the consideration and taking further actions if required.

## OBJECTIVES OF THE COMMITTEE

The prime objective of the RPT-RC is to assist the Board to confirm that all related party transactions were carried out by the Company as per the rules and regulations of the CSE Listing Rule No 9, Code of Best practices issued by SEC and LKAS 24.

## ACTIVITIES AND FOCUS OF THE COMPANY RPT-RC.

- Prepared the RPT-RC Charter by including the Terms of Reference also and obtained the Board approval.
- Updating the Board on the related party transactions incurred at the Company and the views of the RPT-RC on such related party transactions.
- Making immediate disclosures on applicable related party transactions if any as required by the Section No 9.3.1 of the Continuing Listing Rules of the Colombo Stock Exchange (CSE).
- Making required disclosures in the Annual Report on related party transactions if any as required by the Section No 9.3.2 of the Continuing Listing Rules of the Colombo Stock Exchange (CSE).

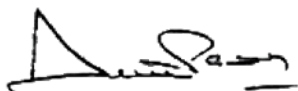
Related Party Transactions Review Committee confirmed hereby that the Company has acted on all the related party transactions incurred at the Company according to the rules and regulations of the CSE Listing Rule No 9, Code of Best practices issued by SEC and LKAS 24 and not favored to the related party in offering the activity and while performing the work.



Rakesh Sharma  
Chairman – RPT-RC  
29.12.2023.

## DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors of Anilana Hotels and Properties PLC confirms that the Company has complied with all the rules of CSE pertaining to Related Party Transactions.



Sonal Pandey  
Chairperson  
29.12.2023



# Directors Report On Company Affairs

The Board of Directors of Anilana Hotels and Properties PLC present their report on the affairs of the company together with the following audited financial statements.

- a. Statement of Financial position as at 31.03.2023
- b. Statement of Profit or Loss and other comprehensive income for the financial year ended 31.03.2023.
- c. Statement of Changes in Equity.
- d. Statement of Cash Flows.

The report contains pertinent information and disclosures required under the

- a. Companies Act No 7 of 2007.
- b. The Listing Rules of the Colombo Stocks Exchange.
- c. Code of Best Practices on Corporate Governance 2017 issued by The Institute of Chartered Accountants of Sri Lanka.
- d. Sri Lanka Accounting Standards.

## DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing and presenting the financial statements in conformity with the Sri Lanka Accounting Standards as laid down by The Institute of Chartered Accountants of Sri Lanka and The Companies Act No 7 of 2007.

The Directors are satisfied that the Financial Statements provide a true and fair view of the state of affairs of the company as well as the profits of the Company for the year ended 31.03.2023.

## SIGNIFICANT ACCOUNTING POLICIES

The Accounting policies adopted in preparation of Financial statements are explained in this Annual Report as required by Section 168(1) d of the Companies Act No 7 of 2007. The Directors are of the view that the suitable accounting policies have been used which are applied continuously used and supported by reasonable and prudent judgement and that all applicable accounting standards have been followed. The Financial Statements are prepared on a Going Concerned basis.

## CORPORATE GOVERNANCE

A Separate report on Corporate Governance is given in this annual report.

## DIRECTORATE

The names of the directors as at 31st March 2023, their capacity at the board and the share ownership is described in the Report on Corporate Governance shown in this Annual Report.

The new appointments to the Board and the resignations from the Board are given below.

Name	Capacity	Date of appointment
Mr. Arjun Dosaj	Independent Non-Executive Director	23.03.2023

## BOARD SUB COMMITTEES

The names of the Board Sub Committees, details of their participations, capacity and the eligibilities for the meetings are given in the Report on Corporate Governance shown in this Annual Report.

## DIRECTORS FEES AND EMOLUMENTS

No Directors fees and emoluments have been paid during the Financial year ended 31.03.2023

## PROPERTY PLANT AND EQUIPMENT

The details of the Property Plant and Equipment, Additions and disposals during the year and the depreciation charges made in the financial year are given in the Note No 10 to the Financial Statements.

Further the directors consider that there is no any significant difference in the market values of the Property Plant and equipment with the amounts shown in the financial statements as at 31.03.2023.

## STATED CAPITAL

Stated Capital of the Company consists of 1,281,320,814 voting shares with a nominal value of Rs.5,079,875,760. The shares of the company are listed on the Colombo Stocks Exchange.

## SHAREHOLDERS

The Total number of shareholders of the company was 2175 as at 31.03.2023 and 2175 as at 01.04.2022 respectively.

The details of the 20 major shareholders is given in the page No 101 of the Annual Report.

## COMPLIANCE WITH THE STATUTORY REQUIREMENTS

As directors we confirm hereby that the company complies with the requirements, laws and regulations and internal controls and are taking every effort to eliminate the non-compliances.

## STATUTORY PAYMENTS

All statutory payments to the Government which have fallen due have either been made or provided for.

## THE AUDITORS

As per the recommendations of the company audit committee and the approval of the shareholders Amarasekera & Company (Chartered Accountants) acted as the Auditors of the company for the year 2022/2023.. The Auditors have not involved in any non-audit assignments during the financial year under review. As far as the Board is aware the Auditors do not have any undisclosed relationship with the company other than carrying out the external audit assignment

By Order of the Board,



Asanga Senevirathna,  
Managing Director



Rakesh Sharma  
Director



Corporate Advisory Services (Pvt) Ltd.  
Company Secretaries  
29st December 2023



# Risk Management

The risk is defined as an event or incident that if occurs will adversely affect to the achievement of expected goals and objectives.

Generally, the risk is positively correlated with the profit of the organization. However, the risk cannot be completely eliminated in any business in the corporate world. Therefore, only available alternative is to manage the risk factors.

The Board believes that upholding of prudent risk management mechanism within the company and systematic implementation of the said risk management mechanism is one of its prime responsibilities of the Board and the Top management of the Company.

Accordingly, the company has implemented various risk management techniques to identifying, Assessing, managing and mitigating the risk factors.



Further the Risk Management techniques are continuously reviewed by the management to ensure the adequacy and effectiveness.

The Company has established the Integrated Risk Management Committee (IRMC) by giving the responsibility of the above-mentioned process. The IRMC meets in monthly basis and discussed the possible risk factors and the management mechanism to mitigate the risk factors.

The Company has introduced a well-designed Procedure Manual also with the consultation of the Internal Auditors and having series of discussions with operational staff also. This helps to maintain the uniformity of the transactions. Since the operational staff also contributed by giving the ideas for the preparation of the present Procedure Manual the company believes that present Procedure Manual is a well-balanced document which strengthen the Internal Control while not disturbing the operational work.

The Company acknowledges the significance of the implementations of the procedures stipulated in the Procedure Manual and the Company Internal Audit Team draws the management attention for the deviations from the Standard Procedures by stating in their Internal Audit Reports.









# Anilana Finance





## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Anilana Hotels and Properties PLC

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Anilana Hotels and Properties PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 05 to 51.

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 at 31 March 2023, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 33 to these financial statements, which indicates that the Group and the Company incurred a net loss of Rs. 589,067,184/- and Rs. 238,051,641/- (2022 - Rs. 374,959,406/- and Rs. 242,670,912/-) during the year ended 31 March 2023, respectively. As of that date the Group's and the Company's current liabilities exceeded the current assets by Rs. 1,907,015,861/- (2022 - Rs. 1,300,892,739 /-) and Rs. 1,216,576,627/- (2022 - Rs. 764,378,562/-) respectively. Further, as stated in the same Note 33 to the financial statements the Company reported a serious loss of capital situation, these events or conditions along with other matters as set forth therein in the same Note indicate that a material uncertainty exist that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern Section, we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER	OUR RESPONSE
IMPAIRMENT TESTING OF SIGNIFICANT NON-CURRENT ASSETS	
<p>As at 31 March 2023, the Group reported the following significant Non-Current Assets which accounted for 99.30% of the total assets of the Group;</p> <ul style="list-style-type: none"> <li>• Property, Plant &amp; Equipment and Investment Property amounting to Rs. 4.78 Bn</li> <li>• Right of Use Assets amounting to Rs. 21.57 Mn</li> </ul> <p>We selected management's assessment on the carrying values of Property, Plant and Equipment, Investment Property and Right of Use Assets, as a key audit matter, due to the degree of assumptions, judgements and estimation uncertainties associated with assessing the fair value of land and buildings such as reliance on comparable market transactions, and current market conditions.</p> <p>Estimate of per perch value of the land and per square foot value of buildings are the key areas of significant judgments, estimates and assumptions included.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> <li>• We gained an understanding of how management has developed its estimation of future recoverable value the assets which included consideration of the current economic conditions.</li> <li>• We discussed with the external valuer and those charged with governance, the external valuer's judgments, assumptions and estimates used by the external valuer and compared the same with relevant published data.</li> <li>• Testing a sample of data inputs underpinning the valuation such as the price per perch, price per square foot and the area extent against our knowledge of the business and industry, to assess the accuracy, reliability and completeness thereof.</li> <li>• We assessed the appropriateness of the disclosures relating to the valuation techniques and key inputs applied by the professional valuer as disclosed in Note 10 and 11 to the financial statements.</li> </ul>



## INVESTMENTS IN SUBSIDIARIES

Refer note 14 and 15 to the financial statements

The Company hold investments in subsidiaries amounting to Rs. 1.26 Bn as at 31 March 2023. Further, the Group and Company holds investments in equity shares amounting to Rs. 12.30 Mn as at the reporting date.

The carrying amount of each investment in subsidiary and investments in equity shares have been tested for impairment based on the recoverable amount. The carrying amount of these investments could be materially misstated if inappropriate judgments and estimates were used by the Management in calculating the recoverable amount for each entity as a part of their impairment assessment.

Further, uncertain and volatile macro-economic environment resulted in interruption in business activities and resulted delay in construction of partly constructed hotels. This would adversely affect the ability to generate adequate returns and indicate potential impairment indicators.

We have identified the impairment of investments in subsidiaries and investments in equity shares as a key audit matter since that is based on consideration of future events and circumstances which are inherently uncertain due to prevailing uncertain and volatile macroeconomic environment and effect of those uncertainties may significantly impact the resulting accounting estimates. Therefore, the assessment requires the exercise of significant management judgement in assessing future cash inflows and out flows which could be subject to potential management bias.

Our audit procedures included;

- Assessing the impairment indications of investments made in subsidiaries and investments in equity shares and assessing the reasonableness of the key assumptions and estimates used by the management.
- Reviewing the computation of estimated recoverable value and discussion with management of the Group/component with regard to recoverability of investments.
- Assessing the adequacy of disclosures in the financial statements.

## 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 con-

tinue 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.

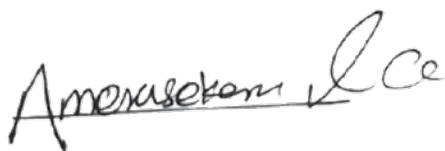
We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and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

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

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

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 7343.

A handwritten signature in dark ink, appearing to read 'Amerasekera', followed by a stylized flourish or initial 'Ce'.

CHARTERED ACCOUNTANTS  
COLOMBO,  
26 February 2024.







# ANILANA HOTELS AND PROPERTIES PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH	Note	Group		Company	
		2023	2022	2023	2022
Revenue from Contract with Customers	3	23,890,528	35,924,398	10,000,878	8,399,953
Cost of Sales		(15,630,678)	(31,112,079)	(6,326,821)	(6,807,143)
<b>Gross Profit</b>		<b>8,259,850</b>	<b>4,812,319</b>	<b>3,674,057</b>	<b>1,592,810</b>
Other Income	4	3,710,851	566,951	41,481	226,349
Administrative Expenses		(211,499,674)	(224,562,347)	(123,594,884)	(128,855,677)
Business Promotion Expenses		(150,239)	(344,342)	(82,739)	(183,789)
<b>Profit / (Loss) from Operation</b>		<b>(199,679,212)</b>	<b>(219,527,418)</b>	<b>(119,962,085)</b>	<b>(127,220,307)</b>
Change in Fair Value of Financial Assets at Fair Value through Profit or Loss	17.1	(146,666)	-	-	-
Provision for Impairment of Investment in Subsidiary		-	-	(90,341,111)	-
Provision for/(Reversal of) Impairment of Amount due from Related Parties		(14,261,253)	-	74,532,631	-
Loss from Disposal of Investment in Subsidiary	7.1	(244,998,940)	-	-	-
Finance Income	5	312,211	8,766	312,211	8,766
Finance Expense	5	(312,267,962)	(124,172,933)	(214,396,781)	(87,585,087)
<b>Profit / (Loss) before Taxation</b>	<b>6</b>	<b>(771,041,823)</b>	<b>(343,691,586)</b>	<b>(349,855,136)</b>	<b>(214,796,629)</b>
Income Tax Expense /(Reversal)	8	143,586,439	(31,267,818)	111,803,495	(27,874,282)
<b>Profit / (Loss) for the Year</b>		<b>(627,455,384)</b>	<b>(374,959,406)</b>	<b>(238,051,641)</b>	<b>(242,670,912)</b>
Attributable to - Equity holders of the Parent		(627,455,453)	(374,959,363)	(238,051,641)	(242,670,912)
- Non-Controlling Interest		68	(43)	-	-
		<b>(627,455,384)</b>	<b>(374,959,406)</b>	<b>(238,051,641)</b>	<b>(242,670,912)</b>
<b>Basic Earnings / (Loss) Per Share (Rs.)</b>	<b>9</b>	<b>(0.49)</b>	<b>(0.29)</b>	<b>(0.19)</b>	<b>(0.19)</b>
Profit / (Loss) for the Year		(627,455,384)	(374,959,406)	(238,051,641)	(242,670,912)
<b>Other Comprehensive Income / (Expense)</b>					
<i>Net Other Comprehensive Income/ (Loss) that will not be Reclassified to Profit or Loss in Subsequent Period;</i>					
Actuarial Gain / (Loss) on Retirement Benefits Obligations	22	5,574,321	(4,506,299)	1,894,195	(2,639,605)
Deferred Tax on Actuarial Gain / (Loss)	23	1,672,296	108,207	568,258	369,545
Deferred Tax on Revaluation Surplus	23	(117,665,859)	1,937,335	(57,352,677)	683,698
Gain / (Loss) on Fair Value Change in FVTOCI	15	(285,800)	(1,150,848)	(285,800)	(1,150,848)
<b>Other Comprehensive Income / (Expense) for the Year</b>		<b>(110,705,042)</b>	<b>(3,611,605)</b>	<b>(55,176,024)</b>	<b>(2,737,211)</b>
<b>Total Comprehensive Income / (Expense) for the Year</b>		<b>(738,160,427)</b>	<b>(378,571,010)</b>	<b>(293,227,665)</b>	<b>(245,408,123)</b>
Attributable to - Equity Holders of the Parent		(738,160,492)	(378,570,968)	(293,227,665)	(245,408,123)
- Non-Controlling Interest		65	(43)	-	-
		<b>(738,160,427)</b>	<b>(378,571,010)</b>	<b>(293,227,665)</b>	<b>(245,408,123)</b>

Audit Report on Page 56 to 60

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 66 to 104 form an integral part of these Financial Statements

# ANILANA HOTELS AND PROPERTIES PLC

## STATEMENT OF FINANCIAL POSITION

(Expressed in Sri Lankan Rupees)

AS AT 31 MARCH		Group	Company
		2023	2022
	Note	2023	2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	4,093,294,488	4,202,289,249
Investment Properties	11	690,433,000	1,299,401,000
Intangible Assets	12	-	-
Right-of-Use-Assets	13	21,571,556	22,903,556
Investment in Subsidiaries	14	-	-
Other Non Current Financial Assets	15	12,296,650	12,582,450
<b>Total Non-Current Assets</b>		<b>4,817,595,694</b>	<b>5,537,176,255</b>
<b>Current Assets</b>			
Inventories	16	650,715	1,699,830
Financial Assets at Fair Value through Profit or Loss (FVTPL)	17	-	146,665
Trade and Other Receivables	18	7,774,941	8,715,110
Cash and Cash Equivalents	19	2,070,606	2,723,902
<b>Total Current Assets</b>		<b>10,496,262</b>	<b>13,285,507</b>
<b>Total Assets</b>		<b>4,828,091,956</b>	<b>5,550,461,762</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	20	5,079,875,760	5,079,875,760
Fair Value through OCI Reserve		(8,784,742)	(8,498,942)
Revaluation Reserve		1,314,371,068	1,483,036,945
Retained Earnings <i>(at debit)</i>		(4,309,692,565)	(3,571,023,031)
<b>Equity Attributable to Equity holders of the Parent</b>		<b>2,075,769,521</b>	<b>2,983,390,732</b>
Non - Controlling Interest		395	1,390
<b>Total Equity</b>		<b>2,075,769,916</b>	<b>2,983,392,122</b>
<b>Non - Current Liabilities</b>			
Borrowings - <i>(Non-Current Portion)</i>	21	678,811,011	1,046,652,385
Retirement Benefits Obligations	22	11,063,063	16,780,989
Deferred Tax Liability	23	144,935,843	189,458,019
<b>Total Non - Current Liabilities</b>		<b>834,809,917</b>	<b>1,252,891,393</b>
<b>Current Liabilities</b>			
Trade and Other Payables	24	480,330,459	444,943,319
Borrowings - <i>(Current Portion)</i>	21	1,222,284,364	666,172,327
Other Non-Financial Liabilities	25	211,694,065	199,914,880
Bank Overdrafts	19	3,203,235	3,147,721
<b>Total Current Liabilities</b>		<b>1,917,512,123</b>	<b>1,314,178,247</b>
<b>Total Equity and Liabilities</b>		<b>4,828,091,956</b>	<b>5,550,461,762</b>

I Certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



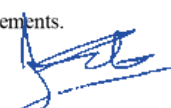
.....  
Chief Financial Officer

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

Approved and signed for and on behalf of the Board,



.....  
Director



.....  
Director

Date : 26 February 2024.  
Colombo.

Audit Report on Page 56 to 60

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 66 to 104 form an integral part of these Financial Statements



# ANILANA HOTELS AND PROPERTIES PLC

## STATEMENT OF CHANGES IN EQUITY

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

Group	Attributable to Equity holders of the Parent				Non-Controlling Interest	Total Equity
	Stated Capital	Fair Value through OCI Reserve	Revaluation Reserve	Retained Earnings (at debit)		
<b>Balance as at 01 April 2021</b>	<b>5,079,875,760</b>	<b>(7,348,094)</b>	<b>1,481,099,610</b>	<b>(3,191,665,577)</b>	<b>1,433</b>	<b>3,361,963,132</b>
Profit/ (Loss) for the Year	-	-	-	(374,959,363)	(43)	(374,959,406)
Loss on Fair Value Change in FVTOCI	-	(1,150,848)	-	-	-	(1,150,848)
Actuarial Gain on Retirement Benefits Obligation	-	-	-	(4,506,299)	-	(4,506,299)
Deferred Tax Charge	-	-	1,937,335	108,207	-	2,045,542
<b>Balance as at 31 March 2022</b>	<b>5,079,875,760</b>	<b>(8,498,942)</b>	<b>1,483,036,945</b>	<b>(3,571,023,031)</b>	<b>1,390</b>	<b>2,983,392,122</b>
Profit / (Loss) for the Year	-	-	-	(627,455,453)	68	(627,455,384)
Loss on Fair Value Change in FVTOCI	-	(285,800)	-	-	-	(285,800)
Actuarial Gain on Retirement Benefits Obligation	-	-	-	5,574,321	-	5,574,321
Deferred Tax Charge	-	-	(117,665,856)	1,672,296	(3)	(115,993,563)
Disposal of Subsidiary <b>Note 7.1</b>	-	-	(51,000,020)	(118,460,698)	(1,060)	(169,461,778)
<b>Balance as at 31 March 2023</b>	<b>5,079,875,760</b>	<b>(8,784,742)</b>	<b>1,314,371,068</b>	<b>(4,309,692,565)</b>	<b>395</b>	<b>2,075,769,916</b>

Company	Attributable to Equity holders of the Parent				Non-Controlling Interest	Total Equity
	Stated Capital	Fair Value through OCI Reserve	Revaluation Reserve	Retained Earnings (at debit)		
<b>Balance as at 01 April 2021</b>	<b>5,079,875,760</b>	<b>(7,348,094)</b>	<b>632,236,852</b>	<b>(3,586,489,879)</b>		<b>2,118,274,640</b>
Profit / (Loss) for the Year	-	-	-	(242,670,912)		(242,670,912)
Loss on Fair Value Change in FVTOCI	-	(1,150,848)	-	-		(1,150,848)
Actuarial Gain/(Loss) on Retirement Benefits Obligation	-	-	-	(2,639,605)		(2,639,605)
Deferred Tax Charge	-	-	683,698	369,545		1,053,242
<b>Balance as at 31 March 2022</b>	<b>5,079,875,760</b>	<b>(8,498,942)</b>	<b>632,920,550</b>	<b>(3,831,430,852)</b>		<b>1,872,866,516</b>
Profit / (Loss) for the Year	-	-	-	(238,051,641)		(238,051,641)
Loss on Fair Value Change in FVTOCI	-	(285,800)	-	-		(285,800)
Actuarial Gain/(Loss) on Retirement Benefits Obligation	-	-	-	1,894,195		1,894,195
Deferred Tax Charge	-	-	(57,352,677)	568,258		(56,784,419)
<b>Balance as at 31 March 2023</b>	<b>5,079,875,760</b>	<b>(8,784,742)</b>	<b>575,567,873</b>	<b>(4,067,020,040)</b>		<b>1,579,638,851</b>

Audit Report on Page 56 to 60

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 66 to 104 form an integral part of these Financial Statements

# ANILANA HOTELS AND PROPERTIES PLC

## STATEMENT OF CASH FLOWS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH		2023	2022	2023	2022
	Note				
<b>Cash Flows from Operating Activities</b>					
Profit / (Loss) before Taxation		(771,041,823)	(343,691,586)	(349,855,136)	(214,796,629)
<b>Adjustments for;</b>					
Depreciation	10	113,973,637	107,371,261	62,502,575	50,426,345
Amortization of Leasehold Land	13	1,332,000	1,332,000	-	-
Provision for the Retirement Benefit Obligation	22	116,394	2,114,652	76,946	1,114,165
Loss from Disposal of Property, Plant and Equipment		463,193	-	-	-
Amount Written-back	4	(3,587,847)	-	-	-
Written-Off of Balances (Net )		-	16,654,389	277,899	16,594,380
Provision for / (Reversal) of Provision for Impairment	6	-	2,373,008	-	-
Change in Fair Value of Financial Assets at Fair Value through Profit or Loss	17.1	146,666	-	-	-
Provision / (Reversal) for Impairment of Receivables	6	14,261,253	-	(74,532,631)	-
Loss from Disposal of Investment in Subsidiary	7.1	244,998,940	-	-	-
Interest Expense	5	312,267,962	124,172,933	214,396,781	87,585,087
Interest Income	5	(312,211)	(8,766)	(312,211)	(8,766)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>		<b>(87,381,834)</b>	<b>(89,682,109)</b>	<b>(57,104,665)</b>	<b>(59,085,417)</b>
<b>Changes in Working Capital</b>					
Inventories		1,049,115	703,263	320,404	105,868
Trade and Other Receivables		(13,321,084)	(11,536,007)	(10,948,466)	(31,511,179)
Other Non-Financial Assets		-	(653,624)	-	(2,369,315)
Trade and Other Payables		41,552,990	71,836,322	(18,088,523)	22,680,562
Other Non-Financial Liabilities		11,779,185	30,713,860	214,511,649	70,253,792
<b>Cash Flow Generated from / (used in) Operations</b>		<b>(46,321,628)</b>	<b>1,381,706</b>	<b>128,690,399</b>	<b>74,311</b>
Gratuity Paid	22	(260,000)	-	(260,000)	-
Interest Paid		(50,713,337)	(841,918)	(50,713,311)	(841,918)
<b>Net Cash Flow from/ (used in) Operating Activities</b>		<b>(97,294,965)</b>	<b>539,787</b>	<b>77,717,088</b>	<b>(767,608)</b>
<b>Cash Flows from Investing Activities</b>					
Acquisition of Property, Plant and Equipment	10	(5,442,070)	(1,260,163)	(4,816,870)	(472,315)
Proceed from Disposal of Subsidiary	7.1	175,000,000	-	-	-
Interest Received	5	312,211	8,766	312,211	8,766
<b>Net Cash Flow from/ (used in) Investing Activities</b>		<b>169,870,141</b>	<b>(1,251,398)</b>	<b>(4,504,659)</b>	<b>(463,550)</b>
<b>Cash Flows from Financing Activities</b>					
Settlements of Term Loans - Capital	21	(73,283,985)	-	(73,283,985)	-
<b>Net Cash Flow used in Financing Activities</b>		<b>(73,283,985)</b>	<b>-</b>	<b>(73,283,985)</b>	<b>-</b>
<b>Net Changes in Cash and Cash Equivalents During the Year</b>		<b>(708,810)</b>	<b>(711,611)</b>	<b>(71,556)</b>	<b>(1,231,157)</b>
Cash and Cash Equivalents at Beginning of the Year		(423,820)	287,791	(2,311,227)	(1,080,071)
<b>Cash and Cash Equivalents at End of the Year</b>	19	<b>(1,132,629)</b>	<b>(423,820)</b>	<b>(2,382,782)</b>	<b>(2,311,227)</b>

Audit Report on Page 56 to 60

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 66 to 104 form an integral part of these Financial Statements



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1 CORPORATE INFORMATION

#### 1.1 Reporting Entity Consolidated Financial Statements

Anilana Hotels and Properties PLC ("the Company") is a Public Limited Liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The Registered office of the Company was located at 14, Reid Avenue, Colombo 07. With Effect from the 01 April 2018 registered office of the Company has changed to No. 44, Premasiri Khemadasa Mawatha (formally known as Guildford Crescent), Colombo 07.

#### 1.2 Nature of Operations and Principal Business Activities

The Company's and subsidiaries of the group principal activities are operating and managing hotels and properties.

Company Name of the Company	Nature of Business Operation	Registered Address
Anilana Hotels and Properties PLC	Operating in Hotel Industry	No. 44, Premasiri Khemadasa Mawatha, Colombo 07
Eastern Development Enterprises (Pvt) Ltd	Operating in Hotel Industry	No. 14, Hotel Development Road, Pasikuda, Kalkudah.
Anilana Resorts (Pvt) Ltd	Managing Hotels and Properties	No: 48, Waterfield Drive, Nuwara Eliya.
Dambulla Hotel and Country Club (Pvt) Ltd	Developing Hotels and Properties	No. 44, Premasiri Khemadasa Mawatha, Colombo 07.
South Asia Asset Management (Pvt) Ltd	Maintain Investment in subsidiaries	No. 44, Premasiri Khemadasa Mawatha, Colombo 07
Vakarei Hotel (Pvt) Ltd	Developing Hotels and Properties	No. 44, Premasiri Khemadasa Mawatha, Colombo 07
Panichchankerni Hotels Ltd	Operating in Hotel Industry	No. 44, Premasiri Khemadasa Mawatha, Colombo 07

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

#### 1.3 Parent Entity and Ultimate Parent Entity

In the opinion of the directors, the Group's ultimate parent undertaking and controlling party is SOMAP International Pte Ltd, which is incorporated in Singapore. However, The Parent Company which was under the wind-up by the Court under the Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) enforced in Singapore.

#### 1.4 Date of Authorization for Issue

The consolidated financial statements of the Group and the Company for the year ended 31 March 2023 were authorized for issue in accordance with a resolution of the Board of directors on 26 February 2024.

### 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

##### 2.1.1 Statement of Compliance

The statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows, together with the notes, (the "Financial Statements") of the Group and the Company as at 31 March 2023 and for the year then ended have been prepared in accordance with Sri Lanka Accounting Standards (SLAuS) promulgated by the Institute of Chartered Accountants of Sri Lanka and complies with the requirements of the Companies Act No 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

##### 2.1.2 Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

##### 2.1.3 Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for:

- Certain classes of property, plant and equipment and investment properties measured at fair value
- Financial assets measured at fair value
- Defined benefit obligation are measured at its present values, based on actuarial valuation method

##### 2.1.4 Foreign Currency Translation

###### 2.1.4.1 Functional and Presentation Currency

Transaction and balances included in the financial statements of the Group are measured using the currency of the primary economic envi-



ronment in which the entity operates. The financial statements are presented in Sri Lanka Rupees (LKR), which is the Group's presentation currency.

#### **2.1.4.2 Foreign Currency Translation**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income/ administration expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

#### **2.1.5 Comparative Information**

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

#### **2.1.6 Use of Accounting Estimates and Judgments**

The preparation of the financial statements of the Group in conformity with Sri Lanka Accounting Standards (SLAuS) 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.

The Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows;

##### **(a) Revaluation of Property, Plant & Equipment (PPE) and Fair Value of Investment Property**

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on open market values.

In addition, it measures the PPE except the buildings, land development and roadways and motor vehicles at revalued amounts, with changes in fair value being recognised in OCI. The properties were valued by reference to transactions involving properties of a similar nature, location and condition.

The Group engaged an independent valuation specialist to assess fair values for the investment properties and PPE.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 10 and 11.

##### **(b) Useful Life Time of Depreciable Assets**

Management reviews its estimate of the useful life time of depreciable assets at each reporting date, based on the expected economic utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

##### **(c) Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

##### **(d) Provision for Expected Credit Losses of Trade Receivables and Contract Assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.



In addition, it measures the PPE except the buildings, land development and roadways and motor vehicles at revalued amounts, with changes in fair value being recognised in OCI. The properties were valued by reference to transactions involving properties of a similar nature, location and condition.

The Group engaged an independent valuation specialist to assess fair values for the investment properties and PPE.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 10 and 11.

**(b) Useful Life Time of Depreciable Assets**

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**(d) Provision for Expected Credit Losses of Trade Receivables and Contract Assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

**(e) Retirement Benefit Obligations**

The cost of defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the Treasury bond rate.

The assumptions are used in determining the net cost and obligation for defined benefit plan including the discount rate disclosed in note 22.

**2.1.7 Materiality and Aggregation**

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

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

**2.1.8 Going Concern**

In determining the basis of preparing the financial statements for the year ended 31 March 2023, based on available information, the management has assessed the existing and anticipated effects of the uncertainty on the Group Companies and the appropriateness of the use of the going concern basis. In March 2023, the Group evaluated the resilience of its businesses considering a wide range of factors under multiple stress tested scenarios, relating to expected revenue streams, cost management, profitability, the ability to defer nonessential capital expenditure, debt repayment schedules, if any, cash reserves and potential sources of financing facilities, if required, and the ability to continue providing services to ensure businesses continue as least impacted as possible.

The Directors have made an assessment on the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. In determining the above significant management judgements, estimates and assumptions the impact of the Country's financial crisis has been considered as of reporting date and specific considerations have been disclosed under the relevant notes.

Furthermore, board is not aware of any material uncertainties that may cast significant doubt upon the Group's and Company's ability to continue as a going concern and they do not intend either to liquidate or cease operations of the Group and Company. Therefore, the Financial Statements continue to be prepared on the going concern basis.

**2.1.9 Changes in Accounting Policies**

The Group has consistently applied following accounting policies to all periods presented in these consolidated financial statements except if mentioned otherwise.



### 2.1.10 New and Amended Standards and Interpretations

The Institute of Chartered Accountants of Sri Lanka has issued several amendments to Accounting Standards that are effective for annual periods beginning after the current financial year. Accordingly, these amendments have not been applied in preparing these financial statements and the Group plans to apply these standards if applicable as and when they become effective.

Group does not expect the following new amendments to accounting standards that will become effective for future accounting periods will have a significant impact on the Group's consolidated financial statements.

#### a. **SLFRS 17 Insurance Contracts**

A comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4). SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

This standard is not applicable to the Group.

#### b. **Amendments to LKAS 1: Classification of Liabilities as Current or Non-current**

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

#### c. **Definition of Accounting Estimates - Amendments to LKAS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

#### d. **Disclosure of Accounting Policies - Amendments to LKAS 1 and SLFRS Practice Statement 2**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to LKAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

#### e. **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12**

The amendments to LKAS 12, narrow the scope of the initial recognition exception under LKAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are not expected to have a material impact on the Group.

### 2.2 **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2023. 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 (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results 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 arrangement(s) with the other vote holders of the investee
- Rights 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 that there are changes to one or more of the three elements of control. 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 OCI are attributed to the equity holders of the parent of the Group and to 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 bring their accounting policies in line 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 on 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 components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

## **2.3 Summary of Significant Accounting Policies**

### **2.3.1 Business Combinations and Goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the 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 acquiree's identifiable net assets. Acquisition-related costs 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 at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and 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 in excess of 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 the purpose of 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 (CGU) 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 in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.



### 2.3.2 Fair Value Measurement

The Group measures certain financial instruments, and non-financial assets such as investment properties, at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability  
or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value 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.

External valuers are involved for valuation of significant assets, such as investment properties and Property, Plant and Equipment. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

### 2.3.3 Current versus Non-current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.3.4 Property, Plant and Equipment

#### 2.3.4.1 Basis of Recognition



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

#### **2.3.4.2 Basis of Measurement**

Items of property, plant and equipment other than freehold land, plant and machinery, furniture and fitting, electric equipment, computers and IT equipment, pool complex and kitchen equipment, are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site at which they are located and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

#### **2.3.4.3 Cost Model**

The Group applies the cost model to buildings, land development and roadways and motor vehicles, which is recorded at cost of purchase together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

#### **2.3.4.4 Revaluation Model**

The Group revalues its freehold land, plant and machinery, furniture and fitting, electric equipment, computers and IT equipment, pool complex and kitchen equipment which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. The Group has adopted a guideline of revaluing assets by a professional value at least once in every five years.

On revaluation of property, plant and equipment, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognized in profit or loss. A decrease in value is recognized in profit or loss where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

#### **2.3.4.5 Subsequent Costs**

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

#### **2.3.4.6 Depreciation**

Depreciation is based on the cost/revalued amount of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized.

Depreciation methods, useful lives, residual values are assessed at the reporting date and adjusted if appropriate. The estimated useful lives for the current year are listed below.

<b>Assets</b>	<b>Number of Years</b>	<b>Rates (%)</b>
Buildings	5 - 50	2 - 20
Land Development Cost (in Leasehold Land)	30	3.33
Road Ways	10	10
Plant and Machinery	5 - 20	5 - 20
Computer & IT Equipment	4 - 20	5 - 25
Pool Complex	10 - 25	4 - 10
Curtains and Fabrics	5	20
Kitchen Equipment	5	20
Office / Electric Equipment	4 - 10	10 - 25
Furniture & Fittings	4 - 5	20 - 25
Motor Vehicles	5	20



#### **2.3.4.7 De-recognition**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in the Statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### **2.3.4.8 Capital Work-in-progress**

Capital work-in-progress is stated at cost less any accumulated impairment losses if any. These would be transferred to the relevant asset category in property, plant and equipment when the asset is completed and available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

### **2.3.5 Investment Properties**

#### **2.3.5.1 Basis of Recognition**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

#### **2.3.5.2 Basis of Measurement**

##### **Fair Value Model**

Investment properties are initially recognized at cost. Subsequent to initial recognition the investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in profit or loss in the year in which they arise.

#### **2.3.5.3 De-recognition**

Investment properties are de-recognized 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 recognized in profit or loss in the year of retirement or disposal.

#### **2.3.5.4 Subsequent Transfers to/from Investment Property**

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

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 and equipment up to the date of change in use.

#### **2.3.5.5 Determining Fair Value**

External and independent valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued, values the investment property.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

### **2.3.6 Intangible Assets**

#### **Software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits



- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software and systems.

#### **2.3.6.1 Subsequent Expenditure**

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied by these assets. All other expenditure is expensed when incurred.

#### **2.3.6.2 De-recognition**

Intangible assets are de-recognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset.

#### **2.3.6.3 Amortization**

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The estimated useful life of intangible asset is as follows;

Computer Software	05 Years
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Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **2.3.7 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **(a) 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.

#### **(b) 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 any accumulated depreciation and impairment losses, and adjusted for any remeasurement 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:

<b>Assets Category</b>	<b>No of Years</b>	<b>Rate</b>
Leasehold Land	30 Years	3.33%

If ownership of the leased asset transfers 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.

#### **(c) 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 exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are 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 amount of lease liabilities 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.

**(d) Short-Term Leases and Leases of Low-Value Assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**2.3.8 Investments in Subsidiaries**

Subsidiaries are those enterprises controlled by the parent. Investment in subsidiaries are initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries are immediately recognised in the income statement. Following initial recognition, investment in subsidiaries are carried at cost less any accumulated impairment losses.

**2.3.9 Impairment on Non-Financial Assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

**2.3.10 Financial Instruments – Initial Recognition and Subsequent Measurement**

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

**2.3.10.1 Financial Assets**

**a) Initial Recognition and Subsequent Measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (2.3.17) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**b) Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:



- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

However, financial assets of the Group are limited to following categories.

#### Financial Assets at Amortised cost (Debt Instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and amount due to related parties.

#### Financial Assets Designated at Fair Value through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

#### Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

### c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### d) Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for



credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the Good Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

### **2.3.10.2 Financial Liabilities**

#### **a) Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### **a) Subsequent Measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

However, financial liabilities of the Group are limited to following categories.

#### **Financial Liabilities at Amortised Cost (Loans and Borrowings)**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

#### **Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **b) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



### **2.3.10.3 Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **2.3.11 Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted at Weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less, the estimated cost of completion and the estimated costs necessary to make the sale.

### **2.3.12 Cash and Cash Equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### **2.3.13 Stated Capital and Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **2.3.14 Dividends Distribution**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **2.3.15 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **2.3.16 Employee Benefits**

The Group has both defined benefit and defined contribution plans.

#### **a) Defined Contribution Plan**

A Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Defined Contribution Plans are recognized as an employee benefit expense to profit or loss in the periods during which services are rendered by employees.

Employee Provident Fund and Employee Trust Fund

The Group contributes 12% on gross emoluments of employee to Employee Provident Fund (EPF) and 3% on gross emoluments of employee to Employee Trust Fund (ETF).

#### **b) Defined Benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Current service cost and interest cost are recognized in the Statement of Profit or Loss while any actuarial gains or losses arising are recognized in Statement of Other Comprehensive Income.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 22. Any changes in



these assumptions will impact the carrying amount of defined benefit obligations.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

#### **c) Short-Term Employee Benefit**

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

### **2.3.18 Revenue Recognition**

#### **2.3.18.1 Revenue from Contracts with Customers**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expect to entitled in exchange of those goods or services.

The Company's gross turnover comprises proceeds from provision of food, beverage, lodging and other hospitality industry related activities. The net Company's turnover excludes turnover taxes and trade discounts.

Room revenue is recognised on the rooms occupied on daily basis.

Food and beverage revenue is recognised at the time of sales.

Other hotel related revenue is accounted when such service is rendered.

#### **Goods Transferred at a Point in Time**

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer; generally, on delivery of the goods.

#### **Disaggregation of Revenue**

The Group presented disaggregated revenue based on the timing of transfer of goods.

#### **Significant Financing Component**

Generally, the Group receives short-term advances from its customers. Using the practical expedient in SLFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception since the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### **Right of Return Assets**

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

### **Contract Balances**

#### **Contract Asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

#### **Trade Receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

#### **Contract Liability**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.



#### **2.3.18.2 Interest Income**

Interest income is recognized using effective interest method for all interest bearing financial assets.

#### **2.3.18.3 Gain and Losses on Disposal of Property, Plant and Equipment**

Interest income is recognized using effective interest method for all interest bearing financial assets.

#### **2.3.17.3 Gain and Losses on Disposal of Property, Plant and Equipment**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of profit and loss.

#### **2.3.17.4 Dividend Income**

Dividend income is recognized when the right to receive payment is established.

#### **2.3.17.5 Other income**

Other income is recognized on accrual basis.

#### **2.3.18 Expenses**

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

For the presentation of the statement of profit or loss the Directors are of the opinion that the function of the expenses method present fairly the elements of the Group's performance, and hence such a presentation method is adopted.

Preliminary and pre-operational expenditure is recognized in the statement of profit or loss.

Repairs and renewals are charged to the Statement of profit or loss in the year in which the expenditure is incurred.

#### **2.3.19 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **2.3.20 Current Tax and Deferred Tax**

##### **2.3.20.1 Current Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The provision for income tax is based on the elements of income and expenditure reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **2.3.20.2 Deferred Tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the



deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in statement of comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **2.3.21 Contingent Liability 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Financial Statements.

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

#### **2.3.22 Cash Flow Statement**

The statement of cash flow has been prepared using the 'Indirect Method' in accordance with the LKAS 7 - Cash Flow Statements.

#### **2.3.23 Related Party Disclosures**

##### **2.3.23.1 Transactions with Related Parties**

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24. The Pricing applicable to such transactions is based on the assessment of the risk and pricing model of the Group and is comparable with what is applied to transactions between the Group and its unrelated customers.

##### **2.3.23.2 Transactions with Key Management Personnel (KMP)**

According to LKAS 24 - "Related Party Disclosures", Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the board of directors (including executive and non-executive Directors), personnel hold designation of General Manager and above positions and their immediate family members have been classified as Key Management Personnel of the Group.

The immediate family member is defined as spouse or dependent. Dependent is defined as anyone who depends on the respective director for more than 50% of his/her financial needs.

##### **2.3.23.3 Close Family Member (CFM)**

Close Family Members (CFM) of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the Group. They may include KMP's domestic partner and children, children of the KMP's domestic partner and dependents of the KMP or the KMP's domestic partner.

#### **2.3.24 Events after the Reporting Period**

All material events after the reporting period have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

#### **2.3.25 Commitments**

All material commitments at the reporting period end have been identified and disclosed in the notes to the financial statements.



**ANILANA HOTELS AND PROPERTIES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH	Group		Company	
	2023	2022	2023	2022
<b>3 Revenue from Contract with Customers</b>				
Accommodation	20,729,027	26,046,467	9,122,343	7,948,041
Food	3,161,500	9,212,876	878,536	280,433
Beverage	-	441,996	-	163,709
Other	-	223,059	-	7,770
	<b>23,890,528</b>	<b>35,924,398</b>	<b>10,000,878</b>	<b>8,399,953</b>
<b>3.1 Disaggregation of Revenue from Contract with Customers</b>				
<b>(a) Major Products / Service Lines</b>				
Accommodation	20,729,027	26,046,467	9,122,343	7,948,041
Food and Beverage	3,161,500	9,654,872	878,536	444,142
Other	-	223,059	-	7,770
	<b>23,890,528</b>	<b>35,924,398</b>	<b>10,000,878</b>	<b>8,399,953</b>
<b>(b) Timing of Revenue Recognition</b>				
Products and Services Transferred at a Point in Time	3,161,500	9,877,931	878,536	451,912
Products and Services Transferred Over Time	20,729,027	26,046,467	9,122,343	7,948,041
	<b>23,890,528</b>	<b>35,924,398</b>	<b>10,000,878</b>	<b>8,399,953</b>
<b>4 Other Income</b>				
Interest Income	-	31,638	-	-
Exchange Gain	123,004	535,313	41,481	226,349
Amount Written-back	3,587,847	-	-	-
	<b>3,710,851</b>	<b>566,951</b>	<b>41,481</b>	<b>226,349</b>
<b>5 Net Finance Expenses</b>				
<b>Finance Income</b>				
Interest Income from Deposits	312,211	8,766	312,211	8,766
	<b>312,211</b>	<b>8,766</b>	<b>312,211</b>	<b>8,766</b>
<b>Finance Expense</b>				
On Loan	309,529,290	123,331,015	211,658,109	86,743,169
On Overdraft	2,738,672	841,918	2,738,672	841,918
	<b>312,267,962</b>	<b>124,172,933</b>	<b>214,396,781</b>	<b>87,585,087</b>
	<b>311,955,752</b>	<b>124,164,168</b>	<b>214,084,570</b>	<b>87,576,322</b>
<b>6 Profit / (Loss) Before Taxation</b>				
Profit / (Loss) Before Taxation is arrived at after charging all expenses including the following;				
Auditors' Remuneration	1,320,000	1,250,000	915,000	895,000
Written-Off of Balances (Net )	277,899	16,654,389	277,899	16,594,380
Provision / (Reversal) of Provision for Impairment	-	2,373,008	-	-
Provisions for Impairment of Investment in Subsidiary	-	-	90,341,111	-
Provision / (Reversal) for Impairment of Receivables	(74,532,631)	-	(74,532,631)	-
Staff Costs	18,906,088	25,105,842	9,050,760	16,038,740
Defined Contribution Plan Costs - EPF / ETF	1,128,250	2,330,572	1,128,250	2,330,572
Defined Benefit Plan Cost	116,394	2,076,660	76,946	1,076,173
Depreciation	113,973,637	107,371,261	62,502,575	50,426,345
Amortization of Leasehold Lands	1,332,000	1,332,000	-	-

**FOR THE YEAR ENDED 31 MARCH 2023**

**7 Subsidiary Disposals**

**7.1 Blue Lagoon Hotel (Pvt) Ltd - Subsidiary Disposals**

Board of Directors of the Group has disposed the Blue Lagoon Hotel (Pvt) Ltd with effect from 01 April 2022. Accordingly, the Board of Directors are not in the process of control of the Assets and Liabilities of Blue Lagoon Hotel (Pvt) Ltd.

Disposal of Blue Lagoon Hotel (Pvt) Ltd and Non-controlling Interests as follows;

<b>Assets Disposed and Liabilities Crystallized</b>	<b>Cost Recognized on Disposal Date</b>
<b>Assets</b>	
Investment Properties	608,968,000
<b>Current Assets</b>	
Cash and Cash Equivalents	20
<b>Liabilities</b>	
<b>Non - Current Liabilities</b>	
Deferred Tax Liability	(16,929,300)
<b>Current Liabilities</b>	
Amount Due to Related Parties	(2,354,349)
Accrued Expenses	(223,653)
<b>Total Identifiable Net Assets at Cost</b>	<b>589,460,718</b>
Retained Earnings	(118,460,698)
Non-controlling Interests	(1,060)
Revaluation Reserve	(51,000,020)
Loss from Disposal of Investment in Subsidiary	(244,998,940)
<b>Disposal Proceeds Transferred</b>	<b>175,000,000</b>

8	Income Tax Expense	Group		Company	
		2023	2022	2023	2022
	Provision for Current Tax Expense	Note 8.1	-	-	-
	Deferred Tax Charge / (Reversal)	Note 23			
	for the Year		(143,586,439)	31,267,818	(111,803,495)
			(143,586,439)	31,267,818	(111,803,495)
					27,874,282
					27,874,282

**8.1 Reconciliation Between the Current Tax Expense and the Product of Accounting Profit / (Loss).**

<b>Accounting Profit / (Loss) before Taxation</b>	<b>(771,041,823)</b>	<b>(343,691,586)</b>	<b>(349,855,136)</b>	<b>(214,796,629)</b>
Aggregate of Disallowable Expenses	358,583,456	161,251,881	63,055,662	56,926,800
Aggregate of Allowable Expenses	(203,071,537)	(202,211,352)	(125,149,996)	(124,148,630)
Other / Exempted Income	(312,211)	(8,766)	(312,211)	(8,766)
<b>Adjusted Business Profit / (Loss)</b>	<b>(615,842,114)</b>	<b>(384,659,822)</b>	<b>(412,261,680)</b>	<b>(282,027,224)</b>
Assessable Income from Business	Nil	Nil	Nil	Nil
Assessable Income from Investments	Nil	Nil	Nil	Nil
<b>Income Tax Charged at Statutory Tax Rate of 24% and 30% (2022 - 24%)</b>	-	-	-	-
<b>Provision for Current Tax Expense</b>	-	-	-	-

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

9 Basic Earnings / (Loss) Per Share (Rs.)	Group		Company	
	2023	2022	2023	2022
Amount used as the Numerator				
Profit / (Loss) Attributable to Ordinary Shareholders (Rs.)	(627,455,453)	(374,959,363)	(238,051,641)	(242,670,912)
Number of Ordinary Shares used as the Denominator				
Weighted Average Number of Ordinary Shares	1,281,320,814	1,281,320,814	1,281,320,814	1,281,320,814
Basic Earnings / (Loss) Per Share (Rs.)	(0.49)	(0.29)	(0.19)	(0.19)

The calculation of Basic Earnings / (Loss) per share has been done based on Profit / (Loss) after tax attributable to the equity shareholders of the parent Company for the year divided by the weighted average number of ordinary shares in issues as at 31 March 2023.

### 9.1 Diluted Earnings / (Loss) per Share

There were no potentially dilutive ordinary shares outstanding at any time during the year or previous year. Therefore, diluted earnings / (loss) per share is equal to basic earnings/(loss) per share.

10 Property, Plant and Equipment Group									
Cost / Valuation	Lands	Buildings	Land Development and Roadways	Plant and Machinery	Computers and IT Equipment	Pool Complex / Curtains and Fabrics / Kitchen Equipment	Motor Vehicles	Furniture and Fittings / Office / Electric Equipment	Total
Balance as at 01 April 2022	2,254,980,000	1,980,451,238	58,610,246	87,720,700	53,074,231	277,470,176	572,860	295,415,045	5,008,294,497
Additions	-	625,200	-	-	475,000	-	-	4,341,870	5,442,070
Disposals	-	-	-	-	-	(108,315)	-	(1,235,066)	(1,343,381)
Balance as at 31 March 2023	2,254,980,000	1,981,076,438	58,610,246	87,720,700	53,549,231	277,361,861	572,860	298,521,848	5,012,393,185
Depreciation									
Balance as at 01 April 2022		578,220,993	24,779,317	49,815,809	34,570,303	197,938,625	572,860	239,503,398	1,125,401,305
Charge for the Year		70,355,653	2,349,465	7,264,899	2,279,430	13,817,269	-	17,906,922	113,973,637
Disposals		-	-	-	-	(81,099)	-	(799,089)	(880,188)
Balance as at 31 March 2023		648,576,646	27,128,782	57,080,708	36,849,733	211,674,795	572,860	256,611,230	1,238,494,754
Net Carrying Values									
								2023	2022
Lands								2,254,980,000	2,254,980,000
Building								1,332,499,792	1,402,230,245
Land Development and Roadways								31,481,464	33,830,929
Plant and Machinery								30,639,992	37,904,891
Computers and IT Equipment								16,699,498	18,503,928
Pool Complex / Curtains and Fabrics /Kitchen Equipment								65,687,066	79,531,551
Furniture and Fittings / Office / Electric Equipment								41,910,618	55,911,647
								3,773,898,431	3,882,893,192
Capital Work-in-Progress							(Note 10.1)	319,396,057	319,396,057
								4,093,294,488	4,202,289,249

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

### 10 Property, Plant and Equipment Contd..., Company

Cost / Valuation	Lands	Buildings	Land Development and Roadways	Plant and Machinery	Computers and IT Equipment	Pool Complex / Curtains and Fabrics / Kitchen Equipment	Motor Vehicles	Furniture and Fittings/Office/ Electric Equipment	Total
Balance as at 01 April 2022	941,080,000	1,237,304,874	15,449,940	43,007,521	19,976,001	182,965,733	572,860	134,571,111	2,574,928,041
Additions	-	-	-	-	475,000	-	-	4,341,870	4,816,870
Balance as at 31 March 2023	941,080,000	1,237,304,874	15,449,940	43,007,521	20,451,001	182,965,733	572,860	138,912,981	2,579,744,910
Depreciation									
Balance as at 01 April 2022		292,275,814	4,943,983	24,836,564	15,702,183	122,339,653	572,860	99,708,280	560,379,336
Charge for the Year		40,412,490	617,997	4,539,228	1,932,577	9,216,762	-	5,783,522	62,502,575
Balance as at 31 March 2023		332,688,303	5,561,980	29,375,791	17,634,760	131,556,414	572,860	105,491,802	622,881,911
Net Carrying Values								2023	2022
Lands								941,080,000	941,080,000
Buildings								904,616,571	945,029,061
Land Development and Roadways								9,887,960	10,505,957
Plant and Machinery								13,631,730	18,170,958
Computer and IT Equipment								2,816,241	4,273,818
Pool Complex / Curtains and Fabric / Kitchen Equipment								51,409,319	60,626,081
Motor Vehicles								-	-
Furniture and Fittings / Office / Electric Equipment								33,421,179	34,862,831
								1,956,862,999	2,014,548,706
Capital Work-in-Progress							(Note 10.1)	8,488,663	8,488,663
								1,965,351,662	2,023,037,369

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

<b>10 Property, Plant and Equipment Contd...</b>				
<b>10.1 Capital Work-in-Progress-Buildings</b>				
		<b>Group</b>		<b>Company</b>
		<b>2023</b>	<b>2022</b>	<b>2023</b>
Balance as at 01 April		319,396,057	319,396,057	8,488,663
Balance as at 31 March		319,396,057	319,396,057	8,488,663
Capital work-in-progress represents the amount of expenditure recognized under property plant and equipment during the constructions of hotels in Irakkakandi and Nilaveli.				
<b>10.2 Revaluation of Property, Plant and Equipment except Lands and Buildings</b>				
<b>(a) Group</b>				
Group has revalued its Plant and Machinery , Computers and IT Equipment , Pool Complex / Curtains and Fabrics / Kitchen Equipment and Furniture and Fittings/Office/ Electric Equipment revalued at Rs. 268,834,214 /- by an independent professional valuer who hold recognized and relevant professional qualification and recent experience in location and category. The relevant revalued value amounts are incorporated in the Group's books on 31 March 2019. The balance of Rs.121,398,582/- which resulted as the excess over the net book value of the assets has been credited to the revaluation reserve of Group.				
<b>(b) Company</b>				
Company has revalued its Plant and Machinery , Computers and IT Equipment , Pool Complex / Curtains and Fabrics / Kitchen Equipment and Furniture and Fittings/Office/ Electric Equipment revalued at Rs. 168,328,953 /- by an independent professional valuer who hold recognized and relevant professional qualification and recent experience in location and category. The relevant revalued value amounts are incorporated in the Company's books on 31 March 2019. The balance of Rs. 55,236,555/- which resulted as the excess over the net book value of the assets has been credited to the revaluation reserve of Company respectively.				
<b>10.3 Revaluation of Lands</b>				
<b>(a) Group</b>				
The Lands of the Group were revalued at Rs.2,435,980,000/- by an independent professional valuer who hold recognized and relevant professional qualifications and recent experience in location and category. The relevant revalued property and incorporated in the Group's books on 31 March 2020. The balance of Rs. 546,980,000/- which resulted as the excess over the net book value of the assets has been credited to the revaluation reserve of Group.				
<b>(b) Company</b>				
The Land of the Company were revalued at Rs. 941,080,000/- by an independent professional valuer who hold recognized and relevant professional qualifications and recent experience in location and category. The relevant revalued property and incorporated in the Company's books on 31 March 2020. The balance of Rs. 328,080,000/- which resulted as the excess over the net book value of the assets has been credited to the revaluation reserve of the Company.				

Figures in brackets indicates deductions.  
Notes to the Financial Statements Continued

# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

10

Property, Plant and Equipment Contd...,

10.4 The details of Property, Plant & Equipment of the Group/Company which are stated at valuation are indicated below.

Property	Method of Valuation	Effective Date of Last Valuer Valuation	Significant Unobservable Inputs	Sensitivity of Fair Value to Unobservable Inputs	Land Extent			Carrying Value of Revalued Assets					
					(Acres)	(Road)	(Perches)	Historical Cost		Revalued Amount			
									31 Mar. 2023	31 Mar. 2022	31 Mar. 2023	31 Mar. 2022	
Group / Company													
(a) Revaluation of Lands													
Company													
Lands of Anilana Hotels and Properties PLC	Market Approach	31. 03.2020	Mr. Sampath Dayaratne	Estimated Price per Perch	Positively Correlated	42	4	47.00	281,551,980	281,551,980	941,080,000	941,080,000	
Subsidiaries													
Lands of Dambulla Hotel Resort And Country Club (Pvt) Ltd	Market Approach	31.03.2020	Mr. Sampath Dayaratne	Estimated Price per Perch	Positively Correlated	39	2	5.25	7,900,000	7,900,000	1,198,900,000	1,198,900,000	
Lands of Panichchankerni Hotels Ltd	Market Approach	31.03.2020	Mr. Sampath Dayaratne	Estimated Price per Perch	Positively Correlated	10	-	-	90,000,000	90,000,000	296,000,000	296,000,000	
Provision for Impairment									-	-	(181,000,000)	(181,000,000)	
									90,000,000	90,000,000	115,000,000	115,000,000	
									379,451,980	379,451,980	2,254,980,000	2,254,980,000	
(b) Revaluation of Property, Plant and Equipment except Lands and Buildings													
Company													
Plant and Machinery , Computers and IT Equipment , Pool Complex / Curtains and Fabrics / Kitchen Equipment and Furniture and Fittings/Office/ Electric Equipment	Market Approach	31.03.2019	D. Jayawardana	Estimated Cost per Item	Positively Correlated				405,831	16,781,423	101,278,468	124,165,826	
Subsidiaries													
Plant and Machinery, Electrical Equipment, Furniture and Fittings and Kitchen Equipment	Market Approach	31.03.2019	D. Jayawardana	Estimated cost per item	Positively Correlated				204,931	13,532,744	31,115,785	49,166,857	
									610,763	30,314,167	132,394,253	173,332,683	

Figures in brackets indicates deductions.  
Notes to the Financial Statements Continued



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

### 10 Property, Plant and Equipment Contd...

#### 10.5 Title restriction on and Property, Plant and Equipment pledged as securities

There were no restrictions existed on the title of the Property, Plant & Equipment of the Group / Company as at the Reporting date. Refer Note No. 21.2 for Property, Plant and Equipment pledged as securities for liabilities as at the Reporting date.

#### 10.6 There were no capitalized borrowing costs related to the acquisition of property, plant and equipment of the Group / Company during the year.

#### 10.7 Parate Execution for Land Located in Panichchankeni

The bank has acquired the property - Panichchankeni, Batticaloa (Tranquility Estate) consequent to the property auction held on 23 April 2021. Accordingly certificate of Sales bearing No. 3006 attested by Hithamy Mudiyansele Lalani Pushpa Kumari Notary public of Colombo has been executed.

### 11 Investment Properties - Lands

	Group	
	2023	2022
Balance as at 01 April	1,299,401,000	1,299,401,000
Disposals	(608,968,000)	-
Balance as at 31 March	690,433,000	1,299,401,000

#### 11.1 Details of Group's Lands Stated at Valuation are Indicated below:

Details of Group's Land Stated at Valuation are indicated below:													
Property		Method of Valuation	Effective Date of Last Valuation	Valuer	Significant Unobservable Inputs	Sensitivity of Fair Value to Unobservable Inputs	Land Extent			Carrying Value of Revalued Assets			
							(Acres)	(Road)	(Perches)	Historical Cost		Revalued Amount	
										31 Mar. 2023	31 Mar. 2022	31 Mar. 2023	31 Mar. 2022
Group													
East Wind Resorts (Pvt) Ltd.		Market Approach	31.03.2020	Mr. Sampath Dayarathne	Estimated Price per Perch	Positively Correlated	7	1	25.00	1,000,000	1,000,000	165,200,000	165,200,000
Blue Lagoon Hotels Resort (Pvt) Ltd		Market Approach	31.03.2020	Mr. Sampath Dayarathne	Estimated Price per Perch	Positively Correlated	6	3	10.29	-	7,900,000	-	608,968,000
Vakarei Hotels (Pvt) Ltd		Market Approach	31.03.2020	Mr. Sampath Dayarathne	Estimated Price per Perch	Positively Correlated	21	2	35.80	650,000	650,000	525,233,000	525,233,000
										1,650,000	9,550,000	690,433,000	1,299,401,000

#### 11.2 The Board of Directors determine that the fair value obtained as at 31 March 2020 is a reasonable approximation of fair value as at 31 March 2023.

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

**ANILANA HOTELS AND PROPERTIES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Sri Lankan Rupees)

**FOR THE YEAR ENDED 31 MARCH 2023**

12	Intangible Assets	Computer Software	Hotel Property Management System	Accounting System	Total
	Group / Company				
	<b>Cost</b>				
	Balance as at 01 April 2022	1,364,677	2,439,501	3,133,916	6,938,094
	Additions	-	-	-	-
	Balance as at 31 March 2023	1,364,677	2,439,501	3,133,916	6,938,094
	<b>Amortization</b>				
	Balance as at 01 April 2022	1,364,677	2,439,501	3,133,916	6,938,094
	Charge for the Year	-	-	-	-
	Balance as at 31 March 2023	1,364,677	2,439,501	3,133,916	6,938,094
	<b>Net Carrying Values</b>			<b>Group / Company</b>	
				<b>2023</b>	<b>2022</b>
	Intangible Assets			-	-
13	<b>Right-of-Use-Assets</b>			<b>Group / Company</b>	
				<b>2023</b>	<b>2022</b>
	Balance as at 01 April			22,903,556	24,235,556
	Amortization for the Year			(1,332,000)	(1,332,000)
	Balance as at 31 March		(Note 13.1)	21,571,556	22,903,556

The Subsidiary Company (Eastern Development Enterprises (Pvt) Ltd) entered into an Agreement (No. 47 dated 25/06/2009) with Tourism Development Authority of Sri Lanka to acquire a Land on lease terms. The land was allocated to the Company for a lease period of 30 years commencing from 01 June 2009 and ending on 31 May 2039. Therefore, the initial cost (Rs. 40,000,000/-) of the land is amortized over the lease period of 30 years at the rate of 3.33% per annum.

13.1	Analysis of Right-of-Use-Assets	Group / Company	
		2023	2022
	<i>Prepaid lease rights are to be amortised;</i>		
	Not Later than One Year	1,332,000	1,332,000
	Later than One Year but Not Later than 5 Years	5,328,000	3,996,000
	Later than Five Years	14,911,556	17,575,556
		<b>21,571,556</b>	<b>22,903,556</b>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

14 Investment in Subsidiaries		Group		Company	
		2023	2022	2023	2022
Unquoted Investments	(Note 14.1)	-	-	1,262,373,940	1,352,715,051
<b>14.1 Direct Holding</b>		<b>Effective Equity Interest</b>		<b>Cost</b>	
Investment by the Company		<b>Held by the Group</b>			
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
South Asia Asset Management (Pvt) Ltd		99.99	99.99	661,930,120	661,930,120
Vakarei Hotel (Pvt) Ltd		100	100	368,000,000	368,000,000
Dambulla Hotel & Country Club (Pvt) Ltd		49	49	232,443,820	232,443,820
Eastern Development Enterprises (Pvt) Ltd		100	100	800,000,010	800,000,010
Anilana Resorts (Pvt) Ltd		99.99	99.99	1,000,000	1,000,000
Panichchankerni Hotels Ltd		100	100	10	10
				<b>2,063,373,960</b>	<b>2,063,373,960</b>
Provision for Impairment			(Note 14.2)	(801,000,020)	(710,658,909)
				<b>1,262,373,940</b>	<b>1,352,715,051</b>
<b>14.2 Provision for Impairment</b>				<b>Company</b>	
				<b>2023</b>	<b>2022</b>
South Asia Asset Management (Pvt) Ltd				-	702,527
Eastern Development Enterprises (Pvt) Ltd				800,000,010	708,956,371
Anilana Resorts (Pvt) Ltd				1,000,000	1,000,000
Panichchankerni Hotels Ltd				10	10
				<b>801,000,020</b>	<b>710,658,909</b>
<b>14.3 Indirect Holding</b>		<b>Effective Equity Interest</b>		<b>Company</b>	
Investment through the Group		<b>Held by the Group</b>			
		<b>2023</b>	<b>2022</b>	<b>Cost</b>	<b>Cost</b>
East Wind Resorts (Pvt) Ltd		99.99	99.99	76,700,000	76,700,000
Dambulla Hotel & Country Club (Pvt) Ltd		51	51	241,931,180	241,931,180
Blue Lagoon Hotel Resorts (Pvt) Ltd		-	99.99	-	419,998,940
				<b>318,631,180</b>	<b>738,630,120</b>
<b>14.4</b>	During the year there were no changes in the group structure, new acquisition, disposals or transactions between the non-controlling interests other than disposal of Blue Lagoon Hotel Resorts (Pvt) Ltd.				
<b>14.5 Material Partly-owned Subsidiaries</b>	The Group has concluded that non-controlling interest is not material in aggregate and individually for disclosure purpose.				
<b>15 Other Non Current Financial Assets</b>		<b>Group / Company</b>			
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Unquoted Shares	(Note 15.1)	12,296,650	12,582,450		
<b>15.1 Movement in Other Non Current Financial Asset</b>					
Balance as at 01 April		12,582,450	13,733,298		
Changes in Fair Value		(285,800)	(1,150,848)		
Balance as at 31 March	(Note 15.2)	12,296,650	12,582,450		
<b>15.2 Cost of the Investments in Unquoted Equity Instruments</b>		<b>As At 31 March 2023</b>			
		<b>% of Holding</b>	<b>No. of Shares</b>	<b>at Cost</b>	<b>at FVTOCI</b>
Nation Lanka Promotions Ltd		12.63%	1,200,000	12,000,000	6,371,534
Nation Lanka Equities (Pvt) Ltd		3.01%	2,300,000	11,500,000	5,925,116
				<b>23,500,000</b>	<b>12,296,650</b>
<b>16 Inventories</b>		<b>Group</b>		<b>Company</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Food and Beverage		-	219,166	-	160,347
House Keeping		67,965	795,319	-	57,462
Others		582,750	685,345	582,750	685,345
		<b>650,715</b>	<b>1,699,830</b>	<b>582,750</b>	<b>903,154</b>
<b>17 Financial Assets at Fair Value through Profit or Loss (FVTPL)</b>		<b>Group</b>		<b>Company</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Investments in Quoted Shares	(Note 17.1)	-	146,665	-	-
<b>17.1 Analysis of the Investments</b>					
Balance as at 01 April		146,665	146,665	-	-
Changes in Fair Value		(146,665)	-	-	-
Balance as at 31 March		-	146,665	-	-

Figures in brackets indicate deductions  
Notes to the Financial Statements continued

**ANILANA HOTELS AND PROPERTIES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH		Group		Company	
		2023	2022	2023	2022
<b>18</b>	<b>Trade and Other Receivables</b>				
	Trade Receivables (Note 18.1)	-	85,318	-	-
	Deposits and Advances (Note 18.3)	-	1,809,598	-	1,809,598
	Amounts Due from Related Parties (Note 18.4)	7,462,442	5,523,695	299,432,689	212,419,893
	Others	312,500	1,296,500	-	-
		<b>7,774,941</b>	<b>8,715,110</b>	<b>299,432,689</b>	<b>214,229,491</b>
<b>18.1</b>	<b>Trade Receivables</b>				
	Trade Receivables (Note 18.2)	1,415,254	2,458,326	-	-
	Provision for Expected Credit Loss	(1,415,254)	(2,373,008)	-	-
		<b>-</b>	<b>85,318</b>	<b>-</b>	<b>-</b>
<b>18.2</b>	<b>Trade Receivables are unsecured and the analysis of their aging for major segment as at the reporting date is as follows:</b>				
	01 - 30 days	-	15,426	-	-
	31 - 60 days	-	69,892	-	-
	61 - 90 days	-	-	-	-
	More than 90 days	1,415,254	2,373,008	-	-
		<b>1,415,254</b>	<b>2,458,326</b>	<b>-</b>	<b>-</b>
<b>18.3</b>	<b>Deposits and Advances</b>				
	Refundable Deposits	-	700,000	-	700,000
	Others Advances	-	1,109,598	-	1,109,598
		<b>-</b>	<b>1,809,598</b>	<b>-</b>	<b>1,809,598</b>
<b>18.4</b>	<b>Amounts Due from Related Parties</b>				
		<b>Group</b>		<b>Company</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Subsidiaries</b>				
	Anilana Resort (Pvt) Ltd	-	-	128,495,570	128,495,570
	Eastern Development Enterprises (Pvt) Ltd	-	-	243,486,527	245,527,013
	Blue Lagoon Hotel (Pvt) Ltd	-	-	-	2,316,652
	East Wind Resort (Pvt) Ltd	-	-	529,141	529,141
	Dambulla Hotels & Country Club (Pvt) Ltd	-	-	291,601,605	290,736,405
	Vakarei Hotel (Pvt) Ltd	-	-	4,337,986	4,302,986
	South Asia Asset Management (Pvt) Ltd	-	-	-	372,898
	Panichchankerni Hotels Ltd	-	-	111,776,115	111,666,115
		<b>-</b>	<b>-</b>	<b>780,226,944</b>	<b>783,946,780</b>
	Provision for Expected Credit Loss	-	-	(483,758,211)	(572,552,095)
		<b>-</b>	<b>-</b>	<b>296,468,733</b>	<b>211,394,684</b>
	<b>Other Related Parties</b>				
	Asia Fort Asset Management (Pvt) Ltd	41,913,690	41,913,690	41,461,690	41,461,690
	Nation Lanka Promotion Ltd	1,938,747	1,938,747	1,938,747	1,938,747
	Nation Lanka Capital Ltd	2,900,000	2,900,000	2,900,000	2,900,000
	Tropical Foliage Ltd	150,000	150,000	150,000	150,000
	Anilana Tropical Foliage Ltd	91,200	91,200	91,200	91,200
	SOMAP International (Pte) Ltd	16,200,000	-	16,200,000	-
	Nation Lanka Equities Ltd	2,485,485	2,485,485	-	-
	Directors' Current Account	1,561,000	1,561,000	-	-
		<b>67,240,123</b>	<b>51,040,123</b>	<b>62,741,637</b>	<b>46,541,637</b>
	Provision for Expected Credit Loss	(59,777,681)	(45,516,428)	(59,777,681)	(45,516,428)
		<b>7,462,442</b>	<b>5,523,695</b>	<b>2,963,956</b>	<b>1,025,209</b>
		<b>7,462,442</b>	<b>5,523,695</b>	<b>299,432,689</b>	<b>212,419,893</b>
<b>19</b>	<b>Cash and Cash Equivalents</b>				
	<b>Favorable Balances</b>				
	Cash at Bank	2,069,556	2,597,828	820,453	824,450
	Cash in Hand	1,050	126,074	-	12,045
		<b>2,070,606</b>	<b>2,723,902</b>	<b>820,453</b>	<b>836,495</b>
	<b>Unfavorable Balances</b>				
	Bank Overdrafts	(3,203,235)	(3,147,721)	(3,203,235)	(3,147,721)
	<b>Total for the Purposes of Statement of Cash Flows</b>	<b>(1,132,629)</b>	<b>(423,820)</b>	<b>(2,382,782)</b>	<b>(2,311,227)</b>

Figures in brackets indicate deductions

Notes to the Financial Statements continued



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

20	Stated Capital Issued and Fully Paid,	Group / Company		Group / Company	
		2023	2022	2023	2022
		No. of Shares		Value	
Balance as at 01 April		1,281,320,814	1,281,320,814	5,079,875,760	5,079,875,760
Balance as at 31 March		1,281,320,814	1,281,320,814	5,079,875,760	5,079,875,760
21	Borrowings	Group		Company	
		2023	2022	2023	2022
Movement of Borrowings					
Balance as at 01 April		1,712,824,711	1,592,304,500	1,233,787,386	1,149,855,021
Moratorium Loans Granted		121,070,312	-	84,342,463	-
Capital Recovered though Moratourim Loans		(58,008,900)	-	(38,010,000)	-
Settlements Made - Capital		(73,283,985)	-	(73,283,985)	-
- Accrued Interest		(32,842,336)	-	(32,842,336)	-
Accrued Interest for the Year		231,335,571	120,520,211	150,193,341	83,932,365
Balance as at 31 March		1,901,095,375	1,712,824,711	1,324,186,869	1,233,787,386
Non-Current Portion		678,811,011	1,046,652,385	436,734,935	686,921,628
Current Portion		1,222,284,364	666,172,327	887,451,934	546,865,758
		1,901,095,375	1,712,824,711	1,324,186,869	1,233,787,386
21.1	Borrowings as at the Reporting Date Consist with;				
	Capital as at 31 March	1,594,699,380	1,449,518,685	1,098,933,104	1,032,548,663
	Accrued Interest as at 31 March	306,395,995	263,306,026	225,253,765	201,238,723
		1,901,095,375	1,712,824,711	1,324,186,869	1,233,787,386
21.2	Securities and Repayment of Borrowings				
Assets pledged as securities by the Company and the subsidiary companies are as follows;					
Lending Institution	Type of Loan Facility /	Facility Limit / Utilized (Rs. Mn)	Outstanding (Capital) as at 31.03.2023		Securities
			Group (Rs.)	Company (Rs.)	
Sampath Bank PLC	Note A	658.1	603,250,000	603,250,000	Property 01 - Primary Mortgage Bond for Rs.50,000,000/- over the free hold property situated in
	Note B	20	20,954,181	20,954,181	Passekudah, depicted as Lot 1 & 2 in Plan No.
	Note C	102	62,900,000	62,900,000	E/183/2012 dated 29.04.2012 made by T.Elavarasu
	Note D	5	5,000,000	5,000,000	(Licensed Surveyor) owned by Anilana Hotels & Properties PLC together with the buildings thereon.
	Note E	38.775	35,544,000		Property 02 - Primary Mortgage Bond for
	Note F	360.831	330,731,280		Rs.315,000,000/- over the free hold property situated in
	Note G	213	213,764,245	213,764,245	Nilaveli, depicted as Lot 1 in Plan No. 3209 dated
	Note H	58.52	58,520,564	58,520,564	06.02.2012 made by P.Pararasasegaram (Licensed
	Note I	5.3	5,398,160	5,398,160	Surveyor) owned by Anilana Hotels & Properties PLC
	Note J	1.83	1,803,594	1,803,594	together with the buildings thereon.
	Note K	0.775	775,791	775,791	Property 03 - Primary Mortgage Bond for
	Note L	114	114,087,554	-	Rs.216,000,000/- and additional; Mortgage bonds
	Note M	12.2	12,257,011	-	totaling to Rs.225,000,000/- over the lease hold property
	Note N	0.3	305,284	-	situated in Paseekudah, depicted as Lot 16A in plan
	Note O	2.8	2,841,144	-	No.380 dated 12.06.2008 made by A.M.S Attanayake

Figures in brackets indicate deductions  
Notes to the Financial Statements continued

# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

### 21.2 Securities and Repayment of Borrowings

Lending Institution	Type of Loan Facility /	Facility Limit / Utilized (Rs. Mn)	Outstanding (Capital + Interest) as at 31.03.2023		Securities
			Group (Rs.)	Company (Rs.)	
People's Bank	Note P	200	81,498,487	81,498,487	Primary mortgage over 02 properties situated in Panichankerni. Corporate guarantee of Eastern Development Enterprises (Pvt) Ltd.
People's Leasing & Finance PLC	Note Q	64.786	38,223,435	38,223,435	No assets of the Group pledged and only Personal guarantee from directors.
	Note R	12.748	6,844,639	6,844,639	

### 21.3 Type of Loan Facility / Interest and Repayments

<b>Note A</b>	Interest Rate	: AWPLR + 2% p.a.
	Repayment	: Instalments of Rs.10,970,000/-
	Type	: Term Loan
<b>Note B</b>	Interest Rate	: AWPLR + 2.5% p.a.
	Repayment	: Instalments of Rs.873,090/-
	Type	: Term Loan
<b>Note C</b>	Interest Rate	: AWPLR + 2% p.a.
	Repayment	: Instalments of Rs.1,700,000/-
	Type	: Term Loan
<b>Note D</b>	Interest Rate	: 4% fixed rate
	Repayment	: Instalments of Rs.1384,620/-
	Type	: Term Loan - Saubagya - COVID 19
<b>Note E</b>	Interest Rate	: AWPLR + 2% p.a.
	Repayment	: Instalments of Rs.646,300/-
	Type	: Term Loan
<b>Note F</b>	Interest Rate	: AWPLR + 2% p.a.
	Repayment	: Instalments of Rs.6,020,000/-
	Type	: Term Loan
<b>Note G</b>	Interest Rate	: AWPLR + 2% p.a.
	Repayment	: Instalments of Rs.8,906,843/-
	Type	: Term Loan
<b>Note H</b>	Interest Rate	: Interest Free Moratorium Loans
	Repayment	: Instalments of Rs.2,438,356/-
	Type	: Term Loan
<b>Note I</b>	Repayment	: Interest Free Moratorium Loans
	Type	: Instalments of Rs.899,693/- Term Loan
<b>Note J</b>	Interest Rate	: Interest Free Moratorium Loans
	Repayment	: Instalments of Rs.300,599/-
	Type	: Term Loan
<b>Note K</b>	Interest Rate	: Interest Free Moratorium Loans
	Repayment	: Instalments of Rs.129,298/-
	Type	: Term Loan

Figures in brackets indicate deductions

Notes to the Financial Statements continued



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

### 21.4 Type of Loan Facility / Interest and Repayments

**Note L** Interest Rate : AWPLR + 2% p.a.  
Repayment : Rs.4,753,648/- per instalments  
Type : Term Loan

**Note M** Interest Rate : AWPLR + 2% p.a.  
Repayment : Rs.510,708/- per instalments  
Type : Term Loan

**Note N** Interest Rate : Interest Free Moratorium Loans  
Repayment : Rs.50,880/- per instalments  
Type : Term Loan

**Note O** Interest Rate : Interest Free Moratorium Loans  
Repayment : Rs.473,524/- per instalments  
Type : Term Loan

**Note P** Repayment : 18 equal monthly instalments  
Type : Term Loan

**Note Q** Interest Rate : 12% fixed rate P.a  
Repayment : Rs.4,345,830/- per instalments  
Type : Term Loan

**Note R** Interest Rate : 12% fixed rate P.a  
Repayment : Rs.4,345,830/- per instalments  
Type : Term Loan

### 21.5 Debt Moratorium

Debt moratorium was extended to the Leisure Sector by the Central Bank of Sri Lanka up to June 2022. Capital and Interest falling due during the moratorium were converted to a new loan.

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

### FOR THE YEAR ENDED 31 MARCH 2023

22 Retirement Benefits Obligations		Group		Company	
		2023	2022	2023	2022
<b>Balance as at 01 April</b>		<b>16,780,989</b>	<b>10,160,039</b>	<b>9,149,087</b>	<b>5,395,318</b>
Expenses Recognized in Profit and Loss	(Note 22.1)	116,394	2,076,660	76,946	1,076,173
Actuarial (Gain) / Losses Recognized in Other Comprehensive Income		(5,574,321)	4,506,299	(1,894,195)	2,639,605
Payment Reversed/(Made) During the Year		(260,000)	37,992	(260,000)	37,992
<b>Balance as at 31 March</b>		<b>11,063,063</b>	<b>16,780,989</b>	<b>7,071,839</b>	<b>9,149,087</b>
<b>22.1 Recognized in Profit and Loss</b>					
Current Service Cost		46,915	832,055	32,383	415,246
Interest Cost for the Year		69,479	1,244,605	44,563	660,926
		<b>116,394</b>	<b>2,076,660</b>	<b>76,946</b>	<b>1,076,173</b>

LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit using the projected unit credit method in order to determine the present value of the retirement benefit obligation. As required by LKAS 19 - Employee Benefits, the Company has provided for gratuity liability based on the internally generated model as at the reporting date.

The following key assumptions were made in arriving at the retirement benefit obligation as at 31 March 2023 and 2022.

22.2 The Principal Actuarial Valuation Assumptions used are as Follows;	Group		Company	
	2023	2022	2023	2022
Discount Rate [%]	15.8	12.25	15.8	12.25
Salary Escalation Rate [%]	0%	0%	0%	0%
Retirement Age [Yrs]	55	55	55	55
Staff Turnover Factor [%]	60% to 100%	60% to 100%	60% to 100%	60% to 100%

### 22.3 The Sensitivity of The Present Value of Retirement Benefits Obligation to Changes in the Weighted Principal Assumptions By 1% are:

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions used with all other variables held constant in the Employment Benefit Liability measurement.

The sensitivity of the Statement of Profit or Loss and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the Profit or Loss and Employment Benefit Obligation for the year.

#### Assumption Changed (While all Other Assumptions Remain Unchanged)

	Group		Company	
	Effect on Profit or Loss for the Year Ended 31.03.2023	Retirement Benefits Obligation as at 31.03.2023	Effect on Profit or Loss for the Year Ended 31.03.2023	Retirement Benefits Obligation as at 31.03.2023
1% increase in Discount Rate	4,011	11,059,051	(3,198)	7,068,641
1% decrease in Discount Rate	(4,081)	11,067,143	3,253	7,075,092
1% increase in Salary Escalation Rate	(4,684)	11,067,747	3,734	7,075,573
1% decrease in Salary Escalation Rate	11,063,063	-	(7,071,839)	-

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

### FOR THE YEAR ENDED 31 MARCH 2023

23	Deferred Tax Liabilities	Group		Company	
		2023	2022	2023	2022
	Balance as at 01 April	189,458,019	160,235,742	55,019,077	28,198,036
	Recognized / (Reversed) in Profit or Loss	(143,586,439)	31,267,818	(111,803,495)	27,874,282
	Recognized / (Reversed) in OCI	115,993,563	(2,045,542)	56,784,419	(1,053,242)
	Disposal of Subsidiary	(16,929,300)	-	-	-
	Balance as at 31 March (Note 23.1)	144,935,843	189,458,019	-	55,019,077
23.1	The Closing Deferred Tax Liability / (Asset) Balance Relates to the Following:				
	Accelerated Depreciation for Tax Purposes	396,063,386	171,673,738	258,082,054	110,985,517
	Impact on Revaluation of Property, Plant and Equipm	188,339,757	70,673,898	89,196,702	31,844,025
	Revaluation of Investment Property at Fair Value	57,582,300	36,123,400	-	-
	Brought Forward Tax Loss	(330,669,914)	-	(182,096,437)	-
	Provision for Impairment	(163,060,768)	(86,663,679)	(163,060,768)	(86,529,593)
	Retirement Benefits Obligations	(3,318,919)	(2,349,339)	(2,121,552)	(1,280,872)
		144,935,843	189,458,019	-	55,019,077
23.2	Unrecognized Deferred Tax Asset				
	Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Company / Group have not been recognized deferred tax assets as at reporting date because it is not probable that future taxable profits will be available against which they can be utilized.				
	The Analysis of Deferred Tax Assets / (Liability) is as Follows:				
	Brought Forward Tax Loss	1,193,774,104	476,855,700	842,975,122	341,793,315
		1,193,774,104	476,855,700	842,975,122	341,793,315
23.3	Deferred Tax has been Computed at the Following Rates;				
	Company and Subsidiary companies engaged in promotion of tourism - Corporate Tax Rate at 30% - 2023 and 14% -2022				
	Investment Income Tax Rate at 30% -2023 and 24% - 2022.				
24	Trade and Other Payables				
	Trade Payables	141,345,147	116,569,314	42,679,520	39,294,247
	Other Payables				
	Other Advances	4,712,456	4,712,456	1,614,394	1,614,394
	Retention	16,740,943	16,740,943	15,899,869	15,899,869
	Construction Payable	141,246,331	141,246,331	114,164,337	114,164,337
	Amounts Due to Related Parties (Note 24.1)	148,730,628	107,011,513	315,161,172	98,099,523
	Others	27,554,954	58,662,761	25,128,491	31,063,765
		338,985,312	328,374,004	471,968,263	260,841,888
		480,330,459	444,943,319	514,647,784	300,136,134

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH		Group	2022	Company	2022
		2023		2023	
<b>24 Trade and Other Payables Contd.,</b>					
<b>24.1 Amounts Due to Related Parties</b>					
<b>From Others</b>					
Asia Financial Management Ltd		4,813,739	4,813,739	4,813,739	4,813,739
Investor Access Equities (Pvt) Ltd		6,822,244	6,822,244	1,560,820	1,560,820
Ceyquartz MBI (Pvt) Ltd		425,160	425,160	-	-
Crystal Global Equity Ltd		15,999,950	-	15,999,950	-
Directors' Current Accounts		72,129,286	40,864,159	71,619,311	39,638,752
Nation Lanka Promotions (Pvt) Ltd		900,000	900,000	-	-
Anilana Collection (Pvt) Ltd		13,660,000	13,400,000	12,560,000	12,300,000
Nation Lanka Finance PLC		10,947,311	10,947,311	10,947,311	10,947,311
Nation Lanka Equities Ltd		23,032,939	9,377,151	23,032,939	9,377,151
Frangipani Retreats (Pvt) Ltd		-	9,668,319	-	9,668,319
South Asia Asset Management (Pvt) Ltd		-	-	174,627,102	-
SOMAP International (Pte) Ltd		-	9,793,430	-	9,793,430
		<b>148,730,628</b>	<b>107,011,513</b>	<b>315,161,172</b>	<b>98,099,523</b>
<b>25 Other Non-Financial Liabilities</b>					
Accrued Expenses / Other Taxes		72,220,538	54,398,873	39,655,523	34,122,121
Value Added Tax (VAT)		115,691,745	121,739,225	55,857,403	79,479,327
Current Tax Payable		121,627	121,627	-	-
Nation Building Tax (NBT)		23,660,155	23,655,151	16,596,640	16,596,640
		<b>211,694,065</b>	<b>199,914,880</b>	<b>112,109,566</b>	<b>130,198,089</b>
<b>26 Commitments</b>					
Group and the Company committed to construct the hotels as follows;					
<b>Group</b>					
Hotel Construction at Dambulla					
Villa Construction at Panichchnkerni					
Hotel Construction at Passikuda - (Spa and Gym)					
<b>Company</b>					
Hotel Construction at Nilaweli					
<b>Other Commitments</b>					
There were no material commitments, financial or otherwise contracted or consented by the Board of Directors as at 31 March 2023 other than disclosed above.					
<b>27 Events after Reporting Period</b>					
There are no material events after the reporting period that require adjustments to or disclosure in financial statements in Group/Company except as follows;					
The board of directors of the Company by a resolution passed on 02 November 2023, resolved to recommended to the shareholders a Rights Issue of 1,793,849,140 Ordinary Shares at a price of Rs. 0.20 per share to the existing ordinary Shareholders at the proportion of Seven (07) new Ordinary Shares for every Five (05) existing shares.					
<b>28 Related Party Disclosure</b>					
The Group and Company carries out transactions in the ordinary course of business with the parties who are defined as related parties in LKAS 24 - Related Party Disclosures the details of which are reported below;					
<b>28.1 Terms and Conditions of Transactions with Related Parties</b>					
Transactions with related parties are carried out in the ordinary course of the business. These transactions carried at arm's length basis. Outstanding current account balances at year end are unsecured and settlement occurs in cash.					
<b>28.2 Transaction with Key Management Personnel</b>					
Key Management Personnel (KMPs) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel of the Company are the Board of Directors of the Company and personnel holding the Designation Chief Manager and above. Transactions with Key Management Personnel and transactions with the Close Family Members (CFMs) of the KMPs, if any, also have been taken into consideration in the following disclosure.					

Figures in brackets indicate deductions  
Notes to the Financial Statements continued



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2023

### 28 Related Party Disclosure Contd.,

Key Management Personnel Compensation		Group		Company	
		2023	2022	2023	2022
Short-Term Employee Benefits - Directors' Remuneration		Nil	Nil	Nil	Nil
Directors' Current Accounts	<b>Note 18.4</b>	1,561,000	1,561,000	-	-
Directors' Current Accounts	<b>Note 24.1</b>	(72,129,286)	(40,864,159)	(71,619,311)	(39,638,752)

### 28.3 Transactions with Related Entities

The Group / Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 "Related Party Disclosures".

Name of the Company	Relationship	Nature of Transactions	Transaction Value (Rs.)	Amount Due from / (to)
<b>Group</b>				
Nation Lanka Equities Ltd	Under Common Control	Interest Expense	3,559,901	
		Fund Transfers Received	9,402,387	(23,032,939)
SOMAP International Pte Ltd	Parent Company	Funds Paid to SOMAP	25,993,430	16,200,000
Frangipani Retreats (Pvt) Ltd	Under Common Control	Fund Transfers Received	77,381,358	-
		Expenses Incurred by Anilana	52,125,123	
Anilana Collection (Pvt) Ltd	Under Common Control	Gratuity Payments	(260,000)	(13,660,000)
Crystal Global Equity Ltd	Under Common Control	Funds Received from Crystal Global Equity Ltd	15,999,950	(15,999,950)
<b>Company</b>				
Eastern Development Enterprises (Pvt) Ltd	Subsidiary	Reimbursement of Expenses	(2,040,486)	243,486,527
Blue Lagoon Hotel (Pvt) Ltd	Under Common Control	Written-off by Anilana	2,316,652	-
Dambulla Hotels & Country Club (Pvt) Ltd	Sub Subsidiary	Expenses Incurred by Anilana	865,200	291,601,605
Vakarei Hotel (Pvt) Ltd	Subsidiary	Expenses Incurred by Anilana	35,000	4,337,986
South Asia Asset Management (Pvt) Ltd	Subsidiary	Fund Transfers Received	175,000,000	(174,254,205)
Panichchankerni Hotels Ltd	Subsidiary	Expenses Incurred by Anilana	110,000	111,776,115
Nation Lanka Equities Ltd	Under Common Control	Interest Expense	3,559,901	(23,032,939)
		Fund Transfers Received	9,402,387	
Frangipani Retreats (Pvt) Ltd	Under Common Control	Fund Transfers Received	77,381,358	-
		Expenses Incurred by Anilana	52,125,123	
SOMAP International Pte Ltd	Parent Company	Funds Paid to SOMAP	25,993,430	(16,200,000)
Anilana Collection (Pvt) Ltd	Under Common Control	Gratuity Payments	(260,000)	(12,560,000)
Crystal Global Equity Ltd	Under Common Control	Funds Received from Crystal Global Equity Ltd	15,999,950	(15,999,950)

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 28 Related Party Disclosure Contd.,

##### 28.4 Recurrent Related Party Transactions

There were no other recurrent related party transactions, except the following which the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements;

Name of the Company	Relationship	Nature of Transactions	Aggregate value of Related Party Transactions Entered into During the Financial Year (Rs.)	Aggregate Value of Related Party Transactions as a % of Revenue	Terms and Conditions of the Related Party Transactions
SOMAP International Pte Ltd	Parent Company	Funds Paid to SOMAP	25,993,430	109%	Arm's Length Transactions
Frangipani Retreats (Pvt) Ltd	Under Common Control	Fund Transfers Received	77,381,358	324%	Arm's Length Transactions
		Expenses Incurred by Anilana	52,125,123	218%	Arm's Length Transactions
Nation Lanka Equities Ltd	Under Common Control	Interest Expense	3,559,901	15%	Arm's Length Transactions
		Fund Transfers Received	9,402,387	39%	Arm's Length Transactions
South Asia Asset Management (Pvt) Ltd	Subsidiary	Fund Transfers Received	175,000,000	733%	Arm's Length Transactions
Blue Lagoon Hotel (Pvt) Ltd	Under Common Control	Written-off by Anilana	2,316,652	10%	Arm's Length Transactions

##### 28.5 Non-recurrent Related Party Transactions

There were no non-recurrent related party transactions other than follows, which the aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets of the Listed Entity, whichever is lower, as per the latest Audited Financial Statements;

Name of the Related Party	Relationship	Value of the Related Party Transactions Entered into During the Financial Year (Rs.)	Value of Related Party Transactions as a % of Equity	Value of Related Party Transactions as a % of Total Assets	Terms and Conditions of the Related Party Transactions	The Rationale for Entering into the Transactions
Frangipani Retreats (Pvt) Ltd	Under Common Control	175,000,000	11%	5%	Arm's Length Transactions	Share Purchase of Subsidiary

##### 28.6 Group Companies/Directors

The list of directors at each of the subsidiary as at the reporting date are as follows;

Company Name	Relationship	Directors
South Asia Asset Management (Pvt) Ltd	Subsidiary	Asanga Chandana Seneviratne Manjula Cleone Seneviratna
Vakarei Hotel (Pvt) Ltd	Subsidiary	Asanga Chandana Seneviratne Manjula Cleone Seneviratna
Dambulla Hotel & Country Club (Pvt) Ltd	Subsidiary	Asanga Chandana Seneviratne Manjula Cleone Seneviratna Heyara Hewage Anura Chandrasiri Dinesh Pandey
Eastern Development Enterprises (Pvt) Ltd	Subsidiary	Asanga Chandana Seneviratne Manjula Cleone Seneviratna
Anilana Resorts (Pvt) Ltd	Subsidiary	Asanga Chandana Seneviratne Rudra Jayaprakash
Panichchankerni Hotels Ltd	Subsidiary	Asanga Chandana Seneviratne Manjula Cleone Seneviratna
East wind Resorts (Pvt) Ltd	Sub Subsidiary	Asanga Chandana Seneviratne Manjula Cleone Seneviratna

Figures in brackets indicate deductions

Notes to the Financial Statements continued



**FOR THE YEAR ENDED 31 MARCH 2023**

**29 Contingent Liabilities and Litigations**

**29.1 Litigations and Claims**

Based on the available information, the management is of the view that there are no material litigation or claims that could have a material impact on the financial position of the group / company or lead to disclosures in the financial statements for the year ended 31 March 2023 other than below mentioned litigations;

**Company**

Case Number	Case Amount (Rs.)	Counter Party	Current Statues
Case No : 791 /2019/ MR	22,900,000	Siem Construction (Pvt) Ltd	Seeking to recover the sum of Rs. 22.9 Mn and case is on trail.
N/A	234,816,020	Sanken Construction (Pvt) Ltd	In the process of filling a case against the determination of adjudicator to pay Rs.343,692,175 to Sanken Construction (Pvt) Ltd

**Subsidiaries**

Case Number	Case Amount (Rs.)	Counter Party	Current Statues
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**Subsidiary - Eastern Development Enterprises (Pvt) Ltd**

Case No : 42792 / 5 / EPF	2,242,484	Siem Construction (Pvt) Ltd	Seeking to recover the sum of Rs. 2.42 Mn and case is on trail.
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**29.2 Interest on Default Taxes**

As per the letter received from Department of Inland Revenue dated 24 May 2023, the Group and the Company has to pay interest on taxes as at the reporting date which full liability has been provided in the statement of financial position as at 31.03.2023. Accordingly, following interest has not been accounted as favorable negotiations between officers of the Inland Revenue Department and management of the Group.

Type of Taxes	Amount as 31 March 2023 (Rs.)		
	Company	Subsidiary	Group
Value Added Tax (VAT)	77,343,172	50,943,768	128,286,940
Corporate Income Tax (CIT)	46,795	1,446,220	1,493,015
Pay As You Earn (PAYE)	216,441	248,379	464,820
Nation Building Tax (NBT)	-	1,806,240	1,806,240

Management of the Company expect that the it is not probable to pay the total penalty, based on the subsequent discussions had with Inland Revenue Department.

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

**ANILANA HOTELS AND PROPERTIES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Sri Lankan Rupees)

**FOR THE YEAR ENDED 31 MARCH 2023**

**30 Fair Value Hierarchy**

**30.1 Financial Assets by Fair Value Hierarchy - Group**

	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
Other Non Current Financial Assets	-	-	-	-	12,296,650	12,582,450
Financial Assets at Fair Value through Profit or Loss (FVTPL)	-	146,665	-	-	-	-
<b>Total</b>	<b>-</b>	<b>146,665</b>	<b>-</b>	<b>-</b>	<b>12,296,650</b>	<b>12,582,450</b>

During the reporting periods 31 March 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

**30.2 Financial Assets by Fair Value Hierarchy - Company**

	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
Other Non Current Financial Assets	-	-	-	-	12,296,650	12,582,450
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,296,650</b>	<b>12,582,450</b>

During the reporting periods 31 March 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

**30.3 Non-Financial Assets - Group**

	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
<b>Assets Measured at Fair Value</b>						
Lands	-	-	-	-	2,254,980,000	2,254,980,000
Plant and Machinery , Computers and IT Equipment , Pool Complex / Curtains and Fabrics / Kitchen Equipment and Furniture and Fittings/Office/ Electric Equipment	-	-	-	-	132,394,253	173,332,683
Investment Property	-	-	-	-	690,433,000	1,299,401,000
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,077,807,253</b>	<b>3,727,713,683</b>

**30.4 Non-Financial Assets - Company**

	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
<b>Assets Measured at Fair Value</b>						
Lands	-	-	-	-	941,080,000	941,080,000
Plant and Machinery , Computers and IT Equipment , Pool Complex / Curtains and Fabrics / Kitchen Equipment and Furniture and Fittings/Office/ Electric Equipment	-	-	-	-	101,278,468	124,165,826
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,042,358,468</b>	<b>1,065,245,826</b>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



FOR THE YEAR ENDED 31 MARCH 2023

**31 Financial Assets and Liabilities by Categories**

	Note	Group		Company	
		2023	2022	2023	2022
<b>Financial Assets at Amortized Cost</b>					
Trade Receivables	18	-	85,318	-	-
Amounts Due from Related Parties	18.4	7,462,442	5,523,695	299,432,689	212,419,893
Cash and Cash Equivalents	19	2,070,606	2,723,902	820,453	836,495
<b>Financial Assets at Fair Value through OCI</b>					
Other Non Current Financial Assets	15	12,296,650	12,582,450	12,296,650	12,582,450
<b>Financial Assets at Fair Value through Profit or Loss (FVTPL)</b>					
Financial Assets at Fair Value through Profit or Loss (FVTPL)	17	-	146,665	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>21,829,698</b>	<b>21,062,030</b>	<b>312,549,792</b>	<b>225,838,838</b>
<b>FINANCIAL LIABILITIES</b>					
<b>Financial Liabilities Measured at Amortized Cost</b>					
Borrowings	21	1,901,095,375	1,712,824,711	1,324,186,869	1,233,787,386
Trade Payables	24	141,345,147	116,569,314	42,679,520	39,294,247
Amounts Due to Related Parties	24	148,730,628	107,011,513	315,161,172	98,099,523
Construction Payable	24	141,246,331	141,246,331	114,164,337	114,164,337
Bank Overdrafts	19	3,203,235	3,147,721	3,203,235	3,147,721
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>2,335,620,717</b>	<b>2,080,799,592</b>	<b>1,799,395,134</b>	<b>1,488,493,214</b>

The fair value of receivables does not significantly vary from the value based on the amortized cost methodology.

The fair value of financial liabilities does not significantly vary from the value based on the amortized cost methodology.

**32 Financial Instruments Risk Management Objectives and Policies**

The group has an established risk management process and framework embedded in owned managed hotels in all locations. The long-term strategic goals are aligned with the group's core purpose identified as follows:

- a Safety and security of guests, employees and other third parties
- b The conceptual strengths supported by operational excellence in risk management at all hotels and corporate locations; and
- c Maintenance and promotion of the brand strength and operation of the group.

The group's risk management strategy has been set to enable and support the decision makers, staff and corporate functions to manage risk effectively. The risks are identified at hotel level through various means including quality audits, risk management assessments and internal audits. Hotel management discusses issues at monthly safety meetings and action plans are developed. Risks are prioritized, assigned and improvement actions are identified, progressed and monitored.

**32.1 Financial Risk Factors**

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

- 01 Credit Risk
- 02 Liquidity
- 03 Market Risk

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 these risks. The Group's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Group's financial performance. Mechanisms adopted by group in managing eventual impact of such risks are given below.

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

**FOR THE YEAR ENDED 31 MARCH 2023**

**32 Financial Instruments Risk Management Objectives and Policies Contd.,**

**32.1 Financial Risk Factors Contd.,**

The financial instruments of the group comprise of listed / unlisted equity investments, investments in term deposits, cash and bank borrowings (term loans and overdrafts). Certain companies in the group have trade receivables and payables from its core business activities which are not significant in values at end of the reporting period. However, the major / most of the companies of the group has not been commenced its operational activities during the year. The main purpose of investment in short-term deposits and borrowings is to raise and maintain liquidity for construction and acquisition of capital assets. Investments in listed equity are held for trading purpose and investments in unlisted equity are strategic investments.

**01 Credit Risk**

Credit risk is the risk of financial loss to the group if counterparty fails to meet its contractual obligations. Credit risk arises principally from deposits held with banks and financial institutions, cash and cash equivalents (excluding cash in hand) and receivables from customers and related parties. The maximum risk exposures of financial assets that are subject to credit risk are equal to their carrying amounts.

Following table depicts the maximum risk exposure of financial assets reported as at 31 March 2023 and 2022.

Risk Exposure to Financial Assets	Group		Company	
	2023	2022	2023	2022
Cash at Bank	2,069,556	2,597,828	820,453	824,450
Trade Receivables	-	85,318	-	-
Amounts Due from Related Parties	7,462,442	5,523,695	299,432,689	212,419,893

The group has designed its credit policies and procedures in order to monitor and evaluate the counterparty risks arising on both international and domestic customers. The group seeks to diminish the credit risk by entering credit agreement in writing with the major customers and provide credit sales to the reputed customers with no history of default with the approval of the Management. The age analysis of the group's trade receivables is given in the Note No. 18.2.

Credit risk arising from other financial assets of the group comprises deposits held with banks, cash and cash equivalents. The group's exposure to credit risk arises from default in meeting contractual obligations of contractual parties, with a maximum exposure equal to the carrying amount of these financial instruments. The group manages its credit risks with regard to these financial instruments by mainly placing its funds with reputable financial institutions with high credit ratings and no history of default.

**02 Liquidity Risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due under both normal and unexpected conditions without incurring unacceptable losses.

Groups actively managed its financing cash flows to ensure all refinancing, repayment and investment needs with regard to the construction and acquisition of capital assets are satisfied.

The following table depicts the group's financial assets and liabilities maturity analysis as at 31 March 2023 based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



# ANILANA HOTELS AND PROPERTIES PLC

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

OR THE YEAR ENDED 31 MARCH 2023

### Liquidity Risk Cont...

Company	Carrying Amount (Rs.)	On Demand	Less than 03 Months	03 to 12 Months	01 to 05 Years	More than 5 Year
<b>Financial Assets and Liabilities</b>						
<b>Financial Assets</b>						
Other Non Current Financial Assets	12,296,650	-	-	-	-	12,296,650
Amounts Due from Related Parties	299,432,689	299,432,689	-	-	-	-
Cash at Bank	820,453	-	820,453	-	-	-
<b>Total Undiscounted Financial Assets</b>	<b>312,549,792</b>	<b>299,432,689</b>	<b>820,453</b>	<b>-</b>	<b>-</b>	<b>12,296,650</b>
<b>Financial Liabilities</b>						
Trade and Other Payables	471,968,263	315,161,172	156,807,091	-	-	-
Borrowings	1,324,186,869	-	794,712,773	224,379,161	305,094,926	-
Bank Overdrafts	3,203,235	3,203,235	-	-	-	-
<b>Total Undiscounted Financial Liabilities</b>	<b>1,799,358,367</b>	<b>318,364,408</b>	<b>951,519,864</b>	<b>224,379,161</b>	<b>305,094,926</b>	<b>-</b>
<b>Net Undiscounted Financial Assets / (Liabilities)</b>	<b>(1,486,808,576)</b>	<b>(18,931,719)</b>	<b>(950,699,411)</b>	<b>(224,379,161)</b>	<b>(305,094,926)</b>	<b>12,296,650</b>
<b>Group</b>						
<b>Financial Assets and Liabilities</b>	<b>Carrying Amount (Rs.)</b>	<b>On Demand</b>	<b>Less than 03 Months</b>	<b>03 to 12 Months</b>	<b>01 to 05 Years</b>	<b>More than 5 Year</b>
<b>Financial Assets</b>						
Other Non Current Financial Assets	12,296,650	-	-	-	-	12,296,650
Trade and Other Receivables	7,774,941	7,462,442	312,499	-	-	-
Cash at Bank	2,069,556	-	2,069,556	-	-	-
<b>Total Undiscounted Financial Assets</b>	<b>22,141,147</b>	<b>7,462,442</b>	<b>2,382,055</b>	<b>-</b>	<b>-</b>	<b>12,296,650</b>
<b>Financial Liabilities</b>						
Trade and Other Payables	338,985,312	148,730,628	190,254,684	-	-	-
Borrowings	1,901,095,375	-	1,022,169,299	331,755,065	547,170,999	-
Bank Overdrafts	3,203,235	-	3,203,235	-	-	-
<b>Total Undiscounted Financial Liabilities</b>	<b>2,243,283,922</b>	<b>148,730,628</b>	<b>1,215,627,218</b>	<b>331,755,065</b>	<b>547,170,999</b>	<b>-</b>
<b>Net Undiscounted Financial Assets / (Liabilities)</b>	<b>(2,221,142,775)</b>	<b>(141,268,187)</b>	<b>(1,213,245,163)</b>	<b>(331,755,065)</b>	<b>(547,170,999)</b>	<b>12,296,650</b>

Figures in brackets indicate deductions  
notes to the Financial Statements continued

**FOR THE YEAR ENDED 31 MARCH 2023**

**32.1 Financial Risk Factors Cond...**

**03 Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments.

**3.1 Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group's exposure to foreign currency changes is not material.

**3.2 Equity Price Risk**

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to non-listed equity investments at fair value was Rs. 12,296,650/-.

**3.3 Interest Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Interest Rate Sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	<b>Effect on Profit before Tax</b>	
	<b>2023</b>	
	<b>Group</b>	<b>Company</b>
Increase in Interest Rate 1%	(1,003,019)	(4,857,821)
Decrease in Interest Rate 1%	1,003,019	4,857,821

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



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**FOR THE YEAR ENDED 31 MARCH 2023**

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**33 Going Concern of Group and Company**

The Group and Company have recorded loss of Rs. 627,455,384/- and Rs. 238,051,641/- (2022 - Rs. 374,959,406 /- and Rs. 242,670,912 /-) respectively for the year ended 31 March 2023 which significantly increased the accumulated losses of the Company from the prior year. This is primarily due to finance costs incurred by the Group and Company arising from the borrowings. Further, the Group's and Company's current liabilities exceeded current assets by Rs. 1,907,015,861/- (2022 - Rs. 1,300,892,739 /-) and Rs. 1,216, 576,627/- (2022 - Rs. 764,378,562/-) respectively. The Company's net assets have been fallen below fifty percent of the stated capital as at 31 March 2023 representing only a 31.1% (2022 - 36.9%) of stated capital which is a serious loss of capital as per section 220 of the Companies Act No. 7 of 2007.

Notwithstanding this, the directors of the Company has prepared the financial statements on a going concern basis considering the followings;

The board of directors of the Company by a resolution passed on 02 November 2023, resolved to recommended to the shareholders a Rights Issue of 1,793,849,140 Ordinary Shares at a price of Rs. 0.20 per share to the existing ordinary Shareholders at the proportion of Seven (07) new Ordinary Shares for every Five (05) existing shares. Management has planned to utilize the proceeds from right issue for the settlement of statutory dues amounting to Rs.30 Mn, settlement of bank borrowings amounting to Rs. 104 Mn, refurbishments amounting to Rs. 150 Mn and for administration, marketing and promotional expenses amounting to Rs.75Mn.

The Group presently has two investment properties located in Dambulla and Kalkuda that are also being offered for sale. The Group has received offers and are currently engaged in negotiations to finalize these sales. The properties were publicly advertised, listed with a reputed real estate broker and marketed to potential buyers. The sales process was transparent, and all negotiations were conducted in an ethical and professional manner.

With the capital infusion, board of directors are committed to strengthening management team. Group have already initiated the recruitment process for key managerial positions, crucial for overseeing operations in both hotels. Vacancy advertisements have been published to attract top talent, ensuring that Group's operations are led by experienced and capable professionals.

Further the Directors are of the view that, The strategies implemented by the Group will have a positive impact on its financial position and ability to overcome the going concern issue, providing the necessary cash flow to address the financial obligations and stabilize the Group's financial position.

The macroeconomic environment also changed for the betterment following the political stability and the IMF approval of the emergency bailout package for the country. This followed by the easing of policy rates by Central Bank of Sri Lanka and the exchange rate stabilization will provide the hotel with a conducive environment for business and the Management has strategically planned to harness the advantage by an effective planning strategy to attract more tourists for the future period.

**Figures in brackets indicates deductions.**

## 20 Major Shareholders Of The Company

NAME	NO OF SHARES	%
SOMAP INTERNATIONAL PTE LTD (IN PROVISIONAL LIQUIDATION)	929,988,246	72.58
SSBT-GMO EMERGING MARKETS FUND	103,983,101	8.115
PEOPLE'S LEASING & FINANCE PLC/MR.A.C.SENEVIRATNE	36,081,857	2.816
MRS M.C. AMERASINGHE	27,800,000	2.17
NATION LANKA FINANCE PLC	13,907,348	1.085
DFCC BANK PLC/S.M.D.N.P. BANDA	10,000,500	0.78
MR O.E.H. KALVO	9,857,109	0.769
ASIA FORT ASSET MANAGEMENT (PVT) LTD	9,460,136	0.738
SEYLAN BANK PLC./JANASHAKTHI PLC	9,278,007	0.724
NATION LANKA CAPITAL LTD/JEROME RADLEY JUDE EPHRAUMS	8,089,634	0.631
SANDWAVE LIMITED	7,894,196	0.616
MR A.C. SENEVIRATNE	5,370,166	0.419
SSBT-MDPIM EMERGING MARKETS EQUITY POOL	4,200,000	0.328
MR M.T. RAJAB KHAN	3,389,397	0.265
CEYQUARTZ MBI (PVT) LTD	3,333,400	0.26
MR J.A.M. JIFFRY	2,920,001	0.228
MRS S.M. SENEVIRATNE	2,900,000	0.226
ASSOCIATED ELECTRICAL CORPORATION LTD	2,150,000	0.168
MR R.E. RAMBUKWELLE	2,060,000	0.161
MERCHANT BANK OF SRI LANKA & FINANCE PLC/R.B. JOSEPH	2,000,000	0.156
MERCHANT BANK OF SRI LANKA & FINANCE PLC/K.A.T. WIJESENA	2,000,000	0.156
MR H.A. NASAR	1,900,000	0.148
MR M.A. MOHAMED ALTAF	1,472,714	0.115
MR J. RUDRA	1,333,333	0.104
	1,209,369,462	94.382
OTHERS	65,822,310	5.137
<b>TOTAL</b>	<b>1,281,320,814</b>	<b>100</b>



## ANILANA HOTELS AND PROPERTIES PLC

### FIVE YEAR FINANCIAL SUMMARY

Year Ended 31st March	2023	2022	2021	2020	2019
<b>Operating Results</b>					
Group Turnover	23,890,528	35,924,398	80,822,917	211,486,418	245,471,497
Profit before Taxation	(771,041,823)	(343,691,586)	(387,432,181)	14,699,643	(446,137,173)
Taxation	181,974,639	(31,267,818)	(99,799,989)	12,095,012	0
Profit after Taxation	(589,067,184)	(374,959,406)	(487,232,170)	26,794,654	(446,137,173)
<b>Balance Sheet</b>					
Share Capital	5,079,875,760	5,079,875,760	5,079,875,760	4,896,829,930	4,530,738,270
Capital Reserve	1,314,371,068	1,483,036,945	1,473,751,516	1,651,933,475	1,187,730,841
Share Application pending Allotment			302,456,110		
Revenue Reserves	(4,271,304,366)	(3,571,023,031)	(3,191,665,576)	(2,702,371,204)	(2,729,594,975)
Shareholders Fund	2,114,157,720	2,983,392,122	3,361,961,700	3,838,552,849	2,988,874,136
Non Current Assets	4,817,595,694	5,537,176,255	5,645,770,201	5,974,259,446	5,179,381,575
Current Assets	10,496,262	13,285,507	23,868,661	60,765,086	115,688,922
Current Liabilities					
(Net of borrowing)	695,227,760	648,005,920	544,975,448	636,272,746	602,281,000
Borrowings	1,901,095,375	1,712,824,711	1,592,304,500	1,483,351,444	1,699,076,675
Minority Interest	396	1,390	(1,433)	(1,478)	(1,169)
Net Assets	<b>2,114,158,116</b>	<b>2,983,390,732</b>	<b>3,361,963,133</b>	<b>3,838,554,327</b>	<b>2,988,875,305</b>
Net Asset Value per share	1.62	2.52	2.62	3.23	2.97
<b>Key Indicators</b>					
Earnings /Loss per share	(0.46)	(0.29)	0.39	0.03	(0.54)
Market Price as at 31st March	No Trading	1.10	1.10	0.80	0.80
Highest market Price	No Trading	1.90	1.50	1.30	1.50
Lowest Market Price	No Trading	0.90	1.00	0.70	0.70
Gearing Ratio	90%	58%	46%	39%	57%

## ANILANA HOTELS AND PROPERTIES PLC

### DISTRIBUTION OF SHAREHOLDINGS AS AT 31ST MARCH 2023

From	To	No. of Holders	No. of Shares	%
1	1,000	970	247,276	0.02
1,001	10,000	605	2,809,864	0.22
10,001	100,000	418	15,544,035	1.21
100,001	1,000,000	151	46,242,264	3.61
Over 1,000,000		31	1,216,432,064	94.94
		<b>2175</b>	<b>1,281,320,814</b>	<b>100.00</b>



## ANILANA HOTELS AND PROPERTIES PLC

### ANALYSIS OF SHAREHOLDERS AS AT 31ST MARCH 2023

Category	No. of Shareholders	No. of Shares	%
Local Individuals	2,090	112,531,318	8.78
Local Institutions	70	111,648,133	8.71
Foreign Individuals	10	10,431,180	0.81
Foreign Institutions	5	1,046,710,183	81.70
<b>Total</b>	<b>2175</b>	<b>1,281,320,814</b>	<b>100.00</b>

### DIRECTORS' HOLDING IN SHARES AS AT 31ST MARCH 2023

		No. of Shares	%
Mr. A. C. Seneviratne		5,370,166	
People's Leasing & Finance PLC/Mr A. C. Seneviratne	36,081,857	41,452,023	3.235
Mr. Pramod Panday		Nil	Nil
Ms. Sonal Panday		Nil	Nil
Mr. Rakesh Sharma		Nil	Nil
Mr. Tarun Sharma		Nil	Nil
Mr. Nilanjan Ray		Nil	Nil
Mr. Arun Kuzhimannil Mathew		Nil	Nil

### MARKET PRICE PER SHARE

	31.03.2023 Rs.	31.03.2022 Rs.
Highest during the period	No Trading	1.90 4/10/2021
Lowest during the period	No Trading	0.90 13/9/2021
<b>As at end of the period</b>	<b>No Trading</b>	<b>1.10</b>

- Public Holding Percentage as at 31st March 2023 - 21.04%
- Number of shareholders representing the above Percentage - 2175
- The Float adjusted market capitalization as at 31st March 2023 – Rs. 242,628,368.40
- 
- The Float adjusted market capitalization of the Company falls under Option 2 of Rule 7.14.1 (i) (b) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.



# Notice of Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of ANILANA HOTELS AND PROPERTIES PLC will be held on 26th March 2024 via Zoom (Online) at 11.00 a.m. for the following purposes:

1. To receive and consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2023 with the report of the Auditors thereon.
2. Directors
  - (i) To re-elect Mr. Pramod Panday who retires by rotation at the Annual General Meeting in terms of Article 81 of the Company's Articles of Association.
  - (ii) To re-elect Rakesh Sharmaj, who retires by rotation at the Annual General Meeting in terms of Article 81 of the Company's Articles of Association.
  - (iii) To re-elect Mr. Mathew A.K, who retires by rotation at the Annual General Meeting in terms of Article 81 of the Company's Articles of Association.
  - (iv) To re-elect Mr. Ray N, who has been appointed as a Director during the year, in terms of Article 88 of the Company's Articles of Association of the Company.
3. To re-appoint the retiring Auditors M/s Amarasekera & Co, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.
4. To discuss The Independent Auditors' Report on the Audited Financial Statements which contains a qualification on Going Concern. To discuss the remedial action proposed to be taken by the Company to resolve the matter.
5. To inform the Shareholders of the consequences that will arise in the event of Failure by the company to resolve the matters that gave rise to the qualification within 15 months.

BY ORDER OF THE BOARD,  
ANILANA HOTELS AND PROPERTIES PLC

Sgd. Illegibly

CORPORATE ADVISORY SERVICES (PRIVATE) LIMITED  
SECRETARIES  
Colombo  
31st December 2023

Notes:

## 1. Health and Safety

The Meeting will be held in compliance with the Health and Safety guidelines issued by the Ministry of Health and Indigenous Medical Services (Ministry of Health) and standards imposed by the venue to ensure the safety and well-being of all Meeting attendees. Please note that in compliance with such guidelines and standards:

- a. All attendees will have to undergo a temperature check and sign a declaration form including contact details, historical and current health status, recent overseas travel history and exposure.
- b. Persons who record temperatures in excess of norms prescribed by the Ministry of Health will not be permitted into the Meeting.
- c. Persons with respiratory infections of any type including a cough, cold, sore throat or exhibiting any other similar symptoms will not be permitted to enter into the Meeting.



- d. Physical contact such as shaking hands will not be permitted and attendees will not be permitted to linger or remain after the conclusion of the Meeting.
- e. Any person not adhering to health and safety guidelines and standards, including wearing a mask and maintaining the minimum social distance required, will be requested to leave the Meeting.
- f. Food and beverage offerings are not guaranteed and may be limited in keeping with health and safety standards and regulations.
- g. As social distancing measures will be implemented, once the hall capacity is reached as per the relevant Government guidelines, Members may not be permitted to enter.

## 2. Voting by Proxy

Given that the health and well-being of our Members is paramount to us, Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the Meeting and submit the same to the Company in accordance with the instructions given on the reverse of the Form of Proxy.

## 3. Attending the Meeting

Should a Member wish to attend the Meeting in person or through a Proxy (who is not a Director of the Company), such Member or their Proxy is requested to:

- a. Arrive early in order to register, carry out mandatory health checks, and fill in the required forms and avoid crowding;
- b. Wear a suitable face mask when attending the Meeting; and
- c. Co-operate with the health and safety measures implemented by the Company, details of which are outlined in section (1) Health and Safety Measures, at the Meeting as they are done in the best interests of all Meeting attendees.

Members and/or their Proxies are requested not to attend the Meeting if they are feeling unwell, exhibiting any signs or symptoms of COVID-19 or have been placed on quarantine or stay-at-home notices. In the event the Company is required to take any further action in relation to the Meeting, in the best interests of the Meeting attendees due to the COVID-19 pandemic; and/or any communications, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of an announcement to the Colombo Stock Exchange and publication on the Company website.

BY THE ORDER OF THE BOARD,  
ANILANA HOTELS AND PROPERTIES PLC

Signed.

CORPORATE ADVISORY SERVICES (PRIVATE) LIMITED  
SECRETARIES  
Colombo, 31st December 2023



## FORM OF PROXY

I/We\* the undersigned .....

of .....being a member/member's of ANILANA HOTELS & PROPERTIES PLC

hereby appoint ..... of ..... or failing him/her

Mr. A C Seneviratne

of Colombo or failing him

Mr Pramod Panday

of Singapore or failing him

Mr Sonal Panday

of Singapore or failing her

Mr. Rakesh Sharma

of India or failing him

Mr. Tarun Sharma

of India or failing him

Mr. Mathew A.K.

of Canada or failing him

Mr. Ray N

of Canada or failing him

as my/our\* proxy to vote as indicated hereunder for me/us\* and on my/our\* behalf at the Annual General Meeting of the Company to be held on 26th March 2024 via Online at 11.00 am and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

Please indicate your preference by placing an 'X' against the Resolution No.	FOR	AGAINST
1. To receive and consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2023 with the report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. Directors		
(v) To re-elect Mr. Pramod Panday who retires by rotation at the Annual General Meeting in terms of Article 81 of the Company's Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
(vi) To re-elect Mr. Mathew A.K, who retires by rotation at the Annual General Meeting in terms of Article 81 of the Company's Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
(vii) To re-elect Mr. Rakesh Sharma, who retires by rotation at the Annual General Meeting in terms of Article 81 of the Company's Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
(viii) To re-elect Mr. Tarun Sharma, who has been appointed as a director during the year, in terms of Article 81 of the Company's Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(ix) To re-elect Mr. Ray N, who has been appointed as a director during the year, in terms of Article 81 of the Company's Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3.Re-appoint the retiring Auditors M/s Amarasekera & Company, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of .....2024 .....

Signature

*\*Please delete the inappropriate words*

Notes:

- If you wish your Proxy to speak at the Meeting you should insert the words "to speak and" in the place indicated with an asterisk and initial such insertion.



2. Please indicate with an “X” in the space provided how your Proxy is to vote. if there is in the view of the Proxy holder doubt (by reason of the way in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy holder should vote. the Proxy holder shall vote as he thinks fit.
3. A Proxy holder need not be a member of the Company.
4. Instruction as to completion appear on the reverse hereof.

## INSTRUCTION FOR COMPLETION OF FORM OF PROXY

1. Kindly complete the Form of Proxy by filling in legibly your full name and address, and your instructions as to voting, by signing in the space provided and filling in the date of signature.
2. Please indicate with an “X” in the cages provided how your proxy is to vote on the Resolution if no indication is given or if there is any doubt as to how the Proxy should vote by reason of the manner in which the instructions are carried out, the proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No 44, Premasiri Khemadasa Mawatha, Colombo 7, not less than 48 hours before the time appointed for holding the meeting.
4. If the Form of Proxy is signed by an attorney, the relative power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.

**Note:** If the shareholder is a Company or body Corporate. Section 138 of the Companies Act No. 7 of 2007 applies to corporate shareholders of Anilana Hotels and Properties PLC.

Please furnish the following information:

	Shareholders	OR	Proxy holder
NIC No. /Passport No.	.....		.....
Nationality	.....		.....
Share Certificate No	.....		.....
No. of Shares	.....		.....



## CORPORATE INFORMATION

### ANILANA HOTELS & PROPERTIES PLC

#### LEGAL FORM

Public Limited Company listed in July 2013 on the Colombo Stock Exchange, Incorporated as a Private Limited Liability Company on 19th May 2010 under the Companies Act No 17 of 1982 and converted to a Public Limited Liability Company on 13th November 2010.

#### DIRECTORS

Mrs. Sonal Pandey (Chairperson), Mr. Asnaga C. Seneviratne (Managing Director), Mr. Pramod Pandey (Director), Mr. Rakesh Sharma (Director), Mr. Mathew A.K (Director), Mr. Tarun Sharma (Director), Mr. Ray N (Director)

#### SECRETARIES

Corporate Advisory Services (Pvt) Ltd  
No. 47, Alessandra Place, Colombo 07.

Tel: +94 11 2 695 782 Fax: +94 11 2 695 410 Email: [desaram@desaram.com](mailto:desaram@desaram.com)

#### AUDITORS

Amerasekera & Co,  
Chartered Accountants, No. 12, Rotunda Gardens, Colombo 03.

#### BANKERS

Sampath Bank PLC, Nations Trust Bank, Hatton National Bank, People's Bank, Pan Asia Bank, NDB Bank

#### HOTELS

Pasikuda, Nilaveli, Nuwara Eliya

#### REGISTERED OFFICE

No. 44, Premasiri Khemadasa Mawatha, Colombo 07.  
Tel: +94 11 2 030 900 Fax: +94 11 2 673 355  
Email: [Info@anilana.com](mailto:Info@anilana.com)

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

A woman is sitting on a beach, silhouetted against a bright sunset. The sun is low on the horizon, creating a strong reflection on the water. The sky is a mix of orange, yellow, and blue. A large palm frond is visible in the top right corner, partially obscuring the sky.

# ANILANA

HOTELS • RESORTS • RETREATS

a touch of paradise



