



43rd

SERENDIB LAND PLC

ANNUAL REPORT 2023/24

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Notice of Meeting

NOTICE is hereby given that the Forty Third (43rd) Annual General Meeting of SERENDIB LAND PLC will be held as a virtual meeting [in terms of the Procedural Guidelines (Annexure 1) enclosed herewith] at HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10 on 25th September 2024 at 3.00 p.m. for the following purposes:

1. To receive and consider the Audited Financial Statements for the Year Ended 31st March 2024, together with the Reports of the Directors' and Auditors' thereon.
2. Directors
 - (i) To re-elect Mr. R. Schaffter, as a Director, who retires by rotation at the Annual General Meeting in terms of Article 98 of the Company's Articles of Association.
 - (ii) To re-appoint as a Director, Dr. Jayanta Mootatamby Swaminathan who vacates his office in terms of Section 210 of the Companies Act No.07 of 2007 (the Act)

Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his re-appointment.

"RESOLVED THAT Dr. Jayanta Mootatamby Swaminathan be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Dr. Jayanta Mootatamby Swaminathan"

- (iii) To re-appoint as a Director, Mr. Thirunavukarasu Someswaran who vacates his office in terms of Section 210 of the Companies Act No.07 of 2007 (the Act).

Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his re-appointment.

"RESOLVED THAT Mr. Thirunavukarasu Someswaran be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Mr. Thirunavukarasu Someswaran".

- (iv) To re-appoint as a Director, Dr. (Mrs.) Y. Ponnambalam who vacates her office in terms of Section 210 of the Companies Act No.07 of 2007 (the Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to her re-appointment

"RESOLVED THAT Dr. (Mrs.) Y. Ponnambalam be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Dr. (Mrs.) Y. Ponnambalam".

3. To declare a Final Dividend of Rs. 25/= for the Year Ended 31st March, 2024, as recommended by the Directors.
4. To re-appoint the retiring Auditors M/s KPMG, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.

BY ORDER OF THE BOARD

S N Law Corporate Secretaries (Pvt) Ltd

Company Secretaries

COLOMBO

30th August 2024.

Notes:

1. The Procedural Guidelines (Annexure 1) to be followed for registration and participation by the Shareholder at the virtual Annual General Meeting (AGM) along with the Registration Form (Annexure 2) are enclosed. The Registration Form (Annexure 2) for this purpose must be duly completed by the Shareholder and deposited at the Registered Office of the Company, HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10, or forwarded by fax to 0112692592 or e-mailed to corporate@snlaw.lk not less than 4.45 p.m. on 23rd September 2024, in order to enable the Company to forward the login information to the Shareholder's email address given in the Registration Form (Annexure 2).
2. A shareholder is entitled to appoint a Proxy to attend and vote instead of himself/herself and a Proxy need not be a Shareholder of the Company.
3. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the Registered Office of the Company, HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10, or forwarded by fax to 0112692592 or e-mailed to corporate@snlaw.lk not less than forty-eight (48) hours before the time fixed for the meeting.

Corporate Information

BOARD OF DIRECTORS

Dr. J.M. Swaminathan
Chairman

Dr. (Mrs.) Y. Ponnambalam
Director

Dr. (Mrs.) M. Ponnambalam
Director

Mr. Gajendrakumar G. Ponnambalam
Director

Mr. T. Someswaran
Director

Mr. Ramesh Schaffter
Director

AUDIT COMMITTEE

Mr. T. Someswaran
Chairman

Dr. J. M. Swaminathan

Mr. Gajendrakumar G. Ponnambalam

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. T. Someswaran
Chairman

Dr. J. M. Swaminathan

Mr. Gajendrakumar G. Ponnambalam

REMUNERATION COMMITTEE

Dr. J. M. Swaminathan
Chairman

Mr. T. Someswaran

Mr. Gajendrakumar G. Ponnambalam

REGISTERED OFFICE

HQ Colombo (Level 4). No. 464A, T.B. Jayah Mawatha,
Colombo 10.

SECRETARIES

SN Law Corporate Secretaries (Pvt) Ltd

HQ Colombo (Level 4)
464A T.B. Jayah Mawatha
Colombo 10.

REGISTRARS

S S P Corporate Services (Pvt) Ltd

546/7, Galle Road, Colombo 03.

ACCOUNTANTS

Ernst & Young Chartered Accountants

Rotunda Towers
No.109, Galle Road, Colombo 03.

AUDITORS

KPMG

Chartered Accountants
P.O. Box 186,
Colombo 03.

BANKERS

Union Bank of Colombo PLC

Profiles of Board of Directors

Dr. J. M. Swaminathan

Chairman/Non-Executive, Independent Director
*Attorney at Law, LLB(Ceylon), LLM, M.Phil.
(Colombo) and LLD (Honoris Causa)*

Dr. J.M. Swaminathan is an Attorney-at-Law with over 55 years in practice. He was the former Senior Partner of Messrs. Julius & Creasy. He is a Member of the Office for Reparations Sri Lanka. He has served as a Member of the Law Commission of Sri Lanka and Member of the Council of Legal Education and the Council of the University of Council. He is also a Member of the Company Law Advisory Commission and The Intellectual Property Law Advisory Commission. He is the Chairman of the Board of Studies of the Council of Legal Education and also a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He is a Member of the Visiting Faculty of the LLM Course of the University of Colombo. He also serves on the Boards of several public and private companies.

Dr. (Mrs) Y. Ponnambalam

Non-Executive, Non-Independent Director

Dr. (Mrs.) Y. Ponnambalam is a Medical Doctor (Retired) and a Director of Gee Gee Properties (Pvt) Ltd and Geetanjali Gajaluckshmi (Pvt) Ltd.

Mr. G.G. Ponnambalam

Non-Executive, Non-Independent Director

Mr. G.G. Ponnambalam is an Attorney-at-Law and a Director of Gee Gee Properties (Pvt) Ltd and Geetanjali Gajaluckshmi (Pvt) Ltd. He serves as a member of parliament.

Dr. (Mrs.) M. Ponnambalam

Non-Executive, Non-Independent Director

Dr. (Mrs.) M. Ponnambalam is an Ophthalmologist qualified in UK and also a Director of Gee Gee Properties (Pvt) Ltd and Geetanjali Gajaluckshmi (Pvt) Ltd.

Mr. T. Someswaran

Non-Executive, Independent Director

Mr. T. Someswaran is a Chartered Accountant, in practice for more than 35 years and retired from the post of Senior Partner of SJMS Associates, a Firm of Accountants which is associated with Deloitte's in Sri Lanka. He is also a Fellow member of CMA and a member of its Governing Council. He is in the Audit Committee Forum of the SL Inst. of Directors. He serves on the Boards of CleanCo Lanka Ltd., Renewgen (Pvt) Ltd., ECSAT (Equality-based Community Support & Training), Chairman Institute for Development of Commercial Law & Practice. He also serves as a Director of the Center for Advancement of Resource Mobilization (CARM).

Mr. Someswaran has substantial experience in auditing, organizational development, leadership partnership building and entrepreneurship development and is passionate about networking & linking organizations to facilitate positive social change and development, with specific focus on governance, accounting ethics and resource mobilization.

Mr. Ramesh Schaffter

Non-Executive, Non-Independent Director

Mr. Ramesh Schaffter is the Group Chief Executive Officer of Janashakthi Limited and a Non-Executive Non-Independent Director of Janashakthi Insurance PLC. Counting over three decades of experience in Finance & Marketing, Mr. Ramesh Schaffter is a Fellow Member and former Council Member of the Chartered Institute of Management Accountants, Sri Lanka, and an Associate Member of the Chartered Institute of Marketing. He was appointed to the Board in 2004, having served as Secretary to the Board since the inception of the Company in 1994, a position he held until 2017. He has also served on the Boards of several public listed and unlisted companies.

A social entrepreneur and life coach, he is an accomplished public speaker and a multiple award winner at national and international level Toastmasters' contests. He is the former President of Habitat for Humanity Sri Lanka and a former Board Member of World Vision for Sri Lanka. He is a Co-Founder of cable television channel Swarga TV, as well as the Christian Arts Foundation (Chraft), an organization that promotes music and drama in Sri Lanka.

Chairman's Review

On behalf of the Board of Directors, I take pleasure in welcoming you to the 43rd Annual General Meeting of Serendib Land PLC. It is my privilege to present to you the Annual Report of the Company together with the Audited Financial Statements for the Year Ended 31st March 2024.

Sri Lankan - Economy

In recent years, Sri Lanka has faced unprecedented economic trials. Following the severe economic crisis of 2022, Sri Lanka's economy contracted further in 2023 and signs of gradual economic recovery emerged in 2024. Despite the economic rebound in 2024, poverty vulnerabilities owing to spike in food prices, fuel and utility prices and lower incomes, remain a major challenge.

The World Bank reports that the economy contracted by 2.3 percent in 2023, despite growth in third and fourth quarters (1.6 and 4.5 percent, respectively) following six quarters of contraction and that sustained efforts to mitigate the impact of the economic crisis on the poor and vulnerable are critical, alongside a continuation of the path of robust and credible structural reforms.

The debt restructuring backed by the International Monetary Fund (IMF) programme and the necessary reforms and fiscal adjustment measures taken by the Government of Sri Lanka (GoSL), have paved the path towards gradual stabilization. The partnership with IMF has been instrumental in helping Sri Lanka navigate through turbulent times and work towards a more sustainable economic future. Consequently, the inflation has slightly declined, foreign exchange reserves continue to be built up and the exchange rate has appreciated. A sharp increase in tourist arrivals and remittance inflows and improvements in supply conditions have further boosted the economic growth.

Sri Lanka needs to transition from stabilization to a full economic recovery leading to better living conditions for the public in the future. The rising cost of living has been a challenge for many Sri Lankans, impacting their daily lives. The GoSL is committed to implementing monetary policies aimed at stabilizing the currency and controlling inflation. These measures are essential not only for economic stability but also for ensuring that the benefits of recovery reach every citizen.

Economic growth is expected to be modest as the country continues to recover. Key sectors like tourism, agriculture, and manufacturing are central to this growth, with tourism in particular being a vital area for revitalization after a period of decline. Managing public debt remains a priority. The government has been working on reducing fiscal deficits and improving debt sustainability through various fiscal policies and reforms. Economic progress is deeply intertwined with political and social stability as well. Sri Lanka's ability to implement reforms effectively and maintain a stable governance environment will play a significant role in our economic trajectory with both presidential and parliamentary elections slated to take place in 2024.

Whilst there are signs of recovery and efforts to address economic challenges, Sri Lanka's economic situation in 2024 remains complex and evolving, marked by both significant challenges and promising opportunities. The road to recovery is long and demanding, but with continued reform, strategic investments, and unwavering commitment, the Board of Directors are optimistic on Sri Lanka's ability to overcome these challenges and build a more robust and prosperous future with resilience and determination.

Real Estate Sector of Sri Lanka

The real estate sector in Sri Lanka is slowly recovering from the economic challenges that arose during the debt crisis of 2022. The recovery is supported by improved economic stability and gradual positive sentiments among investors and buyers. There is a cautious optimism in the market. While some sectors are witnessing growth, overall market confidence is still influenced by economic conditions, inflation, and currency fluctuations. The commercial real estate sector, including office spaces and retail properties, is gradually stabilizing. However, challenges such as remote work trends and shifts in consumer behaviour are influencing demand. Furthermore, economic uncertainty, including inflation and currency volatility, continues to pose challenges. These factors impact property prices, financing costs, and overall market stability. Whilst Sri Lanka's real estate sector in 2024 faces a mix of challenges and opportunities, the ongoing recovery and strategic investments are paving the way for a promising future. With continued efforts to address economic and regulatory issues, the sector is well-positioned for sustainable growth and development.

Financial Performance

During the year under review the Company recorded a turnover of Rs 27,046,644/-, and a Profit Before Taxation of Rs. 63,219,098/- compared with a turnover of Rs. 27,046,644/- and Profit Before Taxation of Rs. 96,535,809/- in the previous year. The Company revalued its land & building in the current financial year and a revaluation gain has arisen, amounting to Rs. 35,250,000/- Please refer Note 12 of the financial statements for further information. A provision for Rs 13,811,981/- (Including charging of deferred tax Provision Rs. 5,415,763/- has been made for taxation for the year under review.

Chairman's Review

Directorate

Presently, the Board of Directors of the Company comprises of Six (06) Non-Executive Directors. The Directors on the Board maintain a balanced representation of Major Shareholders and the minority groups and are eminent and competent persons with years of experience in Corporate Administration and Financial Management.

Dividend

The Directors have pleasure in recommending a Final Dividend of Rupees Twenty Five (Rs. 25/-) per share for the Year Ended 31st March, 2024.

Appreciation

I wish to thank our Secretaries S N Law Corporate Secretaries (Pvt) Ltd and our Registrars S S P Corporate Services (Pvt) Ltd for their excellent service. I also wish to thank Messrs Ernst & Young who continue to provide Accounting Services, for their excellent service and valuable contribution. I wish to thank our tenant Janashakthi Insurance PLC for the support and cooperation extended to us and for maintaining the property in its present condition. I wish to thank my colleagues on the Board whose valued contribution, continued support and guidance proved to be of immense value. I also wish to thank the members of the Board Audit Committee, Related Party Transactions Review Committee and Remuneration Committee, for their role, in monitoring the affairs of the Company. Finally, on behalf of the Board I wish to place on record my sincere appreciation and gratitude to our valuable shareholders for their understanding, continued faith and confidence and trust placed in us which had been a constant source of great strength.



J.M. Swaminathan

Chairman

30 th August 2024.

Statement of Directors' Responsibilities

Directors' Responsibilities for the Preparation of Financial Statements

This Statement of Directors' Responsibilities is to be read in conjunction with the Auditors' Report and is made to distinguish the respective responsibilities of the Directors and of the Auditors in relation to the Financial Statements contained in this Annual Report.

The Directors of your Company are required by the Companies Act No.07 of 2007 to prepare Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year.

The Directors confirm that, the Financial Statements of the Company for the Year Ended 31st March, 2024 included in the Annual Report have been prepared in accordance with the Sri Lanka Accounting Standards and the Companies Act No.07 of 2007. In preparing the Financial Statements, the Directors have selected the appropriate accounting policies and have applied them consistently. Reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed and the Financial Statements have been prepared on a going concern basis.

The Directors are of the view that adequate funds and other resources are available within the Company for the Company to continue in operation for the foreseeable future.

The Directors have taken all reasonable steps expected of them to safeguard the assets of the Company and to establish appropriate systems of internal controls in order to prevent, deter and detect any fraud, misappropriation or other irregularities. The Directors have also taken all reasonable steps to ensure that the Company maintains adequate and accurate accounting books of record which reflect the transparency of transactions and provide an accurate disclosure of the Company's financial position.

As required by Section 56 (2) of the Companies Act No.07 of 2007, the Board of Directors have confirmed that the Company, based on the information available, satisfy the Solvency Test, immediately after the proposed Final Dividend distribution, which is to be declared by the Shareholders at the Annual General Meeting.

The Directors are required to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate for the purpose of enabling them to give their Audit Report. The Directors are of the view that they have discharged their responsibilities in this regard.

Compliance Report

The Directors confirm that, to the best of their knowledge, all taxes and levies payable by the Company and all other known statutory obligations as at the Balance Sheet date have been paid or provided for in the Financial Statements.

By Order of the Board

S N Law Corporate Secretaries (Pvt) Ltd

Secretaries

Colombo

30th August 2024.

Report of the Directors

The Directors have pleasure in presenting to shareholders their Report together with the Audited Financial Statements of the Company for the Year Ended 31st March, 2024. The details set out herein provide the information required by the Companies Act No. 07 of 2007 and other necessary information required by the Listing Rules of Colombo Stock Exchange.

Principal Activities

The principal activity of the Company is leasing of office premises for commercial purposes.

Changes to the Nature of Business

There was no material change to the nature of the business of the Company during the Financial Year Ended 31st March, 2024.

Review of Operation

A review of the operations of the Company during the financial year are described in the Chairman's Review on page 05 to 06

Director's Responsibility for the Financial Statements

The Directors are responsible for preparing and presenting the financial statements, which are set-out on pages 23 to 46. The financial statements have been prepared in accordance with the Sri Lanka Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka. A Statement of Directors' Responsibilities is set out on page 07 of this Report.

Going Concern

The Directors have adopted the "Going Concern Concept" in the preparation of the Financial Statements.

Investment Properties

The details relating to the movement in Investment Properties are given in Note 12

Financial Statements

The Financial Statements for the Year Ended 31st March, 2024 are set out on pages 23 to 46 in the Annual Report. The Turnover of the Company during the year was Rs. 27,046,644/- (2023- Rs. 27,046,644/-) The Profit before Taxation amounted to Rs.63,219,098/-. (2023 Rs. 96,535,809/)

Auditors' Report

The Auditors' Report which is an integral part of the Financial Statements prepared for the Accounting Period Ended 31st March, 2024 is set out in the page 20 to 22 in the Annual Report.

Accounting Policies

The Accounting Policies adopted are consistent with those of the previous financial year except as required by the new or revised standards mandatory to be adopted in the current financial year. A Summary of Material Accounting Policies is set out on Pages 27 to 34 of the Annual Report.

Board of Directors

The Directors of the Company as at date is set out under "Corporate Information" on Page 03. The Directors of the Company who held office during the year are set out below together with the respective dates of change:

Dr. J.M. Swaminathan

Chairman

Dr. (Mrs.) Y. Ponnambalam

Director

Mr. Gajendrakumar G. Ponnambalam

Director

Dr. (Mrs.) M. Ponnambalam

Director

Mr. T. Someswaran

Director

Mr. Ramesh Schaffter

Director

In terms of Section 8 of the Listing Rules of the Colombo Stock Exchange (CSE), Mr. P. Schaffter resigned from the office of Alternate Director to Mr. Ramesh Schaffter, Non-Executive Non-Independent Director of Serendib Land PLC, on the 11th of March 2024 and Dr. (Mrs.) Y. Ponnambalam resigned from the office of Alternate Director to Dr. (Mrs.) M. Ponnambalam, Non-Executive Non-Independent Director of Serendib Land PLC on 11th March 2024.

In terms of Articles 98 of the Articles of Association of the Company, Mr. R. Schaffter, retires by rotation and being eligible offers himself for re-election. The Directors recommend his re-election.

Dr. Jayanta Mootatamby Swaminathan, vacates his office in terms of the provisions of Section 210 of the Companies Act No. 7 of 2007.

Notice is given by the Company to its shareholders of the intention to move an Ordinary Resolution for the re-appointment of Dr. Jayanta Mootatamby Swaminathan as a Director of the Company, in terms of the provisions of Section 211 of the Companies Act No.7 of 2007 and is referred to in the Notice convening the Annual General Meeting.

Mr. Thirunavukarasu Someswaran, vacates his office in terms of the provisions of Section 210 of the Companies Act No. 7 of 2007.

Notice is given by the Company to its shareholders of the intention to move an Ordinary Resolution for the re-appointment of Mr. Thirunavukarasu Someswaran as a Director of the Company in terms of the provisions of Section 211 of the Companies Act No.7 of 2007 and is referred to in the Notice convening the Annual General Meeting.

Dr. (Mrs.) Y. Ponnambalam, vacates her office in terms of the provisions of Section 210 of the Companies Act No. 7 of 2007.

Notice is given by the Company to its shareholders of the intention to move an Ordinary Resolution for the re-appointment of Dr. (Mrs.) Y. Ponnambalam as a Director of the Company in terms of the provisions of Section 211 of the Companies Act No.7 of 2007 and is referred to in the Notice convening the Annual General Meeting.

Interest Register

An Interest Register is required to be maintained in terms of the Companies Act No.7 of 2007, which came into effect on 03rd May, 2007.

Directors' Interest in Contracts with the Company are disclosed in Note 22 to the Financial Statements for the period under review.

Directors Shareholding

The shares held by the Directors at the beginning and at the end of the financial year were as follows. The Articles of Association of the Company do not stipulate a share qualification for Directors.

| Director Name | 31.03.24 | 01.04.23 |
|----------------------------------|----------|----------|
| Dr. J. M. Swaminathan | - | - |
| Dr. (Mrs.) Y. Ponnambalam | - | - |
| Mr. Gajendrakumar G. Ponnambalam | - | - |
| Dr. (Mrs.) M. Ponnambalam | - | - |
| Mr. T. Someswaran | - | - |
| Mr. Ramesh Schaffter | - | - |

Secretaries

S N Law Corporate Secretaries (Pvt) Ltd provides Company Secretarial Services to the Company.

Corporate Governance

The Company complies with the Corporate Governance Rules set out in the Listing Rules of the Colombo Stock Exchange and also key areas of the code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka. Corporate Governance Report for the period under review is set out in page 10 to 15 of this Report.

Stated Capital

The Stated Capital of the Company as at 31st March, 2024 was Rs.100,000,800/-, consisting of 398,906 Ordinary shares. The Shares of the Company are listed on the Colombo Stock Exchange.

Shareholders

The total shareholder base of the Company as at 31st March 2024 was 379 (2023 - 382). The distribution of the shareholding and a listing of the 20 major shareholders are given under Investor Information on pages 47 to 48.

Dividend

The Directors recommended the payment of a Final Dividend of Rs.25/- per Share for the Financial Year Ended 31st March, 2024. A statement of Solvency in terms of Section 56 (2) of the Companies Act No.7 of 2007 has been obtained from the Companies Auditors confirming that the Company will, immediately after the distribution is made to satisfy the solvency test.

Employment

The Company has no employees. The financial management of the Company is entrusted to Ernst & Young, Chartered Accountants of Sri Lanka.

Statutory Payments

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government had been made up to date.

Events after the Reporting Date

No circumstances have arisen since the reporting date, which would require adjustment to, or disclosure in the financial statements.

Directors' Remuneration and other Benefits

The Information pertaining to the Directors' Fees during the year under review is disclosed in Note 07 to the Financial Statements.

Auditors

The financial statements for the period under review have been audited by Messrs KPMG. Rs 600,000/- payable by the Company as Audit Fee for the Year Ended 31st March, 2024. M/s KPMG have expressed their willingness to continue in office and a Resolution to re-appoint them and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Auditors' Relationship with the Company

M/S KPMG has also provided Tax Consultancy Services to the Company, during the period under review.

By Order of the Board



J. M. Swaminathan
Director



Mr. T. Someswaran
Director



S N Law Corporate Secretaries (Pvt) Ltd
Secretary

30th August 2024.

Corporate Governance

Corporate Governance is the system by which Companies are directed, managed and controlled by the Management in the best interest of the Shareholder. The Board of Directors is responsible for the Governance of the Company whilst the Shareholders' role in Governance is to appoint the Directors and the Auditors and to satisfy themselves that an appropriate governance structure is in place.

Compliance with the Code of Best Practice

The Company currently complies with key areas of the Code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

Board of Directors

The Board of Directors takes responsibility for good governance of the Company. The Board of Directors comprised of Six (06) members as at the end of the period under review. All Directors function as Non-Executive Directors. One Director retires by rotation at each Annual General Meeting and is eligible for re-appointment. The Directors collectively possess a wide range of aptitude, skill, knowledge and experience, in managing companies. During the period under review, the Financial Management of the Company was handled by Ernst & Young, Chartered Accountants. The Board meets periodically with the Staff of the Accountants of the Company, to review the performance of the Company and the Financial Statements for the period. Decisions relating to Capital Expenditure and investments require the approval of the Board. The Directors are responsible for preparing and presenting the financial statements which have been prepared in accordance with the Sri Lanka Accounting Standards and in accordance with the requirements of the Colombo Stock Exchange. Maximum information is provided to Shareholders and full disclosure is made subject to only sensitive information which could directly impact the business of the Company.

Board Sub-Committees

The Board sub-committees scrutinize and analyse the areas under their purview and make recommendations to the Board on necessary improvements and modifications to the systems and processes of the Company. As such, the Board has constituted an Audit Committee, a Remuneration Committee and a Related Party Transactions Review Committee. The Board has appointed an Audit Sub-Committee to scrutinize areas under its purview and ensure application of controls over affairs of the Company, mainly the financial management of the Company. The Audit Sub-Committee examines the quarterly financial statements of the Company and discusses necessary steps to be taken in order to better manage the finances of the Company. Report of the Audit Committee is set out in the page 16 of the Annual Report. The Board has appointed a Related Party Transactions Review Committee to review the categories of persons who are considered as "related parties" as per the Listing Rules of Colombo Stock Exchange. The Report of the Related Party Transactions Review Committee is set out in the page 17 of the Annual Report. The Board has appointed

a Remuneration Committee to recommend the remuneration payable to the Executive Directors and Chief Executive Officer of the Company or any equivalent position thereof. The proceedings of the said Sub Committee are reported to the Board of Directors who in turn make the final determination based on the recommendations made by the Committee. The Report of the Remuneration Committee is set out in the page 18 of the Annual Report.

The Composition of the Board as at the end of the period under review is set out in the Table below, together with a record of the attendance of every director.

| Director Name | Category | Board | |
|----------------------------------|---------------------------|--------------------|----------|
| | | Eligible to attend | Attended |
| Dr. (Mrs.) Y. Ponnambalam | Non-Executive | 4 | 0 |
| Mr. Gajendrakumar G. Ponnambalam | Non-Executive | 4 | 1 |
| Dr. (Mrs.) M. Ponnambalam | Non-Executive | 4 | 0 |
| Dr. J. M. Swaminathan | Non-Executive Independent | 4 | 4 |
| Mr. T. Someswaran | Non-Executive Independent | 4 | 4 |
| Mr. Ramesh Schaffter | Non-Executive | 4 | 2 |

The Composition of the Audit Committee as at the end of the period under review is set out in the table below, together with a record of the attendance of every committee member

| Director Name | Category | Audit Committee | |
|------------------------------|---------------------------|--------------------|----------|
| | | Eligible to attend | Attended |
| Mr. T. Someswaran (Chairman) | Non-Executive Independent | 4 | 4 |
| Dr. J.M. Swaminathan | Non-Executive Independent | 4 | 4 |
| Mr. G.G. Ponnambalam | Non-Executive Independent | 4 | 1 |

The Composition of the Remuneration Committee as at the end of the Period under Review is set out in the Table below, together with a Record of the Attendance of Every Committee Member.

| Director Name | Category | Remuneration Committee | |
|---------------------------------|---------------------------|------------------------|----------|
| | | Eligible to attend | Attended |
| Dr. J.M. Swaminathan (Chairman) | Non-Executive Independent | 4 | 4 |
| Mr. T. Someswaran | Non-Executive Independent | 4 | 4 |
| Mr. G.G. Ponnambalam | Non-Executive Independent | 4 | 1 |

The Composition of the Related Party Transactions Review Committee as at the end of the period under review is set out in the table below, together with a record of the attendance of every committee member.

| Director Name | Category | Related Party Transactions Review Committee | |
|------------------------------|---------------------------|---|----------|
| | | Eligible to attend | Attended |
| Mr. T. Someswaran (Chairman) | Non-Executive Independent | 4 | 4 |
| Dr. J. M. Swaminathan | Non-Executive Independent | 4 | 4 |
| Mr.G.G. Ponnambalam | Non-Executive Independent | 4 | 1 |

Company Secretaries

S N Law Corporate Secretaries (Pvt) Ltd provides Company Secretarial services to the Company. The Company Secretaries play a key role in compliance matters by ensuring that the Company complies with the requirements of the Companies Act, the Colombo Stock Exchange and other regulatory bodies. The Secretaries also ensure that Board procedures are followed and information is provided to shareholders on a timely basis.

Registrars

S S P Corporate Services (Pvt) Ltd provides Registrars services to the Company.

Compliance with Legal Requirements

All Directors have access to the advice and services of the Company Secretaries as well as to the Financial Information of the Company, and makes every endeavour to ensure that the Company complies with Laws and Regulations. Additionally, checks and controls are in place to ensure that the policies of the Board are complied with.

The manner and the extent to which the Company has applied the principles of Good Corporate Governance practices during the period under review is set out in the table below:

| Rule No. | Subject | Applicable Requirement | Compliance Status | Details |
|----------|--|--|---|--|
| 9.2 | Policies (w.e.f 01.10.2024) | Policies to be established and maintained by the Listed Entities | Shall be complied w.e.f 01.10.2024 | The required Policies shall be established and maintained by the Company |
| 9.3 | Board Committees | The Board Committees at minimum shall include Nominations & Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee | Shall be complied (Nominations & Governance Committee shall be established w.e.f. 01.10.2024) | The Company's Board Committees at present are, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee |
| | | The Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees | Shall be complied w.e.f. 01.10.2024 | Dr. J.M. Swaminathan, Chairman of the Board is presently the Chairman of the Remuneration Committee. Changes will be implemented in order to be in compliance with this Rule effective from 01.10.2024 |
| 9.4 | Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with Shareholders | Listed Entities shall maintain records of all resolutions, policy on effective communication and relations with shareholders and investors and compliance with Guidelines issued by the CSE in relation to conducting shareholder meetings through virtual or hybrid means | Complied | The Company maintains records of all resolutions and the virtual/hybrid Annual General Meeting is in compliance with the CSE Guidelines and the Articles of Association of the Company. |
| 9.5 | Policy on matters relating to Board of Directors | Balance representation between Executive and Non-Executive Directors | Complied | The Board consists of 6 Non-Executive Directors, out of which, 2 are Independent Non-Executive Directors. Board discussions are ongoing with regard to appointing a Chief Executive Officer |
| 9.6 | Chairperson and CEO | Chairperson shall be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same individual | Complied | The Chairman is a Non-Executive Independent Director. Board discussions are ongoing with regard to appointing a Chief Executive Officer |
| 9.7 | Fitness of Directors and CEOs | Ensuring that the Directors are at all times fit and proper persons | Complied | All the Directors satisfy the Fit and Proper Assessment Criteria including Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness |

| Rule No. | Subject | Applicable Requirement | Compliance Status | Details |
|----------|------------------------------------|---|-------------------------------------|---|
| 9.8 | Board Composition | The Board at a minimum shall consist of 5 Directors and shall include 2 Independent Directors or 1/3 of the total number of Directors, whichever is higher | Complied | The Board consists of 6 Non-Executive Directors, out of which, 2 are Independent Non-Executive Directors. |
| | | In the event a Director does not qualify as "Independent Director" as per criteria provided by CSE Listing Rules, if the Board, taking into consideration all the circumstances, is of the opinion that the Director is nevertheless "independent" the Board shall specify the criteria not met and the basis for its determination in the Annual Report. | Complied | The Board has determined that, Dr. J. M. Swaminathan and Mr. T. Someswaran be designated as Independent Non-Executive Directors, even though they have served on the Board of the Company for more than 9 years, since they are not directly involved in the Management of the Company. |
| | | Each Independent Director should submit a signed and dated declaration of independence/ non-independence in the prescribed format | Complied | All Directors have submitted the Declarations. |
| 9.9 | Alternate Directors | Alternate Directors to be appointed in exceptional circumstances | Complied | There are no Alternate Directors. Mr. P. Schaffter resigned from the office of Alternate Director to Mr. Ramesh Schaffter, on the 11th of March 2024 and Dr. (Mrs.) Y. Ponnambalam resigned from the office of Alternate Director to Dr. (Mrs.) M. Ponnambalam on 11th March 2024. |
| 9.10 | Disclosures relating to Directors | A brief resume of each Director be included in the Annual Report and should include each Director's areas of expertise. | Complied | Please refer information relating to the same under Report of Directors on page 08 to 09 |
| | | Number of Board Meetings, Names of Board Committees in which the Director serves as Chairperson and Details of Attendance, to be included in the Annual Report | Complied | Please refer information relating to the same on pages 08 to 09 |
| 9.11 | Nominations & Governance Committee | Establish a Nominations & Governance Committee that conforms to the requirements set out in Rule 9.11 | Shall be complied w.e.f. 01.10.2024 | Nominations & Governance Committee shall be established w.e.f. 01.10.2024 |

| Rule No. | Subject | Applicable Requirement | Compliance Status | Details |
|----------|------------------------|---|-------------------|--|
| 9.12 | Remuneration Committee | The Annual Report should set out: The names of the members and the nature of the directorships comprising the Remuneration Committee | Complied | The Company does not have Executive Directors of Key Management Personnel, who are remunerated by the Company. |
| | | A statement regarding the remuneration policy | Complied | S N Law Corporate Secretaries (Pvt) Ltd provides Company Secretarial services to the Company, whilst the Financial Management functions of the Company have been entrusted to Ernst & Young (EY), Chartered Accountants, and the fees for the services rendered by them are determined by the Directors. |
| | | Aggregated remuneration paid to executive and Non-Executive Directors | Complied | Please refer to Remuneration Committee Report on page 18 of the Annual Report. |
| 9.13 | Audit Committee | The Company shall have an Audit Committee and shall comprise of Non-Executive Directors a minimum of 2 or a majority of whom shall be independent | Complied | Audit Committee consists of three Non-Executive Directors of whom two are Non-Executive Independent Directors |
| | | The Chairman of the Audit Committee should be a member of a professional accounting body | Complied | Chairman of the Audit Committee is a member of a professional accounting body |
| | | Audit Committee functions should be as outlined in the section 9.13.4 of the Listing Rules | Complied | Please refer to Audit Committee Report on page 16 of the Annual Report |
| | | Disclosures in the Annual Report as outlined in Section 9.13.5 of the Listing Rules | Complied | Please refer to Audit Committee Report on page 16 of the Annual Report |

| Rule No. | Subject | Applicable Requirement | Compliance Status | Details |
|-----------------|---|---|--------------------------|--|
| 9.14 | Related Party Transactions Review Committee (RPTRC) | listed Company shall have a Related Party Transactions Review Committee and shall comprise of a minimum of 3 Directors out of which 2 shall be independent. | Complied | Please refer to Related Party Transactions Review Committee Report on page 17 of the Annual Report |
| | | An Independent Non-executive Director shall be appointed as the Chairman of the RPTR Committee. | Complied | |
| | | Should be as outlined in the section 9.14 of the Listing Rules | | |
| | | Names of the Directors comprising the Committee; | Complied | |
| | | A statement to the effect that the Committee has reviewed the Related Party Transactions during the Financial Year and has communicated the comments/ observations to the Board of Directors. | Complied | |
| | | The policies and procedures adopted by the Committee for reviewing the Related Party Transactions. | Complied | |
| | | The number of times the Committee has met during the Financial Year | Complied | |

Audit Committee Report

Composition of the Committee

Audit Committee comprises of three (03) Non-Executive Directors. The Committee is chaired by Mr. T. Someswaran who is a fellow member of Chartered Accountants of Sri Lanka and a Retired Senior Partner of SJMS Associates. Members of the Board appointed Audit Committee are:

Mr. T. Someswaran

Chairman

Chartered Accountant in practice for more than 35 years and retired from the post of Senior Partner of SJMS Associates, a Firm of Accountants which is associated with Deloitte's in Sri Lanka. He is also a Fellow member of CMA and a member of its Governing Council.

Dr. J. M. Swaminathan

Attorney at Law, LLB(Ceylon), LLM, M.Phil. (Colombo) and LLD (Honoris Causa)

Mr. G.G. Ponnambalam

Attorney-at-Law and a Director of Gee Gee Properties (Pvt) Ltd and Geetanjali Gajaluckshmi (Pvt) Ltd. He serves as a member of parliament.

Role of the Committee

The Audit Committee is empowered to review and monitor the financial reporting process of the Company, in order to assure that adequate safeguards are in-place to provide true and reliable financial information to the Stakeholders of the Company. The duties of the Committee include a detailed review of the Financial Statements, monitoring Financial Management Functions and making recommendations with regard to adequacy of Financial Management procedures, disclosure of accounting policies, discussions with the External Auditors and Tax Consultants and compliance with the requirement laid down by regulatory authorities.

Meetings

During the year under review, the Committee held four (04) meetings. The proceedings of the Audit Committee Meetings are reported to the Board of Directors. The representatives of Ernst & Young- Chartered Accountants (EY) who carry out the Accounting Consultancy service to the company, attend the meetings by invitation.

During the year, the Committee reviewed and discussed the Quarterly Financial Statements, the Draft Financial Statements of the Company, Report on Solvency of the Company and communication from the External Auditors of the Company and other various compliance requirements.

The Committee directs and monitors representatives of EY, Accountants of the Company on Financial Reporting process of the Company. The Committee obtains regular updates from the Accountants on utilization of funds of the Company and provides guidance on efficient Treasury Management and investments.

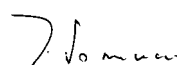
The Committee has instructed the Accountants of the Company to liaise independently with M/s KPMG, Chartered Accountants, Auditors to the Company. At the conclusion of the Annual Audit of the Company, the Accountants have been requested to explain to the Committee, the methodology and polices/ standards adopted in the audit and the findings of the Audit. The Committee has received a Declaration from the External Auditors of the Company, as required by the Companies Act No.7 of 2007, confirming that they do not have any relationship or interest in the Company, which may have a bearing on their independence, within the definition of the Code of Conduct and Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Committee has received assurance from the CFO of the Entity's operations and finances. The Committee confirms that the financial reporting requirements, information requirements in terms of the Listing Rules, the Companies Act No. 7 of 2007 and the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended) are complied with.

The Committee has recommended to the Board of Directors that M/s KPMG be reappointed as the Auditors of the Company for the financial Year Ending 31st March, 2024, subject to the approval of the Shareholders at the Annual General Meeting.

Conclusion

The Committee is of the view that based on the Report submitted by the External Auditors, subsequent to the Audit carried out by them on the Financial Statements of the Company for the Period Ended 31st March, 2024, adequate controls and procedures are in place to provide a reasonable assurance to the stakeholders that the financial position of the Company is adequately monitored and secured.



T. Someswaran

Chairman - Audit Committee

30th August 2024.

Related Party Transactions Review Committee Report

The Related Party Transactions (RPT) Review Committee appointed by the Board comprised of three (03) Members, all of whom were Non-Executive Directors. The Committee is headed by Mr. T Someswaran, Dr. J M Swaminathan and Mr. G.G. Ponnambalam. The primary purpose of the Related Party Transactions Review Committee is to review the categories of persons who are considered as "related parties" as per the Listing Rules of Colombo Stock Exchange.

Meetings

During the year under review, the Committee held Four (04) meetings. The proceedings of the Committee are reported to the Board of Directors who will in turn make the final determination based on the recommendations of the Committee.

In accordance of the said Listing Rules, the Company has formulated a Related Party Transactions Policy. It has also obtained 'self-declarations' (prepared in line with the Format set out in the Listing Rules) from each Director and Key Management Personnel of the Company, in order to identify parties related to them. Based on these details disclosed by the Directors, the Company has developed a system that enables the Company to retrieve data on related party transactions throughout the Company's network.

The aggregate remuneration paid to Directors is set out in Note 07 to the Financial Statements.

Further, in accordance with the RPT Policy, the criteria for identifying the Key Management Personnel (KMP) was established and all Non-Executive Directors of the Board were identified as KMPs in order to establish greater transparency and governance. Also, declarations were obtained from each KMP of the Company for the purpose of identifying parties related to them and to provide annual disclosure.

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

In terms of the requirements of the Listing Rules of the Colombo Stock Exchange, the transactions carried out by the Company with the Related Parties during the year ended 31st March, 2024 did not exceed 10% equity or 5% of the Total Assets of the Company as at 31st March, 2024. The details of RPTs are given in note 22 to the Financial Statements.

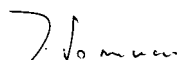
1. Non-Recurrent Related Party Transactions

There were no Non-Recurrent RPTs entered into by the Company, where the aggregate value of the Non-Recurrent RPTs exceeds 10% of the Shareholders' Equity or 5% of the Total Assets, whichever is lower, of the Company as at 31st March, 2024.

2. Recurrent Related Party Transactions

Information pertaining to Recurrent RPTs where the aggregate value of the Recurrent RPTs exceeded 10% of the Gross Revenue/ Income of the Company, as per the Audited Financial Statements are disclosed in Note 22.

Therefore, all Related party transactions relating to recurrent nature which are required under the section 9.3.2 of the Colombo Stock Exchange has been made.



Mr. T Someswaran

Chairman - Related Party Transactions Review Committee

30th August 2024.

Remuneration Committee Report

Composition of the Committee

Remuneration Committee comprises of three (03) Non-Executive Directors. The Chairman of the Committee is Dr. J. M. Swaminathan and the members include Mr. T. Someswaran and Mr. G.G. Ponnambalam. Representatives of Ernst & Young, Chartered Accountants, the Accountants of the Company, assists the Committee by providing relevant information to facilitate the decision-making process.

The primary purpose of the Remuneration Committee is the determination of fees payable to the members of the Board of Directors of the Company based on the Remuneration Policy of the Company. No remuneration is paid to No-Executive Directors of the Company other than the Fees based on their participation at Board and Sub Committee meetings. The aggregate remuneration paid to Directors is set out in Note 07 of the Financial Statements. The proceedings of the Committee are reported to the Board of Directors who will in turn make the final determination based on the recommendations of the Committee.

The Committee met four times during the year under review and the proceedings of the Committee were reported to the Board for their information and necessary action and were affirmed by the Board.



Dr. J.M. Swaminathan

Chairman - Remuneration Committee

30th August 2024.

Financial Reports

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Independent Auditor's Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF SERENDIB LAND PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Serendib Land PLC ("the Company"), which comprise the statement of financial position as at 31st March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including of material accounting policies as set out on pages 23 to 46 of this Annual Report.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

| 01. Valuation of Investment Property | |
|--|---|
| Refer to Note 3.5 and Note 12 to these financial statements | |
| Risk Description | Our Response |
| The Company has recognised Investment property of Rs. 741 Mn and a fair value gain amounting to Rs. 35 Mn as at 31st March 2024. | • Assessing the objectivity, independence, competency and qualifications of the external valuer engaged by the Company. |
| Management's assessment of the fair value of the Investment Properties is based on valuations performed by qualified independent property valuer in accordance with recognised industry standards. | • Reading the professional valuer's report and assessing the key estimates made by the external valuer in deriving the fair value of the property and compared the same with evidence of current market values |
| We identified fair valuation of Investment properties as a key audit matter due to the use of significant estimates such as per perch price and value per square foot involved in assessing the fair value of the investment property. | • With the assistance of our own internal valuation specialists assessing the key assumptions applied and conclusions made in deriving the fair value of the Investment Properties. In addition, we have assessed the valuation methodologies with reference to recognized industry standards. • Assessing the adequacy of disclosures made in relation to the valuation of Investment Properties in the financial statements. |

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

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

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

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



Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Independent Auditor's Report



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

Report on Other Legal and Regulatory Requirements

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

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

A handwritten signature in blue ink, appearing to be 'Kul', written in a cursive style.

Chartered Accountants

Colombo, Sri Lanka

30th August 2024

Statement of Profit or Loss and Other Comprehensive Income

| For the year ended 31 st March | Note | 2024 Rs. | 2023 Rs. |
|--|------|--------------|--------------|
| Revenue | 5 | 27,046,644 | 27,046,644 |
| Direct expenses | | (1,374,397) | (1,137,385) |
| Gross profit | | 25,672,247 | 25,909,259 |
| Other operating income | 6 | 18,200 | - |
| Changes in fair value of investment property | 12 | 35,250,000 | 69,775,000 |
| Administrative expenses | | (5,269,191) | (6,213,067) |
| Profit from operations | 7 | 55,671,256 | 89,471,192 |
| Finance income | 8.1 | 7,547,942 | 7,064,718 |
| Finance expenses | 8.2 | (100) | (100) |
| Profit before taxation | | 63,219,098 | 96,535,809 |
| Income tax expense | 9 | (13,811,981) | (67,640,528) |
| Profit for the year | | 49,407,117 | 28,895,282 |
| Other comprehensive income for the year | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Net change in fair value of financial assets - FVOCI Investments | | 527,914 | 628,270 |
| Total comprehensive income for the year | | 49,935,031 | 29,523,552 |
| Basic earnings per share (Rs.) | 10 | 123.86 | 72.44 |

The annexed notes to the financial statement form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Financial Position

| As at 31 st March | Note | 2024 Rs. | 2023 Rs. |
|---------------------------------------|------|--------------------|--------------------|
| ASSETS | | | |
| Non - Current Assets | | | |
| Investment property | 12 | 740,500,000 | 705,250,000 |
| Right of use Assets | 13 | 1,037,087 | 1,055,282 |
| Fair Value Through OCI Investments | 16 | 6,934,913 | 6,407,000 |
| Total Non - current assets | | 748,472,000 | 712,712,282 |
| Current Assets | | | |
| Trade and other receivables | 14 | 23,416,981 | 20,044,409 |
| Short term investments | 15 | 52,976,030 | 46,099,562 |
| Cash and cash equivalents | 17 | 3,741,417 | 4,483,390 |
| Total Current assets | | 80,134,428 | 70,627,361 |
| Total assets | | 828,606,428 | 783,339,643 |
| EQUITY & LIABILITIES | | | |
| Equity | | | |
| Stated capital | 18 | 100,000,800 | 100,000,800 |
| Retained earnings | | 67,118,894 | 62,934,427 |
| Financial Assets FVOCI Reserve | | 2,872,792 | 2,344,878 |
| Other reserve | | 530,852,700 | 495,602,700 |
| Total equity | | 700,845,186 | 660,882,805 |
| LIABILITIES | | | |
| Non - Current Liabilities | | | |
| Deferred tax liability | 19 | 109,339,490 | 103,923,727 |
| Lease liability | 21 | 740 | 640 |
| Total Non- current liabilities | | 109,340,230 | 103,924,367 |
| Current Liabilities | | | |
| Other payables | 20 | 13,385,349 | 13,254,515 |
| Income tax payable | | 2,523,053 | 3,211,025 |
| Lease liabilities | 21 | 100 | 100 |
| Dividend payable | | 1,842,035 | 1,468,221 |
| Bank overdraft | 17 | 670,475 | 598,610 |
| Total Current liabilities | | 18,421,012 | 18,532,472 |
| Total liabilities | | 127,761,242 | 122,456,839 |
| Total equity and liabilities | | 828,606,428 | 783,339,643 |

The annexed notes to the financial statements form an integral part of these financial statements.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



A.R. Walpita

Chief Financial Officer

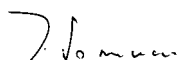
The Board of Directors are responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board.



J.M. Swaminathan

Director



T. Someswaran

Director

30th August 2024

Colombo

Statement of Changes In Equity

| For the year ended 31 st March 2023 | Stated capital | Other reserve (Note a) | Financial assets-FVOCI reserve (Note b) | Retained earnings | Total |
|---|----------------|------------------------|---|-------------------|-------------|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Balance as at 1st April 2022 | 100,000,800 | 425,827,700 | 1,716,608 | 113,786,795 | 641,331,903 |
| Profit for the year | - | - | - | 28,895,282 | 28,895,282 |
| Other comprehensive income | - | - | 628,270 | - | 628,270 |
| Total comprehensive income for the year | - | - | 628,270 | 28,895,282 | 29,523,552 |
| Transactions with the equity owners, recorded directly in equity and distribution to equity owners | | | | | |
| Dividends to equity holders (Note 11) | - | - | - | (9,972,650) | (9,972,650) |
| Transfer of Fair value gains on investment property | - | 69,775,000 | - | (69,775,000) | - |
| Balance as at 31st March 2023 | 100,000,800 | 495,602,700 | 2,344,878 | 62,934,427 | 660,882,805 |
| Balance as at 01st April 2023 | 100,000,800 | 495,602,700 | 2,344,878 | 62,934,427 | 660,882,805 |
| Profit for the year | - | - | - | 49,407,117 | 49,407,117 |
| Other comprehensive income | - | - | 527,914 | - | 527,914 |
| Total comprehensive income for the year | - | - | 527,914 | 49,407,117 | 49,935,031 |
| Transactions with the equity owners, recorded directly in equity and distribution to equity owners | | | | | |
| Dividends to equity holders (Note 11) | - | - | - | (9,972,650) | (9,972,650) |
| Transfer of Fair value gains on investment property | - | 35,250,000 | - | (35,250,000) | - |
| Balance as at 31st March 2024 | 100,000,800 | 530,852,700 | 2,872,792 | 67,118,894 | 700,845,186 |

Note a During the financial year, 2015, the Company decided to transfer the fair value gains and losses arising from valuation of investment property from year 2008 amounted to Rs. 95,647,700 from Retained earnings to the Other reserve. During the year 2018, the Company has transferred the fair value gain of Rs. 221,080,000 from Retained earnings to the Other Reserve. The related taxes have not been netted off against the said transfer. During the year 2020, the Company has transferred the fair value gain of Rs. 63,255,000 from Retained earnings to the Other Reserve. The related taxes have not been netted off against the said transfer. During the the year 2022, the Company has transferred the fair value gain of Rs. 45,845,000 from Retained earnings to the Other Reserve. The related taxes have not been netted off against the said transfer. During the the year 2023, the Company has transferred the fair value gain of Rs. 69,775,000 from Retained earnings to the Other Reserve. The related taxes have not been netted off against the said transfer. During the the year 2024, the Company has transferred the fair value gain of Rs. 35,250,000 from Retained earnings to the Other Reserve. The related taxes have not been netted off against the said transfer.

Note b Financial assets-FVOCI reserve include the accumulated net balance on revaluation of Financial assets-FVOCI.

The annexed notes to the financial statements form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

| For the year ended 31 st March | Note | 2024 Rs. | 2023 Rs. |
|--|------|--------------|--------------|
| Cash flow from operating activities | | | |
| Profit before taxation | | 63,219,098 | 96,535,809 |
| Adjustments for: | | | |
| Interest income | 8 | (7,547,942) | (7,064,718) |
| Lease interest | 8 | 100 | 100 |
| Write back of other payable | 6 | (18,200) | - |
| ROU depreciation | 13 | 18,195 | 18,195 |
| Change in fair value of investment property | 12 | (35,250,000) | (69,775,000) |
| Operating profit before working capital changes | | 20,421,251 | 19,714,387 |
| Changes in working capital | | | |
| Increase in trade and other receivables | | (2,970,192) | (2,902,237) |
| Increase in other payables | | 522,847 | 872,854 |
| Cash generated from operations | | 17,973,906 | 17,685,003 |
| Income tax paid | | (9,084,188) | (3,960,946) |
| Net cash generated from operating activities | | 8,889,718 | 13,724,057 |
| Cash flows from investing activities | | | |
| Net (increase) in investment in fixed deposits | | (6,876,469) | (13,230,448) |
| Interest received | | 7,145,563 | 5,689,516 |
| Net cash (used in)/ generated from investing activities | | 169,094 | (7,540,932) |
| Cash flows from financing activities | | | |
| Dividend paid | | (9,972,650) | (9,972,650) |
| Lease Rental Payment | 21 | - | (100) |
| Net cash used in financing activities | | (9,972,650) | (9,972,750) |
| Net (decrease) in cash and cash equivalents | | (813,838) | (3,789,624) |
| Cash and cash equivalents at the beginning of the year | | 3,884,780 | 7,674,404 |
| Cash and cash equivalents at the end of the year | 17 | 3,070,942 | 3,884,780 |

The annexed notes to the financial statements form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1 REPORTING ENTITY

1.1 Domicile and Legal Form

Serendib Land PLC (the "Company") is a public, limited liability company incorporated on 31st December 2008 and domiciled in Sri Lanka and presently regulated under the Companies Act No. 07 of 2007. The Registered Office and the principal place of business of the Company are located at HQ Colombo (Level 4)464A T.B. Jayah Mawatha, Colombo 10.

1.2 Principal Activities and Nature of Operations

The principal activity of the Company is renting and development of properties.

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

There is no distinguishable enterprise to be identified as parent Company.

1.4 Number of Employees

The Company did not have its own employees during the year. The Management and finance functions of the Company have been outsourced.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Statement of Financial Position, Statement of Profit or loss and other Comprehensive Income, Changes in Equity and Statement of Cash flows, together with the notes, (the "Financial Statements") of the Company as at 31st March 2024 and for the year then ended have been prepared in accordance with Sri Lanka Accounting Standards (SLAS) prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS), promulgated by the Institute of Chartered Accountants of Sri Lanka and complies with the requirements of the Companies Act No 07 of 2007.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently which no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position:

- Financial assets measured at fair value through other comprehensive income measured at fair value.
- Investment property is measured at fair value;

2.3 Comparative Information

The previous year figures and phrases have been reclassified whenever necessary to confirm to the current year presentation.

2.4 Functional and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees and rounded to the nearest rupee value.

2.5 Use of Estimate and Judgment

The preparation of the Financial Statements in conformity with SLAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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 is included in the following notes:

- ❖ Current taxation (Note 3.4.a)
- ❖ Deferred taxation (Note 3.4.b)
- ❖ Investment property (Note 3.5)
- ❖ Lease liability and Right of use assets. (Note 3.6)

2.6 Going Concern

The Directors have made an assessment of the Company's ability to Continue as a going concern and being satisfied that it has the resources to continue in business for the foreseeable future, confirm that they do not intend either to liquidate or to cease operations of the Company.

3 MATERIAL ACCOUNTING POLICIES

3.1 Changes in material accounting policy

The Company adopted Disclosure of Accounting Policies

(Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1st April 2023. Although the amendments

did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

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

The Company have adopted Deferred Tax related to Assets and Liabilities arising from

a Single Transaction (Amendments

to LKAS 12) from 1st April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g., leases. For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period

3.3 Foreign Currency Translations

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.4 Income Tax Expenses

Income tax expense comprises of current & deferred tax expense recognized in the profit or loss. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

a) Current Taxation

The Company's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 and amendments thereto.

b) Deferred Taxation

Deferred taxation is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of assets and liabilities using tax rate enacted at the reporting date.

A Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

ASSETS AND BASES OF THEIR VALUATION

Assets classified as current assets in the statement of financial position are cash and those, which are expected to be realized in cash during the normal operating cycle of the Company or within one year from the reporting date whichever is shorter.

3.5 Investment property

Investment property is a property held either to earn rental income or capital appreciation or 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.

Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein is recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Determining Fair value

An external, independent valuer, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued, values the Company's investment property portfolio every years.

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.

3.6 Leases

3.6.1.1 Company as a lessee

As per SLFRS 16, when the Company has determined that a contract contains a lease component and one or more additional lease components or non-lease components, the consideration in the contract is allocated to each lease component on the basis of relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

At the commencement date, the Company recognizes right-of-use of an asset and a lease liability which is measured at the present value of the lease payments that are payable on that date. Lease payments are discounted using the Incremental Borrowing Rate.

After initial recognition, the Company applies cost model for the right-of-use of an asset and depreciate the asset from commencement date to the end of the useful life of the underlying asset. Where the right does not transfer the ownership of the asset, the Company depreciates it from commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. In addition, interest expense on the lease liability is recognized in the profit or loss.

3.6.1.2 Company as a lessor

Similar to above, at the commencement of the contract, the Company determines whether the contract contains a lease component and one or more additional lease components or non-lease components. When there is one or more additional lease or non lease component, the Company allocates consideration based on the guidelines given in SLFRS 15.

However, SLFRS 16 largely retains the lessor accounting requirements in LKAS 17 and classification of leases is based on the extent to which risks and rewards incidental to ownership of leased asset lie with the lessor or lessee.

3.6.1.3 Finance leases – Company as a lessor

As per SLFRS 16, a lease which transfers substantially all the risks and rewards incidental to ownership of an underlying asset is classified as a finance lease. At the commencement date, the Company recognizes assets held under finance lease in the SOFP and present them as a lease receivable at an amount equal to the net investment in the lease. Net investment in the lease is arrived by discounting lease payments receivable at the interest rate implicit in the lease, i.e. the rate which causes present value of lease payments to equal to the fair value of the underlying asset and initial direct costs. The Company's net investment in lease is included in notes to financial statements. The finance income receivable is recognized in "interest income" over the periods of the leases so as to achieve a constant rate of return on the net investment in the leases.

3.7 Financial Instruments

3.7.1 Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

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

3.7.2 Classification and Subsequent Measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

3.7.3 Business model assessment:

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

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

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

3.7.4 Assessment whether contractual cash flows are solely payments of principal and interest:

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition, "interest" is defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and cost (example liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This include assessing whether the financial assets contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition in making assessment, the Company considers:

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

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

3.7.5 Financial assets - Subsequent measurement and gains and losses

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

3.7.6 Financial liabilities - Classification, subsequent measurement and gains and losses

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

3.7.7 De-recognition

3.7.7.1 Financial assets

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

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

3.7.7.2 Financial liabilities

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

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

3.7.7.3 Offsetting

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

3.7.8 Impairment Provision:

3.7.8.1 Non-derivative financial assets - Financial instruments and contract assets

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 180 days past due.

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

3.7.8.2 Measurement of ECLs

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

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

3.7.8.3 Credit-Impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

3.7.8.4 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.7.8.5 Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

LIABILITIES AND PROVISIONS

Liabilities classified as Current Liabilities in the statement of financial position are those obligations payable on demand or within one year from the reporting date. All other liabilities are classified as non-current liabilities.

All known liabilities have been accounted for in preparing the financial statements. Provision and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.8 Fair Value Measurement

'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 to the Company. 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. External professional valuers are involved for valuation of significant assets such as land and building.

FAIR VALUE HIERARCHY

The Company measures the fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurement.

LEVEL 1

Inputs that are unadjusted quoted market prices in an active market for identical instruments. When available, the Company measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price), without any deduction for transaction costs. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

LEVEL 2

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: (a) quoted market prices in active markets for similar instruments, (b) quoted prices for identical or similar instruments in markets that are considered to be less active, or (c) other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

LEVEL 3

Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's value. Valuation techniques include net present value and discounted cash flow models, comparisons with similar instruments for which observable market prices exist, option pricing models and other valuation models.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, risk premiums in estimating discount rates, bond and equity prices, foreign exchange rates, expected price volatilities and corrections.

Observable prices or model inputs such as market interest rates are usually available in the market for listed equity securities and government securities such as treasury bills and bonds. Availability of observable prices and model inputs reduces the need for management judgment and estimation while reducing uncertainty associated in determining the fair values.

Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models. Also profit or loss calculated when such financial instruments are first recorded ('Day V profit or loss) is deferred and recognized only when the inputs become observable or on recognition of the instrument.

STATEMENT OF PROFIT OR LOSS

3.9 Revenue Recognition- SLFRS 15 Revenue from Contracts with Customers

a. Rental Income

Revenue represents the rental income derived from letting of the Company's premises. Rental income is accrued on a time proportion basis.

b. Other income

Other income is recognized on an accrual basis.

3.10 Finance Income and Expense

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

3.11 Expenditure Recognition

Expenditure is recognized in the financial statements as they are incurred and recognized on an accrual basis.

a. Operating Expenses

All expenditure incurred in the running of the business and in maintaining the Property, plant and equipment in a state of efficiency has been charged to the profit or loss.

b. Borrowing Cost

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3.12 STATEMENT OF CASH FLOWS

The Statement of cash flows has been prepared using the Indirect Method of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Statement of cash flows.

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short-term deposits with banks.

4 SRI LANKA ACCOUNTING STANDARDS (SLFRS) ISSUED BUT NOT YET EFFECTIVE

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for annual periods beginning after the current financial year. Accordingly, the Company has not early adopted them in preparing these financial statements.

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

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

-Lack of Exchangeability (Amendments to LKAS 21)

-SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

-SLFRS S2 - Climate Related Disclosures

| For the year ended 31st March | | 2023 Rs. | 2022 Rs. |
|---|---|--------------|--------------|
| 5. REVENUE | | | |
| | Rental income from investment properties | 27,046,644 | 27,046,644 |
| | | 27,046,644 | 27,046,644 |
| 6. OTHER OPERATING INCOME | | | |
| | Write back of other payable | 18,200 | - |
| | | 18,200 | - |
| 7. PROFIT FROM OPERATIONS | | | |
| | Profit from operations is stated after charging all expenses including the following: | | |
| | Directors' fee | 600,000 | 1,300,000 |
| | Directors' travelling | 60,000 | 60,000 |
| | Accounting fee | 2,179,693 | 2,051,383 |
| | Secretarial fee | 542,000 | 476,000 |
| | ROU Amortization | 18,195 | 18,195 |
| | Auditors' remuneration | | |
| | - Statutory audit | 600,000 | 500,000 |
| | - Non audit services | 310,000 | 396,665 |
| | The Company did not employ any staff during the year. | | |
| 8. NET FINANCE INCOME | | | |
| 8.1 Finance income | | | |
| | Interest income | 7,547,942 | 7,064,718 |
| 8.2 Finance expense | | | |
| | Lease interest | (100) | (100) |
| | | 7,547,842 | 7,064,618 |
| 9. INCOME TAX EXPENSE | | | |
| | Current income tax | | |
| | Current tax on profits (Note 9.1) | 8,396,218 | 6,311,888 |
| | Deferred tax charge | | |
| | Origination of deferred tax liabilities (Note 19.1) | 5,415,763 | 61,328,640 |
| | | 13,811,981 | 67,640,528 |
| 9.1 Tax reconciliation statement | | | |
| | Profit before taxation | 63,219,098 | 96,535,809 |
| | Interest income | (7,547,942) | (7,064,718) |
| | Changes in fair value of Investment Property | (35,250,000) | (69,775,000) |
| | Disallowable expenses | 18,295 | 18,195 |
| | Statutory income from business | 20,439,452 | 19,714,286 |
| | Non-business income | 7,547,942 | 7,064,718 |
| | Taxable income | 27,987,394 | 26,779,004 |
| | Income tax @ 14% (2022 - 14%) | - | 1,380,000 |
| | Income tax @ 24% (2022 - 24%) | - | 578,683 |
| | Income tax @ 30% (2022 - 24%) | 8,396,218 | 4,353,205 |
| | Current tax on profit | 8,396,218 | 6,311,888 |

In accordance with the provisions of the Inland Revenue (amended) Act no 10 of 2017 and amendments thereto, the Company is liable for income tax at the rate of 30% on its taxable business income (2022/23 - First six months of the year 14%, 24%. 2022/23 - Second six months of the year 30%)

Notes to the Financial Statements

10. EARNINGS PER SHARE

The earnings per share is based on the profit after taxation for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares issued during the year.

| | 2024 | 2023 |
|---|---------------|--------------|
| | Rs. | Rs. |
| For the year ended 31 st March | | |
| Profit after taxation attributable to ordinary shareholders (Rs.) | 49,407,117 | 28,895,282 |
| Weighted average number of ordinary shares | 398,906 | 398,906 |
| Earnings per share (Rs.) | 123.86 | 72.44 |

10.1 Diluted earnings per share

There was no potential dilution as at year end. Therefore, diluted earnings per share is the same as basic earnings per share as shown above.

| | 2024 | 2023 |
|--|-------------|-------------|
| | Rs. | Rs. |
| For the Year ended 31 st March | | |
| 11. DIVIDEND PER SHARE | | |
| Proposed dividend | 9,972,650 | 9,972,650 |
| Weighted average number of ordinary shares | 398,906 | 398,906 |
| Dividend per ordinary share | 25 | 25 |

| | Land | Building | Total |
|--------------------------------------|--------------------|-------------------|--------------------|
| | Rs. | Rs. | Rs. |
| 12. INVESTMENT PROPERTY | | | |
| Balance as at 1st April 2022 | 574,475,000 | 61,000,000 | 635,475,000 |
| Fair value Gain/(Loss) | 61,775,000 | 8,000,000 | 69,775,000 |
| Balance as at 31st March 2023 | 636,250,000 | 69,000,000 | 705,250,000 |
| Balance as at 1st April 2023 | 636,250,000 | 69,000,000 | 705,250,000 |
| Fair value Gain/(Loss) | 34,250,000 | 1,000,000 | 35,250,000 |
| Balance as at 31st March 2024 | 670,500,000 | 70,000,000 | 740,500,000 |

12.1 Investment property carried at fair value

| Location | Extent | No. of build-ings | Method of Valuation | Date of Valuation | Valuer | Revalued amount of investment property (Rs.) 2024 | Carrying amount of investment property (Rs.) 2023 | Amount before revaluation (Rs.) | Revaluation gain (Rs.) | |
|---|--------------|-------------------|---------------------|-------------------|----------------------------------|---|---|---------------------------------|------------------------|--------------------|
| | | | | | | | | | Current year | Cumulative |
| No.75, Kumaran Rathnam Road, Slave Island, Colombo 02 | | | Market comparable | 31/03/24 | Mr. P.B. Kalugalagedara (F.I.V.) | | | | | |
| - Land | 20.2 p | - | Direct comparison | | | 362,900,000 | 345,720,000 | 150,244,821 | 17,180,000 | 167,424,821 |
| - Building | 20,000 sq.ft | 1 | | | | 70,000,000 | 69,000,000 | 69,000,000 | 1,000,000 | 70,000,000 |
| No.72, Kew Road, Slave Island, Colombo 02 | | | Market comparable | 31/03/24 | Mr. P.B.Kalugalagedara (F.I.V.) | | | | | |
| - Land | 12.0 p | - | | | | 216,000,000 | 204,000,000 | 194,000,000 | 12,000,000 | 206,000,000 |
| No.70, Kew Road, Slave Island, Colombo 02 | | | Market comparable | 31/03/24 | Mr. P.B.Kalugalagedara (F.I.V.) | | | | | |
| - Land | 1.93 p | - | | | | 34,740,000 | 32,810,000 | 31,266,000 | 1,930,000 | 33,196,000 |
| No.20, Sri Murugan Street, Colombo 2 | | | Market comparable | 31/03/24 | Mr. P.B.Kalugalagedara (F.I.V.) | | | | | |
| - Land | 3.16 p | - | | | | 56,860,000 | 53,720,000 | 51,091,879 | 3,140,000 | 54,231,879 |
| | | | | | | 740,500,000 | 705,250,000 | 495,602,700 | 35,250,000 | 530,852,700 |

Measurement of fair value

Investment properties of the Company are accounted for on the fair value model. The value has been determined on the fair value basis using market evidence. The last valuation was carried out by a independent professional Valuer Mr.P.B. Kalugalagedara (F.I.V.); an Incorporated Valuer & Assessor, Associate Institute of Valuers, Sri Lanka as at 31st March 2024.

Valuation Technique - Market comparable method

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

Investment property comprises Land owned by the Company and a Building constructed by the Company on land obtained on a 99 year lease from 1982.

The fair value of land No 20, 70 and 72 were assessed using the open market value as at 31 March 2024 at the rate of Rs. 18,000,000 per perch.

The fair value of the land was based on a valuation made by Mr.P.B.Kalugalagedara (F.I.V.); an Incorporated Valuer & Assessor, Associate Institute of Valuers, Sri Lanka as at 31st March 2024.

The fair value of land (leasehold) and building No 75 as at 31st March 2024 was assessed using both open market value and income approach. The fair value of land and building based on the rental income at the discount rate of 5.5% for 55 years was Rs. 406,988,000 and The fair value of land and buildings based on the open market value was Rs. 432,900,000 at the rate of Rs.20,000,000 per perch, rate per square feet Rs. 4,250. However, the market value has been taken for the accounts. Investment property, yielded rental income of Rs.27,046,644/- .

The Company has used the level 3 information's in fair value hierarchy as at 31st March 2024 to revalue the investment properties."

12.2 Significant unobservable inputs used in measuring fair value

The table below sets out the significant unobservable inputs used in measuring land and building categorised as level 3 in the fair value hierarchy as at 31st March 2024

| Location | Method of Valuation | Significant unobservable inputs | Range of estimates for unobservable inputs | Estimated fair value would increase or (decrease) if |
|--|--------------------------|----------------------------------|--|---|
| No.75, Kumaran Rathnam Road, Slave Island, Colombo 02 - Lease Hold Land | Market comparable method | Land - Price per perch | Rs.20,000,000/= | Price per perch for land increased, (decreased) |
| - Building | Direct Comparison method | Building - Price per square feet | Rs. 3,000/= to Rs.4,250/= | Price per square feet for building increased, (decreased) |
| No.72, Kew Road, Slave Island, Colombo 02 - Land | Market comparable method | Land - Price per perch | Rs.18,000,000/= | Price per perch for land increased, (decreased) |
| No.70, Kew Road, Slave Island, Colombo 02 - Land | Market comparable method | Land - Price per perch | Rs.18,000,000/= | Price per perch for land increased, (decreased) |
| No.20, Sri Murugan Street, Colombo 02 - Land | Market comparable method | Land - Price per perch | Rs.18,000,000/= | Price per perch for land increased, (decreased) |

12.3 Operating Expenses

"The Company has generated a rental income of Rs. 27,046,644/- for the year ended 31st March 2024 (2023- Rs. 27,046,644/-) and also company has incurred 1.37 Mn as CMC Rates in 2024 (2023- Rs. 1.13 Mn as as CMC rates).

The Company has not incurred any direct operating expenses in relation to investment property that did not generate rental income during the period

| As at 31 st March | | 2024 | 2023 |
|------------------------------|---------------------------------|-----------|-----------|
| | | Rs. | Rs. |
| 13. | RIGHT OF USE ASSETS | | |
| 13.1 | MOVEMENT DURING THE YEAR | | |
| | Cost or valuation | | |
| | Balance as at 01st April 2023 | 1,128,062 | 1,128,062 |
| | Balance as at 31st March 2024 | 1,128,062 | 1,128,062 |
| | Accumulated Amortization | | |
| | Balance as at 01st April 2023 | (72,780) | (54,585) |
| | Charge for the year | (18,195) | (18,195) |
| | Balance as at 31 st March 2024 | (90,975) | (72,780) |
| | Carrying value | | |
| | As at 31 March | 1,037,087 | 1,055,282 |

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

| As at 31 st March | | 2024 | 2023 |
|------------------------------|---|------------|------------|
| | | Rs. | Rs. |
| 14. | TRADE AND OTHER RECEIVABLES | | |
| | Trade Receivables - Janashakthi Insurance PLC | 18,065,519 | 17,992,801 |
| | Prepayments & othe Receivable | 1,316,438 | 1,141,004 |
| | Refundable deposits | 375,000 | 375,000 |
| | WHT Receivable | 3,660,024 | 535,605 |
| | | 23,416,981 | 20,044,409 |
| 15. | SHORT TERM INVESTMENTS | | |
| | Investment in Fixed deposits | 52,976,030 | 46,099,562 |
| | | 52,976,030 | 46,099,562 |

16. FAIR VALUE THROUGH OCI INVESTMENTS

| Quoted investments | 2024 | | | 2023 | | |
|--------------------------|------------------|-----------|--------------|------------------|-----------|--------------|
| | Number of shares | Cost | Market price | Number of shares | Cost | Market price |
| | | Rs. | Rs. | | Rs. | Rs. |
| Bukit Darah PLC | 10,380 | 3,784,900 | 4,227,255 | 10,380 | 3,784,900 | 4,453,020 |
| John Keells Holdings PLC | 13,957 | 1,922,803 | 2,707,658 | 13,957 | 1,922,803 | 1,953,980 |
| | 24,337 | 5,707,703 | 6,934,913 | 24,337 | 5,707,703 | 6,407,000 |

16.1 The Company has used Direct market price as at 31 March 2024 to revalue the share investment. The Company has classified this as Fair Value through OCI, since the Company holds the instrument to achieve an objective by both collecting contractual cash flows and selling financial assets

16.2 No strategic investments were disposed off during 2023/24 and there were no transfer of any Cumulative gain or loss within equity relatively to these investments.

| As at 31 st March | | 2024 Rs. | 2023 Rs. |
|------------------------------|---|-------------------------------------|-------------------------------------|
| 17. | CASH AND CASH EQUIVALENTS | | |
| | Cash at bank | 3,741,417 | 4,483,390 |
| | Cash and cash equivalents | 3,741,417 | 4,483,390 |
| | Bank overdraft | (670,475) | (598,610) |
| | Cash and cash equivalents as per statement of cash flows | 3,070,942 | 3,884,780 |
| 18. | STATED CAPITAL | | |
| | Issued & fully paid | | |
| | | 2024 Ordinary Shares | 2023 Ordinary Shares |
| | Ordinary shares | 398,906 | 398,906 |
| | Total Ordinary shares | 398,906 | 398,906 |
| | | 100,000,800 | 100,000,800 |
| | The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. | | |
| 19. | DEFERRED TAX LIABILITY | | |
| | Deferred tax liability (Note 19.1) | 109,339,490 | 103,923,727 |
| 19.1 | Deferred tax liability | | |
| | Balance at the beginning of the year | 103,923,727 | 42,595,086 |
| | Origination of temporary differences recognized in profit or loss | 5,415,763 | 61,328,641 |
| | Balance at the end of the year | 109,339,490 | 103,923,727 |

Deferred tax liabilities are attributable to the following:

| | 2024 | | 2023 | |
|--|--------------------------------|--------------------|--------------------------------|--------------------|
| | Temporary difference Rs. | Tax effect Rs. | Temporary difference Rs. | Tax effect Rs. |
| Deferred tax liability / (Assets) | | | | |
| Revaluation surplus on freehold land | 293,428,719 | 88,028,616 | 276,357,879 | 82,907,364 |
| Investment property - building | 70,000,000 | 21,000,000 | 69,000,000 | 20,700,000 |
| Right to use asset | 1,037,087 | 311,126 | 1,055,282 | 316,585 |
| Lease liability | (840) | (252) | (740) | (222) |
| | 364,464,966 | 109,339,490 | 346,412,421 | 103,923,727 |

| Rate Change | 2024 | 2023 |
|---------------------------------------|------------------|-------------------|
| | Rs. | Rs. |
| Recognized in Profit/Loss | | |
| Due to change in tax rate | | - |
| Due to change in temporary difference | 5,415,763 | 61,328,641 |
| | 5,415,763 | 61,328,641 |

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

Any gains on realization from disposal of lands used in the business are liable for taxation under the business income of the entity. Accordingly, the realization gains shall be the amount by which the sum of the consideration received on the asset that exceeds the acquiring cost and any accumulated allowable costs incurred on improvement thereon at the time of the realization.

The Company has recognized a revaluation reserve on freehold land and building, which is considered as the potential gain liable for taxation as at the Balance Sheet date on future realization. Accordingly, the Company has recognized a deferred tax liability of Rs.109,028,616/- pertaining to the revaluation reserve on freehold land and building which is computed at the substantively enacted corporate tax rate of 30%.

Notes to the Financial Statements

| | 2024 | 2023 |
|---------------------------|-------------------|-------------------|
| | Rs. | Rs. |
| 20. OTHER PAYABLES | | |
| Audit fees payable | 600,000 | 500,000 |
| Accounting fee payable | 149,174 | 160,455 |
| Secretarial fee payable | 105,000 | 105,000 |
| Refundable Deposit (20.1) | 10,800,000 | 10,800,000 |
| Deferred revenue (20.2) | 1,231,175 | 1,119,250 |
| Other payable | 500,000 | 569,810 |
| | 13,385,349 | 13,254,515 |

20.1 Refundable deposit Rs. 10.8 Mn comprises the amount paid in advanced by Janashakthi Insurance PLC (tenant) as refundable value at the maturity of rent agreement.

20.2 When monthly invoices are raised mid-month, the portion of revenue related to the next financial year is accounted for as Deferred revenue as at the reporting date.

| | 2024 | 2023 |
|--|-------------|-------------|
| | Rs. | Rs. |
| 21. LEASE LIABILITIES | | |
| 21.1 MOVEMENT OF LEASE LIABILITIES | | |
| Balance as at 01st April | 740 | 740 |
| Payment of lease liabilities | - | (100) |
| Interest expense charged to income statement | 100 | 100 |
| Balance as at 31st March | 840 | 740 |
| Current portion of lease liabilities | 100 | 100 |
| Non current portion of lease liabilities | 740 | 640 |

| | 2024 | 2023 |
|--|---------------|---------------|
| | Rs. | Rs. |
| Amounts recognised in profit or loss on SLFRS 16 - Leases | | |
| Depreciation expense of right-of-use assets (Note 13.1) | 18,195 | 18,195 |
| Interest on lease liabilities (Note 08) | 100 | 100 |
| Total | 18,295 | 18,295 |
| Amounts recognised in statement of cash flows on SLFRS 16 - Leases | | |
| Lease Paid | - | 100 |
| Total cash outflow for leases | - | 100 |

21.2 DETAILS OF LEASE LIABILITIES RECOGNISED DUE TO ROU ASSETS

Investment property comprises Land owned by the Urban Development Authority and a Building constructed by the Company on land obtained on a 99 year lease from 1982. (Refer note 29.1)

22. Related Party Disclosures

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standards - 24 Related Party Disclosures, the details of which are reported below.

Key Management Personnel ("KMP")

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities directly or indirectly. Accordingly the KMP include members of the Board of Directors of the Company.

22.1 Transactions with Key Management Personnel ("KMP")

| For the year ended 31 st March | | 2024 Rs. | 2023 Rs. |
|---|--|-------------|-------------|
| COMPENSATION TO KMPS | | | |
| Short term employment benefits | | 600,000 | 1,300,000 |
| Total | | 600,000 | 1,300,000 |

22.2 Transactions with related parties

| | Name of related party | Relationship | Nature of transaction | Aggregate value of Related Party Transactions entered into during the financial year 2024(Rs.) | Aggregate value of Related Party Transactions as a % of Net Revenue/ Income | Aggregate value of Related Party Transactions entered into during the financial year 2023 (Rs.) | Aggregate value of Related Party Transactions as a % of Net Revenue/ Income |
|--|---------------------------|--------------------|-----------------------|--|---|---|---|
| | Janashakthi Insurance PLC | Affiliated Company | Rental income | 27,197,775 | 100 | 26,862,000 | 100 |
| | | | SLFRS 16-Adjustment | (151,131) | | 184,664 | |

Terms and Conditions of the Related Party Transactions are determined based on the lease agreement. This note should be read in conjunction with note 20.1 to this Annual Statements

23. Fair Value of Assets and Liabilities

23.1 Assets and Liabilities Measured at Fair Value and Fair Value Hierarchy

The following table provides an analysis of assets and liabilities measured at fair value as at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position.

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy.

| | 2024 | | 2023 | |
|-------------------------------------|------------------------|-------------------|------------------------|-------------------|
| | Carrying amount Rs. | Fair value Rs. | Carrying amount Rs. | Fair value Rs. |
| As at 31st March | | | | |
| Investment property | 740,500,000 | 740,500,000 | 705,250,000 | 705,250,000 |
| Fair Value Through OCI Investment | 6,934,913 | 6,934,913 | 6,407,000 | 6,407,000 |
| | 747,434,913 | 747,434,913 | 711,657,000 | 711,657,000 |
| 31 st March 2024 | Level 1 Rs. | Level 2 Rs. | Level 3 Rs. | Total Rs. |
| Assets carried at fair value | | | | |
| Investment property | - | - | 740,500,000 | 740,500,000 |
| Fair Value Through OCI Investment | 6,934,913 | - | - | 6,934,913 |
| | 6,934,913 | - | 740,500,000 | 747,434,913 |

Notes to the Financial Statements

| 31 st March 2023 | Level 1 Rs. | Level 2 Rs. | Level 3 Rs. | Total Rs. |
|-------------------------------------|----------------|----------------|----------------|--------------|
| Assets carried at fair value | | | | |
| Investment property | - | - | 705,250,000 | 705,250,000 |
| Fair Value Through OCI Investment | 6,407,000 | - | - | 6,407,000 |
| | 6,407,000 | - | 705,250,000 | 711,657,000 |

| As at 31 st March 2024 | Carrying amount Rs. | Fair Value | | | Total Rs. |
|-----------------------------------|------------------------|------------------|----------------|--------------------|--------------------|
| | | Level 1 Rs. | Level 2 Rs. | Level 3 Rs. | |
| Assets | | | | | |
| Investment property | 740,500,000 | - | - | 740,500,000 | 740,500,000 |
| Trade and other receivables * | 18,065,519 | - | - | - | 18,065,519 |
| Short term investments | 52,976,030 | - | - | - | 52,976,030 |
| Fair Value Through OCI Investment | 6,934,913 | 6,934,913 | - | - | 6,934,913 |
| Cash and cash equivalents | 3,741,417 | - | - | - | 3,741,417 |
| | 822,217,879 | 6,934,913 | - | 740,500,000 | 822,217,879 |
| Liabilities | | | | | |
| Other payables | 1,354,174 | - | - | - | 1,354,174 |
| Bank overdraft | 670,475 | - | - | - | 670,475 |
| | 2,024,649 | - | - | - | 2,024,649 |

* Exclude Refundable Deposits and Prepayments & Other Receivable

| As at 31 st March 2023 | Carrying amount Rs. | Fair Value | | | Total Rs. |
|-----------------------------------|------------------------|------------------|----------------|--------------------|--------------------|
| | | Level 1 Rs. | Level 2 Rs. | Level 3 Rs. | |
| Assets | | | | | |
| Investment property | 705,250,000 | - | - | 705,250,000 | 705,250,000 |
| Trade and other receivables * | 17,992,801 | - | - | - | 17,992,801 |
| Short term investments | 46,099,562 | - | - | - | 46,099,562 |
| Fair Value Through OCI Investment | 6,407,000 | 6,407,000 | - | - | 6,407,000 |
| Cash and cash equivalents | 4,483,390 | - | - | - | 4,483,390 |
| | 780,232,753 | 6,407,000 | - | 705,250,000 | 780,232,753 |
| Liabilities | | | | | |
| Other payables | 1,335,265 | - | - | - | 1,335,265 |
| Bank overdraft | 598,610 | - | - | - | 598,610 |
| | 1,933,875 | - | - | - | 1,933,875 |

* Exclude Refundable Deposits and Prepayments & Other Receivable

The methods and assumptions used to estimate the fair values of the financial instruments not carried at fair value are as follows:

- a. (Cash and cash equivalents and bank overdraft – The fair value of cash and cash equivalents and bank overdraft approximate their carrying amount due to the relatively short maturity of the financial instruments.
- b. (Trade and other receivables and other payables – The fair value of trade and other receivables and other payables approximate their carrying amount due to the relatively short maturity of the financial instruments.
- c. Short term investments – The fair value of short term investments approximate their carrying amount due to the relatively short maturity of the financial instruments.

23.2 Sensitivity of Significant Unobservable Inputs used to Measure Fair Value of Fixed Rate Financial Instruments

"A significant increase/(decrease) in the market interest rate would result in lower/(higher) fair value being disclosed. The following table summarises the carrying amounts and the Company's estimate of fair values of those financial assets and liabilities not presented in the Statement of Financial Position at fair value. The fair values in the table below may be different from the actual amounts that will be received / paid on the settlement or maturity of the financial instrument.

24. Financial risk management

24.1 Overview

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

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

Introduction and overview

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

24.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

24.3 Credit risk

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

Notes to the Financial Statements

24.3.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

| As at 31 st March | 2024 Rs. | 2023 Rs. |
|------------------------------|-------------|-------------|
| Short term investments | 52,976,030 | 46,099,562 |
| Trade Receivable | 18,065,519 | 17,992,801 |
| Cash at bank | 3,741,417 | 4,483,390 |

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

| As at 31 st March | 2024 Rs. | 2023 Rs. |
|------------------------------|-------------|-------------|
| Less than 30 days | 18,065,519 | 17,992,801 |
| Total Trade receivables | 18,065,519 | 17,992,801 |

24.3.1.2 Cash and Cash Equivalent

The cash and cash equivalent of Rs. 3,741,417 as at 31st March 2024 (Rs. 4,483,390/- as at 31st March 2023)

Credit quality analysis of financial statements

Cash at bank having credit ratings

Fitch Rating

Amount (Rs.)

| | 2024 | 2023 |
|-----------|-----------|-----------|
| BBB-(lka) | 3,741,417 | 4,483,390 |

24.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

| As at 31st March 2024 | Carrying amount Rs. | Contractual Cash Flows | | | | |
|-----------------------|------------------------|----------------------------|-----------------------|---------------------|---------------------|-----------------------------|
| | | 6 months or less Rs. | 6-12 Months Rs. | 1-2 Years Rs. | 2-5 Years Rs. | More than 5 Years Rs. |
| Lease Liabilities | 840 | - | 100 | 100 | 300 | 5,300 |
| Other Payables | 1,354,174 | 1,354,174 | - | - | - | - |
| Dividend Payable | 1,842,034 | 1,842,034 | - | - | - | - |
| Bank Overdrafts | 670,475 | 670,475 | - | - | - | - |
| | 3,867,523 | 3,866,682 | 100 | 100 | 300 | 5,300 |

| As at 31st March 2023 | Carrying amount Rs. | Contractual Cash Flows | | | | |
|-----------------------|------------------------|----------------------------|-----------------------|---------------------|---------------------|-----------------------------|
| | | 6 months or less Rs. | 6-12 Months Rs. | 1-2 Years Rs. | 2-5 Years Rs. | More than 5 Years Rs. |
| Lease Liabilities | 740 | - | 100 | 100 | 300 | 5,400 |
| Other Payables | 1,335,265 | 1,335,265 | - | - | - | - |
| Dividend Payable | 1,468,221 | 1,468,221 | - | - | - | - |
| Bank Overdrafts | 598,610 | 598,610 | - | - | - | - |
| | 3,402,836 | 3,402,096 | 100 | 100 | 300 | 5,400 |

Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's policy is to hold cash and undrawn overdraft facilities at a level sufficient to ensure that the Company has available funds to meet its liabilities.

24.5 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: currency risk, interest rate risk and other price risk.

24.5.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. As protection against exchange rate fluctuations, the Company backs its commitments in local currency. The Company has not invested nor borrowed in foreign currencies. The Company does not use any derivative financial instruments to hedge the risk. The currency risk attached to financial instruments is minimal as it represents local currency.

24.5.2 Interest rate risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

The interest rate risk attached to financial instruments is minimal as it represents the Company does not have any interest bearing borrowings as at the reporting date.

24.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Board of Directors. This responsibility is supported by the development of overall Company standards for the management of operational risk.

25. Capital commitments

The Company does not have any significant Capital commitments outstanding as at the reporting date which require adjustments or disclosure in the financial statements.

26. Contingent liabilities

The Company does not have any significant Contingent liabilities outstanding as at the reporting date which require disclosure in the financial statements.

27. Litigation and claims

There were no litigations and claims as at the reporting date.

28. Events occurring after the reporting date

Subsequent to the reporting date, no material circumstances have arisen which required adjustments to or disclosure in these Financial Statement except for the below.

Directors have recommended the payment of a final dividend of Rs.25/= per share for the year ended 31st March 2024, which require the approval of the shareholders at the Annual General Meeting to be held on 25th September 2024. The Boards of Directors confirm that the Company has satisfied the solvency test in accordance with Section 57 of the Companies Act No 07 of 2007 and have obtained the certificate from the auditors.

Notes to the Financial Statements

29. Operating lease commitments

29.1 As a lessee

The Company entered into lease agreement with Urban Development Authority for lease of land for a period of 99 years ending 1 April 2081.

The operating lease rentals are payable as follows as at the reporting date.

| | 2024 | 2023 |
|-------------------------------------|-------------|-------------|
| | Rs. | Rs. |
| Less than one year | 100 | 100 |
| Between Two and ten years | 1,000 | 1,000 |
| Between Eleven and Twenty years | 1,000 | 1,000 |
| Between Twenty one and Thirty years | 1,000 | 1,000 |
| Between Thirty one and Forty years | 1,000 | 1,000 |
| Above Forty Years | 1,700 | 1,800 |

29.2 As a lessor

The Company entered into lease agreement with Janashakthi Insurance PLC for the lease of its properties for a period of 10 years ending 14 February 2028.

The Undiscounted operating lease rentals are receivable as follows as at the reporting date.

| | 2024 | 2023 |
|----------------------------|-------------|-------------|
| | Rs. | Rs. |
| Less than one year | 27,085,850 | 27,085,850 |
| Between one and five years | 94,554,240 | 121,640,090 |
| More than five years | - | - |

30. Directors' responsibility

The Board of Directors acknowledge the responsibility for true and fair presentation of these financial statements in accordance with the Sri Lanka Accounting Standards and the requirements of the Companies Act No. 07 of 2007.

Investor Information

SHARE CAPITAL

| | 2024 | | | 2023 | | |
|--------------------------------------|-----------------|-----------------|-------------|-----------------|-----------------|-------------|
| | Ordinary Shares | Issue price Rs. | Rs. | Ordinary Shares | Issue price Rs. | Rs. |
| Issued & fully paid | 398,906 | 100 | 100,000,800 | 398,906 | 100 | 100,000,800 |
| Scrip Dividend (Issue of New Shares) | - | - | - | - | - | - |
| Total Ordinary Shares | 398,906 | - | 100,000,800 | 398,906 | - | 100,000,800 |

The issued Ordinary Shares of Serendib Land PLC are listed on the Colombo Stock Exchange.

Total number of shareholders are 379 as at 31st March 2024 (2023 - 382).

SHARE DISTRIBUTION

| No of Shares Held | | 31.03.2024 | | | 31.03.2023 | | | |
|-------------------|---------|--------------------|---------------|-------------------|--------------------|---------------|-------------------|-------|
| | | No of Shareholders | Total Holding | % of Total Shares | No of Shareholders | Total Holding | % of Total Shares | |
| Upto | 1,000 | 360 | 21,347 | 5.38 | 367 | 22,205 | 5.86 | |
| | 1,001 | 5,000 | 11 | 17,329 | 4.31 | 7 | 19,138 | 3.79 |
| | 5,001 | 10,000 | 1 | 5,049 | 1.27 | 1 | 6,211 | 1.31 |
| | 10,001 | 50,000 | 3 | 68,686 | 17.22 | 3 | 68,686 | 17.22 |
| | 50,001 | 100,000 | 3 | 181,070 | 45.39 | 3 | 181,070 | 45.39 |
| | 100,001 | & above | 1 | 105,425 | 26.43 | 1 | 105,425 | 26.43 |
| | | | 379 | 398,906 | 100 | 382 | 398,906 | 100 |

SHARE TRADING

Historical data for the Year ended,

| | 31.03.2024 Rs. | 31.03.2023 Rs. |
|----------------------|--------------------|-----------------------|
| Highest Traded Price | 1,495 (11.09.2023) | 1,399.75 (08.02.2023) |
| Lowest Trade Price | 1,330 (03.10.2023) | 953 (04.04.2022) |
| Last Traded Price | 1,300 (28.03.2024) | 1,319.50 (31.03.2023) |

The Public Holding percentage as at 31st March 2024 is 10.78% (2023 - 17.92%) of the issued shares.

Number of Public Share Holding as at 31st March 2024 is 367 (2023 - 375).

Float adjusted market capitalisation is Rs. 92,929,141/- (2023 - Rs. 94,323,079/-).

DIVIDEND

A final Dividend of Rs. 25/- per share has been proposed for payment on 15th October 2024 (2023 - Rs. 25/-).

Investor Information

| Twenty (20) Major Shareholders as at 31st March, 2024 with comparative figures for 2023 were as follows: | | | | | |
|--|------------|-------|--|------------|-------|
| 20 Major Shareholders | 31.03.2024 | | 20 Major Shareholders | 31.03.2023 | |
| | Shares | % | | Shares | % |
| Finco holding (pvt) ltd | 105,425 | 26.43 | Finco Holdings (Pvt) Ltd | 105,425 | 26.43 |
| Gee gees properties (pvt) ltd | 85,027 | 21.32 | Gee Gees Properties (Pvt) Ltd. | 85,027 | 21.32 |
| Gitanjali gajaluckshmi (pvt) ltd | 85,187 | 21.36 | Gitanjali Gajaluckshmi (Pvt) Ltd. | 84,985 | 21.30 |
| Janashakthi insurance plc-shareholders | 51,252 | 12.85 | Janashakthi Insurance PLC - Shareholders | 51,252 | 12.85 |
| AIA Insurance Lanka PLC – A/C No.3 | 28,492 | 7.14 | AIA Insurance Lanka PLC – A/C No.3 | 28,492 | 7.14 |
| D.G. Wijemanna | 5,049 | 1.27 | Suktam Holdings (Pvt) Ltd | 6,211 | 1.56 |
| O. D liyanage | 4,500 | 1.13 | Mr. O. D. Liyanage | 4,500 | 1.13 |
| M.F cader | 3,198 | 0.80 | Mrs. S. Z. Ossman | 2,437 | 0.61 |
| Ms. S.Z ossman | 2,437 | 0.61 | Mr. A. Saverimuttu | 2,220 | 0.56 |
| A. Saverimuttu | 2,220 | 0.56 | Ossman Associates (Pvt) Ltd | 1,971 | 0.49 |
| Ossman associates (pvt) ltd | 1,971 | 0.49 | Ms. N. Gunatilleke | 1,661 | 0.42 |
| Mrs. N. Gunatilleke | 1,661 | 0.42 | Mr. G.C.W. De Silva (Deceased) | 1,342 | 0.34 |
| G.C.W. De silva(deceased) | 1,342 | 0.34 | Mr. B.T.D.E.S Weerasooria | 1,007 | 0.25 |
| K.T. Wickremaratne | 831 | 0.21 | Mr. K. T. Wickremaratne | 887 | 0.22 |
| Suktam holdings (pvt) ltd | 766 | 0.19 | Mr. U. I Suriyabandara | 831 | 0.21 |
| U.I suriyabandara | 765 | 0.19 | M.F. CADER | 783 | 0.20 |
| Colombo investment trust plc | 711 | 0.18 | Colombo Investment Trust PLC | 720 | 0.18 |
| G.C. Goonetilleke | 626 | 0.16 | Mr. G. C. Goonetilleke | 711 | 0.18 |
| Dr. M.S.P. Wijenayake | 614 | 0.15 | Dr. M.S.P. Wijenayake | 626 | 0.16 |
| D.N.P. Rathnayake | 607 | 0.15 | Mr. D. N. P Rathnayake | 614 | 0.15 |
| | | | | | |
| | 382,681 | 95.93 | | 381,702 | 95.69 |
| Shares held by the balance Shareholders | 16,225 | 4.07 | Shares held by the balance Shareholders | 17,204 | 4.31 |
| | 398,906 | 100 | | 398,906 | 100 |

Company Performance - Five Year Summary

| Year ended 31 st March | 2024 Rs. | 2023 Rs. | 2022 Rs. | 2021 Rs. | 2020 Rs. |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Trading Results | | | | | |
| Rental Income | 27,046,644 | 27,046,644 | 27,046,644 | 28,475,945 | 26,374,032 |
| Total Revenue | 27,046,644 | 27,046,644 | 27,046,644 | 28,475,945 | 26,374,032 |
| Direct Cost | (1,374,397) | (1,137,385) | (1,056,715) | (1,149,747) | (1,066,715) |
| Gross Profit | 25,672,247 | 25,909,259 | 25,989,929 | 27,326,198 | 25,307,317 |
| Fair Value Gain | 35,250,000 | 69,775,000 | 45,845,000 | - | 63,255,000 |
| Total Operating Expenses | (5,269,191) | (6,213,067) | (4,912,340) | (6,594,910) | (5,604,715) |
| Impairment loss on financial assets - Investment in Equity security | - | - | - | - | - |
| Profit from Operating Activities | 55,671,256 | 89,471,192 | 66,929,568 | 20,731,288 | 82,957,602 |
| Net Finance (Expense)/Income | 7,547,842 | 7,064,618 | 1,909,993 | 1,829,997 | 1,902,819 |
| Other operating income | 18,200 | - | 6,979 | 27,164 | 54,040 |
| Net profit before Tax | 63,219,098 | 96,535,809 | 68,839,461 | 22,588,449 | 84,914,461 |
| Income Tax | (13,811,981) | (67,640,528) | (6,511,415) | (3,454,401) | (8,360,766) |
| Net profit after Tax | 49,407,117 | 28,895,282 | 62,328,046 | 19,134,048 | 76,553,695 |
| Balance Sheet | | | | | |
| Assets | | | | | |
| Investment Property | 740,500,000 | 705,250,000 | 635,475,000 | 589,630,000 | 589,630,000 |
| Right of use Assets | 1,037,087 | 1,055,282 | 1,073,477 | 1,091,672 | 1,109,867 |
| Financial Assets- FVOCI | 6,934,913 | 6,407,000 | 5,778,730 | 5,495,420 | 3,479,038 |
| | 748,472,000 | 712,712,282 | 642,327,207 | 596,217,092 | 594,218,905 |
| Current Assets | | | | | |
| Short term investment | 52,976,030 | 46,099,562 | 31,581,817 | 30,595,426 | 15,489,736 |
| Trade and Other Receivables | 23,416,981 | 20,044,409 | 17,054,268 | 14,867,028 | 13,381,168 |
| Income tax receivable | - | - | - | - | 159,253 |
| Cash and Cash Equivalents | 3,741,417 | 4,483,390 | 12,788,291 | 5,866,531 | 6,387,615 |
| | 80,134,428 | 70,627,361 | 61,424,376 | 51,328,985 | 35,417,772 |
| Total Assets | 828,606,428 | 783,339,643 | 703,751,583 | 647,546,077 | 629,636,677 |
| Equity and Liabilities | | | | | |
| Stated Capital | 100,000,800 | 100,000,800 | 100,000,800 | 100,000,800 | 36,000,000 |
| Accumulated Profit/(Loss) | 67,118,894 | 62,934,427 | 113,786,795 | 107,276,399 | 161,143,151 |
| Financial assets - FVOCI reserve | 2,872,792 | 2,344,878 | 1,716,608 | 1,433,298 | (583,084) |
| Other reserve | 530,852,700 | 495,602,700 | 425,827,700 | 379,982,700 | 379,982,700 |
| Total Equity | 700,845,186 | 660,882,805 | 641,331,903 | 588,693,197 | 576,542,767 |
| Non Current Liabilities | | | | | |
| Deferred tax Liability | 109,339,490 | 103,923,727 | 42,595,086 | 39,505,033 | 39,507,581 |
| Lease liability | 740 | 640 | 662 | 652 | - |
| Total Non Current Liabilities | 109,340,230 | 103,924,367 | 42,595,748 | 39,505,685 | 39,507,581 |
| Current Liabilities | | | | | |
| Payables and Bank Overdraft | 14,055,824 | 13,853,125 | 17,722,873 | 17,439,023 | 12,658,116 |
| Lease liability | 100 | 100 | 78 | - | - |
| Tax Payable | 2,523,053 | 3,211,025 | 860,085 | 767,083 | - |
| Dividend Payable | 1,842,035 | 1,468,221 | 1,240,896 | 1,141,089 | 927,561 |
| Total Current Liabilities | 18,421,012 | 18,532,472 | 19,823,932 | 19,347,195 | 13,585,677 |
| Total Equity & Liabilities | 828,606,428 | 783,339,643 | 703,751,582 | 647,546,077 | 629,636,025 |
| Earnings per Share | 123.86 | 72.44 | 156.25 | 47.97 | 191.91 |
| Dividend per Share | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 |
| Dividend Pay-out ratio (%) | 20.25 | 34.51 | 16.00 | 52.12 | 11.76 |
| Net Assets Value per share | 1,756.51 | 1,661.13 | 1,607.73 | 1,475.77 | 1,601.94 |
| Share Value (High) | 1,495.00 | 1,399.75 | 2,149.00 | 3,750.00 | 1,550.00 |
| Share Value (Low) | 1,150.00 | 953.00 | 1,000.00 | 1,050.00 | 1,165.00 |
| Current Ratio | 4.31 | 3.8 | 3.10 | 2.65 | 2.61 |
| Return on Equity (%) | 7.03 | 4.37 | 9.72 | 3.25 | 13.28 |

PROCEDURAL GUIDELINES TO BE FOLLOWED AT THE ANNUAL GENERAL MEETING OF THE COMPANY SCHEDULED FOR 25TH SEPTEMBER 2024

Dear Shareholder/s,

We refer to the Notice convening the Annual General Meeting of SERENDIB LAND PLC scheduled to be held as a virtual meeting (in terms of these Procedural Guidelines), at HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10 on 25th September 2024 at 3.00 p.m. The Board of Directors have proposed to hold the said Annual General Meeting (AGM) on 25th September 2024 via audio or audio and visual technology means in the manner set forth below:

1. The AGM shall be held in compliance with the Companies Act, No.07 of 2007, the Articles of Association of the Company, on hosting of Annual General Meetings.
2. Only the Board of Directors, Company Secretary, Registrars, key management officials, representatives of the Auditors who are essential for the administration of the formalities of the meeting may be physically present. All others, including Shareholders, will participate via an online meeting platform (i.e. Zoom platform).
3. INFORMATION ON PARTICIPATING THROUGH AUDIO VISUAL CONFERENCING

Shareholders who are to participate in the meeting through audio or audio and visual means, are requested to deposit with us their details as per the attached Registration Form (Annexure 2) enclosed hereto not later than 4.45 p.m. on 23rd September 2024 to the email address corporate@snlaw.lk or by fax to 0112692592 or handover to or post to the registered office of the Company.

We regret our inability to process any requests received after 4.45 p.m. on 23rd September 2024.

- 3.1 If a Shareholder/Proxyholder is to participate at the AGM through audio visual conferencing via a smart phone, it is necessary for him/her to download the "Zoom Mobile App" to his /her smart phone. Similarly, if a Shareholder/Proxyholder wishes to join via a desktop computer, the link can be opened by downloading the "Zoom Desktop App" to the respective desktop computer (Compatible web browser: Google Chrome).
- 3.2 The Shareholders/Proxyholders are requested to use the web link which would be forwarded by the Company before the AGM and should click on "Virtual AGM Registration" in order to login to the meeting (Shareholder/ Proxyholders are strictly advised to refrain from sharing the link with any third party or unauthorized person in any manner).
- 3.3 Upon clicking on the link forwarded by the Company, Shareholders/Proxyholders will be redirected to an interface where they will be requested to enter their first name, last name, email address, re-enter the email address and National Identity Card Number (participants are required to enter the correct details as mentioned in the Registration Form (Annexure 2) forwarded to the Company as any mismatch will be considered as an unsuccessful login)
- 3.4 At this point, all participants are requested to click on "REGISTER" which will be prompted on the screen enabling the participant to receive the login link. Participants are required to click on "Virtual AGM Registration".
- 3.5 Shareholders/Proxy holders participating at the meeting through audio visual conferencing are required to identify themselves at the time of speaking at the AGM, during the time allotted for the participants to make any comments as directed by Chairman. At that point, the individual will be required to give his/her name, address and NIC number for the purpose of identification as shareholder/ proxy.
- 3.6 Voting on the items on the agenda will be registered by using an online eBallot platform. All of such procedures will be explained to the Shareholders prior to the commencement of the meeting.
4. Shareholders could also appoint a member of the Board to act as their proxy if they so choose. The Shareholders who wish to appoint a Director as his/her/its proxy must forward the duly completed Form of Proxy clearly indicating their vote under each matter set out in the Form of Proxy and forward same together with the Registration Form (Annexure 2) enclosed hereto to the Company not later than 4.45 p.m. on 23rd September 2024.

Procedural Guidelines To Be Followed At The Annual General Meeting Of The Company Scheduled For 25th September 2024

5. We encourage the Shareholders to use the email address corporate@snlaw.lk to forward the said documents for timely submission of documents. Shareholders/Proxyholders will receive an email confirmation from the Company upon receipt of the required documents.
6. The Annual Report 2023/24 and the notice convening the AGM together with this procedure to be followed at the AGM will be couriered to the Shareholders.
7. Shareholders who are unable to participate at the virtual meeting via the designated online meeting platform (i.e. Zoom platform) are invited to forward their suggestions, questions and concerns (if any) relating to the items on the AGM agenda appearing in the Annual Report 2023/24 to the email address corporate@snlaw.lk not later than 4.45 p.m. on 23rd September 2024. The Board will ensure that they are discussed and addressed at the AGM, if relevant.
8. The Company intends to proceed to hold the Annual General Meeting as planned on 23rd September 2024, at 3.00 p.m., irrespective of whether it is declared a public holiday or curfew is imposed since the afore-said measures will enable participation at the meeting.

GENERAL DETAILS

We request the Shareholders/ Proxy holders who wish to participate at the AGM to forward the completed Registration Form (Annexure 2) enclosed hereto not later than 4.45 p.m. on 23rd September 2024, in order to enable the Company to forward the login information to their Email Address given in the Registration Form.

PLEASE NOTE THAT SINCE THE AGM IS TO BE HELD ON A VIRTUAL BASIS, YOU ARE REQUIRED TO PROVIDE AN EMAIL ID IN THE REGISTRATION FORM ENCLOSED HERETO, FOR THE MEETING LINK(S) TO BE FORWARDED TO YOU. IN THE EVENT AN EMAIL ID IS NOT PROVIDED, YOU WILL NOT BE ABLE TO PARTICIPATE AT THE VIRTUAL AGM AS THE COMPANY WILL NOT BE ABLE TO FORWARD THE LINK(S) TO YOU.

Login and password information is strictly confidential and is intended only for the specific Shareholder and such access information should strictly not be divulged to any other person.

WE ADVISE YOU TO LOGIN 15 MINUTES PRIOR TO THE MEETING TO ENSURE CONNECTIVITY.

If you encounter any difficulty or are unable to use/access the online meeting platform for the AGM, you may contact us immediately.

The Company has taken adequate measures to ensure that a contingency plan exists to ensure that the AGM is conducted successfully in the event of a technical malfunction.

We have designated the following person to attend to your queries relating to this procedure. You may contact them any time between 9.00 a.m. to 4.30 p.m. on any working day [Monday to Friday] on 011-2103050 or via email to corporate@snlaw.lk

Ms. Thamali Jayasena: 011-2103050

By Order of the Board of
SERENDIB LAND PLC

30th August 2024

REGISTRATION FORM - VIRTUAL MEETING

BY EMAIL/ BY FAX/ BY POST

To: S N Law Corporate Secretaries (Pvt) Ltd

HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha

Colombo 10

Shareholder's details

| | |
|--|------------|
| Name of Shareholder | |
| Address | |
| Shareholders' NIC No./ Passport No./ Co. Reg. No. | |
| Number of Shares held and Folio No | |
| Contact details | Residence: |
| | Mobile: |
| Email Address | |

.....
Signature(s) of Shareholder(s)

.....
Date

NOTES

1. Please complete the Registration Form by filling in legibly the required information, signing in the space provided and filling in the date of signature.
2. Please forward the completed form via email to corporate@snlaw.lk or by Fax to 0112692592 or by post to or handed over to the registered office of the Company, 48 hours prior to the meeting (**i.e. not later than 4.45 pm on 23rd September 2024**)
3. Shareholders/ Proxy holders are requested to provide their e-mail address and the telephone numbers in the space provided in order to enable the Company to forward the login details. **IN THE EVENT AN EMAIL ID IS NOT PROVIDED, YOU WILL NOT BE ABLE TO PARTICIPATE AT THE VIRTUAL AGM AS THE COMPANY WILL NOT BE ABLE TO FORWARD THE LINK(S) TO YOU.**
4. In the case of a Company/Corporation, the shareholder details Registration Form must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
5. In the case of a Proxy holder, the Proxy holder must forward the separate Proxy Form along with this Registration Form.

Form of Proxy

Serendib Land PLC

HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10.

I/We
of Being a shareholder/shareholders of Serendib Land PLC, hereby appoint,
..... of
whom failing Dr.J.M. Swaminathan, Chairman, whom failing Dr (Mrs) Y. Ponnambalam, whom failing Mr. G.G. Ponnambalam,
whom failing, Dr. (Mrs) M. Ponnambalam, whom failing Mr. T Someswaran, whom failing Mr. Ramesh Schaffter as my/our Proxy
to vote and *..... as indicated hereunder for me/us and on my/our behalf at the Forty Second (43rd) Annual General
Meeting of the Company to be held on 25th September, 2024 at 3 p.m. and at any adjournment thereof.

| | For | Against |
|--|--------------------------|--------------------------|
| 1. To receive and consider the Audited Financial Statements for the Year Ended 31st March 2024, together with the Reports of the Directors' and Auditors' thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Directors | | |
| I. To pass the Ordinary Resolution numbered 2(i) set out in the Notice of Meeting of the Annual General Meeting | <input type="checkbox"/> | <input type="checkbox"/> |
| II. To pass the Ordinary Resolution numbered 2(ii) set out in the Notice convening the Annual General Meeting | <input type="checkbox"/> | <input type="checkbox"/> |
| III. To pass the Ordinary Resolution numbered 2(iii) set out in the Notice of Meeting of the Annual General Meeting | <input type="checkbox"/> | <input type="checkbox"/> |
| IV. To pass the Ordinary Resolution numbered 2(iv) set out in the Notice of Meeting of the Annual General Meeting | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To declare Rs 25/- per share as a Final Dividend for the Year Ended 31st March, 2024 as recommended by the Directors. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To re-appoint the retiring Auditors M/s KPMG, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration | <input type="checkbox"/> | <input type="checkbox"/> |

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

.....
Signature of Shareholder

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.

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.

A Proxy holder need not be a member of the Company. Instructions as to completion appear on the reverse hereof.

INSTRUCTIONS FOR COMPLETION

1. To be valid this Form of Proxy must be deposited at the Registered Office of the Company at S N Law Corporate Secretaries (Pvt) Ltd not less than 48 hours before the time appointed for the holding of the Meeting.
2. The full name and address of the Proxyholder and of the Shareholder appointing the Proxyholder should be entered legibly in the Form of Proxy.
3. If you wish to appoint a person other than the Chairman (or failing him, one of the Directors) as your Proxy, please insert the relevant details at 1 overleaf and initial against this entry.
4. In the case of a Company/ Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
5. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy if it has not already registered with the Company.



Serendib Land PLC
HQ Colombo (Level 4),
No. 464A, T.B. Jayah Mawatha,
Colombo 10, Sri Lanka.