Ceylon Hotels Corporation PLC

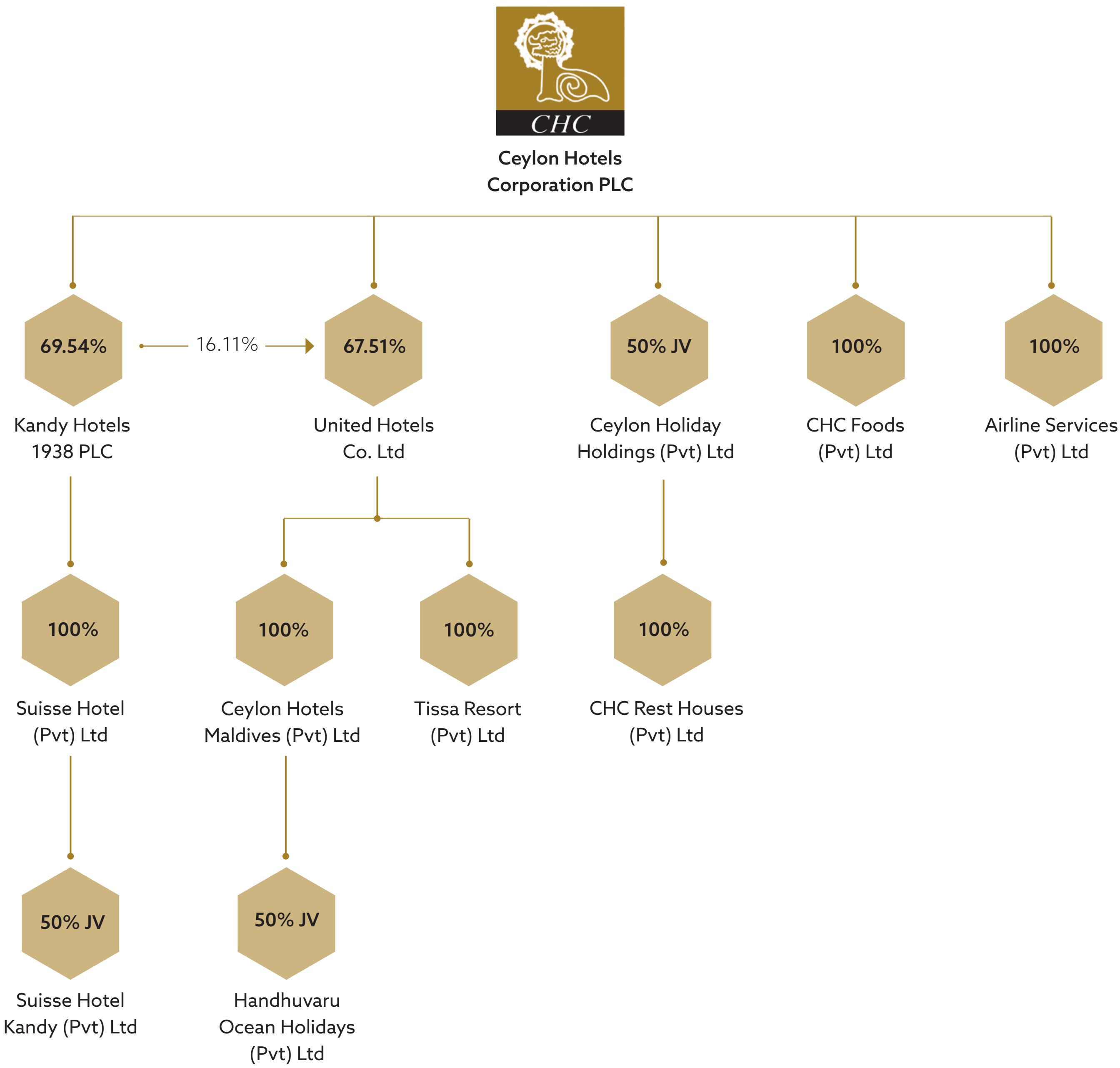
CHC

ANNUAL REPORT 2020/21

Contents

Group Structure

As at 31st March 2021



Group Financial and Operational Highlights

Performance for the year ended 31st March	2021 Rs.	2020 Rs.
Revenue	423,572,249	1,023,144,024
Earnings before interest, tax , depreciation & amortization (EBITDA)	(40,434,575)	(41,567,843)
Profit/(Loss) before tax (PBT)	(432,063,031)	(436,897,690)
Profit/(Loss) after tax (PAT)	(385,225,920)	(413,875,374)
Profit/(Loss) attributable to equity holders of the company	(312,064,378)	(348,868,078)
Earnings/(Losses) per Share	(1.73)	(1.94)
Dividend per Share (Company)	-	-
Dividend Payout Ratio (Times)	-	-
Financial Position as at 31st March		
Total Assets	12,192,134,866	12,425,114,634
Total Debt	1,864,418,646	1,602,865,287
Net Assets	9,159,560,902	9,529,220,976
Net Assets attributable to equity holders	7,027,855,608	7,327,653,498
Net Current Assets	832,746,907	1,101,850,584
No. of Ordinary Shares in Issue	180,030,942	180,030,942
Net Assets per Ordinary Share	39.04	40.70
Net Debt/Equity	9.1%	6.2%
Net Debt/Total Assets	6.8%	4.7%
Current Ratio (Times)	2.1	3.5
Market/Shareholder information as at 31st March		
Closing Market price per share	10.6	8.5
Market Capitalization	1,908,327,985	1,530,263,007

Chairman's Review

Dear Shareholder,

I am pleased to welcome you to the 55th Annual General Meeting of the Company and present to you the annual report and financial statements of Ceylon Hotels Corporation PLC for the year ended 31st March 2021.

Covid-19 pandemic continues to have an adverse impact on global travel and tourism resulting in only a negligible number of international tourist arrivals visiting Sri Lanka during the financial year. This situation severely tested the revenue generation capacity of the hotels and resorts portfolio of the company as the primary revenue drivers linked to international tourism became almost nonexistent.

Given this situation, the company was compelled to revisit its business models of its operating business units and adapt to new market conditions. Therefore, a strategic shift was made towards domestic travel, food delivery and the quarantine hotel business during the financial year. Furthermore, the company continued to focus on improving its cost efficiencies where critical decisions were made to operate a lean business model. Cashflows and liquidity of the company was a priority in these operating conditions, however, given that the company had a strong balance sheet prior to entering the Covid 19 crisis it was able to avail itself of sufficient assistance from banks to manage its overall liquidity position.

GLOBAL TOURISM

International tourist arrivals declined by 73% in 2020 according to the United Nations World Tourism Organization (UNWTO) with the rapid escalation of the COVID-19 pandemic. All regions were severely affected with the Asia Pacific region being the most affected with a decline of 84%. As a result, international tourism receipts have declined by 63% in 2020 to US$ 538 billion ending a long period of sustained growth in international tourism receipts since 2009.

SRI LANKA TOURISM

Tourist arrivals to Sri Lanka was insignificant with only 10,022 arrivals during the financial year 2020 / 2021. Zero tourist arrivals were recorded from April 2020 to the 27th of December 2020 due to a nine month long travel ban that resulted in border restrictions. Thereafter, a minor flow of tourists primarily from Ukraine and Kazakhstan arrived in the island, however with the onset of the third wave in Sri Lanka starting April 2021, recovery prospects have further slowed down.

Tourism was an integral part of the Sri Lankan economy, accounting for approximately 5% of Gross Domestic Product (GDP). However in 2020, only US$ 682 million in tourism earnings were generated, compared to the US$ 3.6 billion earnings in 2019, creating a significant gap in foreign currency inflows to the country.

Covid-19 pandemic continues to have an adverse impact on global travel and tourism resulting in only a negligible number of international tourist arrivals visiting Sri Lanka during the financial year. This situation severely tested the revenue generation capacity of the hotels and resorts portfolio of the company as the primary revenue drivers linked to international tourism became almost nonexistent.

Given the sudden halt in international tourists, most hospitality companies were forced to shift focus towards domestic tourism, banquets, events, restaurants and food delivery business segments given the new business landscape. However, the competitive environment in this space has also intensified, as most hotel operators, restaurants are competing to capture a share of this market.

PERFORMANCE REVIEW

The consolidated revenue recorded by the group for the period under review was Rs. 423.6 million, compared to the 1,023.1 million recorded in the previous financial year. The decline in revenue was due to the prevailing pandemic conditions resulting in very low occupancy levels and food & beverage revenue.

The group's operating loss for the year under review was Rs.223.9 million, compared to a loss Rs. 232.8 million recorded last year.

The Group ended up with a consolidated post tax loss of Rs. 385.2 million for the year ended 31st March 2021 compared to a post tax loss of Rs. 413.9 million during the previous financial year, a result that would have been significantly different if not for the operating strategies that were put in place during the financial year.

Operating Through Adversity

Subsequent to the first detection of Covid-19 and then followed by the second and third waves, Sri Lanka went through several cycles of partial lock downs and openings, adding pressure and testing the agility of our business plans that were put in place to operate the businesses under Covid-19 conditions. The company reacted swiftly to address the impact by shoring up liquidity, reducing costs at hotel levels to cater to the new market conditions

Kandy Hotels Company (1938) PLC

The Kandy Hotels Company (1938) PLC ("KHC") are the owners of the Queens Hotel, Hotel Suisse and OZO Kandy. KHC at a Company level recorded a total revenue of Rs. 145.0 million for the financial year ended 31st March 2021 compared to Rs. 410.7 million recorded last year, a sharp decline of 65%. Accordingly, Company Net loss for the year under review was Rs. 53.0 million, compared to a net profit of Rs. 26.9 million in FY 2019/2020.

The focus of the management team was to operate a cost efficient business by reducing costs and realigning the business model to cater to the domestic travel segment. Hotel Suisse was converted as a quarantining facility to an anchor business in order to create a steady stream of cash flows. However, with the increasing supply of such facilities throughout the Country over time, and with intermittent secessions of repatriations due to Airport closures, generating a continued income stream from this business segment has become a challenge.

United Hotels Company Limited

United Hotels Company Limited (UHC) recorded a total revenue of Rs. 210.4 million for the financial year under review compared to Rs. 463.0 million recorded the previous year. As a result of this sharp decline in Revenue, UHC recorded an operating loss of Rs. 127.7 million for the financial year ended 31st March 2021, compared an operating loss of Rs. 83.2 million recorded last year.

Surf and Safari properties were also converted as quarantine facilities which provided a regular revenue stream to the Company, however the ability to sustain these cash flows from this business will be a challenge. For the other two properties the focus was on the domestic market with stringent cost control measures being implemented.

CHC Rest Houses

CHC Rest Houses cluster recorded a total revenue of Rs. 60.6 million for the financial year under review compared to Rs. 185.2 million recorded the previous year. The cluster also recorded an operating loss of Rs. 43.2 million for the financial year ended 31st March 2021, compared an operating profit of Rs. 1.6 million recorded last year. Given that this cluster was also restructured where some of the smaller rest houses were brought under third party operators on a fixed income model, continued to mitigate the negative impact from the pandemic to the Group. Our overall approach has been to operate a stringent cost control model with a high focus towards the local travel segment.

CHC Foods

CHC Foods (Pvt) Limited recorded a total revenue of Rs. 64.8 million for the financial year ended 31st March 2021 compared to Rs. 144.4 million recorded last year,

As highlighted in the previous years review, prior to entering the crisis, we had restructured the CHC Foods business operation by downsizing the outlet count to operate as a lean business. Even though the onset of covid-19 related lock downs and travel restrictions adversely affected the business operations resulting in a operating loss of Rs. 13.4 million during the financial year, the restructuring initiatives that were implemented helped reduce this overall impact.

OUTLOOK

Industry prospects continue to remain challenging, as a resumption of global tourism is dependent on health and safety factors related to access to vaccines, its effectiveness against new variants of the COVID-19 virus, and the containment of any resurgence through multiple waves of the pandemic.

These factors will dominate the thought process of prospective international tourists as any significant relaxation of travel restrictions along with improvement in traveler confidence will be required for a recovery to take place in global tourism. Given these uncertain conditions, your Company will continue to manage its businesses focusing on stringent expense control measures prioritizing on cashflows and liquidity.

Despite the prevailing highly uncertain conditions in the short term due to the spread of new potentially more dangerous variants of the corona virus, we are cautiously optimistic

Chairman's Review

about the medium to long term outlook for Sri Lanka Tourism. Ministry of Tourism and the Sri Lanka Tourism Development Authority has implemented several measures to enhance the readiness of the industry to welcome international travelers at pre-pandemic levels such as the issuing of Covid-19 guidelines and the roll out of the 'Safe and Secure' certification process for tourism establishments and service providers. These measures and initiatives are essential to promote Sri Lanka as a safe travel destination which will help the tourism industry recover faster.

In line with these measures, the Company has also prioritized the safety and well-being of its guests and employees by operating the highest degree of health and safety vigilance by following the guidelines set by the Government of Sri Lanka, the Ministry of Health and protocols issued by local and international authorities.

APPRECIATION

The Company is thankful to the leadership of H.E. President of Sri Lanka, the taskforce on prevention of COVID-19 outbreak, and is mostly grateful to the healthcare providers, tri-forces, police and all other authorities for their tireless efforts and the sacrifices made to manage this unprecedented crisis.

I also wish to thank our Group Chairman, Mr. Sanjeev Gardiner and my Fellow Directors for their considerable contribution and thank the associates of the Company for their endurance during these difficult times.

I also wish to thank and appreciate the CEO and the management team of our management company.

The Company is also grateful to the timely financial support provided by the Government of Sri Lanka, Central Bank of Sri Lanka and the Ministry of Tourism through concessionary funding, loan moratoriums and other concessions on payment of levies.

I also would like to thank our valued Guests, Travel Agents, Suppliers, Bankers, Auditors, Secretaries and our Shareholders for the invaluable support given at all times.

(Sgd.)
Lakshman Samarasinghe
Chairman

30th August 2021

Board of Directors

MR. SANJEEV GARDINER

Mr. Sanjeev Gardiner was appointed to the Board of Ceylon Hotels Corporation PLC in 1996 and he is the Chairman and Chief Executive Officer of the Gardiner Group of Companies which includes the Galle Face Hotel Co Limited, Galle Face Hotel 1994 (Pvt) Ltd, Ceylon Hotels Holdings (Pvt) Ltd (holding Company of Ceylon Hotels Corporation PLC) The Kandy Hotels Company (1938) PLC and, United Hotels Company Limited which owns The Surf (Bentota), The Safari (Tissa) and The Lake (Polonnaruwa). He is also the Chairman of Ambeon Capital PLC, Ambeon Holdings PLC, and Millennium I.T. E.S.P. (Pvt) Ltd and is a Director on the Board of Dankotuwa Porcelain PLC, among its other companies. He is also a Director of Cargills (Ceylon) PLC since 1994.

Mr. Gardiner counts over 31 years of management experience in a diverse array of businesses. He holds a Bachelor's Degree in Business from the Royal Melbourne Institute of Technology, Australia and, a Bachelor's Degree in Business (Banking and Finance) from Monash University, Australia.

In addition to his work in the corporate sector, Mr. Gardiner is also a Director and Council member of Helpage Sri Lanka and a member of many other charitable institutions.

MR. LAKSHMAN SAMARASINGHE

Mr. Samarasinghe was appointed to the Board of Ceylon Hotels Corporation PLC in 2005.

As a Director of Galle Face Hotel Co. Ltd for over 43 years and a Director of all Group Companies for over 4 decades, Mr. Samarasinghe is the longest serving Director of the Company and counts for over 51 years of Management experience. He possess a wealth of knowledge and has proven to be an invaluable member of the Company.

Mr. Samarasinghe served as an Executive Director of Autodrome PLC for a period of 20 years thereafter continued as a Non-Executive Director until 2007 when he opted to retire under the Stock Exchange rules.

He was appointed as the Chairman of Ceylon Hotels Corporation PLC in July 2005 and has continued in that capacity for 16 consecutive years. He is also Director of The Kandy Hotels Co. (1938) PLC and other subsidiary companies of the Ceylon Hotels Corporation PLC.

MR. PRIYANTHA MADDUMAGE

Mr. Maddumage was appointed to the board of Ceylon Hotels Corporation PLC in 2005.

Mr. Priyantha Maddumage holds a Bachelor of Commerce Special Degree from the University of Sri Jayawardenapura and a Master of Business Management from Edith Cowan University in Australia and counts over 28 years of Finance Management experience.

He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka, The National Institute of Accountants of Australia, CPA Australia and Institute of Certified Management Accountants of Sri Lanka and also a Fellow member of Institute of Certified Professional Managers of Sri Lanka.

Mr. Maddumage serves as a Director in all subsidiary Companies of Ceylon Hotels Corporation PLC. Currently, Mr. Maddumage is the Group Chief Investment Officer of the Gardiner Group of Companies.

MR. MANGALA BOYAGODA

Mr. Mangala Boyagoda has many years of experience in the fields of Banking and Treasury Management having worked at DFCC Bank, Standard Chartered Bank, Union Bank and Bank of Ceylon.

He is the Chairman of Wealth Lanka Management (Pvt) Limited. He also functions as Director of Wealth Trust Securities Limited, SAFE Holdings (Pvt) Limited, Asset Trust Management (Pvt) Limited, Dankotuwa Porcelain PLC, Ceylinco General Insurance Limited, Sierra Construction (Pvt) Limited, Cargills Bank Limited, Royal Fernwood Porcelain Limited, Faber Capital (Pvt) Limited, United Hotel Co. Limited, C. A. Crushing (Pvt) Limited, Sri Lanka Gateway Industries (Pvt) Limited, Chemanex PLC, Asset Holding Pvt Ltd and Dhamma Parami Trust. Mr. Boyagoda holds a MBA from Irish University – European Union.

Board of Directors

MR. KUVERA DE ZOYSA

Kuvera de Zoysa, was admitted as an Attorney- at- Law of the Supreme Court of Sri Lanka in 1993 and as a President's Counsel in 2012. He holds an LL.M. in International Trade Law from the University of Wales. He has considerable experience in the areas of corporate and commercial law, banking law, international trade law, investment law, insurance law, maritime security law, corporate/commercial based litigation and arbitration and sports law. Mr. de Zoysa has spearheaded many IPOs, and provided legal opinions and strategic and value adding advisory services on diverse commercial and corporate transactions including restructurings and public private partnerships. He has also successfully appeared in many landmark litigation and arbitration matters involving complex corporate and commercial legal matters both locally and internationally. He has served as Chairman/ Director on the Boards of many companies, both listed and unlisted and further served on Board appointed audit, legal, risk management, remuneration and executive credit committees of leading corporates. He currently sits on the boards of leading institutions in the financial and leisure sector in Sri Lanka.

MR. AJITH DEVASURENDRA

Mr. Ajith Devasurendra is a veteran in the financial services industry in Sri Lanka and counts over 35 years of experience both in Sri Lanka and overseas.

Mr. Devasurendra is the Deputy Chairman of Ambeon Capital PLC, Ambeon Holdings PLC and Dankotuwa Porcelain PLC.

MR. RANIL PATHIRANA

Mr. Ranil Pathirana has extensive experience in finance and management in financial, apparel and energy sectors and presently serves as a Director of Hirdaramani Apparel Holdings (Private) Limited, Hirdaramani Leisure Holdings (Private) Limited and Hirdaramani Investment Holdings (Private) Limited which are the holding companies of the Hirdaramani Group. He is also the Managing Director for Hirdaramani International Exports (Pvt) Limited.

Mr. Pathirana is the Chairman of Windforce PLC and a Non-Executive Director of Ambeon Capital PLC, Ambeon Holdings PLC, Sampath Bank PLC, BPPL Holdings PLC, ODEL PLC & Alumex PLC. He is a Fellow Member of the Chartered Institute of Management Accountants, UK and holds a Bachelor of Commerce Degree from the University of Sri Jayewardenepura.

MR. WASANTHA WIMALAWEERA

(Resigned - 10 February 2021)

Mr. Wasantha Wimalaweera was appointed to the Board in September 2015. Counting more than 19 years in the fields of Auditing, Taxation and Finance, he has been the Head of the Finance and Capital Markets division of the Employee's Trust Fund Board for the last eight years. In his professional career, Mr. Wasantha Wimalaweera has gained in-depth experience in managing investments, and has specialised in services such as portfolio management and corporate valuations. His expertise has generated significant value to the Employees' Trust Fund Board in transforming its outdated and archaic accounting system into a modern financial reporting system in keeping with international standards. Mr. Wasantha Wimalaweera is a Fellow of the Institute of Chartered Accountants of Sri Lanka and holds a Bachelor of Commerce Special Degree with a Second Upper Division pass from the University of Jayawardenapura, Sri Lanka.

MR. KAMANTHA AMARASEKERA

Mr. Kamantha Amarasekera is an eminent tax consultant and the senior tax and legal Partner of Amarasekera & Company – a leading tax consultancy firm in the Country. He is a member of the Institute of Chartered Accountants of Sri Lanka and is an Attorney at Law of the Supreme Court of Sri Lanka. He graduated in Business Administration from the University of Sri Jayawardenapura. Mr. Kamantha Amarasekera is also a Director of Associated Ceat (Pvt) Ltd., Lanka Milk Food (CWE) PLC, Madulsima Plantation PLC, Balangoda Plantation PLC, Eden Hotels PLC, Confifi Hotels Holdings PLC, Finco Holding Ltd., Browns Investment PLC, Hydropower Freelanka PLC, Freelanka Capital Holdings PLC, Palm Garden Hotels PLC, Environmental Resource PLC, and Suisse Hotel Kandy (Pvt) Ltd. He is an Independent Non-Executive Director of the Company.

MR. SHALIKE KARUNASENA

Mr. Shalike Karunasena presently serves as the Group Chief Financial Officer of the Gardiner Group of Companies. Mr. Karunasena has over 21 years of experience in Financial Management, Treasury and Strategy in the fields of Commodities Trading, Overseas Plantations, Refining & Manufacturing and Leisure/ Hospitality with over 16 years of Senior Management experience functioning within the South-East Asian Region. He is a Fellow of the Chartered Institute of Management Accountants, UK.

MR. REVANTHA DEVASURENDRA

(Alternate Director to Mr Ajith Devasurendra)

Mr. Revantha Devasurendra holds a Bachelor of Arts with Honours in Industrial Economics from the University of Nottingham and a certificate in Hotel Real Estate Investments and Asset Management from Cornell University's School of Hotel Administration.

Presently, Mr. Devasurendra is the Managing Director of British Ceylon Capital (Pvt) Limited and holds directorships in Cyril Rodrigo Restaurants (Private) Limited, Dankotuwa Porcelain PLC, Navitas Investments (Private) Limited, C H C Investments (Private) Limited, Ceylon Hotels Investments (Private) Limited, Eon Tec (Private) Limited, United Hotels Company Limited, Live is to Travel (Private) Limited, Wild Ceylon (Private) Limited and Nidanwala Watta (Private) Limited.

Management Discussion and Analysis

ECONOMIC ENVIRONMENT

Gross Domestic Product

The global economy recorded one of its worst recessions in decades according to the World Economic Outlook (WEO) of the International Monetary Fund (IMF) released in April 2021 as it declined by 3.3 per cent in 2020. The Sri Lankan economy also witnessed its deepest recession since independence in 2020, contracting by 3.6% in real terms impacted by the Covid-19 pandemic. Nominal Gross Domestic Product ("GDP") declined from US$ 84.0 billion in 2019 to US$ 80.7 billion in 2020 and the GDP per capita followed the same trajectory with 2020 recording US$ 3,682 compared to a GDP per capita of US$ 3,852 recorded in 2019. The industry sector witnessed the steepest decline with year on year decline by 6.9%, followed by the Agriculture sector with a decline of 2.4% and the Services sector with a decline of 1.5%. Tourism sector is a key part of the services sector of the economy that was severely affected due to the sudden halt in international tourist arrivals as the Covid-19 pandemic escalated in 2020.

Trade Account and Exchange Rate

Sri Lanka's export sector exhibited strong resilience despite the pandemic conditions recovering faster than expected after a steep decline in the second quarter of 2020. The trade balance of the country improved marginally from US$ (8.0) billion in 2019 to US$ (6.0) billion in 2020, which was due to the decline in imports by US$ 3.9 billion compared to a decline of US$ 1.9 billion in exports. This was supported by policy measures to restrict non-essential imports and relatively low international petroleum prices which reduced the overall imports to the country. Worker remittances to the country grew at a rate of 5.8% compared to 2019, providing support to the external account.

However, the Covid-19 pandemic adversely impacted tourism earnings with the closure of borders resulting in a steep shortfall in foreign exchange inflows. Significant outflows were also seen in the government securities and the equity markets as foreign capital moved out from the country due to the ratings downgrades and the perceived macroeconomic risks. As a result of these external factors, the exchange rate continued to be volatile and the average rate depreciated by 3.7% during 2020 and remained under pressure due to the large outflows required to repay the international sovereign bond maturities.

Interest Rates and Inflation

The Central Bank relaxed its monetary policy stance during 2020 as a supportive measure towards the recovery of the economy which was affected by the COVID-19 pandemic. As a result, deposit rates witnessed a sharp drop, with the weighted average deposit rates by commercial banks declining from 8.2% in 2019 to 5.8% in 2020. Lending rates followed a similar trend with the weighted average new lending rate by commercial banks declining to 8.38% in 2020 compared to 12.8% recorded in 2019. The one-year treasury bill yields were 5.05% by the end of 2020 compared to 8.45% during the end of 2019. Overall markets saw a sharp decline in interest rates driven by the 350 basis points reduction in the standing deposit facility and standing lending facility policy rates of the Central Bank of Sri Lanka from 2019 to 2020. Despite the decline in the interest rates, the headline and core inflation rates remain subdued as the overall consumer demand remains subdued due to the low economic activity levels resulting from the Covid-19 pandemic.

INDUSTRY ENVIRONMENT

Global Tourism

International tourist arrivals dropped by 73% in 2020 according to the United Nations World Tourism Organization (UNWTO) with the escalation of the COVID-19 pandemic returning to levels seen 30 years ago. The impact was felt across all regions with the Asia Pacific region being the most affected with a decline of 84%. International tourism receipts also declined by 63% in 2020 to US$ 538 billion ending a long period of sustained growth in international tourism receipts since 2009. UNWTO is projecting the recovery towards 2019 pre-pandemic levels to take about 2.5 to 4 years (mid 2023 to end 2024) with the gradual easing of global travel restrictions subject to the success of the global vaccination drive.

Sri Lanka Tourism

Starting from mid-March 2020, following the identification of COVID-19 patients in Sri Lanka, the Government declared a state of "work from home' for the general public. These measures were further strengthened from 20th March 2020 onwards, where an island wide curfew was imposed excluding certain services that were categorized as essential. As a further measure, the international airport was also closed for all inward international commercial passenger flights from 19th March 2020. The COVID-19 pandemic and the containment measures taken (Locally and Globally) to prevent its spread, have impacted the Travel and Tourism Industry the hardest.

Tourist arrivals to Sri Lanka were insignificant with only 10,022 arrivals during the financial year 2020 / 2021. Zero tourist arrivals were recorded from April 2020 to the 27th of December 2020 due to a nine-month long travel ban that resulted in border restrictions. Thereafter, a minor flow of tourists primarily from Ukraine and Kazakhstan arrived in the island, however with the onset of the third wave in Sri Lanka starting April 2021, recovery prospects have further slowed down.

Tourism earnings is a key contributor to the overall Sri Lankan economy accounting for approximately 5% of GDP. In 2020, only US$ 682 million in tourism earnings were generated, which was substantially below the US$ 3.6 billion earnings generated in 2019, resulting in a sharp loss of foreign currency inflows to the country. As a result, most hospitality companies were forced to shift focus towards domestic tourism, banquets, events, restaurants and food delivery business segments given the new business landscape.

Therefore, Ceylon Hotels Corporation PLC ("CHC") also had to rearrange the business model to cater to these lines of businesses despite the competitive landscape as other hotels and resorts also had to rely on the same revenue sources. The quarantine business was one of the anchor businesses that generated a constant stream of cash flows to the company during the financial year as few of the hotels were converted to quarantine hotel facilities. However, with the increasing supply of such facilities, intermittent secessions of repatriations due to airport closures this business segment will not be able to perform at a sustainable level over an extended period.

OVERVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE

Revenue and operating results

The Ceylon Hotels Corporation Group revenue reached Rs. 423.6 million during the financial year 2020 / 2021, compared to Rs. 1,023.1 million during the previous year. Group performance was adversely affected due to the Global COVID-19 pandemic which had an impact on the entire financial year.

Room revenue of the Group decreased from Rs. 466.5 million in FY 2019/2020 to Rs. 110.3 million in FY 2020/2021. The food and beverage revenue decreased from Rs. 465.3 million to Rs. 291.2 million. Other Income also recorded a decline with a revenue of Rs. 22.0 million compared to Rs. 91.3 million recorded during the previous financial year.

The Gross Profit of the Group declined from Rs. 727.4 million to Rs. 265.3 million on a year on year basis, and the overall the gross profit margin declined from 71.1 % to 62.6 % in FY 2020/2021.

Group Administrative expenses declined from Rs. 762.0 million to Rs. 461.1 million as stringent cost control measures continued during the financial year in order to operate a lean business model. Group Distribution expenses reduced from Rs. 61.2 million during the previous financial year to Rs. 32.2 million in FY2020/2021.

The group recorded an operating loss of Rs. 223.9 million for the year under review compared to an operating loss of Rs. 232.8 million recorded last year. Overall, the Group recorded a loss before tax of Rs. 432.1 million during the financial year under review compared to a loss before tax of 436.9 million during the previous financial year. Loss after tax for the group for the year ended 31st March 2021 was Rs. 385.2 million compared to a loss after tax of 413.9 million recorded during the previous financial year, a result that would have been significantly different if not for the operating strategies that were put in place during the financial year.

The net finance costs of the Group declined from Rs. 85.8 million to Rs. 60.8 million in FY 2020/ 2021. The declining trend in the overall interest rates in the country will have a positive impact on the servicing of interest commitments for the coming financial year. However, due to the capitalization of interest due to the moratorium on loans, the future interest burden on the Group will increase as a result of the accumulation of debt and the resulting increase in interest costs.

FINANCIAL POSITION

Total Assets

The total assets of the group was Rs. 12.2 billion compared to Rs. 12.4 billion during the previous financial year.

The Company has Rs. 1.0 billion in cash reserves largely held in foreign currency, and the depreciation of the rupee will have a positive impact on the balance sheet.

Borrowings

Total interest bearing borrowings of the Group as at 31st March 2021 was Rs. 1.7 billion compared to Rs. 1.5 billion during the previous financial year. Due to the capitalization of interest due to the moratorium on loans, the future debt burden on the Group will increase as a result of the accumulation of debt. Furthermore, the Group also availed itself of the concessionary financing that was available subsequent to the Easter Attacks and also at the onset of the Pandemic. As a result, since 1st April 2019 total debt has increased, which includes moratorium related debt of Rs. 300 million and concessionary financing related debt of Rs. 128 million.

The net debt to equity ratio was 0.09 as at the financial year end vis a vis 0.06 during FY 2019/2020. Net Assets of the Group excluding minority interest was Rs. 7.0 billion as at 31st March 2021 compared to Rs. 7.3 billion during the previous financial year.

PERFORMANCE ANALYSIS OF SUBSIDIARIES AND JOINT VENTURES

United Hotels Company Limited.

The United Hotels Company Limited ("UHC") are the owners of EKHO Surf, EKHO Safari, EKHO Lake House, the Lake Hotel and joint owners of the Anbaraa Island in Maldives.

UHC recorded a total revenue of Rs. 210.4 million for the financial year under review compared to Rs. 463.0 million recorded the previous year. As a result of this sharp decline in Revenue, UHC recorded an operating loss of Rs. 127.7 million for the financial year ended 31st March 2021, compared an operating loss of Rs. 83.2 million recorded last year

Surf and Safari properties were also converted as quarantine facilities which provided a regular revenue stream to the Company, however the ability to sustain these cash flows from this business will be a challenge. For the other two properties the focus was on the domestic market with stringent cost control measures being implemented.

Kandy Hotels Company (1938) PLC

The Kandy Hotels Company (1938) PLC ("KHC") are the owners of the Queens Hotel and Hotel Suisse. KHC at a Company level recorded a total revenue of Rs. 145.0 million for the financial year ended 31st March 2021 compared to Rs. 410.7 million recorded last year, a sharp decline of 65%. Accordingly, Company operating loss for the year under review also declined to Rs. 67.7 million, compared to an operating profit Rs. 33.7 million recorded last year. Company Net loss for the year under review was Rs. 53.0 million, compared to a net profit of Rs. 26.9 million in FY 2019/2020.

Net Assets of KHC decreased marginally to Rs. 7.7 billion as at 31st March 2021 compared to Rs. 7.9 billion during the previous financial year as a result of losses recorded from the business.

The focus of the management team was to operate a cost efficient business , by reducing costs and realigning the business model to cater to the domestic travel segment. Hotel Suisse was converted as a quarantining facility as an anchor business in order to create a steady stream of cash flows. However, with the increasing supply of such facilities throughout the Country over time, and with intermittent secessions of repatriations due to Airport closures, generating a continued income stream from this business segment has become a challenge.

CHC Foods (Pvt) Limited

CHC Foods (Pvt) Limited recorded a total revenue of Rs. 64.8 million for the financial year ended 31st March 2021 compared to Rs. 144.4 million recorded last year,

As highlighted in the previous years review, prior to entering the crisis, we had restructured the CHC Foods business operation by downsizing the outlet count to operate as a lean business. Even though the onset of covid-19 related lock downs and travel restrictions adversely affected the business operations resulting in a operating loss of Rs. 13.4 million during the financial year, the restructuring initiatives that were implemented helped reduce this overall impact.

JOINT VENTURES

Suisse Hotel Kandy (Pvt) Limited

Suisse Hotel Kandy (Pvt) Limited recorded a loss of Rs. 229.1 million during the FY 2020/2021 compared to a loss of Rs. 198.5 million during the previous financial year as the external environment factors continue to weigh in on the performance of the hotel where the impact from currency loss was Rs. 72.4 million compared to an operational loss of Rs. 86.7 million.

CHC Rest Houses (Pvt) Limited

CHC Rest Houses cluster recorded a total revenue of Rs. 60.6 million for the financial year under review compared to Rs. 185.2 million recorded the previous year. The cluster also recorded an operating loss of Rs. 43.2 million for the financial year ended 31st March 2021, compared an operating profit of Rs. 1.6 million recorded last year. Given that this cluster was also restructured where some of the smaller rest houses were brought under third party operators on a fixed income model, continued to mitigate the negative impact from the pandemic to the Group. Our overall approach has been to operate a stringent cost control model with a high focus towards the local travel segment.

OUTLOOK

Industry prospects continue to remain challenging given the current state of the COVID-19 pandemic, as a recovery of global tourism is dependent on health and safety factors related to access to vaccines, its effectiveness against new variants of the COVID-19 virus, and the containment of any resurgence through multiple waves of the pandemic.

As a result of these factors, a rebound in traveler confidence to pre-pandemic levels in the short term is unlikely as a significant relaxation of travel restrictions across the world need to be in place for a rebound in global tourism. Therefore, your Company will continue to operate a cost effective business model focusing on stringent expense control measures during this uncertain period.

The Company has also prioritized the safety and well-being of its guests and employees by operating the highest degree of health and safety vigilance by following the guidelines set by the Government of Sri Lanka, the Ministry of Health and protocols issued by local and international authorities.

Despite these challenging circumstances, we remain cautiously optimistic about the medium term growth story for Sri Lanka Tourism. Ministry of Tourism and the Sri Lanka Tourism Development Authority has implemented several measures to enhance the readiness of the industry to welcome international travelers at pre-pandemic levels such as the issuing of Covid-19 guidelines and the roll out of the 'Safe and Secure' certification process for tourism establishments and service providers and these measures and initiatives will benefit the industry and its stakeholders to rebound faster during the recovery stage of global travel and tourism.

Risk Management

The Company's overall Risk Management objective is to ensure that it creates value to its shareholders, whilst minimizing any potential adverse impact to its business plans, brand profile and financial results.

The Company's risk management framework is firmly embedded into its business planning process and is in the hands of the core business teams who ensures early detection, prevention of risk as well as exploitation of opportunities. The Board ensures that the framework is prudent and effective, which enable risk to be assessed and managed, and is supported by the Audit Committee in the overall review process.

Our business is exposed to the following key risks.

I. Risks Relating to COVID-19

Given the current state of the COVID-19 pandemic, Industry prospects continue to remain challenging. A resumption of global tourism is dependent on health and safety factors related to access to vaccines, its effectiveness against new variants of the COVID-19 virus, and the containment of any resurgence through multiple waves of the pandemic. The rollout of vaccines both locally and globally is extremely encouraging for everyone and of course vital to our industry's recovery, but will take its time.

All the above factors will continue to dampen the decision making process of international tourists as significant relaxation of travel restrictions along with improvement in traveler confidence need to be in place for a true rebound in global tourism.

In the absence of international tourists, the Group is currently dependent on local tourism, banquets, events and restaurant businesses, however, the domestic travel segment is also vulnerable to any resurgence in COVID-19 within Sri Lanka. Competition among local players also remain intense in a heavily discounted market as domestic travelers have several travel options available in the prevailing market conditions.

While we know recovery will take time, we have shown our ability to operate adeptly through uncertainty and to evolve. Therefore, your Company will continue to operate a cost effective business model focusing on stringent expense control measures during this uncertain period.

II. Risks Relating to Our Industry

Our industry is highly competitive, which may impact our ability to compete successfully for guests with other hotel properties and home sharing or rental services. We operate in a market that contain many competitors. Our hotels compete with other hotel chains, independent hotels, and home sharing services in the region.

Our ability to remain competitive and attract and retain business and leisure travelers depends on our success in the offering, experience, strategically located properties, guest loyalty, quality, value for money, and efficiency of our products and services.

Our ability to expand on our operating margins is affected due to this competition and would also depend on demand supply dynamics within the overall industry space.

Economic downturns and other global, national, and regional conditions mainly in our source markets, and generally globally, will have an impact on the overall international traveler arrivals into the country and our industry's growth momentum. Because we rely on key tourism source markets for our businesses, changes in economic conditions, governmental policies, geopolitical and social conditions, pandemics and health related concerns will impact free travel will inturn impact our activities.

Our business is impacted by heightened travel security measures, travel advisories, disruptions in air travel, and concerns over disease, violence, war, or terrorism.

Macro external factors within Sri Lanka, that dampens international traveler sentiments such as political and economic disruption, the emerging risk of infectious diseases (local centric such as a dengue outbreak), actual or threatened acts of terrorism or war, violence natural or man-made disasters could have an impact on our growth momentum.

III. Risks Relating to Our Business

Our business depends on the quality and reputation of our Company and our brands, and any deterioration could adversely impact our market share, reputation, business, financial condition, or results of operations. Many factors can affect the reputation of one or more of our properties and the value of our brand, including service, food quality and safety, safety of our guests and employees, our approach to health and cleanliness, our approach to managing environmental and social matters and support for local communities. Reputational value is also based on perceptions, and broad access to social media makes it easy for anyone to provide public feedback that can influence perceptions of us, our brand and our hotels, and it may be difficult to control or effectively manage negative publicity, regardless of whether it is accurate. Any material decline in the reputation or perceived quality of our brand or corporate image could affect our market share, reputation, business, financial condition, or results of operations.

Attracting, developing and retaining leadership and talent. We compete with other companies both within and outside of our industry for talented personnel. If we cannot recruit, train, develop, and retain sufficient numbers of talented employees, we could experience increased employee turnover, decreased guest satisfaction, low morale, inefficiency, or internal control failures. Insufficient numbers of talented employee could also limit our ability to grow and expand our businesses. In addition, the efforts and abilities of our senior executives are important elements of maintaining our competitive position and driving future growth, and the loss of the services of one or more of our senior executives could result in challenges executing our business strategies or other adverse effects on our business. The impact of COVID-19 on the hospitality industry, and actions that we and others in the hospitality industry have taken and may take in the future with respect to our employees and executives in response to COVID-19, may adversely affect our ability to attract and retain employees and executives in the future.

Risks relating to natural or man-made disasters, will adversely affect our revenues. We have seen a decline in travel and reduced demand for lodging due to so called "Acts of God," as well as man-made disasters and the spread of contagious diseases in locations where we own properties and If a terrorist event or other incident of violence were to involve one or more of our branded properties, demand for our properties in particular could suffer disproportionately, which could further hurt our revenues and profits. But the Company has adequate insurance covers in place on both property as well as consequential losses.

IV. Property / Investment Valuation Risk

The valuations of the properties of the company and investment in the investee company are stated at fair value and are assessed by independent professional valuers. Some of the key assumptions which impact the valuation applicable market discount rate, both of which are beyond the control of the Company. While adequate measures are taken to manage the controllable input of the valuation assumptions, volatility in external environment and industry dynamics can result in fluctuations in the appraised fair value of the investments in the financial statements.

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

The Board of Directors have pleasure in presenting the Annual Report for the year ended 31st March 2021 on the affairs of the Company. Details setout herein provide the pertinent information required by the Companies Act No.7 of 2007, Listing Rules of the Colombo Stock Exchange (CSE) and recommended best accounting practices.

1. PRINCIPAL ACTIVITY THE COMPANY AND ITS SUBSIDIARIES

The principal activity of the Company is holding investments in companies that are engaged in the hospitality trade

Direct subsidiary companies of the group are listed below.

1. CHC Foods (Private) Limited
2. The Kandy Hotels Co. (1938) PLC
3. United Hotels Company Limited
4. Airline Services (Private) Limited

2. ANNUAL REPORT

The Board of Directors on 30th August 2021, approved the Company's Audited Financial Statements together with the reviews which form part of the Annual Report. The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies within the given time frames

3. REVIEW OF THE YEAR

Chairman's Review and the Management Discussion and Analysis on pages 4 and 10 describes the Company's affairs and highlights important events that occurred during the year, and up to the date of this report. The Group Financial Highlights on page 3 summarize the financial results of the Company. These reports together with the audited financial statements reflect the state of affairs of the Group.

4. FINANCIAL PERFORMANCE OF THE COMPANY

The financial statements which include statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cashflows and the notes to the financial statements of the Company and the Group for the year ended 31st March 2021 and are prepared in compliance with the requirements of section 151 of the Companies Act No. 7 of 2007 are given on pages 40-105 in this annual report.

5. FINANCIAL RESULTS

The net loss before tax of the Group was Rs. 432 Mn on a turnover of Rs. 423.6 Mn for the year ended 31st March 2021 compared to net loss before tax Rs. 436.9 Mn on a turnover of Rs. 1,023 Mn in 2019/2020.

An abridgement of the financial performance of the Company and Group is presented below.

For the year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Loss attributable to equity holders	(312,064,378)	(348,868,078)	(73,431,051)	(74,274,806)
Profit brought forward from previous year	1,448,391,288	1,684,774,418	34,345,388	107,912,439
Other comprehensive (loss)income attributable to equity holders	(903,243)	1,190,724	(372,281)	707,755
Transfer of excess depreciation on revaluation	93,974,805	111,294,224	-	-
Retained earnings (loss) carried forward	1,229,398,472	1,448,391,288	(39,457,944)	34,345,388

6. AUDITORS' REPORT

The Auditors' Report on the Financial Statements is given on pages 36-39 of this Annual Report.

7. SIGNIFICANT ACCOUNTING POLICIES

The details of the accounting policies adopted by the Company in preparation of the financial statements and the impact thereon, of changes in the Sri Lanka Accounting standard made during the year are disclosed on pages 48-65 of the Annual Report. There were no changes in accounting policies adopted by the Company during the year under review other than those disclosed in the financial statements.

8. RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements so that they present a true and fair view of the state of affairs of the Company. The Directors are of the view that these financial statements have been prepared in conformity with the requirements of the Companies Act No.07 of 2007, the Sri Lanka Accounting and Auditing Standard Act and the Continuing Listing Rules of the Colombo Stock Exchange.

9. STATED CAPITAL AND RESERVES

The Company's stated capital as at 31st March 2021 was Rs.362,610,821/- represented by 180,030,942 ordinary shares and 1,200,000 preference shares @ 6%..There was no change in the stated capital during the year under review.

The total capital and reserves for the group stood at Rs. 9,159 Mn as at 31st March 2021.(2020: Rs. 9,529 Mn).

10. SHAREHOLDERS' FUND

Total reserves of the Group as at 31st March 2021 was Rs. 6,665 Mn (2020: Rs. 6,965 Mn) comprising of retained earnings of Rs. 1,229 Mn (2020: Rs. 1,448 Mn) and other reserve of Rs. 5,436 Mn (2020: Rs. 5,517 Mn). Total reserves combined with Stated Capital as at 31st March 2021 was Rs. 7,027 Mn (2020: Rs. 7,327 Mn) The movements are shown in the Statement of Changes in Equity given on pages 44-45.

11. DIVIDEND

The Board of Directors have not recommended a final dividend for the year ended 31st March 2021.

12. SOLVENCY TEST

Since there is no recommendation for a payment of a dividend for the year ended 31st March 2021, it is not required to prepare a solvency statement in accordance with section 56 of the Companies Act, No.07 of 2007.

13. EFFECT OF COVID 19 ON THE BUSINESS AND OPERATIONS

Starting from mid-March 2020, following the identification of COVID-19 patients in Sri Lanka, the Government declared a state of "work from home' for the general public. These measures were further strengthened from 20th March 2020 onwards, where an island wide curfew was imposed excluding certain services that were categorized as essential. As a further measure, the international airport was also closed for all inward international commercial passenger flights from 19th March 2020. The COVID-19 pandemic and the containment measures taken (Locally and Globally) to prevent its spread, have impacted the Travel and Tourism Industry the hardest. Tourist arrivals to Sri Lanka were insignificant with only 10,022 arrivals during the financial year 2020 / 2021. Zero tourist arrivals were recorded from April 2020 to the 27th of December 2020 due to a nine-month long travel ban that resulted in border restrictions. Thereafter, a minor flow of tourists primarily from Ukraine and Kazakhstan arrived in the island, however with the onset of the third wave in Sri Lanka starting April 2021, recovery prospects have further slowed down. As a result, most hospitality companies were forced to shift focus towards domestic tourism, banquets, events, restaurants and food delivery business segments given the new business landscape. Therefore, CHC also had to rearrange the business model to cater to these lines of businesses despite the competitive landscape as other hotels and resorts also had to rely on the same revenue sources. The quarantine business was one of the anchor businesses that generated a constant stream of cash flows to the company during the financial year as The Hotel Suisse, Surf and Safari properties were converted to quarantine hotel facilities. However, with the increasing supply of such facilities, this business segment will not able to perform at a sustainable level over an extended period. Cashflows and liquidity of the company was another priority given the difficult operating conditions, however, given the company had a strong balance sheet and cash reserves prior to entering the Covid 19 crisis it was able to avail itself of sufficient assistance from banks to manage its overall liquidity position.

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

14. GOING CONCERN

The Board of Directors has made an assessment of the Group's ability to continue as a going concern considering all the current internal and external environmental factors including the business impact on the overall tourism industry due to the impact of the Covid-19 pandemic.

The Directors are confident that the Company has adequate resources to continue business operations. Accordingly, the Directors consider that it is appropriate to adopt the going concern basis in preparing the Financial Statements.

15. PROPERTY PLANT AND EQUIPMENT

The Group has incurred capital expenditure during the year under review (2020 – Rs. 174,414). The movements in property, plant and equipment during the year are set out in Note 14 to the Financial Statements.

16. MARKET VALUE OF PROPERTIES

Freehold land and Building were revalued by an independent professional valuer in the previous financial year. The valuation basis/techniques and the assumptions used there in have been deliberated and agreed by the Management. The carrying value of freehold land and building reflected in the Financial Statements as at 31st March 2021 is Rs. 8,843 Mn.

The details of freehold land and building valuation are given in Note 14.1.6 on page 71 to the Financial Statements.

17. INVESTMENTS

Details of long-term Investments held by the Company are given in Note 17 to the financial statements on pages 76-79.

a. Investment in Financial Instruments

Investments in financial instruments of the Company represents investments in fair value through other comprehensive income (FVOCI) financial assets, categorized into,

- Fair value hierarchy Level 01 – quoted securities / unit trusts
- Fair value hierarchy Level 03 – unlisted entity

The details of financial instruments categorized into levels in the fair value hierarchy are given in note 08 to the financial statements

18. IMPAIRMENT TESTING

All assets classes have been tested for impairment and Group/company has made the provisioning where necessary. Details of which are given in this financial statement enclosed

19. STATUTORY PAYMENTS

To the best of their knowledge and belief, the Directors are satisfied that all statutory payments in relation to the Government and to the Employees have been settled to date or are provided for in the books of the company.

20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The Contingent liabilities and capital commitment made on account of capital expenditure as at 31st March 2021 are given in Note 35 to the Financial Statements.

21. POST BALANCE SHEET EVENTS

There are no significant events that have occurred after the balance sheet date Other than disclosed in Note 36 to the financial statements which would have any material effect on the Company that require adjustments.

22. DIRECTORS AS AT 31 MARCH 2021

The Board of Directors of Ceylon Hotels Corporation PLC comprise 09 Directors and 03 of them serves as Independent Non- Executive Directors. The qualification and experience of the Directors are given on pages 7 - 9 of the Annual Report.

The names of the Directors who held office during the year under review are as follows:

Name of the Director	Status
Mr. Lakshman Samarasinghe - Chairman	Non Independent Executive Director
Mr. Sanjeev Gardiner	Non Independent Executive Director
Mr. Priyantha Maddumage	Non Independent Executive Director
Mr. Kuvera De Zoysa	Independent Non Executive Director
Mr. Mangala Boyagoda	Independent Non Executive Director
Mr. Kamantha Amarasekera	Independent Non Executive Director
Mr. Ajith Devasurendra	Non Independent Non Executive Director
Mr. Ranil Pathirana	Non Independent Non Executive Director
Mr. Shalike Karunasena	Non Independent Executive Director

Mr. Wasantha Wimalaweera resigned on 10th February 2021. Mr. Revantha Thashan Devasurendra was appointed as an Alternate Director to Mr. Ajith Devasurendra on 19th August 2020.

The names of the Directors of Subsidiary Companies are given below.

Name of the Company	Name of the Directors
CHC Foods (Private) Limited	Mr. Lakshman Samarasinghe Mr. Athula Iddawala Mr.. Priyantha Maddumage
The Kandy Hotels Co (1938)PLC	Mr. Sanjeev Gardiner Mr. Charitha Ratwatte Mr. Lakshman Samarasinghe Mr. Priyantha Maddumage Mr. Ranjith Gunatilleke Mr. Nahil Wijesuriya Mr. Chandra Mohotti Mr. Nilanga Dela Mr. Shalike Karunasena (Alternate Director to Mr. Priyantha
United Hotels Company Limited	Mr. Sanjeev Gardiner Mr. Lakshman Samarasinghe Mr. Priyantha Maddumage Mr. Kuvera De Zoysa Mr. Mangala Boyagoda Mr. Revantha Devasurendra Mr. Shalike Karunasena
Airline Services (Private)Limited	Mr. Sanjeev Gardiner Mr. Lakshman Samarasinghe Mr. Priyantha Maddumage

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

The Board of Directors of Ceylon Hotels Corporation PLC comprise 09 Directors and 03 of them served as Independent Non- Executive Directors. The qualification and experience of the Directors are given on pages 7 to 9 of the Annual Report. The Directors to retire in every year shall be those who have been longest in office since their last election. Accordingly Messrs Sanjeev Gardiner, Priyantha Maddumage and Kuvera De Zoysa retire by rotation in terms of Articles of Association of the company.

All the Non-Executive Directors have submitted annual declarations regarding their independence or non-independence. Brief resume of all the Directors are given on pages 7 to 9 to the Annual Report.

Mr. Lakshman Samarasinghe retires in terms of section 210 of the Companies Act No.07 of 2007, and to be re elected as a Director of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in section 210 of the Companies Act No. 07 of 2007 shall not be applicable.

Mr. Mangala Boyagoda retires in terms of section 210 of the Companies Act No.07 of 2007, and to be re elected as a Director of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in section 210 of the Companies Act No. 07 of 2007 shall not be applicable.

23. DIRECTORS' MEETINGS

Details of the attendance at meetings of the Board of Directors are given below.

Name of the Director	Board Meetings
Mr Lakshman Samarasinghe	4/4
Mr Sanjeev Gardiner	3/4
Mr Priyantha Maddumage	1/4
Mr Kuvera de Zoysa	1/4
Mr Mangala Boyagoda	4/4
Mr Kamantha Amarasekera	0/4
Mr Wasantha Wimalaweera	1/4
Mr Ajith Devasurendra	4/4
Mr Ranil Pathirana	4/4
Mr Shalike Karunasena	4/4

24. BOARD SUB COMMITTEES

In line with the Corporate Governance Code of Colombo Stock Exchange following three board sub committees oversea the function of the Group. Composition and function of each subcommittee are given on pages 24-31 of the corporate governance section of this Annual Report.

24.1 Audit Committee

Following are the names of the Directors comprising the Audit Committee

1. Mr. Kuvera De Zoysa (Chairman)
2. Mr. Mangala Boyagoda
3. Mr. Kamantha Amarasekara
4. Mr. Ranil Pathirana

The report of the Audit Committee on page 33 set out the manner of compliance by the Company in accordance with the requirements of the Rule 7.10.6 (c) of the Rules of the Colombo Stock Exchange on Corporate Governance.

24.2 Remuneration Committee

Following are the names of the Directors comprising the Remuneration Committee

1. Mr. Kuvera de Zoysa (Chairman)
2. Mr. Mangala Boyagoda
3. Mr. Ranil Pathirana

The primary objective of the Remuneration Committee is to lead and establish a formal and transparent procedure for the development of a remuneration policy and the establishment of a remuneration structure.

The report of the Remuneration Committee is given on page 32 on this Annual Report.

24.3 Related Party Transactions Review Committee

Following are the names of the directors comprising Related Party Transactions Review Committee

1. Mr. Kuvera de Zoysa (Chairman)
2. Mr. Mangala Boyagoda
3. Mr. Kamantha Amarasekara
4. Mr Ranil Pathirana

The committee met 05 (five) times during the financial year 2020/2021.

The Related party transactions review committee report is given on page 34 on this Annual Report.

24.3.1 Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Group as per 31st March 2021 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

24.3.2 Recurrent Related Party Transactions

All the Recurrent Related Party Transactions which in aggregate value exceeds 10% of the revenue of the Company as per audited Financial Statements of 31st March 2021 are disclosed under Note 37.1 on pages 95-96 to the Financial Statements, as required by Colombo Stock Exchange listing Rule 9.3.2.

24.3.3 Directors' Declaration on Related Party Transactions

The Directors declare that they are in compliance with section 9 of the listing rules of the CSE pertaining to Related Party Transactions during the financial year ended 31st March 2021. The Directors of the Company declare that there were no related party transactions required to be disclosed under the listing rules of the CSE other than disclosed in the financial statements. The report of the Related Party Transactions Review Committee is given on page 34 in the Annual Report.

25. DIRECTORS DEALINGS WITH THE SHARES OF THE COMPANY

Directors shareholding in the company as at 31st March 2021 are as follows:

a) Directors Shareholding in the Company

	Name	Total
1.	Mr. Lakshman Samarasinghe	5,590
2	Mr. Sanjeev Gardiner	Nil
3.	Mr. Priyantha Pushpakumara Maddumage	01
4.	Mr. Edinadura Kuvera Isuru De Zoysa	Nil
5.	Mr. Ekanayake Mudiyanselage Mangala Boyagoda	Nil
6.	Mr. Don Soshan Kamantha Amarasekera	Nil
7.	Mr. Ajith Lasantha Devasurendra	Nil
8.	Mr. Ranil Prasad Pathirana	Nil
9.	Mr. Chaminda Shalike Karunasena	Nil

As at 31st March 2021, there were 6,893 registered ordinary shareholders. The number of ordinary shares held by the public as per the Colombo Stock Exchange rules as at 31st March 2021 was 51,531,383 shares equivalent to 28.62%.

26. INTEREST REGISTER

In terms with the Companies Act No.07 of 2007, the company maintained an Interest Register and the entries have been made therein. All related party transactions during the period are recoded in the Interest Register.

The Board of Directors has duly disclosed their directorships in related companies and share dealing with the company and related companies at board meetings.

27. REMUNERATION OF DIRECTORS

Remuneration received by the Directors is set out in Note 11 to the financial statements on page 67.

28. DIRECTORS INTEREST IN CONTRACTS

The Directors' interest in contracts and proposed contracts, if any with the company are disclosed in Note 37 to the Financial Statements.

29. DIRECTORS DECLARATION

The Board of Directors declare as follows:

i. The Company has not engaged in any activity which contravenes laws and regulations

ii. All material interests in contracts involving the Company were disclosed and any interested party refrained from voting on matters in which they were materially interested;

iii. The Company has made all endeavours to ensure the equitable treatment of shareholders;

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

iv. The business is a going concern, with supporting assumptions or qualifications as necessary; and they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence therewith

30. CORPORATE GOVERNANCE

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

31. SUBSTANTIAL SHAREHOLDING

Names of the twenty largest shareholders for both ordinary and preference shares, percentages of their respective holdings as at 1st April 2020 and 31st March 2021, are given in the section on "Investor Information" on pages 106-109.

32. SHARE INFORMATION AND INFORMATION ON EARNINGS, DIVIDEND, NET ASSETS AND MARKET VALUE

Information relating to earnings, dividend, net assets and market value per share is given in "Financial Highlights" on page 03 Information on the shares traded and movement in the number of shares represented by the stated capital of the company is given in the section on "Investor Information" on Pages 106-109.

33. CONTRIBUTIONS TO CHARITY

The sum of contributions made to charities by the company during the financial year ended 31 March 2021 does not exceed Rs. 58,910 (2020 : Rs. 241,095).

34. RISK MANAGEMENT

Risk Management is embedded in the day to day management of the Company and also part of the Corporate Governance processes.

35. MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS OF THE COMPANY

The Company assesses the importance and impact of each employees and accordingly relevant managerial actions are implemented. Being in the leisure sector, the company has wider stakeholder groups who can be significantly affected by its business activities. The company gives important considerations to its relations with employees and other stakeholder groups within the market place. Accordingly material issues that can substantially affect the company it's sustainability over the short, medium and long terms are determined through a process and actions are taken accordingly.

36. AUDITORS RELATIONSHIP

Messrs KPMG Chartered Accountants who are willing to continue in office are recommended for re-appointment, at a remuneration to be decided by the Board of Directors.

The fees paid to auditors are disclosed in Note 11 to the financial statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the company other than those disclosed above. The auditors also do not have any interest in the Company or its Group Companies. They confirm that they are independent in accordance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

37. ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 24th September 2021 at 9.30 am via audio visual technology.

38. ACKNOWLEDGEMENT OF THE CONTENT OF THE REPORT

As required by the section 168(1) (k) of the Companies Act No. 07 of 2007, the Board of Directors do hereby acknowledge the content of this Annual Report.

Signed in accordance with the resolution of the Board of Directors.

For and on behalf of the Board

(Sgd.)
Lakshman Samarasinghe
Director

(Sgd.)
Shalike Karunasena
Director

(Sgd.)
By Order of the Board,
Accounting Systems Secretarial Services (Private) Limited,

30th August 2021

Statement of Directors' Responsibility for the Preparation of Financial Statements

The responsibility of the Directors, in relation to the Financial Statements of Ceylon Hotels Corporation PLC (CHC) and its subsidiaries is set out in this Statement.

In terms of Sections 150 (1), 151, 152 and 153 (1) & (2) of the Companies Act No. 07 of 2007, the Directors of CHC are responsible for ensuring that the CHC keep proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the CHC and its subsidiaries, as at end of each financial year and of the financial performance of CHC for each financial year and place them before a general meeting. The Financial Statements comprise of the Statement of Financial Position as at 31st March 2021, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Directors confirm that the Financial Statements of the CHC and the Group give a true and fair view of:

(a) the financial position of the CHC as at Reporting date;

and

(b) the financial performance of the CHC for the financial year ended on the Reporting date.

In terms of Section 150(1)(b) and Section 152(1)(b) of the Companies Act these Financial Statements of the CHC have been certified by the CHC's Financial Controller, the Officer responsible for their preparation. In addition, the Financial Statements of the CHC and the Group have been signed by two Directors of the CHC on 30th August 2021 as required by the Sections 150 (1) (c) and 152 (1) (c) of the Companies Act and other regulatory requirements. In terms of Section 148 (1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records which correctly record and explain the CHC's transactions are maintained to facilitate proper audit of the Financial Statements. Accordingly the Directors have taken reasonable steps to ensure that the CHC and the Group maintain proper books of account and review the financial reporting system through the Board Audit Committee.

The Board of Directors also approves the Interim Financial Statements prior to their release to the Colombo Stock Exchange, upon a review and recommendation by the Board Audit Committee.

The Directors confirm that these Financial Statements for the year ended 31st March 2021, prepared and presented in this Annual Report are in agreement with

a) appropriate accounting policies selected and applied in a consistent manner and material departures if any have been disclosed and explained.

b) all applicable accounting standards that are relevant, have been followed.

c) Judgments and estimates have been made which are reasonable and prudent.

The Directors also confirm that the underlying books of account are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka (ICASL) and the Securities and Exchange Commission of Sri Lanka (SEC).

The Directors also have taken reasonable measures to safeguard the assets of the CHC and to prevent and detect frauds and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal controls comprising of internal audit function directly reporting to the Board.

The Directors are also reporting to the Board Audit committee of the view that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these financial statements.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by CHC, all contributions, levies and taxes payable on behalf of and in respect of the employees of CHC, and all other known statutory dues as were due and payable by CHC and its Subsidiary as at the Reporting date have been paid or, where relevant, provided for.

By Order of the Board of Directors of Ceylon Hotels Corporation PLC

Accounting Systems Secretarial Services (Private) Limited,
Secretaries to the Company

30th August 2021

Corporate Governance

At Ceylon Hotel Corporation PLC, we are committed to sound Corporate Governance practices relying on a comprehensive system of internal controls and best practices to achieve this objective.

The Company's compliance with the continuing listing rules of the CSE, Companies Act No. 07 of 2007 and the code of best practice of Corporate Governance jointly issued by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (ICASL) is described below.

Statement of Compliance with Companies Act No. 07 of 2007.

Section Reference	Requirement	Annual Report Reference
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	Annual Report of the Board of Directors
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Financial Statements
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	Independent Auditors' Report
168 (1) (d)	Accounting Policies and any changes made during the accounting period	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Notes to the Financial Statements
168 (1) (g)	Corporate donations made by the Company during the accounting period	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the Company and its Subsidiaries during and at the end of the accounting period	Annual Report of the Board of Directors
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	Annual Report of the Board of Directors
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	Annual Report of the Board of Directors

DIRECTORS- PRINCIPLE A

The Board of Directors of Ceylon Hotel Corporation PLC takes responsibility for good corporate Governance of the Company. The Board sets out the Company's strategic direction, oversees business and connected affairs of the Company and it also formulates the policy framework for the Company.

The Board of Directors comprises of 09 Directors of which 05 are Non-Executive Directors. 03 of them are Independent Non-Executive Directors. The Board represents extensive industry expertise. Profiles of the Directors are given on page 07 -09.

Board composition and Director's Independence as at 31st March 2021

Name of the Director	Status
Mr. Lakshman Samarasinghe - Chairman	Non Independent Executive Director
Mr. Sanjeev Gardiner	Non Independent Executive Director
Mr. Priyantha Maddumage	Non Independent Executive Director
Mr. Kuvera De Zoysa	Independent Non Executive Director
Mr. Mangala Boyagoda	Independent Non Executive Director
Mr. Kamantha Amarasekera	Independent Non Executive Director
Mr. Ajith Devasurendra	Non Independent Non Executive Director
Mr. Ranil Pathirana	Non Independent Non Executive Director
Mr. Shalike Karunasena	Non Independent Executive Director

The Board meets regularly to discuss company's performance and evaluate its strategic direction. There were 04 board meetings held during the year under review and the attendance of the board members are given below.

Name of the Director	Board Meetings
Mr Lakshman Samarasinghe	4/4
Mr Sanjeev Gardiner	3/4
Mr Priyantha Maddumage	1/4
Mr Kuvera de Zoysa	1/4
Mr Mangala Boyagoda	4/4
Mr Kamantha Amarasekera	0/4
Mr Wasantha Wimalaweera	1/4
Mr Ajith Devasurendra	4/4
Mr Ranil Pathirana	4/4
Mr Shalike Karunasena	4/4

The Board of Directors demonstrate independent judgement on aspects related to company's corporate strategy, performance and financial evaluation. All the Directors are given fair treatment at board meetings and encourage them to express their views at Board meetings.

Annual Board meeting and subcommittee meeting calendar is circulated to the Board well in advance. Board papers are circulated to the Board in advance, enabling board members to dedicate adequate time and effort in studying the papers. Board members are free to request any additional information on matters that are being discussed at board level.

Currently the company does not have a Chief Executive Officer (CEO) and the Chairman plays an Executive role. Chairman ensures that there is a proper balance between Non-Executive Directors and Executive Directors.

The Senior Management of the company provides all information required for decision making by the Board of Directors. Where necessary Directors obtain independent opinion from legal and accounting professionals in order to bring in wider perspectives on matters of importance.

DIRECTORS' REMUNERATION – PRINCIPLE B

Names of the remuneration committee and the report is given on page 32 of the report. The main objective of the remuneration committee is to retain Quality Management Staff and retain those who are performing well. The Chairmen and executive directors attend the meetings by invitation and provide information to the committee and participate in deliberations.

Corporate Governance

SHAREHOLDER RELATIONS- PRINCIPLE C

The Annual General Meeting (AGM) is the main platform for the Shareholders to raise queries from the Board. AGM notices are sent to all the shareholders giving required statutory notice, and shareholders are encouraged to use the AGM constructively to discuss matters. There were no major or material transactions entered into or proposed to be entered into by the company during the period under review.

ACCOUNTABILITY AND AUDIT- PRINCIPLE D

The Board has the task to present balanced and understandable assessment of the company's performance, financial position and outlook. Directors declaration on the preparation of financial statements are given on page 16 of this report.

The Board of Directors accepts the responsibility for the preparation of the financial statements, maintaining adequate records for safeguarding the assets of the Company, and preventing and detecting fraud and/or other irregularities.

The Board of Directors also confirms that the applicable Sri Lanka Accounting Standards have been adhered to, subject to any material departures being disclosed and explained in the notes to the financial statements.

The Board of Directors further confirms that suitable accounting policies consistently applied and supported by reasonable and prudent judgment and estimates, have been applied in the preparation of the financial statements.

They further confirm that all known statutory payments have been paid upto date and all retirement gratuities have been provided for in the financial statements. At the same time, all payments made to related parties have been reflected in the financial statements.

At all Audit Committee meetings and Board meetings, statutory compliance statement showing extent to which the company is compliant with the rules and regulations are circulated amongst the Directors for information of the Board. All the Board members have access to the advice of the Company Secretary, Accounting Systems Secretarial Services (Private) Limited who acts as the registered company secretaries to the company.

The Board of Directors are satisfied that the Company is a going concern and has adequate resources to continue in business for the foreseeable future. For this reason, the Company follows the "going concern" basis when preparing financial statements.

The Board is responsible for ensuring that the Company has adequate and effective internal controls in place.

Board Sub Committees

The Board Sub Committees consist of Audit, Remuneration and the Related Party Transaction Review Committee.

Audit Committee

The composition of the Audit Committee and the committees report is detailed out in page 33 of the Annual Report.

Audit Committee Review the Financial Reporting process, Internal Controls and external audit function to ensure the integrity and quality of the financial statements. Audit Committee ensure the Independence of External Auditors, timely delivery of the Audited financial statements and review the effectiveness of internal audit procedures. Audit Committee tries to meets at least once in every quarter with the management to review quarterly financial statements prior to release to shareholders and meet with the Internal Auditors to review the internal audit reports and findings. The Audit Committee also meets external auditors to discuss the external audit plan prior to commencement of the external audit and meet with the Auditors post completion of the Audit to discuss the financial statements and key Audit Findings.

Audit Committee has access to both external auditors as well as Internal Auditors.

Remuneration Committee

The composition of the Remuneration Committee and the committees report is detailed out in page 32 of the Annual Report.

Related Party Transactions Review Committee

The composition of Related Party Transactions Review Committee and the committee report is detailed out in page 34 of the Annual Report.

Related Party Transactions are reviewed by the Related Party Transaction Review Committee on a quarterly basis.

Committee updates the board on the related party transactions of the Group on quarterly basis.

INSTITUTIONAL AND INVESTING / DIVESTING DECISION – PRINCIPLE E TO F

Board encourages shareholders to participate at Annual General Meetings (AGM) and make effective dialogue with the Board and use their voting rights. Shareholders are free to raise any queries on agenda items listed in the notice of AGM.

In addition, the Board is also conscious of its relationship with all stakeholders including the community within which it operates with sustainable and ecofriendly practices. The hotels enhance and uplift staff standards and morale through regular training and improved facilities.

This facilitates improvement in service levels, thereby enriching guest experience. Satisfied guests, apart from providing repeat business, also act as ambassadors for the hotels.

Statement of compliance under section 7.6 of the listing rules of the Colombo Stock Exchange on Annual Report Disclosure.

	Requirement	Reference
(i)	Names of persons who were Directors of the Entity	Page 19
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Page 16
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Page 109
(iv)	The public holding percentage	Page 106
(v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Page 20
(vi)	Information pertaining to material foreseeable risk factors of the Entity and details of material issues pertaining to employees and industrial relations of the Entity During the year 2019/20	Page 14-15
(vii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Page 71
(viii)	Number of shares representing the Entity's stated capital	Page 83
(ix)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Page 106
(x)	Financial ratios and market price information	Pages 03 and Page 106
(xi)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Pages 70-73
(xii)	Details of funds raised through a public issue, rights issue and a private placement during the year	N/A
(xiii)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A
(xiv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Listing Rules	Pages 28-31
(xv)	Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower	Pages 95-96

Corporate Governance

Statement of compliance under section 7.10 of the listing rules of the Colombo Stock Exchange (CSE) on Annual Disclosure.

Section	Requirement	Compliance Status	Reference
7.10.1(a)	The Board of Directors of a Listed Entity shall include at least, - two non-executive directors; or - such number of non-executive directors equivalent to one third of the total number of directors whichever is higher.	Complied	Out of 09 Directors, company has 05 Non Executive Directors.
7.10.2(a)	Two or 1/3 of non-executive directors appointed to the board of directors, whichever is higher shall be 'independent'.	Complied	Out of 05 Non-Executive Directors, company has 03 Independent Non-Executive Directors
7.10.2(b)	The board shall require each non-executive director to submit a signed and dated declaration annually of his/ her independence or non-Independence against the specified criteria	Complied	Non-Executive Directors have submitted their confirmation of independence as per the criteria set by the CSE rules, which is in line with the regulatory requirements.
7.10.3(a)	The board shall determine annually as to the independence or non-independence of each non-executive director based on such declaration and other information available to the board and shall set out in the annual report the names of directors determined to be 'independent'	Complied	The Board has made such determination and the basis for determination of "Independence" is in line with the definition of the CSE Regulations in force.
7.10.3(b)	In the event a director does not qualify as 'independent' against any of the criteria set out in the regulation but if the board, taking account 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	Mr. Kuvera De Zoysa has completed over 09 years as Independent Non-Executive Director of the company. However Board have declared that the independence of this director has not been impaired, and he is independent.
7.10.3(c)	The board shall publish in its annual report a brief resume of each director on its board which includes information on the nature of his/her expertise in relevant functional areas.	Complied	Brief Resume of each Director is given on pages 07-09 of the Annual Report.
7.10.3(d)	Upon appointment of a new director to its board, the Entity shall forthwith provide to the Exchange a brief resume of such director for dissemination to the public.	Complied	Whenever there is a new director appointed to the Board, announcement is made to Colombo Stock Exchange together with his brief profile.
7.10.5(a)	The remuneration committee shall comprise; of a minimum of two independent non-executive directors (in instances where an Entity has only two directors on its Board); or of non-executive directors a majority of whom shall be independent, whichever shall be higher. In a situation where both the parent company and the subsidiary are 'listed Entities', the remuneration committee of the parent company may be permitted to function as the remuneration committee of the subsidiary.	Complied	Remuneration Committee oversee the functions of the group. Composition of the Remuneration Committee is given on page 32 of the Annual Report under Remuneration Committee Report.

Section	Requirement	Compliance Status	Reference
7.10.5(b)	The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and Chief Executive Officer of the Listed Entity and/ or equivalent position thereof, to the board of the Listed Entity which will make the final decision upon consideration of such recommendations	Complied	Directors of the company were not remunerated for the service rendered during the year.
7.10.5(c)	The annual report should set out the names of directors (or persons if the parent company's committee in the case of a group company) comprising the remuneration committee, contain a statement of the remuneration policy and set out the aggregate remuneration paid to executive and non-executive directors.	Complied	The names of the Directors of the Remuneration Committee and a statement of remuneration policy are set out on page 32 of this report. Directors were not remunerated during the year.
7.10.6(a)	The audit committee shall comprise; of a minimum of two independent non-executive directors (in instances where a Entity has only two directors on its board); or of non-executive directors a majority of whom shall be independent, whichever shall be higher. In a situation where both the parent company and the subsidiary are 'Listed Entities', the audit committee of the parent company may function as the audit committee of the subsidiary. The Chief Executive Officer and the Chief Financial Officer of the Listed Entity shall attend audit committee meetings. The Chairman or one member of the committee should be a Member of a recognized professional accounting body.	Complied	Audit Committee oversees the function of the company. The Audit Committee consists of 04 members including three Independent Non-Executive Directors and 01 Non Independent Non-Executive Director. Report of the Audit Committee is given on page 33 to the Annual Report. The Chief Financial Officer attends the audit committee meetings by invitation. Out of the 04 members, 02 of them are members of the recognized professional accounting body.
7.10.6(b)	Function of the Audit committee shall include, Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of a Listed Entity, in accordance with Sri Lanka Accounting Standards. Overseeing of the Entity's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. Overseeing the processes to ensure that the Entity's internal controls and risk management, are adequate, to meet the requirements of the Sri Lanka Auditing Standards. Assessment of the independence and performance of the Entity's external auditors. To make recommendations to the board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Complied	Report of the Audit Committee set out on page 33 of the Annual Report describes the scope performed by the committee during the year under review.

Corporate Governance

Section	Requirement	Compliance Status	Reference
7.10.6(c)	The names of the directors (or persons in the parent company's committee in the case of a group company) comprising the audit committee should be disclosed in the annual report. The committee shall make a determination of the independence of the auditors and shall disclose the basis for such determination in the annual report. The annual report shall contain a report by the audit committee, setting out the manner of compliance by the Entity in relation to the above, during the period to which the annual report relates.	Complied	Name of the directors on the Audit committee is given on page 33 of the Annual Report. Audit Committee report is given on page 33 of the report. Statement of Auditors independence is disclosed in page 33 of the Audit Committee report.

Statement of compliance under the section 9 of the Listing Rules of the CSE

Section	Requirement	Compliance Status	Reference
9.2.1 & 9.2.2	All Related Party Transactions should be reviewed by the "Related Party Transactions Review Committee. The Committee should comprise a combination of non-executive directors and independent non-executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity. One independent non-executive director shall be appointed as Chairman of the Committee.	Complied	Composition of related party transaction review committee is given on page 34 of the related party review committee report. Chairman of the committee is an Independent Non Executive Director.
9.2.3	In a situation where both the parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.	Complied	Related Party Transactions Review Committee oversees the related party transactions of the Group.
9.2.4	The Committee shall meet at least once a calendar quarter. The Committee shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.	Note	Attendance of the Related Party Transactions Review Committee is given on page 34 of the Annual Report under Related Party Review Committee Report.
9.3.1	A Listed Entity shall make an immediate announcement to the Exchange; - of any nonrecurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. OR - of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. Listed Entity shall disclose subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the financial year.	Complied	Required disclosures have been made to CSE wherever necessary. Details of Related party transactions are disclosed on note 37 to the Financial Statements.

Section	Requirement	Compliance Status	Reference
9.3.2 (a)	In the case of Non-Recurrent Related Party Transactions, if aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets, whichever is lower, of the Listed Entity as per the latest Audited Financial Statements the related information must be presented in the Annual Report:	Complied	There were no non recurrent related party transactions that require disclosure in the financial statements
9.3.2 (b)	In the case of Recurrent Related Party Transactions, if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/ income (or equivalent term in the Statement of profit or loss and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity must disclose the aggregate value of recurrent Related Party Transactions entered into during the financial year in its Annual Report.	Complied	Please refer note 37 to the financial statements on pages 95-96.
9.3.2 (c)	Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: • Names of the Directors comprising the Committee; • 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. • The policies and procedures adopted by the Committee for reviewing the Related Party Transactions. • The number of times the Committee has met during the Financial Year, Name of the Related Party Relationship Value of the Related Party Transactions entered into during the financial year Value of Related Party Transactions as a % of Equity and as a % of Total Assets Terms and Conditions of the Related Party Transactions, The rationale for entering into the transactions.	Complied	Report of the Related Party Transaction Review Committee on page 34 of the Annual Report complies with the requirement.
9.3.2 (d)	A declaration by the Board of Directors in the Annual Report as an affirmative statement of the compliance with these Rules pertaining to Related Party Transactions or a negative statement in the event the Entity has not entered into any Related Party Transaction/s.	Complied	Affirmative statement is included on page 34 of the Annual Report.

Report of the Remuneration Committee

In terms of Rule 7.10.5 (a) of the listing rule of the Colombo Stock Exchange, the remuneration committee comprise of the following members:

1. Mr. Kuvera de Zoysa
   (Chairman) – Independent Non Executive Director
2. Mr. Mangala Boyagoda
   Independent Non Executive Director
3. Mr. Ranil Pathirana
   Non Independent Non Executive Director

The main objective of the remuneration committee is to retain Quality Managerial Staff and reward those who are performing well. The Chairman and Executive Directors attend the meetings by invitation and provide information to the committee and participate in the deliberations.

(Sgd.)
Kuvera de Zoysa
Chairman – Remuneration Committee

30th August 2021

Report of the Audit Committee

AUDIT COMMITTEE

In accordance with the Colombo Stock Exchange Listing Rules, the Audit Committee comprise the following Board members.

1. Mr. Kuvera de Zoysa
   (Chairman) - Independent Non-Executive Director
2. Mr. Mangala Boyagoda
   Independent Non-Executive Director
3. Mr. Kamantha Amarasekara
   Independent Non-Executive Director
4. Mr. Ranil Pathirana
   Non Independent Non Executive Director

MEETINGS OF THE AUDIT COMMITTEE

During the financial year 2020/21 the Committee met on five occasions to review the interim financial statements and the year-end financial statements and recommend them to the Board for approval prior to these statements being released to the Stock Exchange.

The attendance of the committee during the year was as follows.

Directors Name	Meetings Attended (out of 5)
Mr. Kuvera de Zoysa	2/5
Mr. Mangala Boyagoda	5/5
Mr. Kamantha Amarasekara	0/5
Mr. Ranil Pathirana	5/5

The Audit Committee invites the Group Chief Financial Officer and Financial Controller when required to attend these meetings. This enables issues (including Internal Audit Reports) to be discussed and rectifying measures agreed on expeditiously.

PURPOSE OF THE AUDIT COMMITTEE

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

FINANCIAL STATEMENTS

The interim financial statements of The Ceylon Hotel Corporation PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings.

Draft Financial Statements of Ceylon Hotels Corporation PLC for the year ended 31st March 2021 were also reviewed at a meeting of the Audit Committee Members, together with the External Auditors, Messrs. KPMG, prior to release of same to the Regulatory Authorities and to the shareholders.

The Audit Committee Members were provided with confirmations and declarations as required that the said Financial Statements were prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company as at that date and the Company's activities during the year under review.

INTERNAL AUDIT

In accordance with the recommendation of the Audit Committee, the internal audits are carried out annually. However during the financial year 2020/21 with the drop in Business volumes as a result of Covid-19 effects, the Audit Committee with the consultation of Internal Auditors have made modification to the recommended cycles.

EXTERNAL AUDIT

The Members of the Audit Committee have determined that Messrs. KPMG, Chartered Accountants were independent based on written representation and the Committee has reviewed the external audit plan, as well as the management letter and followed up on issues raised.

The members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2022, subject to the approval of the shareholders of Ceylon Hotels Corporation PLC at the Annual General Meeting.

(Sgd.)
Kuvera de Zoysa
Chairman – Audit Committee

30th August 2021

Report of the Related Party Transactions Review Committee

In accordance with the Colombo Stock Exchange Listing Rules, following are the names of the directors comprising Related Party Transactions Review Committee.

1. Mr. Kuvera de Zoysa
   (Chairman) – Independent Non Executive Director
2. Mr. Mangala Boyagoda
   Independent Non Executive Director
3. Mr. Kamatha Amarasekara
   Independent Non Executive Director
4. Mr. Ranil Pathirana
   Non Independent Non Executive Director

The committee met five times during the financial year 2020/2021 and reviewed the related party transaction entered into by the company. The Committee further communicated its comments and recommendations to the Board.

The attendants of the related party transaction review committee is as follows:

Directors Name	Meetings Attended (out of 5)
Mr. Kuvera de Zoysa	2/5
Mr. Mangala Boyagoda	4/5
Mr. Kamantha Amarasekara	0/5
Mr. Ranil Pathirana	5/5

The policies and procedures adopted by the Committee for reviewing the Related Party Transactions are as follows:

1. To review all Related Party transactions pertaining to transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and making a decision if the transaction needs the approval of the Board of Directors prior to entering to the transaction.

2. Details of transactions exceeding 10% of the Company's equity or 5% of the total assets of the Company are promptly disclosed to the Colombo Stock Exchange for transparency.

3. The members of the Board of Directors and their close family members are identified and information pertaining to them for the purpose of identifying parties related to them. The information is shared with the Company Secretaries in order to fulfil the regulatory requirements.

RELATED PARTY TRANSACTIONS DURING THE YEAR

Recurrent related party transactions

All recurrent related party transactions, which in aggregate value exceeds 10% of the revenue of the company as per Audited Financial Statements of 31st March 2021 are disclosed under Note 37 on pages 95-97 to the Financial Statements as required in section 9.3.2 of the listing rules.

Non-recurrent related party transactions

There were no any non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Group as per 31st March 2021 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act. The committee has reviewed the related party transactions during the year and has communicated the comment/observations to the Board of Directors.

DECLARATION

Declarations are obtained from each Key Management Personal (KMP) of the Company and its subsidiaries for the purpose of identifying related parties on a quarterly and annual basis to determine Related Party Transactions and to comply with the disclosure requirements, if any.

The Directors declare that they are in compliance with section 9 of the listing rules of the CSE pertaining to Related Party Transactions during the financial year ended 31st March 2021. The Directors of the Company declare that there were no related party transactions required to be disclosed under the listing rules of the CSE other than disclosed in the financial statements.

(Sgd.)
Kuvera de Zoysa
Chairman – Related Party Transactions Review Committee

30th August 2021

Financial Reports

Independent Auditors' Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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TO THE SHAREHOLDERS OF CEYLON HOTELS CORPORATION PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Hotels Corporation PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 40 to 105.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2021, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

01. Impairment assessment of Investment in Subsidiaries – the Company	
Refer note 17 to the financial statements	
Risk Description	**Our Response**
As at 31st March 2021, the Company's investment in subsidiaries amounted to Rs. 909 Mn. Investments which does not generate adequate returns may be an indication of impairment. Management performed the impairment assessment for subsidiaries with the indicators of impairment and determined their recoverable amounts based on value-in-use calculations. Further, COVID-19 resulted in interruption in business activities and resulted in loss of income for some of the subsidiaries within the Group, which would adversely affect the ability to generate adequate return and indicate potential impairment indicators. We considered the audit of management assessment of investment in subsidiaries to be a key audit matter due to the magnitude of the carrying amount of investment in the financial statements. In addition, these areas were significant to our audit because the impairment assessment involves significant management judgment and estimates, which increases the risk of error or potential management bias.	Our audit procedures included. ◆ Assessing the impairment indications of investments made in subsidiaries based on net assets valuation and review of future business plans. ◆ Assessing management's forecasted revenues, growth rates, profit margins and tax rates based on our knowledge of the CGUs' operations, and compared them against historical forecasts and performance. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives. ◆ Discussions with Group and Component Management with regard to recoverability of the investments and evaluate the management assessment. ◆ Assessing the adequacy of disclosures in respect of investment in subsidiaries and related impairment in the Financial Statements.

KPMG

02. Valuation of Investment in Equity Accounted Investees - the Company	
Refer note 17 to the consolidated financial statements	
Risk Description	**Our Response**
The Company holds Investment in Equity Accounted Investees amounting to Rs. 309.5 Mn as at 31st March 2021. The Company's investments in Joint Venture are held in shares where no quoted market price is available. Unquoted investments are measured at fair value, which is established using discounted forecasted cash flow method. There is a significant risk over the valuation of these investments given the subjective nature of them as an error may result in a material misstatement. Further, COVID-19 outbreak resulted in interruption in business activities and resulted in loss of income for some of the equity accounted investees in the company, which would adversely affect the ability to generate adequate return. We have identified the valuation of Investment in Equity Accounted Investees as a key audit matter due to the significance of the carrying amounts and the complexity involved in the valuation method.	Our audit procedures included. ◆ Evaluating the assumptions used in deriving at the forecasted cash flows by comparing key underlying financial data inputs and obtaining Investee Company audited financial statements and management information as applicable. ◆ Discussions with Group and Component Management regarding the recoverability of the investments and evaluate Group management's assessment of valuation of the unquoted investments. ◆ Assessing the adequacy of disclosures in respect of unquoted investments.

03. Management assessment of the Group/the Company ability to continue as going concern.	
Refer note 2.8 note to the consolidated financial statements	
Risk Description	**Our Response**
The Group and the company has recorded a loss of Rs. 385 Million and Rs. 73 Million respectively during the year ended 31st March 2021 (2020 – Rs. 414 Million & Rs. 74 Million) and as of that date, accumulated losses of the Company amounted to Rs. 39 Million. Further, the Company's current liabilities exceeded its current assets by Rs. 529 Million as at the reporting date. The Group and the Company has loans and borrowings of Rs. 366 Million & Rs 1,053 Million due within 12 months from 31st March 2021 respectively. Nevertheless, the financial statements have been prepared on a going concern basis. In adopting the going concern basis of preparation of the financial statements, the directors have reviewed the company's cash flow projections prepared by the management. The cash flow projections were based on management's assumptions and estimation of future cash inflows and outflows, also taking into consideration the impact of COVID-19 related estimate uncertainty. Notes to the financial statements, which describes increased estimation uncertainty in the preparation of the current year Group financial statements, specifically as it relates to the impacts of COVID-19 on the Group's future prospects, performance and cash flows. Further, the management has described how they plan to deal with these events and circumstances as the outbreak is still prevailing as at the date of this report.	Our audit procedures included. ◆ Obtaining the Group's cash flow projections covering period of not less than twelve months from the reporting period end date and assessing these key assumptions used in preparing the projections. ◆ Evaluating the sensitivity of the projected available cash by considering downside scenarios together with reasonably plausible changes to the key assumptions and considering whether there were any indicators of management bias in the selection of the assumptions. ◆ Inspecting the facility agreements for the Group's long-term loans to identify any financial covenants or similar terms and assessing the implication of these on the Group's liquidity. ◆ Assessing the adequacy of disclosures in the financial statements in relation to the potential impact of COVID-19 to the Group's ability to continue as going concern with reference to the requirements of the prevailing accounting standards.

Independent Auditors' Report

03. Management assessment of the Group/the Company ability to continue as going concern. Refer note 2.8 note to the consolidated financial statements	
Risk Description	**Our Response**
We identified the management assessment of potential impact of COVID-19 to the Group's ability to continue as going concern as a key audit matter because the cash flow projections referred to above involves consideration of future events and circumstances which are inherently uncertain, and effect of those uncertainties may significantly impact the resulting accounting estimates. Therefore, the assessment requires the exercise of significant management judgement in assessing future cash inflows and outflows which could be subject to potential management bias.	

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

30th August 2021

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March	Notes	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Revenue	7	423,572,249	1,023,144,024	6,434,649	8,325,511
Cost of sales		(158,236,986)	(295,670,736)	(6,101,829)	(8,497,787)
Gross profit/(Loss)		265,335,263	727,473,288	332,820	(172,276)
Other income	8	13,968,105	7,575,017	-	4,402,801
Distribution expenses		(32,209,927)	(61,155,142)	-	-
Administrative expenses		(461,096,332)	(762,006,910)	(11,314,124)	(11,387,344)
Other operating expenses	9	(9,870,822)	(144,709,872)	(361,475)	(7,410,697)
Loss from operations		(223,873,713)	(232,823,619)	(11,342,779)	(14,567,516)
Finance income	10	117,979,526	115,538,000	25,095,258	21,398,586
Finance costs	10	(178,832,955)	(201,336,007)	(87,183,530)	(81,105,876)
Net finance costs	10	(60,853,429)	(85,798,007)	(62,088,272)	(59,707,290)
Share of loss of equity accounted investees (net of tax)	17.4	(147,335,889)	(118,276,064)	-	-
Loss before income tax	11	(432,063,031)	(436,897,690)	(73,431,051)	(74,274,806)
Income tax Benefit	12	46,837,111	23,022,316	-	-
Loss from continuing operations		(385,225,920)	(413,875,374)	(73,431,051)	(74,274,806)
Loss for the year		(385,225,920)	(413,875,374)	(73,431,051)	(74,274,806)

Figures in brackets indicate deductions

The Notes on pages 48-105 are an integral part of these Financial Statements.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March	Notes	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Loss for the year		(385,225,920)	(413,875,374)	(73,431,051)	(74,274,806)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Fair value gain/(loss) on FVOCI investments		-	-	(20,000,000)	-
Net result from Equity Accounted Investees		409,916	129,739,704	-	-
Gain on revaluation of property, plant & equipment		-	1,365,216,305	-	-
Deferred tax on revaluation surplus		-	(191,130,283)	-	-
Actuarial Gain/(Loss)		(1,762,559)	1,111,387	(372,281)	707,755
Deferred Tax effect on actuarial gain/loss		194,639	(56,507)	-	-
Items that are or may be reclassified to profit or loss					
Effect of translation of foreign operations		16,731,350	(3,322,677)		-
Total comprehensive income/(expenses) for the year, net of tax		(369,652,574)	887,682,554	(93,803,332)	(73,567,051)
Profit/(Loss) attributable to:					
Equity holders of the company		(312,064,378)	(348,868,078)	(73,431,051)	(74,274,806)
Non Controlling Interest		(73,161,542)	(65,007,296)	-	-
Profit/(Loss) for the year		(385,225,920)	(413,875,374)	(73,431,051)	(74,274,806)
Total Comprehensive Income/(Expenses) attributable to :					
Equity holders of the company		(299,797,891)	635,235,234	(93,803,332)	(73,567,051)
Non Controlling Interest		(69,854,683)	252,447,320	-	-
Total comprehensive income/(expenses) for the year		(369,652,574)	887,682,554	(93,803,332)	(73,567,051)
Loss per share					
Basic loss per share (Rs.)	13	(1.73)	(1.94)	(0.41)	(0.41)

Figures in brackets indicate deductions

The Notes on pages 48-105 are an integral part of these Financial Statements.

Consolidated Statement of Financial Position

As at 31 March	Note	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	9,195,325,456	9,552,201,254	21,601	28,118
Intangible assets	15	19,540,789	25,906,107	-	-
Right of use assets	16	118,011,060	122,561,130	-	-
Investments in subsidiaries	17	-	-	909,348,216	909,348,216
Investment in joint venture	17.4	1,056,103,709	1,186,298,332	309,497,174	329,497,174
Investment Property	18	200,787,968	-	-	-
Total Non-Current Assets		10,589,768,982	10,886,966,823	1,218,866,991	1,238,873,508
Current Assets					
Inventories	19	66,339,726	76,405,521	-	-
Trade & other receivables	20	63,221,110	155,096,013	6,145,677	5,374,103
Amounts due from related companies	21	439,549,269	287,741,731	574,624,574	473,430,432
Income tax recoverable	22	2,180,159	2,180,159	-	-
Cash & cash equivalents	23	1,031,075,620	1,016,724,387	17,062	-
Total current assets		1,602,365,884	1,538,147,811	580,787,313	478,804,535
Total Assets		12,192,134,866	12,425,114,634	1,799,654,304	1,717,678,043
EQUITY AND LIABILITIES					
Equity					
Stated capital	24	362,610,821	362,610,821	362,610,821	362,610,821
Reserves	25	5,435,846,314	5,516,651,389	359,013,425	379,013,425
Accumulated Profit		1,229,398,472	1,448,391,288	(39,457,944)	34,345,388
Total equity attributable to equity holders of the company		7,027,855,607	7,327,653,498	682,166,302	775,969,634
Non controlling interest		2,131,705,295	2,201,567,478	-	-
Total Equity		9,159,560,902	9,529,220,976	682,166,302	775,969,634
Non-Current Liabilities					
Interest-bearing-borrowings	26	1,390,579,766	1,536,648,474	-	-
Employee benefits	27	17,700,704	16,490,974	7,343,185	6,900,815
Deferred tax liabilities	28	706,757,020	774,830,614	-	-
Lease Liability	29	144,391,748	128,299,647	-	-
Government grants	30	3,525,748	3,326,722	-	-
Total Non-Current Liabilities		2,262,954,986	2,459,596,431	7,343,185	6,900,815

As at 31 March	Note	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Current Liabilities					
Trade and other payables	31	220,178,350	220,739,952	9,464,646	10,771,770
Contract Liabilities	32	8,116,422	13,963,066	-	-
Interest-bearing-borrowings	26	334,761,817	-	-	-
Lease Liability	29	31,737,113	27,989,240	-	-
Government grants	30	7,507,096	7,230,450	-	-
Amounts due to related companies	33	15,014,148	84,059,386	45,886,641	40,917,757
Related Party Interest-bearing-borrowings	33.1	-	-	1,052,825,332	882,931,602
Income tax payable	34	13,226,969	16,098,320	13,303	13,303
Bank overdrafts	23	139,077,063	66,216,813	1,954,895	173,162
Total current liabilities		769,618,978	436,297,227	1,110,144,817	934,807,594
Total Equity & Liabilities		12,192,134,866	12,425,114,634	1,799,654,304	1,717,678,043

The Notes on pages 48-105 are an integral part of these Financial Statements.

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.

Buddhika Wijesekara
Financial Controller

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

Approved & signed for and on behalf of the Board,

Lakshman Samarasinghe
Chairman

Shalike Karunasena
Director

Colombo
30th August 2021

Statement of Changes in Equity

Group	Attributable to Equity Holders of the Company								
	Stated Capital	Revaluation Reserve	Capital Reserve	General Reserve	Translation Reserve	Accumulated Profit /(Loss)	Total	Non controlling Interest	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2019	362,610,821	4,439,040,030	8,128,011	167,079,660	30,785,322	1,675,342,000	6,682,985,845	1,949,332,932	8,632,318,777
Initial application of SLFRS 16, net of tax	-	-	-	-	-	9,432,418	9,432,418	(175,273)	9,257,145
Adjusted balance as at 1st April 2019	362,610,821	4,439,040,030	8,128,011	167,079,660	30,785,323	1,684,774,418	6,692,418,263	1,949,157,659	8,641,575,922
Total comprehensive income									
Loss for the year	-	-	-	-	-	(348,868,078)	(348,868,078)	(65,007,296)	(413,875,374)
Other comprehensive income									
Acturial gain on retirement benefit obligation net of tax	-	-	-	-	-	1,017,363	1,017,363	37,517	1,054,880
Gain on revaluation of property, plant and equipment net of tax	-	862,096,238	-	-	-	-	862,096,238	311,989,784	1,174,086,022
Net result from Equity Accounted Investees	-	123,431,726	-	-	-	173,361	123,605,087	6,134,616	129,739,704
Effect of translation of foreign operations from EAI	-	-	-	-	(2,615,375)	-	(2,615,375)	(707,302)	(3,322,677)
Total comprehensive income for the year	-	985,527,964	-	-	(2,615,375)	(347,677,355)	635,235,234	252,447,320	887,682,554
Transactions with owners of the company									
Dividends-(15% Cumulative preference shares)	-	-	-	-	-	-	-	(37,500)	(37,500)
Transfer of excess depreciation on revaluation	-	(111,294,224)	-	-	-	111,294,224	-	-	-
Total transactions with owners of the company	-	(111,294,224)	-	-	-	111,294,224	-	(37,500)	(37,500)
Balance as at 31 March 2020	362,610,821	5,313,273,770	8,128,011	167,079,660	28,169,948	1,448,391,288	7,327,653,498	2,201,567,478	9,529,220,976
Total comprehensive income									
Loss for the year	-	-	-	-	-	(312,064,378)	(312,064,378)	(73,161,542)	(385,225,920)
Other comprehensive income									
Acturial gain on retirement benefit obligation net of tax	-	-	-	-	-	(1,259,866)	(1,259,866)	(308,054)	(1,567,920)
Net result from Equity Accounted Investees	-	-	-	-	-	356,623	356,623	53,293	409,916
Effect of translation of foreign operations from EAI	-	-	-	-	13,169,730	-	13,169,730	3,561,620	16,731,350
Total comprehensive income for the year	-	-	-	-	13,169,730	(312,967,621)	(299,797,891)	(69,854,683)	(369,652,574)
Transactions with owners of the company									
Dividends-(15% Cumulative preference shares)	-	-	-	-	-	-	-	(7,500)	(7,500)
Transfer of excess depreciation on revaluation	-	(93,974,805)	-	-	-	93,974,805	-	-	-
Total transactions with owners of the company	-	(93,974,805)	-	-	-	93,974,805	-	(7,500)	(7,500)
Balance as at 31 March 2021	362,610,821	5,219,298,965	8,128,011	167,079,660	41,339,678	1,229,398,472	7,027,855,607	2,131,705,295	9,159,560,902

Figures in brackets indicate deductions

The Notes on pages 48-105 are an integral part of these Financial Statements.

Company	Stated Capital Rs.	Capital Reserve Rs.	Fair value through OCI Reserve Rs.	General reserve Rs.	Accumulated Profit /(Loss) Rs.	Total Rs.
Balance as at 01st April 2019	362,610,821	8,128,011	204,167,021	166,718,393	107,912,439	849,536,685
Total comprehensive income						
Loss for the year	-	-	-	-	(74,274,806)	(74,274,806)
Other comprehensive income	-	-	-	-	707,755	707,755
Total comprehensive income /(expense) for the year	-	-	-	-	(73,567,051)	(73,567,051)
Balance as at 31st March 2020	362,610,821	8,128,011	204,167,021	166,718,393	34,345,388	775,969,634
Total comprehensive income						
Loss for the year	-	-	-	-	(73,431,051)	(73,431,051)
Other comprehensive income	-	-	(20,000,000)	-	(372,281)	(20,372,281)
Total comprehensive income /(expense) for the year	-	-	(20,000,000)	-	(73,803,332)	(93,803,332)
Balance as at 31st March 2021	362,610,821	8,128,011	184,167,021	166,718,393	(39,457,944)	682,166,302

Figures in brackets indicate deductions

The Notes on pages 48-105 are an integral part of these Financial Statements.

Consolidated Statement of Cash Flow

For the Year Ended 31 March	Note	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Cash flows from operating activities					
Loss Before Tax for the Year		(432,063,031)	(436,897,690)	(73,431,051)	(74,274,806)
Adjustment for:					
Depreciation on property, plant and equipment	14	172,523,750	181,312,349	6,517	6,535
Provision for retiring gratuity	27	3,723,590	4,010,340	1,170,184	1,219,796
Provision/(Reversal) off for Trade & other receivables		846,569	(2,467,623)	-	-
Impairment Provision for amounts due from related companies		-	-	361,475	185,699
Provision/(Reversal) off for Inventory	19	777,836	(3,087)	-	-
Income Tax Receivable/ESC/WHT written off		8,741,491	704,159	-	-
Loss on foreign currency transactions		9,885,000	26,781,880	-	-
Amortization of Right of use assets	16	4,550,070	3,240,677	-	-
Amortization of Intangible assets	15	6,365,318	6,702,750	-	-
Loss on disposal of Property Plant & Equipment		-	39,112,274	-	-
Share of result of equity accounted investee	17.4	147,335,889	118,276,064	-	-
Interest income	10	(78,875,251)	(74,116,169)	(25,095,258)	(21,398,586)
Interest expenses	10	178,832,955	201,336,007	87,183,530	81,105,876
Impairment Provision on Investment in Equity Accounted Investees		-	105,433,223	-	
Change in fair value of Investment Property	18	-	-	-	7,224,998
Operating Profit/(Loss) before working capital changes		22,644,186	173,425,154	(9,804,603)	(5,930,488)
(Increase)/decrease in inventories		9,287,959	12,336,292	-	-
(Increase)/decrease in trade and other receivables		82,286,845	125,846,778	(771,574)	4,338,380
(Increase)/decrease in amounts due from related companies		(151,807,538)	159,217,033	(101,555,617)	140,867,169
(Increase)/decrease in advances on pending capitalization		-	269,955,309	-	-
Increase/(decrease) in trade & other payables		(561,603)	(56,343,918)	(1,307,124)	1,562,842
Increase/(decrease) in contract liabilities		(5,846,644)	8,103,648	-	-
Increase/(decrease) in amounts due to related companies		(69,045,238)	175,835,059	4,968,884	(97,090,273)
Cash generated (used In)/from operating activities		(113,042,032)	868,375,356	(108,470,034)	43,747,630
Interest Paid		(15,011,932)	(187,370,824)	(87,183,530)	(81,105,876)
Taxes paid	34	(23,913,195)	(5,035,421)	-	-
Retiring gratuity amount paid	27	(4,276,419)	(4,677,693)	(1,100,095)	(611,618)
Net cash flow generated (used In)/from operating activities		(156,243,578)	671,291,419	(196,753,659)	(37,969,864)

For the Year Ended 31 March	Note	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Cash flows from investing activities					
Interest received		78,875,251	74,116,169	25,095,258	21,398,586
Proceeds from sale of PPE		-	12,167,358	-	-
Acquisition of property, plant and equipment	14	(16,435,922)	(174,458,042)	-	-
Investment in joint venture		-	(282,211,204)	-	-
Addition of Intangible assets		-	(101,999)	-	-
Net cash generated (used In)/from investing activities		62,439,329	(370,487,718)	25,095,258	21,398,586
Cash flows from financing activities					
Loans received during the year	26	41,500,000	458,391,878	169,893,730	17,180,566
Dividends paid to minority		(7,500)	(37,500)	-	-
Loans settled during the year	26	(6,197,268)	(19,735,000)	-	-
Net cash generated (used In)/from financing activities		35,295,232	438,619,378	169,893,730	17,180,566
Net (decrease)/increase in cash & cash equivalents		(58,509,017)	739,423,078	(1,764,671)	609,288
Cash & cash equivalents at the beginning		950,507,574	211,084,496	(173,162)	(782,450)
Cash & cash equivalents at the end		891,998,557	950,507,574	(1,937,833)	(173,162)
Analysis of cash & cash equivalents					
Cash at banks and in hand	23	1,031,075,620	1,016,724,387	17,062	-
Bank overdraft	23	(139,077,063)	(66,216,813)	(1,954,895)	(173,162)
		891,998,557	950,507,574	(1,937,833)	(173,162)

Figures in brackets indicate deductions

The Notes on pages 48-105 are an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1. Reporting Entity

1.1.1. Domicile and Legal Form

Ceylon Hotels Corporation PLC, which was incorporated and domiciled in Sri Lanka by an Act of parliament in 1967. The Act was replaced in 2008 and the entity was registered under the Companies Act No. 7 of 2007. The registered office of the Company and its Subsidiaries are situated at 327, Union Place, Colombo 02.

1.2. Companies in the Group and Parent Company

The Company, in the consolidated financial statements, refers to Ceylon Hotels Corporation PLC and the Group refers to the Company and all its subsidiaries namely United Hotels Company (Pvt) Ltd, Tissa Resort (Pvt) Ltd, CHC Foods (Pvt) Ltd, Kandy Hotels Co. (1938) PLC, Suisse Hotels (Pvt) Limited, Air Line Services Limited, Ceylon Hotel Maldives (together referred to as the "Group") and the Group's interest in equity accounted investees.

The Galle Face Hotel Company Ltd is the parent company of Ceylon Hotels Corporation PLC.

1.3. Principal activity and Nature of the Operations

The principal activity of the Company is that of an investment holding company and the subsidiary companies are engaged in the business of hotel services and there has been no change in the nature of such activities during the year.

1.4. Responsibilities for financial statements

The board of directors is responsible for preparation and presentation of the financial statements of the Company as per the provision of Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The directors' responsibility over financial statements for the year ended 31st March 2021 is set out in detail in the statement of directors' responsibility.

1.5. Approval of financial statements by Directors

The financial statements of the Group of the year ended 31st March 2021 were authorized for issue in accordance with resolution of the Board of Directors on 30th August 2021.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The consolidated financial statements comprise the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes to the consolidated financial statements that have been prepared in accordance with the Sri Lanka Accounting Standards (hereinafter referred to as SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka, Sri Lanka Accounting & Auditing Standards act no 15 of 1995 & the requirements of the Companies Act No. 7 of 2007 and the listing rules of the Colombo Stock Exchange.

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

2.2. Basis of Measurement

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

Items	Basis of Measurement	Note
Land and buildings	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation	14
Investment Property	Measured at fair Value	18
Defined benefit obligations	Measured at the present value of the defined benefit obligation	27

2.3. Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the Functional Currency), which is the Sri Lankan Rupee.

The financial statements of the Group are presented in Sri Lankan Rupees (LKR) which is the functional currency of the Group entities other than for the companies listed below where the functional currency is either based on the country of incorporation of the respective company or elements that could influence in determining its functional currency.

Company	Country of Incorporation	Functional Currency
Handuwaru Ocean Holidays (Pvt) Ltd	Maldives	USD

2.4. Use of Estimates and Judgments

The preparation of consolidated financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in following notes.

Note 14	-	Revaluation of Land and Buildings
Note 15	-	Measurement of Intangible Assets
Note 17.4	-	Investment in Joint Venture
Note 18	-	Valuation of Investment Property
Note 29	-	Measurement of defined benefit obligations: key actuarial assumptions
Note 31	-	Measurement of Deferred tax liabilities

2.5. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data. (Unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumption made in measuring fair value is included in note 39.

2.6. Materiality and aggregation

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

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

2.7. Offsetting

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

2.8. Going Concern

The Ceylon Hotels Corporation PLC, its subsidiaries and Joint ventures operate in the tourism sector that has been significantly affected by the outbreak of COVID – 19. In preparing this report, based on the information available, the Board of Directors has assessed the existing and anticipated effects of the COVID-19 pandemic on the Group and the appropriateness of the use of the going concern basis.

The Board believes that Group's resources including cash and bank balances, unutilized borrowings and from related parties are adequate to carry out the operations for foreseeable future.

Effect of COVID 19 on the Business and Operations

The COVID-19 outbreak has created a major challenge and a high level of uncertainty for tourism industry and the pandemic has severely impacted the operations of the Group has resulted in a material loss of revenue for the year ended 31 March 2021. The Group's cash flow is being affected by the drastic drop in the revenue and occupancy levels.

Global travel restrictions, closure of country boarders, suspension of international and domestic flights and health and safety guidelines have impacted on operations of the Group and continues to impact, the operations of the Group to this date. At the start of the pandemic in later March 2020, the Group was well positioned with a lowly levered financial status and significant level of liquidity including cash and bank balances. Considering the spread and scale of the pandemic, the management took immediate measures to protect the financial stability of the Group and implemented further measures as the effects of the pandemic continued at present. The measures taken by the Management include, but not limited to the following.

- Cancellation or postponement of non-essential capital expenditures.
- Proactive cost control and working capital management including the cancellation of all non-essential discretionary spending.
- Rescheduling of repayment terms of loans. Operating as a quarantine hotel.
- Utilization of Government assistances in the form of lower lending rates.

The board has requested for debt service moratoriums for the existing loans of the Company and bankers have provided for debt in line with concessions announced by the Central Bank of Sri Lanka. This has provided further support to the financial position, when granted.

3. SIGNIFICANT ACCOUNTING POLICIES

Except for the changes mentioned in note 3.1 Changes in Accounting Policies, the Group has consistently applied the following accounting policies to all periods presented in these Consolidated Financial Statements.

3.1. Changes in Accounting Policies

The Group has initially adopted the Definition of a Business (Amendments to IFRS 3) to business combination from 1st April 2020 in assessing whether it had acquired a business or a group of assets.

A number of other new standards are also effective from 01st April 2020. These new standards and amendments do not have any material impact on the Group's financial statements.

3.2. Basis of Consolidation

The Group's financial statements comprise of the financial statements of the company its subsidiaries prepared in terms of Sri Lanka Accounting standard (SLFRS -10) - Consolidated Financial Statements and share of profit and loss and net assets of equity accounted investees prepared in terms of Sri Lanka Accounting standard (LKAS 28) - Investments in Associates and Joint Ventures.

(a) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which the control is transferred to the Group. Control is the power to govern Financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, Group takes in to consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred: plus
- The recognized amount of any non-controlling interests in the acquire: plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire: less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts generally are recognized in profit or loss.

Transaction costs other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re measured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

(b) Subsidiaries

Subsidiaries are those entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Adjustments required to the accounting policies of Subsidiary have been changed wherever necessary to align them with the policies adopted by the group.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. Subsequent to the acquisition, the Company continues to recognize the investment in the subsidiary at cost.

(c) Non-controlling interests

The proportion of the profits or losses after taxation applicable to outside shareholders of subsidiary companies is included under the heading "Non – controlling interest "in the Consolidated Income Statement. Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

The interest of the minority shareholders in the net assets employed of these companies are reflected under the heading "Non – controlling interest" in the Consolidated Statement of Financial Position.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(d) Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently it is accounted for as equity accounted investee or as financial asset measured as FVOCI depending on the level of influence is retained.

(e) Interests in equity-accounted investees (investments in joint ventures)

The Group's interests in equity-accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Notes to the Financial Statements

(f) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(g) Financial statements of subsidiaries and joint venture companies included in consolidated financial statements

Audited financial statements are used for consolidation. All Financial statements included in the consolidation have financial years ending 31st March except for Handhuvaru Ocean Holidays Ltd which has the financial year ending 31st December.

(h) Significant transactions and events during the period between date of financial statements of subsidiaries and date of financial statements of the Group

No adjustments to the results of subsidiary companies have been made as they were not significant.

3.3. Foreign Currency

3.3.1. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to reporting currency using the exchange rate that was prevailing on the date the fair value was determined.

Foreign currency differences arising on retranslation generally are recognized in income statement. However, the following items are recognized in the other comprehensive income.

- Differences arising on the retranslation of fair value through other comprehensive income equity investments which was recognised in other comprehensive income. Foreign currency gains and losses are reported on a net basis in the income statement.
- Gains and losses arising from translating the financial statements of foreign operations

3.3.2. Foreign operations

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

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI (Non-Controlling Interest).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.4. Financial Instruments

(a) Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at 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.

(b) Classification and subsequent measurement

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

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; 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.

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

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

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

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

Financial assets - Business model assessment:

The Group 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 includes:

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

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

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

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value 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 costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

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

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

Financial assets - Subsequent measurement and gains and losses

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

Financial liabilities - Classification, subsequent measurement and gains and losses

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

(c) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(d) Offsetting

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

(e) Impairment

Non-derivative financial assets

The Group measure loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group 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 Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 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 Group is exposed to credit risk.

Measurement of ECLs

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

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI 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 Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market tor a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group 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 Group 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 Group's procedures to recovery of amounts due.

Impairment Policy: Non-financial assets

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

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

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

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

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

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

3.5. Share Capital

Ordinary shares are classified as equity. Incremental Costs attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction cost of an equity transaction is accounted for in accordance with LKAS 12.

3.6. Property, Plant & Equipment

3.6.1. Recognition and measurement

Property, plant & equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used during more than one period.

a. Recognition

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

b. Measurement

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

The cost of Property Plant & Equipment comprises its purchase price and any directly attributable costs of bringing the asset to the working condition for its intended use. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use. This also includes costs of dismantling and removing the items and restoring the site on which they are located & borrowing costs on qualifying assets.

All items of Property Plant & Equipment are initially measured at cost.

If a significant part of an item of Property Plant & Equipment has different useful lives, then they are accounted for as separate items (major components) of Property Plant & Equipment.

Any gain or loss on disposal of Property Plant & Equipment is recognized in profit or loss.

Purchased software that is integrated to the functionality of the related equipment is capitalized as part of that equipment.

Expenditure on repairs or maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the assets has been recognized as an expense when incurred.

c. Subsequent cost

Subsequent cost is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the group and the company and the cost of the item can be measured reliably. The costs of day to day servicing of property plant & equipment are recognized in profit or loss as incurred.

d. De-recognition

An item of property, plant & equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of an item of property plant & equipment are determined by comparing the proceeds from the disposal with the carrying amount of the property plant & equipment and are recognized net within "other income" in the statement of profit/loss in the year the asset is derecognized. When revalued assets are sold, the amounts included in the revaluation reserves are transferred to retained earnings.

When replacement costs are recognized in the carrying amount of an item of property, plant & equipment, the remaining carrying amount of the replaced part is derecognized as required by LKAS 16 – Property, Plant & Equipment.

e. Revaluation

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

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

The Group transfer portion of revaluation reserve to retained earnings as the assets are used by the entity, since the future economic benefits embodied in the assets are consumed principally through its use rather than on retirement or disposal.

f. Depreciation

Depreciation is calculated to write off the cost of items of property plant & equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognized in the profit or loss, unless the amount is included in the carrying amount of another asset. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Buildings on Leasehold Land	- Over the unexpired lease period
Freehold Buildings	- 20 years
Plant & Machinery	- 10 years
Tools & Implements	- 10 years
Furniture & Office equipment	- 10 years
Freehold Motor Vehicles	- 10 years
Leasehold Motor Vehicles	- 10 years
Leasehold Equipment	- 10 years
Swimming pool	- 08 years
Computer Equipment	- 05 years
Other Equipment	- 05 years

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

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

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

3.7. Leases

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

3.7.1. As a lessee

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

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

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

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in right of use asset and lease liabilities in 'loans and borrowings' in the statement of financial position.

3.7.2. Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7.3. Lease modifications

The Group shall account for a lease modification as a separate lease if both:

a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group shall:

a) allocate the consideration in the modified contract

b) determine the lease term of the modified lease

c) remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group shall account for the remeasurement of the lease liability by:

a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

b) making a corresponding adjustment to the right-of-use asset for all other lease modifications

3.8. Intangible assets and goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see note 3.2(a). Subsequently Goodwill is measured at cost less accumulated impairment losses.

3.8.1. Other intangible assets

Other Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Lease hold rights are shown at historical cost. Lease hold rights have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight- line method to allocate the cost of leasehold right over the estimated useful life.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Intangible assets are amortized on a straight line basis in profit or loss over their estimated useful lives, from the date that they are available for use other than goodwill. The estimated useful life of software is five years. Amortization method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.9. Investment Property

Investment Property, principally comprise freehold land and building held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investments property includes the cost of materials and direct labour, any other costs directly attributable to bring 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.

Investment Property is carried at fair value determined annually by an independent valuer. A gain or loss arising from a change in the fair value of investment property is recognized in profit or loss for the period in which it arises.

3.10. Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Accordingly, the costs of inventories are accounted as follows:

Food and Beverage - At weighted average cost

Packeted Snacks - At actual cost on FIFO basis

Other Consumables - At actual cost on FIFO basis

Cutlery, Crockery, Linen & Glassware - At weighted average cost

3.11. Employee Benefits

a. Defined contribution plans

A defined contribution plan is a post-employment plan under which the Group & Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognized as expense in the profit and loss in the period during which related services are rendered by employees.

Employees' Provident Fund

The Group and Employees' contribute 12% & 8% respectively on the salary of each employee respectively to the Employee Provident Fund.

Employees Trust Fund

The Group contributes 3% of the salary of each employee to the Employees' Trust Fund contributions to defined contribution plans are recognized as an expense in the income statement as incurred.

b. Defined benefit plans - Retiring Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

In accordance with revised LKAS 19 - "Employee Benefits" which became effective from the financial year commencing after 01 July 2007, the Group has adopted the actuarial valuation method and the valuation method used by the actuary is "Projected Unit Credit Method". The assumptions based on which the results of the actuarial valuation was determined, are included in Note 29 to the financial statements.

However, under the payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continues service.

Any actuarial gains or losses arising are recognized immediately in the statement of other comprehensive income.

The liability was not externally funded.

c. Short-term employee benefits

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

d. Termination benefits

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

3.12. Liabilities and Provisions

3.12.1. Liabilities

Liabilities classified as current liabilities on the balance sheet are those, which fall due for payment on demand or within one year from the balance sheet date.

Non-current liabilities are those balances that fall due for payment after one year from the balance sheet date.

3.12.2. Provisions

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation, it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognized as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

3.12.3. Contingent liabilities and contingent assets

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

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

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company and the Group. The Company and the Group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4.1. Revenue

4.1.1. Revenue from Contract with customers

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

a) Revenue recognition

Group recognizes, in the contract interception, whether it has full fill its performance obligation over time or at a point in time. In an occasion where the performance obligation full fills overtime then the company recognize the revenue overtime based on the progress towards satisfaction of that performance obligation.

b) Disaggregation of recognition

The disaggregated revenue is presented with reportable segments based on the revenue recognition timing of revenue recognition and geographical region in the operating segment information section which comes under Revenue note in the financial statement.

c) Contract Balances

Contract liabilities are considered to be the hotel's obligation to transfer goods and services to a customer for which the Group has received consideration from the customer. Short-term advances includes in the contract liabilities which is received to render certain services. Contract liabilities of the group have been disclosed under Revenue note in the financial statement.

d) Performance obligations and revenue recognition policies

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

The Group considers services in the each contract as one performance obligation for packages offered to customers. Revenue in relation to package services are usually recognizes during the period of stay of the customer. The transaction price is determined in the context of the contracts. Further, the Group recognize individual identified services offered to customers as separate performance obligation and the revenue is recognized at the point of satisfying the performance obligations.

Notes to the Financial Statements

Following nature of revenues from contract with customers are involved in the Group operations;

1. Apartment revenue

The main obligation in the customer contract is to provide rooms for guests' accommodation. This is represented in the Room Revenue reported in the financial statements. Revenue under this segment is recognised on the rooms occupied on a daily basis over the period of the stay. Invoice is raised to customer on completion of the duration of the stay.

2. Food and beverages revenue

- Provision of BB/HB/FB meal for guests occupying the hotels which is part and partial of the contract entered into. Revenue is recognized at the time of sale and invoice to the customers on the completion of the duration of the stay.
- Provision of extra food and beverages - Revenue is recognised at the time of sale and invoice to the customers at the time of consumption.

3. Other hotel related revenue (Spa income, Laundry income etc.)

These services are provided to customers as they are implied as business practices in the industry and create a valid expectation of the customer. Revenue is recognised at the time of provision of service and invoice is raised at the time of service is consumed.

4.1.2. Other Income

Following specific criteria are used for the purpose of recognition of other income.

a) Dividend income from investments is recognized when the right to receive is established.

b) Interest income is recognized on an accrual basis.

Interest income is recognised as it accrues. Interest income included under finance income in the income statement.

4.2. Revenue Expenditure

All expenditure incurred in running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. For the purpose of presentation of Income Statement, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to revenue in the year in which the expenditure is incurred.

The profit incurred by the Group before taxation as shown in the Comprehensive Income Statement is after making provision for all known liabilities and for the depreciation of property, plant & equipment.

4.3. Grants and Subsidies

Government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognized in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognized.

4.4. Segment Reporting

A segment is a distinguishable component of an enterprise that is engaged in either providing products or services (Business Segment) or in providing products or services within a particular economic environment (Geographical Segment), which is subject to risks & rewards that are different from those of the segment. However, there are no distinguishable components to be identified as segment for the Company or Group.

4.5. Borrowing Cost

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs may include:

(a) Interest expense calculated using the effective interest method as described in SLFRS 09 Financial Instruments: Recognition and Measurement;

(b) Finance charges in respect of finance leases recognised in accordance with SLFRS 16 Leases; and

(c) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group then recognizes other borrowing costs as an expense in the period in which it incurs them.

4.6. Finance income & Finance cost

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method and impairment gains recognized on financial assets (other than trade receivables if any).

Finance cost comprises interest expenses on borrowings, impairment losses recognized on financial assets (other than trade receivables if any).

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 rate method.

4.7. Income Tax Expenses

An income tax expense comprises current and deferred tax. An income tax expense is recognized directly in income statements except to the extent that if relates to items recognized directly in equity, in which case it is recognized in equity.

a. Current tax

Income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. The Group's liability to taxation has been computed in accordance with the Inland Revenue Act No. 24 of 2017, and subsequent amendments thereto. The Company and its subsidiaries qualify for a concessionary tax rates.

b. Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted by the reporting date.

Deferred tax assets including those related to temporary tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the asset 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the year in which deferred tax asset is realized or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the Balance Sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c. Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company and the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

4.8. Value Added Tax

Revenues, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the VAT is recognised as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of VAT included. The amount of VAT recoverable or payable in respect of taxation authorities is included as a part of receivable and payable in the Balance Sheet.

4.9. Basic Earnings Per Share

The consolidated financial statements present basic earnings per share (EPS) data for its ordinary shareholders.

The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.10. Comparative Information

The comparative information has been reclassified wherever necessary to confirm with the current years classification in order to provide a better presentation.

5. CASH FLOW STATEMENT

Cash and Cash Equivalents

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

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

The Cash Flows Statements has been prepared using the "indirect method".

Interest paid are classified as operating cash flows, interest and dividend received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting of cash flow statement.

6. SRI LANKA ACCOUNTING STANDARDS (SLFRS) ISSUED, BUT NOT YET EFFECTIVE AS AT REPORTING DATE

A number of new standards and amendments to standards are effective for annual periods beginning after 1st January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements

COVID-19-Related Rent Concessions (Amendment to SLFRS 16)

The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 Pandemic. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. The practical expedient will only apply if

- The revised consideration is substantially the same or less than the original consideration;
- The reduction in lease payments relates to payments due on or before 30th June 2021;
- No other substantive changes have been made to the terms of the lease.

The amendment applies to annual reporting periods beginning on or after 01st June 2020. The Group does not anticipate this amended to have a significant impact on the Group's Financial Statements.

- **Interest Rate Benchmark Reform – Phase 2 (Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16)**

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 relating to:

- Changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;
- Hedge accounting.

The amendments will require the Group to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities. The Group is in the process of assessing the impact of this standard on its accounting and reporting. This amendment is effective for annual periods beginning on or after 1st January 2021.

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

This amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment applies to annual reporting periods beginning on or after 1st January 2022.

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

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

Annual Improvements to SLFRS Standards 2018–2020.

As part of its process to make nonurgent but necessary amendments to accounting Standards, the IASB International Accounting Standards Board (the Board) has issued the Annual Improvements to IFRS Standards 2018–2020. The amendments are effective for annual reporting periods beginning on or after 1st January 2022. Key Aspects covered is as follow:

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

This amendment simplifies the application of SLFRS 1 for a subsidiary that becomes a first-time adopter of SLFRS Standards later than its parent.

II. SLFRS 9 Financial Instruments

This amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Classification of Liabilities as Current or Non-current (Amendments to LKAS 1)

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

- The classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of liability. The standard also clarifies that settlement refers to the transfer to the counter party of cash, equity instruments, other assets or services.

The amendment applies to annual reporting periods beginning on or after 1st January 2023.

Reference to Conceptual Framework (Amendments to SLFRS 3)

Key amendments are as follow:

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

The amendment applies to annual reporting periods beginning on or after 1st January 2022.

Notes to the Financial Statements

7 REVENUE

For the Year Ended 31 March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Accommodation income	110,330,703	466,545,272	-	-
Food & Beverage income	291,250,596	465,331,240	-	-
Others	21,990,950	91,267,512	6,434,649	8,325,511
	423,572,249	1,023,144,024	6,434,649	8,325,511

a) Disaggregation of revenue from contract with customers

For the year ended 31 March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Major products/Service lines				
Room Revenue	110,330,703	466,545,272	-	-
Food and Beverage revenue	291,250,596	465,331,240	-	-
Other revenue	21,990,950	91,267,512	6,434,649	8,325,511
Total Revenue	423,572,249	1,023,144,024	6,434,649	8,325,511

The Group derives revenue from the transfer of goods and services over time/the period of stay and at a point in time in the following major categories.

	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Timing of revenue recognition				
Products & services transferred at a point in time	309,935,235	551,510,810	-	-
Products & services transferred over time	110,330,703	466,545,272	-	-
Other revenue	3,306,311	5,087,942	6,434,649	8,325,511
Total revenue	423,572,249	1,023,144,024	6,434,649	8,325,511

8 OTHER INCOME

	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Rent Income	1,587,366	1,361,664	-	4,402,801
Writeback of unclaimed dividend	12,122,038	-	-	-
Reversal of impairment provision on related party receivable	-	1,568,386	-	-
Sundry income	258,701	4,644,967	-	-
	13,968,105	7,575,017	-	4,402,801

9 OTHER OPERATING EXPENSES

	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Loss of Fair Value of Investment Property	-	-	-	7,224,998
Provision for advance payment of suppliers	351,495	-	-	-
Loss on disposal of PPE	-	39,112,274	-	-
Write-off of WHT Receivables	15,854	-	-	-
Write off of Inventory	777,836	-	-	-
Write-off of ESC Receivables	8,725,637	-	-	-
Impairment provision on amounts due from related company	-	-	361,475	185,699
Impairment provision on Investment in Equity Accounted Investees	-	105,433,223	-	-
Others	-	164,375	-	-
	9,870,822	144,709,872	361,475	7,410,697

10 NET FINANCE COST

For the year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Finance income				
Interest income on intercompany loan	36,462,105	30,826,157	25,095,258	21,398,586
Interest income from FDs, Savings Accounts & etc.	42,413,146	43,290,012	-	-
Gain on translation of foreign currencies	39,104,275	41,421,831	-	-
	117,979,526	115,538,000	25,095,258	21,398,586
Finance Costs				
Interest on overdrafts	29,151,829	39,451,280	2,003	2,399
Interest on lease (Note 29)	19,839,974	13,965,183	-	-
Interest on loans	129,841,152	147,919,544	87,181,527	81,103,477
	178,832,955	201,336,007	87,183,530	81,105,876
Net Finance Cost	(60,853,429)	(85,798,007)	(62,088,272)	(59,707,290)

11 LOSS BEFORE INCOME TAX

Loss before income tax is stated after charging all expenses including the following:

Directors' emoluments	-	2,343,000	-	2,343,000
Auditors' remuneration - statutory audit	2,661,500	2,766,276	682,500	682,500
Auditors' remuneration - non audit services	364,356	1,155,108	315,000	315,000
Depreciation on property, plant & equipment	172,523,750	181,312,349	6,517	6,535
Amortization of intangible assets	6,365,318	6,702,750	-	-
Amortization of Right of use assets	4,550,070	3,240,677	-	-
Provision for impairment of trade recievables	479,220	535,297	-	185,699
Donations	58,910	291,045	-	-
Professional fees & legal fee	3,486,811	3,406,570	1,704,525	1,344,227
Staff costs (Note 11.1)	138,251,918	259,904,573	7,775,588	9,789,583

11.1 Staff costs

Wages ,salaries and staff expenses	123,824,739	238,161,073	5,734,174	7,537,261
Defined contribution plan cost- EPF & ETF	10,703,588	17,733,160	871,230	1,032,526
Defined benefit plan cost- Retiring gratuity	3,723,590	4,010,340	1,170,184	1,219,796
	138,251,917	259,904,573	7,775,558	9,789,583

Notes to the Financial Statements

12 INCOME TAX EXPENSE/(BENEFIT)

12.1 Income Tax Recognised in Profit or Loss

For the Year Ended 31 March	Group 2021 Rs.	Group 2020 Rs.
Current tax		
Income tax expense for the year (Note 12.2)	20,923,800	12,196,986
Under provision in respect of previous year	118,044	529,100
	21,041,844	12,726,086
Deferred tax		
Reversal of temporary differences (Note 12.3)	(67,878,955)	(35,748,402)
Reversal for the year	(46,837,111)	(23,022,316)

12.2 Reconciliation Between Accounting Profit and Income Tax on Current Year Profit

For the Year Ended 31 March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Accounting Loss before income tax	(432,063,031)	(436,897,690)	(73,431,051)	(74,274,806)
Non business income	(112,277,756)	(100,410,690)	(25,095,258)	(21,398,586)
Add: Adjustment on Disallowable Expenses	406,456,400	520,224,761	1,176,701	8,627,029
less: Adjustment on Allowable Expenses	(158,872,847)	(153,439,370)	(1,102,995)	(614,518)
Exempt Income	(124,771,192)	(117,291,923)	-	-
Taxable profit on sale/transfer of PPE	-	122,860,560	-	122,860,560
Tax Profit/(loss) for the period	(421,528,426)	(164,954,352)	(98,452,603)	35,199,679
Adjustment of tax losses incurred	421,528,426	200,154,031	98,452,603	-
Taxable other income	112,277,756	95,729,561	25,095,258	21,398,586
Tax Losses utilized	(25,095,258)	(62,502,952)	(25,095,258)	(56,598,265)
Taxable Income	87,182,498	68,426,288	-	-
Tax Loss brought forward	1,468,032,037	1,333,964,236	560,606,879	631,519,487
Adjustments to b/f balance	(37,570,472)	(3,583,277)	185,701	(14,314,343)
Tax Losses utilized during the year	(25,095,258)	(62,502,952)	(25,095,258)	(56,598,265)
Loss incurred during the year	421,528,426	200,154,031	98,452,603	-
Tax Losses carried forward	1,826,894,733	1,468,032,037	634,149,925	560,606,879
Statutory tax rate				
Income tax @ 14%	-	7,899,428	-	-
Income tax @ 24%	20,923,800	-	-	-
Income tax @ 28%	-	4,297,558	-	-
Income tax on current year profits	20,923,800	12,196,986	-	-

12.3 Deferred Tax Charged to

For the Year Ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Profit or loss	(67,878,955)	(35,748,402)	-	-
Other Comprehensive income	194,639	(191,186,790)	-	-
	(67,684,316)	(226,935,192)	-	-

12.4 Applicable Income Tax Rates

The Group being engaged in an undertaking for the promotion of tourism is liable to income tax at concessionary rate of 14% in terms of the Inland Revenue Act No 24 of 2017 and its amendments thereto.

Other income are subject to tax at the standard rate of 24%. (2020 - 28%)

13 LOSS PER SHARE

Loss per ordinary share has been calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

For the Year Ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Loss attributable to equity holders of the Company (Rs.)	(312,064,378)	(348,868,078)	(73,431,051)	(74,274,806)
Weighted average number of ordinary shares in issue	180,030,942	180,030,942	180,030,942	180,030,942
Loss per share (Rs.)	(1.73)	(1.94)	(0.41)	(0.41)

14 PROPERTY, PLANT AND EQUIPMENT

14.1 Group

	Freehold Land	Free hold buildings	Building on leasehold land	Plant and machinery	Furniture and office equipment	Motor vehicles	Equipment	Computers	Swimming pool	WIP	Total 2021	Total 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/ valuation												
As at 1st April 2020	5,590,080,000	1,716,453,250	1,812,094,001	141,662,690	222,273,011	22,649,000	200,742,317	44,480,120	35,774,064	-	9,786,208,453	8,767,876,235
Additions	-	-	88,720	175,583	54,665	-	2,881,249	618,843	-	12,616,862	16,435,922	174,458,042
Revaluations	-	-	-	-	-	-	-	-	-	-	-	1,101,965,175
Transfers	-	-	(174,250,002)	-	(11,382,091)	-	(24,517,294)	(2,935,093)	(3,257,509)	-	(216,341,989)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	(258,090,999)
As at 31st March 2021	5,590,080,000	1,716,453,250	1,637,932,719	141,838,273	210,945,585	22,649,000	179,106,272	42,163,870	32,516,555	12,616,862	9,586,302,386	9,786,208,453
Accumulated depreciation												
As at 1st April 2020	-	-	-	38,551,831	56,540,916	247,539	94,116,832	33,301,757	11,244,324	-	234,007,199	383,222,347
Charge for the year	-	36,516,323	65,301,753	16,845,647	18,381,656	92,800	25,099,565	6,820,778	3,465,228	-	172,523,750	181,312,349
Disposal of subsidiaries	-	-	-	-	-	-		-	-	-	-	-
Disposals/ Transfer	-	-	-	-	(2,751,910)	-	(10,564,021)	(1,179,284)	(1,058,804)	-	(15,554,019)	(67,276,367)
Depreciation on Revaluation	-	-	-	-	-	-	-	-	-	-	-	(263,251,130)
As at 31st March 2021	-	36,516,323	65,301,753	55,401,478	72,170,662	340,339	108,652,376	38,943,251	13,650,748	-	390,976,930	234,007,199
As at 31st March 2021	5,590,080,000	1,679,936,927	1,572,630,966	86,436,795	138,774,923	22,308,661	70,453,896	3,220,619	18,865,807	12,616,862	9,195,325,456	-
As at 31st March 2020	5,590,080,000	1,716,453,250	1,812,094,001	103,106,859	165,732,095	106,625,485	106,625,485	11,178,363	24,529,740	-	-	9,552,201,254

14.1.1 It has been identified that there is no permanent impairment of plant and equipment which requires provision in the financial statements based on reassessment.

14.1.2 There were no capitalized borrowing costs related to the acquisition of Property Plant and Equipment during the year (2019/2020 - nil).

14.1.3 There were no restrictions on the title of the Property, Plant and Equipment as at 31 March 2021.

14.1.4 There were no items of Property, Plant and Equipment pledged as security as at 31 March 2021 other than disclosed in the Note 26.1

14.1.5 The gross carrying amount of fully depreciated property plant and equipment that is still in use for the Group/ Company as at 31st March 2021 was nil.

14.1.6 Freehold land and freehold building and Buildings on leasehold land of the Group were revalued by an independent professional valuer Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company, Incorporated valuers, on the basis of Market Approach as at 31st March 2020.

Covid 19 effect on fair value of land and buildings

The outbreak of Covid-19, declared by the World Health Organization (WHO) as a global pandemic on 11 March 2020 and has impacted on both location and global tourism industry market and properties. The Group has obtained a confirmation from the valuer on fair valuer of land and buildings and based on the confirmation of independent valuer, the carrying value is not materially deviated from the fair value as at 31 March 2021

The following table provides the fair value measurement hierarchy of the Group's Non financial assets.

As at 31 March 2020						
Name of the Company	**Asset Category**	**Date of valuation**	**Level 1**	**Level 2**	**Level 3**	**Total**
The Kandy Hotels Company (Pvt) Ltd	Freehold land	31 March 2020	-	-	5,590,080,000	5,590,080,000
	Freehold buildings	31 March 2020	-	-	1,716,453,250	1,716,453,250
United Hotels Company Ltd	Buildings on Lease Hold Land	31 March 2020	-	-	1,354,950,001	1,354,950,001
Tissa Resort (Pvt) Ltd	Buildings on Lease Hold Land	31 March 2020	-	-	292,644,000	292,644,000
CHC Foods (Pvt) Ltd	Buildings on Lease Hold Land	31 March 2020	-	-	164,500,000	164,500,000

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used for the Group in measuring Level 3 fair values, and the significant unobservable inputs used.

Name of the Company	Non financial assets	No of Buildings	Location	Valuation technique	Property valuer & Qualification	Significant unobservable inputs	Sensitivity of the input to the fair value
The Kandy Hotels (1938) PLC	Freehold land	-	Kandy	Open market value method	S Sivaskantha, Fellow Member of Institute of Valuation, Incorporated valuer	Price per perch of land Rs. 6,000,000/- - 14,000,000/-	Estimated fair value would increase/ (decrease) if ;- Price per perch increases/ (decreases)

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Name of the Company	Non financial assets	No of Buildings	Location	Valuation technique	Property valuer & Qualification	Significant unobservable inputs	Sensitivity of the input to the fair value
	Building	02	Hotel Suisse at at 30, Sangaraja Mawatha, Kandy	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation, Incorporated valuer	Range Rs. 7,000/- - Rs.16,500/- per sq.ft	Estimated fair value would increase/ (decrease) if ;- Price per sq.ft increases/ (decreases)
United Hotels Company Ltd	Building	01	Lake House Hotel, Parakrama Samudraya Pedesa, Polonnaruwa	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Rs.25,000/= per sq. ft	Estimated fair value would increase/ (decrease) if ;- Price per sq.ft increases/ (decreases)
	Building	01	The Surf at Beach Road, Bentota	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.6,000/= to Rs.24,500/= per sq. ft	Estimated fair value would increase/ (decrease) if ;- Price per sq.ft increases/ (decreases)
	Building	01	The Lake at Pothgul Pedesa, New Town, Polonnaruwa	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.8,500/= to Rs.20,000/= per sq. ft	Estimated fair value would increase/ (decrease) if ;- Price per sq.ft increases/ (decreases)
CHC Foods (Pvt) Ltd	Building	01	Hanwella Rest House Low Level Road Hanwella	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.3,500/= to Rs.7,000/= per sq. ft	Estimated fair value would increase/ (decrease) if ;- Price per sq.ft increases/ (decreases)
	Building	01	The Heritage Kandy Rd, Ambepussa Warakapola	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.3,000/= to Rs.23,500/= per sq. ft	Estimated fair value would increase/ (decrease) if ;- Price per sq.ft increases/ (decreases)

Name of the Company	Non financial assets	No of Buildings	Location	Valuation technique	Property valuer & Qualification	Significant unobservable inputs	Sensitivity of the input to the fair value
Tissa Resort (Pvt) Ltd	Building	01	The Safari at Kataragama Road, Tissamaharama	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.6,500/= to Rs.20,000/= per sq. ft	Estimated fair value would increase/ (decrease) if ;- Price per sq.ft increases/ (decreases)

Open Market Value

This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.

Depreciated replacement cost method

The Depreciated replacement cost method works on the basis that a property's value can be equated to its cost. Valuer assesses the cost of the building if it would have constructed in the current year, and deduct margin for usage of the property based on the respective year of construction.

14.1.7 Value of land and building ownership

Name of the Company	Location	Property	Ownership	Extent	Carrying value As at 31st March 2021 Rs.
The Kandy Hotels (1938) PLC	Hotel Suisse - No 30, Sangaraja Mawatha, Kandy.	Land	Freehold	429.85 Perches	2,579,100,000
		Building	Freehold	80,861.5 Sq.ft	823,405,045
	Hotel Queen's - No 04, Dalada Vidiya, Kandy.	Land	Freehold	215.07 Perches	3,010,980,000
		Building	Freehold	114,885.5 Sq.ft	856,531,882
United Hotels Company Ltd	The Lake House Hotel, Parakrama Samudraya Pedesa, Polonnaruwa	Building	Lease Hold	15,344 Sq ft	128,057,472
	The Surf Hotel, Beach Road, Bentota	Building	Lease Hold	82,334 Sq ft	1,016,286,695
CHC Foods (Pvt) Ltd	Heritage Ambepussa & Avanhala Kandy road, Ambepussa Warakapola	Building	Lease Hold	29,035 Sq ft	136,500,000
	Hanwella Rest HouseLow Level Road Hanwella	Building	Lease Hold	9,531 Sq ft	13,775,000
Tissa Resort (Pvt) Ltd	The Safari, Kataragama Road, Tissamaharama	Building	Lease Hold	48,497.5 Sq ft	278,011,800

Notes to the Financial Statements

14.2 Company

As at 31st March	Furniture fittings and fixtures Rs.	Computers Rs.	Total 2021 Rs.	Total 2020 Rs.
Cost/Valuation				
As at 1st April	36,171	14,500	50,671	50,671
Additions	-	-	-	-
As at 31st March	36,171	14,500	50,671	50,671
Accumulated Depreciation				
As at 1st April	19,502	3,051	22,553	16,018
Charge for the year	3,617	2,900	6,517	6,535
As at 31st March	23,119	5,951	29,070	22,553
Carrying Amount				
As at 31st March 2021	13,052	8,549	21,601	-
As at 31st March 2020	16,669	11,449	-	28,118

14.2.1 Based on the assessment carried out internally, by the Board Of Directors no provision was required for the potential impairment of fixed assets as at 31st March 2021.

14.2.2 There were no capitalized borrowing costs related to the acquisition of Property Plant and Equipment during the year (2020/2021 - nil).

14.2.3 There were no restrictions on the title of the Property, Plant and Equipment as at 31st March 2021.

15 INTANGIBLE ASSETS

As at 31st March	Group 2021 Rs.	Group 2020 Rs.
Computer Software (15.1)	19,088,930	25,454,248
Goodwill on Acquisition (15.2)	451,859	451,859
Total	19,540,789	25,906,107

15.1 Computer Software

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Cost				
At the beginning of the year	54,345,028	54,243,029	23,460	23,460
Acquired/incurred during the year	-	101,999	-	-
As at 31st March	54,345,028	54,345,028	23,460	23,460
Amortization				
At the beginning of the year	28,890,780	22,188,030	23,460	23,460
Amortization for the year	6,365,318	6,702,750	-	-
At the end of the year	35,256,098	28,890,780	23,460	23,460
Net book Value as at 31st March	19,088,930	25,454,248	-	-

15.2 Goodwill

As at 31st March	2021 Rs.	2020 Rs.
Ceylon Hotels Maldives (Pvt) Ltd	451,859	451,859
	451,859	451,859

15.2.1 Goodwill as at the reporting date has been tested for Impairment annually and no impairment was found in carrying value.

16 RIGHT OF USE ASSETS

As at 31st March	Group	
	2021 Rs.	2020 Rs.
Balance at the beginning of the Period	122,561,130	-
Recognition on initial application on of SLFRS 16 - Leases	-	5,729,602
Adjusted balance at the beginning of the Period	122,561,130	5,729,602
Transferred from Lease hold right over land	-	590,179
Remeasurement of Right of use asset	-	119,482,026
Amortization during the period	(4,550,070)	(3,240,677)
Balance at the end of the Period	118,011,060	122,561,130

16.1.1 Right of Use Assets are in respect of following properties, which are currently on lease with Sri Lanka Tourism Development Authority.

- The Surf – Bentota
- The Safari – Tissa
- The Lake – Polonnaruwa
- The Lake House – Polonnaruwa
- Hanwella Rest House
- Ambepussa Rest House

17 INVESTMENTS IN SUBSIDIARIES

	Market Value	No. of shares Company		Effective Holding %		Company	
	2021	2021	2020	2021	2020	2021	2020
	Rs.					Rs.	Rs.
Direct - Subsidiaries							
Kandy Hotels Co. (1938) PLC.	2,128,445,550	401,567,250	401,567,250	69.54%	69.54%	1,402,654	1,402,654
United Hotels Co. Ltd.		30,374,967	30,374,967	67.51%	67.51%	837,945,552	837,945,552
Air Line Services Ltd.		150,003	150,003	100.00%	100.00%	300,000	300,000
CHC Foods (Pvt) Ltd.		7,000,001	7,000,001	100.00%	100.00%	70,000,010	70,000,010
Sub - Subsidiaries							
Tissa Resort (Pvt) Ltd.				78.71%	78.71%	-	-
Ceylon Hotel Maldives (Pvt) Ltd				78.71%	78.71%	-	-
Suisse Hotel (Pvt) Ltd				69.54%	69.54%	-	-
						909,648,216	909,648,216
Provision for impairment (17.1)						(300,000)	(300,000)
						909,348,216	909,348,216

17.1 Provision for Impairment

Investment in Airline services (Pvt) Ltd amounting Rs.300,000/- has been provided fully for the impairment during the year ended 31st March 2018 as the operations of the said entity has been ceased.

17.2 Principal Subsidiaries

The following disclosure excerpt highlights the group composition and the proportion of ownership interests held by NCI as at 31st March 2021.

Company and Country of Incorporation/ Operation	Principal Activities	Class of Shares Held	2021			2020		
			Proportion of interest held by the Company	Group Interest (%)	Non-controlling interest (%)	Proportion of interest held by the Company	Group Interest (%)	Non-controlling interest (%)
Sri Lanka								
United Hotels Co. Ltd	Hotel Services	Ordinary	67.51%	78.71%	21.29%	67.5%	78.7%	21.29%
Tissa Resort (Pvt) Ltd	Hotel Services	Ordinary	-	78.71%	21.29%	-	78.7%	21.29%
Kandy Hotels Co.(1938) PLC	Hotel Services	Ordinary	69.54%	69.54%	30.46%	69.5%	69.5%	30.46%
Suisse Hotel (Pvt) Ltd	Hotel Services	Ordinary	-	69.54%	30.46%	-	69.5%	30.46%
Ceylon Hotels Maldives (Pvt) Ltd	Hotel Services	Ordinary	-	78.71%	21.29%	-	78.7%	21.29%

17.3 Summary financial information for subsidiaries that have non-controlling interests that are material to the Group.

The following table summarises the information relating to the Group's subsidiaries that have material NCI, before any intra-group eliminations.

As at 31st March 2021	United Hotels Co. Ltd Rs.	Tissa Resort (Pvt) Ltd Rs.	The Kandy Hotels Co. (1938) PLC Rs.	Suisse Hotel (Pvt) Ltd Rs.
NCI percentage	21.29%	21.29%	30.46%	30.46%
Total Assets	3,298,030,364	343,931,173	9,550,990,197	359,232,866
Total Liabilities	1,157,828,574	272,498,467	1,563,671,420	9,342,841
Net Assets	2,140,201,790	71,432,706	7,987,318,777	349,890,025
Net Assets attributable to NCI	455,587,024	15,205,956	2,433,300,359	106,592,406
Revenue	136,868,240	73,553,014	145,045,475	-
Profit/(Loss)	(112,603,317)	(32,341,289)	(52,901,101)	(97,871)
OCI	(445,367)	(133,916)	(606,414)	-
Total Comprehensive Income	(113,048,684)	(32,475,205)	(53,507,515)	(97,871)
Profit attributable to NCI	(23,969,987)	(6,884,524)	(16,116,080)	(29,816)
OCI attributable to NCI	(94,806)	(28,507)	(184,741)	-
Cash flows from operating activities	(109,693,551)	1,526,982	87,860,928	(76,350)
Cash flows from investment activities	(383,679)	(1,170,031)	(170,448,038)	-
Cash flows from financing activities	70,104,663	8,888,900	11,223,027	-
Net increase (decrease) in cash and cash equivalents	(39,972,567)	9,245,851	(71,364,083)	(76,350)
				-
Dividends paid to NCI during the year	-	-	(7,500)	-

As at 31st March 2020	United Hotels Co. Ltd Rs.	Tissa Resort (Pvt) Ltd Rs.	Kandy Hotels Co.(1938) PLC Rs.	Suisse Hotel (Pvt) Ltd Rs.
NCI percentage	21.29%	21.29%	30.46%	30.46%
Total Assets	3,453,025,620	366,000,256	9,567,941,530	359,309,216
Total Liabilities	1,199,775,147	262,092,345	1,527,107,738	9,321,320
Net Assets	2,253,250,473	103,907,911	8,040,833,792	349,987,896
Net Assets attributable to NCI	479,651,817	22,118,987	2,449,603,465	106,622,222
Revenue	376,939,047	86,032,672	410,663,517	-
Profit/(Loss)	(110,150,919)	(41,548,489)	26,870,689	(164,375)
OCI	634,098	(264,284)	(176,543,948)	-
Total Comprehensive Income	(109,516,821)	(41,812,773)	(149,673,259)	(164,375)
Profit attributable to NCI	(23,447,943)	(8,844,471)	8,186,033	(50,076)
OCI attributable to NCI	134,981	(56,258)	(53,783,311)	-
Cash flows from operating activities	123,274,825	3,082,125	55,017,285	64,625
Cash flows from investment activities	(74,103,861)	(3,164,765)	65,821,792	-
Cash flows from financing activities	226,156,230	12,065,000	110,712,589	-
Net increase (decrease) in cash and cash equivalents	275,327,194	11,982,360	231,551,666	64,625

17.4 Investment in Equity Accounted Investees

17.4.1 Principal joint Venture

As at 31st March 2021

The following disclosure excerpt highlights for material joint venture and the proportion of ownership interests held by joint venture.

Company/Country of incorporation/ Principal place of business	Principal Activities	Class of Shares Held	2021		2020	
			Proportion of class held by the Company	Group Interest (%)	Proportion of class held by the Company	Group Interest (%)
Sri Lanka						
Suisse Hotel Kandy (Pvt) Limited	Hotel Services	Ordinary	-	35%	-	35%
Ceylon Holiday Holdings (Pvt) Limited	Hotel Services	Ordinary	50%	50%	50%	50%
Maldives						
Handhuvaru Ocean Holidays (Pvt) Ltd	Hotel Services	Ordinary	-	39%	-	39%

As at 31st March	Handuvaru Ocean Holidays		Suisse Hotel Kandy (Pvt) Limited		Ceylon Holiday Holdings (Pvt) Limited		Total	
	2021 (Rs.)	2020 (Rs.)	2021 (Rs.)	2020 (Rs.)	2021 (Rs.)	2020 (Rs.)	2021 (Rs.)	2020 (Rs.)
No of Shares	2,294,535	2,294,535	142,130,001	142,130,001	198,800,129	198,800,129		
Share Holding	39%	39%	35%	35%	50%	50%		
Opening Balance	780,450,890	612,910,560	201,242,404	280,361,334	204,605,038	135,251,849	1,186,298,332	1,028,523,743
During the year investment	-	282,211,204	-	-	-	-	-	282,211,204
Share Application Fund	-	-	-	-	-	(35,527,850)	-	(35,527,850)
Impairment provision	-	(105,433,223)	-	-	-	-	-	(105,433,223)
Fair Value Loss	-		-		-		-	
Operating Profit (losses) for the year	(2,079,258)	(5,914,974)	(114,525,093)	(99,255,835)	(30,731,538)	(13,105,255)	(147,335,889)	(118,276,064)
Other Comprehensive income net of tax	16,731,350	(3,322,677)	174,936	20,136,905	234,980	109,602,799	17,141,266	126,417,027
Transactions Directly Recorded in Equity - IFRS 16 Impact	-	-	-	-	-	8,383,495	-	8,383,495
	795,102,982	780,450,890	86,892,247	201,242,404	174,108,480	204,605,038	1,056,103,709	1,186,298,332
Summary financial information of Joint Ventures								
Current Asset	394,973,998	396,397,996	89,596,504	105,593,324	879,662,710	129,207,027	1,364,233,212	631,198,347
Non Current Asset	1,136,535,642	1,091,441,720	1,696,609,973	1,757,377,759	32,221,400	840,721,050	2,865,367,015	3,689,540,529
Current Liabilities	(727,924)	(1,069,216)	(303,177,961)	(220,720,956)	(280,452,384)	(307,687,788)	(584,358,269)	(529,477,960)
Non Current Liabilities	(263,329,544)	(248,622,512)	(1,309,244,022)	(1,239,765,319)	(283,214,769)	(253,030,214)	(1,855,788,335)	(1,741,418,045)
Net Assets (100%)	1,267,452,172	1,238,147,988	173,784,494	402,484,808	348,216,957	409,210,075	1,789,453,623	2,049,842,871
Group's share of net assets	633,726,086	619,073,994	86,892,247	201,242,404	174,108,480	204,605,038	894,726,812	1,024,921,436
Goodwill	161,376,896	161,376,896	-	-	-	-	161,376,896	161,376,897
Share of net asset attributable to equity accounted investee	795,102,982	780,450,890	86,892,247	201,242,404	174,108,480	204,605,038	1,056,103,709	1,186,298,332

As at 31st March	Handuvaru Ocean Holidays 2021 (Rs.)	Handuvaru Ocean Holidays 2020 (Rs.)	Suisse Hotel Kandy (Pvt) Limited 2021 (Rs.)	Suisse Hotel Kandy (Pvt) Limited 2020 (Rs.)	Ceylon Holiday Holdings (Pvt) Limited 2021 (Rs.)	Ceylon Holiday Holdings (Pvt) Limited 2020 (Rs.)	Total 2021 (Rs.)	Total 2020 (Rs.)
Summary financial information of Share of Joint Ventures								
Revenue	-	-	112,540,678	275,354,971	60,647,024	185,203,726	173,187,702	460,558,697
Losses before income tax	(4,158,515)	(11,829,948)	(229,050,186)	(198,511,669)	(80,909,926)	(37,011,491)	(314,118,628)	(247,353,108)
Income tax	-	-	-	-	19,446,850	10,800,980	19,446,850	10,800,980
Profit /(Loss) after tax	(4,158,515)	(11,829,948)	(229,050,186)	(198,511,669)	(61,463,077)	(26,210,511)	(294,671,778)	(236,552,128)
Other comprehensive income net of tax	33,462,699	(6,645,354)	349,871	40,273,809	469,959	219,205,598	34,282,530	252,834,053
Total comprehensive income for the year	29,304,184	(18,475,302)	(228,700,315)	(158,237,860)	(60,993,118)	192,995,087	(260,389,248)	16,281,925
Group Share of Profit /(Loss) after tax	(2,079,258)	(5,914,974)	(114,525,093)	(99,255,835)	(30,731,538)	(13,105,256)	(147,335,889)	(118,276,064)
Group Share of Total comprehensive income net of tax for the year	16,731,350	(3,322,677)	174,936	20,136,905	234,980	109,602,799	17,141,265	126,417,027
"Share of Joint Venture's Total comprehensive income for the year"	14,652,092	(9,237,651)	(114,350,157)	(79,118,930)	(30,496,559)	96,497,544	(130,194,624)	8,140,963

17.4.2 Investments in Joint Venture

As at 1st March	Company 2021 Rs.	Company 2020 Rs.
Ceylon Holiday Holdings (Pvt) Limited		
Opening balance as at 1st April	329,497,174	329,497,174
Change in fair value	(20,000,000)	-
Closing balance as at 31st March	309,497,174	329,497,174

17.4.2.1 Valuation technique and significant unobservable inputs

Following table shows the valuation technique used in measuring level 3 fair value of the Investment in Joint Venture and as well as the significant unobservable inputs used, including a sensitivity analysis on possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, on Other comprehensive income.

Type	Valuation Technique	Significant unobservable inputs
Investment In Joint Venture	Discounted Cash Flows	
	The valuation model considers the present value of expected net cash flows from the investment discounted using a risk adjusted discount rate. The expected cash flows are derived based on the budgeted cash flow forecasts of those investments.	zero free cash flows are forecasted for calendar year 2022 on leisure properties, and thereafter, a gradual normalization is projected during the forecast period.
		Terminal Growth Rate of 0% - 3%
		Discount Rate of 10.0% - 12.5% (WACC)

Notes to the Financial Statements

18 INVESTMENT PROPERTY

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Opening Balance	-	-	-	146,759,998
Transfer from Property Plant & Equipments	200,787,968	-	-	-
Change in Fair Value	-	-	-	(7,224,998)
Disposal during the year	-	-	-	(139,535,000)
Closing Balance	200,787,968	-	-	-

As at 31st March	Company					
	2021			2020		
	Building	Other Assets	Total	Building	Other Assets	Total
Balance as at1st April	-	-	-	85,534,999	61,224,999	146,759,998
Change in Fair Value	-	-	-	-	(7,224,998)	(7,224,998)
Disposal during the year	-	-	-	(85,534,999)	(54,000,001)	(139,535,000)

18.1 Investment Property Details are as follows

18.1.1 Rental Income earned from Investment Property by the Group amounted to Rs.750,000/- (Company 2019/2020 Rs. 4,402,801/-)

18.1.2 Direct operating expenses incurred with regard to investment property by The Group amounted to Rs. 214,090/- (2019/2020 - Rs. 156,021/-)

18.1.3 Fair value of the Investment Property is ascertained by an independent valuation carried out by S. Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer as at 31st March 2020. Based on the assessment carried out by S. Sivaskantha the Board of Directors of the company decided that sales price of comparative properties and the relevant assumptions has not changed significantly during the year 2020/2021.

This investment property rented out to third party with effect from 1 April 2020. Accordingly, management has transferred this property from Property, Plant and Equipment to investment property during the year.

18.1.4 The following table shows the valuation techniques used for the company in measuring Level 3 fair values, and the significant unobservable inputs used for investment property as at 31st March 2021.

Location	Property	Valuation technique	Property valuer & Qualification	Significant unobservable inputs	Sensitivity of the input to the fair value
The Lake Hotel Pothugul Pedesa, New Town, Polonnaruwa	Building	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs. 8500 - Rs. 20,000 per sq.ft	Estimated fair value would increase/ (decrease) if ;- Price per sq.ft increases/ (decreases)

18.2 Investment Property Details as follows

18.2.1 Leasehold property

Location	Extent	Classification Company	Classification Group
The Lake Hotel Pothgul Pedesa, Building is situated on the border of "Parakrama Samudrya"	Buildings area- 31,533 sq.ft	Investment property	Property, Plant and Equipment

19 INVENTORIES

As at 31st March	Group 2021 Rs.	Group 2020 Rs.
Food	8,716,575	6,200,222
Beverages	4,435,466	11,625,593
Crockery, linen and glassware	43,476,717	46,780,398
Sundry stock	10,553,777	11,864,281
	67,182,535	76,470,494
Provision for slow moving stocks	(842,809)	(64,973)
	66,339,726	76,405,521

20 TRADE & OTHER RECEIVABLES

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Accounts receivables (20.1)	10,444,471	94,827,159	-	-
Other receivables (20.2)	52,776,639	60,268,854	6,145,677	5,374,103
	63,221,110	155,096,013	6,145,677	5,374,103

20.1 Accounts receivables

	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Trade receivable	15,435,724	99,339,192	-	-
Less: Provision for bad & doubtful debts (20.2)	(4,991,253)	(4,512,033)	-	-
	10,444,471	94,827,159	-	-

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
20.2 Advances and deposits	14,006,198	28,794,208	-	-
Others	40,006,295	32,343,151	6,145,677	5,374,103
Less: Provision for bad & doubtful debts	(1,235,854)	(868,505)	-	-
	52,776,639	60,268,854	6,145,677	5,374,103

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
20.3 Balance as at the beginning of the year	4,512,032	3,976,736	-	-
Provision during the year	479,221	535,296	-	-
Balance as at the end of the year	4,991,253	4,512,032	-	-

Management has carried out an impairment provision based on the simplified approach of ECL method and impairment provision of Rs. 4,991,254/- has been accounted for trade debtors as the ECL. (2020 - Rs. 4,512,033/-).

Management has carried out an impairment provision based on the simplified approach of ECL method. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Management considered 100% ECL for debtors aged more than 180 days in determining the provision matrix for ECL.

The Group has considered the current decline in the tourism industry due to the impact of Covid19 pandemic as a specific factor to the economic environment. The Management has monitored the effect of the global economic downturn to its travel agents through frequent discussions with them and based on the financial strength and negotiated the payment terms and future arrangements accordingly. All above receivables are due from well established travel agents and most of the dues are still within the credit period. The Management has considered the subsequent of receivables and results of negotiations with travel agents on arriving the default rates.

21 AMOUNTS DUE FROM RELATED COMPANIES

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
United Hotels Co (Pvt) Ltd	-	-	-	89,520,350
Studio clay (Pvt) Ltd	18,607	184,261	12,265	12,265
CHC Foods (Pvt) Ltd	-	-	140,030,587	102,885,783
Tissa Resort (Pvt) Ltd	-	-	24,609,641	28,456,667
CHC Rest Houses (Pvt) Ltd	27,995,353	31,367,874	27,969,506	29,131,398
Made in Italy (Pvt) Ltd	2,607	-	-	-
Galle Face Group (Pvt) Ltd	7,553,463	3,127,954	2,777,255	14,341
Gardiner Group (Pvt) Ltd	339,225	339,225	-	-
Ceylon Holiday Holdings (Pvt) Ltd	44,580,733	43,811,361	44,580,733	43,811,361
Infini Restaurant Management (Pvt) Limited	1,130	-	-	-
Galle Face Hotel 1994 (Pvt) Ltd	532,109	5,716,723	81,909	-
GFH Management	5,823		-	-
Ceylon Hotel Holdings (Pvt) Ltd	358,520,219	203,194,333	344,683,839	189,357,953
Total Amounts due from related companies	439,549,269	287,741,731	584,745,735	483,190,118
Less: Provision for amounts due from related companies	-	-	(10,121,161)	(9,759,686)
	439,549,269	287,741,731	574,624,574	473,430,432

22 INCOME TAX RECOVERABLE

As at 31st March	Group	
	2021	2020
	Rs.	Rs.
Balance at the beginning of the period	2,180,159	1,356,305
WHT receivables	-	1,528,013
Write offs during the period	-	(704,159)
Balance at the end of the period	2,180,159	2,180,159

23 CASH & CASH EQUIVALENTS

As at 31st March	Group		Company	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Cash at banks	1,027,937,195	1,013,612,524	17,062	-
Cash in hand	3,138,425	3,111,863	-	-
	1,031,075,620	1,016,724,387	17,062	-
Bank Overdrafts	(139,077,063)	(66,216,813)	(1,954,895)	(173,162)
Cash & cash equivalents for cash flow purpose	891,998,557	950,507,574	(1,937,833)	(173,162)

24 STATED CAPITAL

As at 31st March	Group		Company	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Ordinary shares (180,030,942)	360,210,821	360,210,821	360,210,821	360,210,821
6% Preference shares (1,200,000 Shares)	2,400,000	2,400,000	2,400,000	2,400,000
	362,610,821	362,610,821	362,610,821	362,610,821

24.1 All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

24.2 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. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued.

Notes to the Financial Statements

25 RESERVES

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Revaluation reserve	5,219,298,964	5,313,273,770	-	-
Capital reserve	8,128,011	8,128,011	8,128,011	8,128,011
FVOCI Reserve	-	-	184,167,021	204,167,021
Foreign Currency Equalization Reserve	41,339,678	28,169,948	-	-
General reserve	167,079,660	167,079,660	166,718,393	166,718,393
	5,435,846,313	5,516,651,389	359,013,425	379,013,425

25.1 Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment immediately before its reclassification as investment property.

25.2 Capital reserve

The capital reserve relates to funds set aside by the Group for long term Capital investment or other large and anticipated expenses that will be incurred in the future.

25.3 FVOCI Reserve

The fair value through OCI reserve comprises the cumulative net change in the fair value of financial assets valued at fair value through OCI until the assets are derecognized or impaired.

25.4 Foreign Currency Equalization Reserve

The foreign currency translation reserve comprise of all foreign exchange difference arising from the translation of the financial statements of foreign operations.

25.5 General reserve

The general reserve relates to retained earnings set aside by the Group.

26 INTEREST BEARING BORROWINGS

As at 31st March	Group 2021 Rs.	Group 2020 Rs.
Analysis of interest bearing borrowings		
Balance at the beginning of the year	1,536,648,474	1,081,766,888
Obtained during the year	41,500,000	310,207,584
Interest moratorium loan	-	148,184,294
Exchange gain	9,885,000	26,781,880
Interest accrued during the year	143,981,049	-
Recognition of government grant	(475,672)	(10,557,172)
Repayments during the year	(6,197,268)	(19,735,000)
Balance at the end of the period	1,725,341,583	1,536,648,474
Payable after one year	1,390,579,766	1,536,648,474
Payable within one year	334,761,817	-

26.1 Interest Bearing Borrowing

Debt moratorium for Covid-19 relief for tourism industry

The Government of Sri Lanka has proposed debt moratorium as a relief to industries affected by Covid 19 pandemic. Under that proposal the Group/ Company has agreed with the banks to further 18 months grace period (debt moratorium) effective from 01 April 2021 as the Company operated in the tourism industry.

Financial institution	Repayment terms	Principal (Rs.)	Rate	Security	Closing balance as at 31st March 2021 Rs.
Tissa Resort (Pvt) Ltd					
Commercial Bank of Ceylon PLC (Term Loan)	21 equal monthly instalments of Rs. 2.5 Mn commence from October 2021	216,500,000	1% +AWPLR*	Mortgage of Leasehold rights over the "The Safari" property and a Corporate Guarantee of Rs. 216.5 Mn from Ceylon Hotels Corporation PLC	58,420,000
Commercial Bank of Ceylon PLC (Term Loan)	34 equal monthly instalments of Rs. 0.835 Mn and Final instalment of Rs. 0.735 Mn from October 2021	50,000,000	2.5% + AWPLR	Mortgage of Leasehold rights over the "The Safari" property and a Corporate Guarantee of Rs. 216.5 Mn from Ceylon Hotels Corporation PLC	29,125,000
Commercial Bank of Ceylon PLC (Term Loan)	Rs. 500,000 x 06 months Rs. 944,000 x 17 months Rs. 952,000 x 01 month commence from October 2021	20,000,000	3.46% fixed	Mortgage of Leasehold rights over the "The Safari" property and a Corporate Guarantee of Rs. 216.5 Mn from Ceylon Hotels Corporation PLC	18,500,000
Commercial Bank of Ceylon PLC (Saubhagya Covid 19 Renaissance Facility)	17 equal monthly instalments of Rs. 555,550 and Final instalment of Rs. 555,650 from October 2021	10,000,000	4% fixed	Mortgage of Leasehold rights over the "The Safari" property and a Corporate Guarantee of Rs. 216.5 Mn from Ceylon Hotels Corporation PLC	8,888,900
Commercial Bank of Ceylon PLC (Interest Moratorium Loan)	Repayment Terms & Interest on the loan to be decided in October 2021				16,848,837
					131,782,737
United Hotels Company Ltd.					
Commercial Bank of Ceylon PLC (Term Loan)	Rs. 500,000 x 05 months Rs. 972,222 x 17 months Rs. 972,226 x 01 month	20,000,000	3.46% fixed	Corporate guarantee from Ceylon Hotels Corporation PLC for Rs. 3.75 Mn and primary mortgage bond over leasehold rights of "The Lake House" Polonnaruwa property owned by the Sri Lanka Tourism Development Authority for Rs. 75 Mn	19,000,000

Financial institution	Repayment terms	Principal (Rs.)	Rate	Security	Closing balance as at 31st March 2021 Rs.
Commercial Bank of Ceylon PLC (Term Loan)	47 equal monthly instalments of Rs. 1.25 Mn commence from October 2021	75,000,000	2.5% + AWPLR	Primary mortgage bond over leasehold rights of "The Lake House" Polonnaruwa property owned by the Sri Lanka Tourism Development Authority for Rs. 75 Mn and Corporate guarantee of Rs. 75 Mn from Ceylon Hotels Corporation PLC	58,750,000
Commercial Bank of Ceylon PLC (Interest Moratorium Loan)	Repayment Terms & Interest on the loan to be decided in October 2021				16,674,630
Cargills Bank Limited (Term Loan)	78 equal principal instalments (commencing from October 2021)	US $ 291,000	6 months LIBOR+ 4.1%	Primary floating mortgage bond for USD.1.5 Million over the leasehold property "The Surf"	57,909,000
Cargills Bank Limited (Term Loan)	78 equal principal instalments (commencing from October 2021)	US $ 1,209,000	6 months LIBOR+ 4.1%		240,591,000
Cargills Bank Limited (Term Loan)	Rs. 5,833,333.33 x 59 months Rs. 5,833,333.53 x 1 month (commencing from October 2021)	350,000,000	3%+ 1 W AWPLR*	Corporate guarantee from Ceylon Hotels Corporation PLC for Rs. 350 Mn,	350,000,000
Cargills Bank Limited (Term Loan) - Interest Moratorium Loan LKR Loan)	Repayment Terms to be decided in October 2021	75,193,753		Corporate guarantee from Ceylon Hotels Corporation PLC for Rs. 52 Mn and USD 120,000	75,193,753
Cargills Bank Limited (Saubhagya Covid 19 Renaissance Facility)	23 equal monthly instalments of Rs. 695,833 and Final instalment of Rs. 695,841 (Commenced from October 2020)	16,700,000	4% fixed	Corporate guarantee from Ceylon Hotels Corporation PLC for Rs. 16.7 Mn,	12,525,002
Cargills Bank Limited (Term Loan) - Interest Moratorium Loan)	Repayment Terms to be decided in October 2021	33,640,721		Corporate guarantee from Ceylon Hotels Corporation PLC for Rs. 52 Mn and USD 120,000	33,640,721
					864,284,106

Financial institution	Repayment terms	Principal (Rs.)	Rate	Security	Closing balance as at 31st March 2021 Rs.
The Kandy Hotels Co (1938) PLC					
Sampath Bank PLC	Loan to be repaid in 61 equal monthly instalments of Rs. 8.3 Mn and a final instalment of Rs. 10.7 Mn from October 2021	600,000,000	2% + AWPLR	Mortgage over Shares of United Hotels Co. Ltd (48,000,000 no. shares) for Rs. 600 Mn, negative pledge over immovable properties of the Company and a Corporate guarantee issued by Ceylon Hotels Corporation PLC for Rs. 595.5	517,000,000
Sampath Bank PLC (Saubhagya Covid 19 Renaissance Facility)	Loan to be repaid in 17 equal monthly instalments of Rs. 550,000 and a final instalment of Rs. 450,000 from October 2021	9,800,000	4% Fixed	Existing Mortgage over Shares of United Hotels Co. Ltd (48,000,000 no. shares) for Rs. 600 Mn, negative pledge over immovable properties of the Company and a Corporate guarantee issued by Ceylon Hotels Corporation PLC for Rs. 595.5Mn	9,800,000
Sampath Bank PLC (Debt Moratorium Facility)	60 equal monthly instalments	78,500,000	10% p.a	Mortgage over Shares of United Hotels Co. (Pvt) Ltd (48,000,000 no. shares) for Rs. 600 Mn, negative pledge over immovable properties of the Company and a Corporate guarantee issued by Ceylon Hotels Corporation PLC for Rs. 595.5	65,130,959
Sampath Bank PLC (Debt Moratorium Facility)	24 equal monthly instalments	23,525,053	Int Free		23,525,053
Sampath Bank PLC (Debt Moratorium Facility)	24 equal monthly instalments	5,647,335	Int Free		5,647,335
Sampath Bank PLC (Debt Moratorium Facility)	24 equal monthly instalments	28,318,496	1% +1 Yr TB		28,318,496
Commercial Bank PLC	Rs. 1,000,000 x 05 months Rs. 1,500,00 x 17 months Rs. 2,875,000 x 01 month	50,000,000	3.46% fixed	Corporate Guarantee for Rs.50,000,000 to be signed by Ceylon Hotels Corporation PLC. Primary Floating Mortgage Bond for Rs.50,000,000/- to be obtained over debit and credit card sales of the total operations at "Queens Hotel and Swiss Hotel"	49,000,000

Notes to the Financial Statements

Financial institution	Repayment terms	Principal (Rs.)	Rate	Security	Closing balance as at 31st March 2021 Rs.
Commercial Bank PLC (Interest Moratorium)	18 months grace period till September 2021 and repayment terms to be decided in October 2021.		11.5 % Fixed	Corporate Guarantee of Rs. 14 Mn from Ceylon Hotels Corporation PLC	10,592,121
Commercial Bank PLC (Interest Moratorium Loan for POD)	Repayment Terms to be decided in October 2021	8,872,372	Int Free		8,872,372
Commercial Bank PLC (Interest Moratorium Loan for Term Loans)	Repayment Terms to be decided in October 2021	1,695,400	Int Free		1,695,400
					719,581,786
CHC Foods Pvt Ltd					
Peoples' Bank PLC (Saubhagya Covid 19 Renaissance Facility)	Loan to be repaid in 18 equal monthly installments of Rs. 277,777.77 after initial grace period of 6 months	5,000,000	4% Fixed	Corporate guarantee issued by Ceylon Hotels Corporation PLC	3,588,828
					3,588,828
Ceylon Hotels Maldives Pvt Ltd					
Hatton National Bank PLC (Interest Moratorium Loan)	Repayment Terms to be decided in October 2021				17,137,018
					17,137,018
					1,736,374,427
Government Grant					(11,032,844)
					1,725,341,583

* AWPLR - Average Weighted Primary Lending Rate
** AWDR - Average Weighted Deposit Rate
*** LIBOR - London Interbank Offered Rate

27 EMPLOYEE BENEFITS

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
At the beginning of the year	16,490,974	18,269,714	6,900,815	7,000,392
Current service cost	1,992,039	2,039,209	445,599	449,753
Interest cost on benefit obligation	1,731,551	1,971,131	724,585	770,043
Payments made during the year	(4,276,419)	(4,677,693)	(1,100,095)	(611,618)
Actuarial (Gain)/Losses	1,762,559	(1,111,387)	372,281	(707,755)
At the end of the year	17,700,704	16,490,974	7,343,185	6,900,815

(a) The amounts recognised in the Balance Sheet are as follows.

Present value of the unfunded obligations	17,700,704	16,490,974	7,343,185	6,900,815
Recognised liability for defined benefit obligations	17,700,704	16,490,974	7,343,185	6,900,815

(b) **Net Benefit Expense**

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Included in Profit or Loss				
Interest Cost	1,731,551	1,971,131	724,585	770,043
Current Service Cost	1,992,039	2,039,209	445,599	449,753
	3,723,590	4,010,340	1,170,184	1,219,796
Included in Other Comprehensive Income				
Actuarial Losses/(Gains) on Obligations	1,762,559	(1,111,387)	372,281	(707,755)
	1,762,559	(1,111,387)	372,281	(707,755)
Net Benefit Expense	5,486,149	2,898,953	1,542,465	512,041

(c) Gratuity liability is based on the actuarial valuation carried out by Messrs. Actuarial and Management Consultants (Private) Limited, Actuaries, on 31 March 2021.

Principal actuarial assumptions used for the Group and the Company are as follows :

As at 31st March	Group % Per Annum 2021 Rs.	Group % Per Annum 2020 Rs.	Company % Per Annum 2021 Rs.	Company % Per Annum 2020 Rs.
a) Discount Rate	6.10%-10.50%	6% - 11%	6.7%	10.5%
b) Salary Increase	6%	6% - 10%	6%	6%
d) Retirement age	55 years	55 years	55 Years	55 years

The Liability is not externally funded

In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 67/07 mortality table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability of the Company.

27.1 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would affect the defined benefit obligation by the amounts shown below.

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Discount Rate - (1% Increase)	(12,862,179)	(12,830,570)	(7,092,753)	(6,654,512)
Discount Rate - (1% decrease)	13,646,778	13,617,130	7,613,688	7,168,431
Salary Increment Rate - (1% Increase)	13,559,553	13,571,313	7,575,664	7,141,039
Salary Increment Rate - (1% decrease)	(5,769,637)	(12,833,721)	(7,124,171)	(6,676,585)

28 DEFERRED TAX LIABILITIES

As at 31st March	Group	
	2021 Rs.	2020 Rs.
Balance at the beginning of the period	774,830,614	621,787,917
Adjustment on initial application on SLFRS 16	-	(2,395,691)
Origination/(Reversal) of temporary differences - P & L	(67,878,955)	(35,748,402)
Origination/(Reversal) of temporary differences - OCI	(194,639)	191,186,790
Balance at the end of the period	706,757,020	774,830,614

28.1 The inland revenue act No 24 of 2017 affects a tax rate of 14% for the tourism industry. The tax rate will be applicable to all subsidiary companies from 01st April 2018.

28.2 Temporary Deference

As at 31st March	Group	
	2021 Rs.	2020 Rs.
On Property, Plant and Equipment	2,496,405,740	2,708,866,840
On Retirement Benefit Obligation	(5,320,856)	(8,466,747)
On Revaluation of Lands and Buildings	3,633,817,500	3,633,817,500
On Carried Forward Tax Losses	(1,018,520,148)	(768,626,033)
On Leases	(58,117,802)	(31,087,176)
	5,048,264,434	5,534,504,384
Balance at the end of the year end	706,757,020	774,830,614

28.3 Unrecognized Deferred Tax Assets

Deferred tax assets have not been recognized in respect of the following items, because its not probable that future taxable profits will be available against which the company can utilize the benefits therefrom. The deferred tax asset has been recognized in the financial statements to the extent of deferred tax liability.

	Group				Company			
	2021		2020		2021		2020	
	Temporary Differences	Tax Effect	Temporary Differences	Tax Effect	Temporary Differences	Tax Effect	Temporary Differences	Tax Effect
On Retirement Benefit Obligation	(12,379,848)	(1,733,178)	(6,900,815)	(1,932,228)	(7,343,185)	(2,056,092)	(6,900,815)	(1,932,228)
On Carried Forward Tax Losses	(808,374,585)	(113,172,442)	(560,606,879)	(156,969,926)	(634,149,925)	(88,780,989)	(560,606,879)	(156,969,926)
	(820,754,433)	(115,604,396)	(567,507,694)	(158,902,154)	(641,493,110)	(89,809,035)	(567,507,694)	(158,902,154)

Deferred Tax Asset amounting to Rs. 115,604,396 (2020 - Rs. 158,902,154/-) has not been recognized for the above deductible temporary differences as the Management is of the opinion that the reversal of the taxable asset will not be crystallized in the foreseeable future.

29 LEASE LIABILITIES

As at 31st March	Group 2021 Rs.	2020 Rs.
As at 01 April	156,288,887	-
Recognition of lease liabilities on initial application on of SLFRS 16	-	22,841,678
Adjusted balance as at 01 April	156,288,887	22,841,678
Remeasurement during the year	-	119,482,026
Interest expense (Note 10)	19,839,974	13,965,183
As at 31 March	176,128,861	156,288,887
Lease liabilities included in the statement of financial position		
Payable after one year	144,391,748	128,299,647
Payable within one year	31,737,113	27,989,240
	176,128,861	156,288,887

The maturity analysis of lease liabilities is disclosed in Note 38.3.2

30 GOVERNMENT GRANTS

As at 31st March	Group 2021 Rs.	Group 2020 Rs.
Opening balance	10,557,172	-
Recognized during the year	(3,276,951)	12,574,480
Modification of Government Grant	6,685,751	-
Setoff against interest expenses during the year	(2,933,128)	(2,017,308)
Closing balance	11,032,844	10,557,172
Non-Current Portion	3,525,748	3,326,722
Current Portion	7,507,096	7,230,450
	11,032,844	10,557,172

On 14 November 2020, the Group has obtained a term loan facility under "Enterprise Sri Lanka" special interests subsidy loan scheme proposed by the government to strengthen the tourism industry. The interest subsidy will be paid by the Ministry of Finance.

31 TRADE & OTHER PAYABLES

As at 31st March	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Accounts payable	73,601,855	85,741,812	105,873	136,872
Accrued expenses	28,242,663	25,864,299	3,345,789	3,083,962
Accrued rent	7,431,735	7,751,887	-	-
Other payables	110,902,097	101,381,954	6,012,984	7,550,936
	220,178,350	220,739,952	9,464,646	10,771,770

32 CONTRACT LIABILITIES

As at 31st March	Group 2021 Rs.	Group 2020 Rs.
Opening Balance	13,963,066	4,331,405
Advance received during the year	24,152,075	40,775,876
Transfers during the year	(29,998,719)	(31,144,215)
Closing Balance	8,116,422	13,963,066

According to SLFRS 15, advances received from customers on future bookings have been reclassified from the trade payables and presented separately as "Contract Liabilities" in the statement of financial position. Accordingly, advances amounting to Rs. 8,116,422/- have been separately presented in the statement of financial position.

33 AMOUNTS DUE TO RELATED COMPANIES

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
GFH Management Co (Pvt) Ltd	3,072,329	28,100,772	2,400,472	1,262,272
The Galle Face Hotel Co Ltd	152,418	16,026,475	-	5,400,000
Galle Face Group (Pvt) Ltd.	2,320,746	2,167,659	-	-
United Hotels Co (Pvt) Ltd	-	-	9,121,677	-
Airline Services (Pvt) Ltd	-	-	420,941	480,941
Ceylon Hotel Holdings (Pvt) Ltd	-	27,872,058	-	-
CHC Rest House (Pvt) Ltd	202,522	778,468	-	-
Suisse Hotel Kandy (Pvt) Ltd	9,101,475	9,113,954	-	-
The Kandy Hotels Company (1938) PLC	-	-	33,778,893	33,774,544
Unionco Ltd	164,658	-	164,658	-
	15,014,148	84,059,386	45,886,641	40,917,757

33.1 Related Party Interest-bearing-borrowings

As at 31st March	Company	
	2021 Rs.	2020 Rs.
Kandy Hotels Co. (1938) PLC Loan	1,052,825,332	882,931,602
	1,052,825,332	882,931,602

33.2 Refer to note no 26 for interest rates and terms.

34 INCOME TAX PAYABLE

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Balance as at 01 April	16,098,320	8,407,655	13,303	13,303
Provision for the year	20,923,800	12,196,986	-	-
Under Provision in respect of previous year	118,044	529,100	-	-
Payment Made During the year	(23,913,195)	(5,035,421)	-	-
Balance at the end of the period	13,226,969	16,098,320	13,303	13,303

35 CONTINGENT LIABILITIES

35.1 Group/Company

Corporate Guarantees

Details of Corporate guarantees issued on behalf of subsidiaries are disclosed in note 26.1 to the financial statements.

There were no material contingent liabilities for the Group other than those disclosed below, as at the balance sheet date.

The Company is pursuing or is being pursued with legal action on the following legal cases. As per the representation given by the management these cases are still outstanding as at 31st March 2021.

35.1.1. Pending litigations - The Kandy Hotels Co. (1938) PLC.

Name	Nature	Case No.
Tourist Shopping Centre	Tenant	DSP/02743/19
H. M Dingiri Menike	Tenant	RE 2645
M.D.M.Waheed	Tenant	DSP/00014/19
Unpaid Budgetary Relief allowance	Labour Department	Labour 29057/20 Kandy
Unpaid Budgetary Relief allowance	Labour Department	Labour 24717/ Kandy

35.1.2. Pending litigations - United Hotels Company Ltd

Name	Nature	Case No.
D.K. Fernando	Labour	LT/4/G/146/2018

35.1.3. Pending litigations - Tissa Resort (Pvt) Ltd

Name	Nature	Case No.
Matara Labour	Labour	LT/M/26/105/18

Although, there can be no assurance , the directors believe, based on the information currently available, that the ultimate resolution of such legal procedures would not likely have a material adverse affect on the results of operations, financial position or liquidity of the company. Accordingly no provision for any liability has been made in the financial statements, nor has any liability been determined by the ongoing legal cases, as at 31 March 2021.

36 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the reporting date that require adjustment to or disclosure in the Financial Statements.

37 RELATED PARTY TRANSACTIONS

The company carries out transactions with parties who are defined as related parties in Sri Lanka Accounting Standard 24 'Related Party Disclosures', the details of which are reported below.

37.1 Recurrent Related Party Transactions

Company Name	Aggregate value of Related Party Transactions as a % of Revenue	Nature of Relationship	Name of the Director	Nature of Transaction	Terms of transactions	Year ended 31.03.2021 Rs.	Year ended 31.03.2020 Rs.
Kandy Hotels Company (1938) PLC	17%	Subsidiary	Mr. Sanjeev Gardiner	Expenses paid by CHC on behalf of KHCL	Note A	(60,271)	2,346,128
			Mr. Lakshman Samarasinghe	Temporary Advances net of	Note C	(82,693,777)	(77,581,428)
			Mr. Priyantha Maddumage	Interest expenses on loan given from KHCL	Note C	(87,144,030)	78,991,424
			Mr. Priyantha Maddumage				
			Mr. Shalike Karunasena				
United Hotels Company Ltd	10%	Subsidiary	Mr. Sanjeev Gardiner	Net Expenses paid by CHC on behalf of UHCL	Note A	449,284	13,372,142
			Mr. Priyantha Maddumage	Temporary Advances net of	Note B	(98,400,000)	20,967,721
			Mr. Mangala Boyagoda	Settlement of related party balance	Note A	(691,312)	(68,534,448)
			Mr. Lakshman Samarasinghe				
			Mr.Shalika Karunasena				
			Mr .Kuwera De Soysa				
CHC Foods (Pvt) Ltd	4%	Subsidiary	Mr. Priyantha Maddumage	Net Expenses paid by CHC on behalf of CHCFO	Note A	3,203,365	8,211,298
			Mr. Lakshman Samarasinghe	Temporary Advances net of	Note B	35,691,018	30,653,156
				Settlement of related party balance	Note A	(1,749,579)	(1,712,458)
Tissa Resort (Pvt) Ltd	0%	Subsidiary	Mr. Priyantha Maddumage	Expenses paid by CHC	Note A	381,482	2,944,418
			Mr. Lakshman Samarasinghe	Temporary Advances net of	Note B	(4,228,508)	(12,338,583)
CHC Rest Houses (Pvt) Ltd	0%	Joint Venture	Mr. Priyantha Maddumage	Expenses paid by CHC	Note A	2,760,735	6,111,594
			Mr. Lakshman Samarasinghe	Settlement of Related Party Balance	Note A	(3,868,938)	(7,516,290)

Notes to the Financial Statements

Company Name	Aggregate value of Related Party Transactions as a % of Revenue	Nature of Relationship	Name of the Director	Nature of Transaction	Terms of transactions	Year ended 31.03.2021 Rs.	Year ended 31.03.2020 Rs.
Ceylon Holiday Holdings (Pvt) Ltd	0%	Joint Venture	Mr. Lakshman Samarasinghe	Temporary Advances net of Settlement	Note B	(2,000,000)	6,908,617
			Mr. Priyantha Maddumage	Interest Income on loan given	Note B	2,769,372	
Ceylon Hotels Holdings (Pvt) Ltd.	15%	Affiliate	Mr. Sanjeev Gardiner	Temporary Advances net of Settlement	Note B	133,000,000	(75,181,429)
			Mr. Lakshman Samarasinghe	Interest Income on loan	Note C	22,325,886	21,398,586
			Mr. Priyantha Maddumage				
			Mr. Shalike Karunasena				
			Mr. Ajith Lasantha Devasurendra				
Airline Services (Pvt) Ltd		Subsidiary	Mr. Sanjeev Gardiner	Expenses paid by CHC PLC on be half of ALSL	Note A	60,000	-
			Mr. Lakshman Samarasinghe				
			Mr Priyantha Maddumage				
Galle Face Group (Pvt) Ltd		Affiliate	Mr. Sanjeev Gardiner	Temporary Advances net of Settlement	Note B	2,738,826	-
			Mr. Lakshman Samarasinghe	Expenses paid by CHC on behalf of GFG	Note A	24,088	-
			Mr Priyantha Maddumage				
			Mr. Matthis Dieter Roeke				
GFH Management Co (Pvt) Ltd		Affiliate	Mr. Sanjeev Gardiner	Expenses paid by CHC		-	2,663,272
			Mr. Lakshman Samarasinghe	Settlement of Related party balance		-	(1,401,000)
			Mr Priyantha Maddumage				
			Mr. Shalike Karunasena				

This note should be read in conjunction with the note 21 and 33 Related party receivable and Related party payable respectively.

Ceylon Hotels Corporation PLC	CHC
The Galle Face Hotel Co. Ltd.	GFH
United Hotels Co. Ltd.	UHCL
Ceylon Hotels Holdings (Pvt) Ltd	CHH
Kandy Hotels Co. (1938) PLC	KHCL
GFH Management Company (Pvt) Ltd	GFHM
CHC Rest Houses (Pvt) Ltd.	CHC RH
Tissa Resort (Pvt) Ltd.	TRL
CHC Foods (Pvt) Ltd.	CHCFO

Note A
Transactions carried out in the ordinary course of business and charge at the face value of the expenses.

Note B
Temporary advances given in the ordinary course of business and no interest charge on the outstanding balances. Payable on demand and short term in nature.

Note C
Terms and conditions related to inter company borrowings/lending's :

Company	Party	Repayment
The Kandy Hotels Co. (1938) Ltd.	Lender	AWPLR + 2% for the balance upto Rs. 100 Mn and AWDR + 1% for the remaining
Ceylon Hotel Corporation PLC	Borrower	
Ceylon Hotel Corporation PLC	Lender	AWDR + 1%
Ceylon Hotel Holdings (Pvt) Ltd	Borrower	

37.1.1 Recurrent transactions with related parties

Recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31st March 2020 audited financial Statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act are disclosed under note 37.1 above.

37.2 Non- recurrent transactions with related parties

There are no non-recurrent related party transactions for the period ended 31st March 2021.

37.3 Compensation paid to key management personnel

According to Sri Lanka Accounting Standard 24 "Related Party Disclosures", Key management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) have been classified as Key Management Personnel of the Company. Emoluments paid to key management personnel have been disclosed in note 11.

37.4 Transactions, arrangements and agreements involving KMP and their close family members (CFM)

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the entity. They may include KMP's domestic partner and children, children of the KMP domestic partner and dependants of the KMP or the KMP domestic partner. CFM are related parties to the Group. There were no transactions carried out with above parties.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Financial instruments held by the Group principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings/(lease payable). The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Group.

Financial risk management of the Group is carried out based on guidelines established by its parent Group's finance department which comes under the preview of the Board of Directors.

38.1 Parent company's finance department evaluates financial risk in close co - operation with the hotel operational units. The parent company provides guidelines for overall risk management as well, covering specific areas such as credit Risk, Liquidity Risk, Interest rate risk and foreign currency risk.

38.1.1 The Group has established guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, , accounting and related controls. The guide lines and systems are regularly reviewed and adjusted accordingly to changes in markets and products. The Group's Executive Directors monitor these risks primarily through its operating and financing activities.

38.2 Credit risk

Credit risk is the risk that a customer or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

38.2.1 Credit risk exposure

The carrying amount of the financial assets represent the maximum credit exposure. The maximum credit exposure to credit risk at the end of the reporting period was as follows.

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Trade and other receivable	10,444,471	94,827,159	-	-
Other receivable	52,776,639	60,268,854	6,145,677	5,374,103
Amount due from related parties	439,549,269	287,741,731	574,624,574	473,430,432
Cash at bank	1,027,937,195	1,013,612,524	17,062	-
	1,530,707,574	1,456,450,268	580,787,313	478,804,535

38.2.2 Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Management also considers the factors that may influence the credit risk of its customer base, including default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of Trade and Other Receivables

The aging of trade receivables at the reporting date was as follows;

As at 31st March	Group	
	2020 Rs.	2019 Rs.
Neither past due nor impaired		
01-29 days	3,121,494	45,265,056
30-60 days	-	36,456,401
61-90 days	-	16,167,939
91-120 days	-	1,014,280
121-180 days	12,314,230	432,516
	15,435,724	99,336,192
Impaired		
Gross carrying value	15,435,724	99,339,192
Less: Impairment provision	(4,991,253)	(4,512,033)
Total	10,444,471	94,827,159

38.2.3 Credit risk relating to cash and cash equivalents

In order to mitigate concentration, settlement and operational risks related to cash and cash equivalents, the Group limits the maximum cash amount that can be deposited with a single counterparty. In addition, the Group maintains an authorised list of acceptable cash counterparties based on current ratings and economic outlook, taking into account analysis of fundamentals and market indicators. The Group held cash and cash equivalents of Rs. 892 Mn as at 31 March 2021 - (2020 - Rs. 951 Mn).

Notes to the Financial Statements

38.3 Liquidity Risk

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

The Group policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

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

38.3.1 Net (debt)/cash

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Cash in hand and at bank	1,031,075,620	1,016,724,387	17,062	-
Total liquid assets	1,031,075,620	1,016,724,387	17,062	-
Interest bearing loans and borrowings	1,725,341,583	1,536,648,474	-	-
Bank overdrafts	139,077,063	66,216,813	1,954,895	173,162
Total liabilities	1,864,418,646	1,602,865,287	1,954,895	173,162
Net (debt)/cash	(833,343,026)	(586,140,900)	(1,937,833)	(173,162)

38.3.2 Liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time against a combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement or other secured borrowing.

The Group has already opted for debt moratoriums made available through financial institutions as approved by the CBSL for COVID-19 impacted industries which will ease the cash flow constraints.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2021 based on contractual undiscounted payments.

Group	Carrying Amount Rs.	Within 1 year Rs.	Between 1-5 year Rs.	More than 5 years Rs.	Total Rs.
Interest bearing borrowings	1,725,341,583	453,388,357	1,602,872,859	18,100,230	2,074,361,446
Trade and other payables	220,178,349	220,178,349	-	-	220,178,349
Amounts due to related parties	15,014,148	15,014,148	-	-	15,014,148
Lease liability	176,128,861	59,364,118	101,735,012	349,266,645	510,365,775
Bank overdrafts	139,077,063	139,077,063	-	-	139,077,063
	2,275,740,004	887,022,035	1,704,607,871	367,366,875	2,958,996,781

Company	Carrying Amount Rs.	Within 1 year Rs.	Between 1-5 year Rs.	More than 5 years Rs.	Total Rs.
Trade and other payables	9,464,646	9,464,646	-	-	9,464,646
Amounts due to related parties	45,886,641	45,886,641			45,886,641
Related Party Interest-bearing-borrowings	1,052,825,332	1,052,825,332	-	-	1,052,825,332
Bank overdrafts	1,954,895	1,954,895	-	-	1,954,895
	1,110,131,514	1,110,131,514	-	-	1,110,131,514

38.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market prices comprise three types of risk:

- Interest rate risk
- Currency risk
- Price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The sensitivity analyses in the following sections relate to the position as at 31 March 2021.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 2021.

Notes to the Financial Statements

38.4.1 Interest rate risk

Interest rate risk is the risk of fluctuation of the value or cash flows of an instrument due to changes in the market interest rates

The Group has borrowings with variable interest rates such as AWPLR and LIBOR and would expose the Group to cashflow/ profits as the amount of interest paid would be changed depending on market interest rates. Further, the global outbreak of the novel COVID-19 epidemic has resulted in a consecutive reduction in policy rates and monetary easing policies by CBSL to encourage banks and finance companies to reduce lending rates.

At the end of the reporting period the Group's interest-bearing financial instruments were as follows

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Variable rate instruments				
Interest-bearing-borrowings	1,725,341,583	1,536,648,474	-	-
Related Party Interest-bearing-borrowings	-	-	1,052,825,332	882,931,602
Bank overdrafts	139,077,063	66,216,813	1,954,895	173,162
	1,864,418,646	1,602,865,287	1,054,780,227	883,104,764

Cash flow sensitivity for variable rate instruments

A change of 1% in interest rates at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Variable rate instruments				
1% Increase in interest rate	(18,644,186)	(16,028,653)	(10,547,802)	(8,831,048)
1% Decrease in interest rate	18,644,186	16,028,653	10,547,802	8,831,048

38.4.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on mainly borrowings and net investments in foreign subsidiaries that are denominated in a currency other than the respective functional currencies of the Group. These currencies primarily are in US Dollars (USD) and Maldives Rufiya.

The following tables demonstrate the sensitivity to a reasonably possible change in the US dollar, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies are not material.

Currency	Increase/decrease in exchange rate	Effect on profit before tax
USD	+5%	29,500,000
	-5%	(29,500,000)

38.5 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, have a rights issue or buy back of shares.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows;

As at 31st March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Interest-bearing-borrowings	1,725,341,583	1,536,648,474	-	-
Bank Overdraft	139,077,063	66,216,813	1,954,895	173,162
Cash in hand and bank	(1,031,075,620)	(1,016,724,387)	(17,062)	-
Net debt	833,343,026	586,140,900	1,937,833	173,162
Total equity	9,159,560,902	9,529,220,976	682,166,302	775,969,634
Debt to Equity ratio (Times)	0.09	0.06	0.00	0.00

39 FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

The following table shows the carrying amounts of financial assets and financial liabilities by category as defined in SLFRS 9- Financial Instruments, including their levels in the fair value hierarchy. The carrying value approximates the fair value of these balances.

Group

Year ended 31 March 2021	Amortized cost	Total
Financial assets not measured at fair value		
Trade and other receivables	63,221,110	63,221,110
Amounts due from related companies	439,549,269	439,549,269
Cash and cash equivalents	1,031,075,620	1,031,075,620
	1,533,845,999	1,533,845,999
Financial liabilities not measured at fair value		
Bank overdrafts	139,077,063	139,077,063
Trade payables	73,601,855	73,601,855
Interest bearing borrowings	1,725,341,583	1,725,341,583
Lease liability	176,128,891	176,128,891
Amounts due to related companies	15,014,148	15,014,148
	2,129,163,510	2,129,163,510

Year ended 31 March 2020	Amortized cost	Total
Financial liabilities not measured at fair value		
Trade and other receivables	155,096,013	155,096,013
Amounts due from related companies	287,741,731	287,741,731
Cash and cash equivalents	1,013,612,524	1,013,612,524
	1,456,450,268	1,456,450,268
Financial liabilities not measured at fair value		
Bank overdrafts	66,216,813	66,216,813
Trade payables	85,741,812	85,741,812
Interest bearing borrowings	1,536,648,474	1,536,648,474
Lease liabilities	156,128,861	1,536,648,474
Amounts due to related companies	84,059,386	156,128,861
	1,928,955,372	1,928,955,372

Company

Year ended 31 March 2021	Fair Value through OCI	Amortized cost	Total
Financial assets measured at fair value			
Investment in Joint Venture	309,497,174	-	309,497,174
Financial assets not measured at fair value			
Trade and other receivables	-	6,145,677	6,145,677
Amounts due from related companies	-	574,624,574	574,624,574
Cash and cash equivalents	-	17,062	17,062
	309,497,174	580,787,313	890,284,487
Financial liabilities not measured at fair value			
Trade payables	-	105,873	105,873
Related party interest bearing borrowings	-	1,052,825,332	1,052,825,332
Amounts due to related companies	-	45,886,641	45,886,641
	-	1,098,817,846	1,098,817,846

Year ended 31 March 2020	Fair Value through OCI	Amortized cost	Total
Financial assets measured at fair value			
Investment in Joint Venture	329,497,174	-	329,497,174
Financial assets not measured at fair value			
Trade and other receivables	-	5,374,103	5,374,103
Amounts due from related companies	-	473,430,432	473,430,432
	329,497,174	478,804,535	808,301,709
Financial liabilities not measured at fair value			
Trade payables	-	136,872	136,872
Related party interest bearing borrowings	-	882,931,602	882,931,602
Amounts due to related companies	-	40,917,757	40,917,757
	-	923,986,231	923,986,231

40 NUMBER OF EMPLOYEES

The total number of employees of the Group as at 31st March 2021 was 240. (31st March 2020 - 399)

Investor Information

SUMMARY OF SHAREHOLDING AS AT 31ST MARCH 2021

	Share Range			No. of Shareholders	No. of Shares	Holding %
1	1	-	1000	6091	859,374	0.477
2	1001	-	10000	663	1,879,683	1.044
3	10001	-	100000	116	3,105,804	1.725
4	100001	-	1000000	13	3,420,952	1.900
5	1000001	-	& Above	10	170,765,129	94.853
	Totals			6893	180,030,942	100.000

INFORMATION FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

a) Directors Shareholding in the company

Name of Director	31st March 2021	31st March 2020
Mr. Lakshman Samarasinghe - Chairman	5,590	5,590
Mr. Sanjeev Gardiner	Nil	Nil
Mr. Priyantha Maddumage	1	1
Mr. Kuvera De Zoysa	Nil	Nil
Mr. Mangala Boyagoda	Nil	Nil
Mr. Kamantha Amarasekera	Nil	Nil
Mr. Wasantha Wimalaweera (resigned)	Nil	Nil
Mr. Ajith Devasurendra	Nil	Nil
Mr. Ranil Pathirana	Nil	Nil
Mr. Shalike Karunasena	Nil	Nil

PUBLIC SHAREHOLDING AS AT 31ST MARCH 2021

b) Public Shareholding - 51,531,383 (2020 - 51,531,383)

c) Percentage of the ordinary shares held by public - 28.62% (2020 - 28.62%)

d) No. of Public shareholders - 6,885 (2020 - 6,923)

e) Related Companies

Name of Company	Number of Shares
National Development Bank / Ceylon Hotels Holdings (Pvt) Ltd	60,245,919
Ceylon Hotel Holdings (Pvt) Ltd	37,994,096
Seylan Bank Ltd / The Galle Face Hotel Company Ltd	10,365,500
The Galle Face Hotel Co Ltd.	77,220
Hotel International (Pvt) Ltd	1,048,230
Rosewood (Pvt) Limited	18,763,003

f) Highest, lowest and market value per share from 1st April 2020 to 31st March 2021

Period	Year ended 31st March 2021
Date High	15-12-2020
High - Rs.	15.30
Date Low	20-05-2020
Low - Rs.	7.20
Close - Rs.	10.60
Trade Vol	1,283
Share Vol	1,285,420
Turnover - Rs.	15,450,133.80
Last Traded date	31-03-2021
Days Traded	195

MARKET PRICE PER SHARE FOR THE FOR THE PERIOD FROM 01/04/2020 TO 31/03/2021

Name of Director	2020-21		2019-20	
	Date	Share Price (Rs.)	Date	Share Price (Rs.)
Highest Market Price	15/12/2020	15.30	02/12/2019	14.00
Lowest Market Price	20/05/2020	7.20	20/03/2020	8.30
Last Traded Price	31/03/2021	10.60	20/03/2020	8.50

The float adjusted market capitalisation as at 31st March 2021 was Rs. 546,163,469/- with reference to the rule no. 7.6 (iv) of the listing rules of the Colombo Stock Exchange. As the float adjusted market capitalisation is less than Rs. 2.5 billion, Ceylon Hotels Corporation PLC complies under option 5 of the Listing Rules 7.13.1 (a) with the minimum public holding requirements.

Investor Information

TOP 20 SHAREHOLDERS (ORDINARY VOTING) AS AT 31ST MARCH 2021

	Shareholder Name	No. of Ordinary Voting Shares	Holding %
1	National Development Bank Plc/Ceylon Hotel Holdings (Pvt) Ltd	60,245,919	33.46%
2	Ceylon Hotel Holdings (Pvt) Ltd	37,994,096	21.10%
3	Employees Provident Fund	21,519,334	11.95%
4	Rosewood (Pvt) Limited-Account No.1	18,763,003	10.42%
5	Seylan Bank Plc/ARRC Capital (Pvt) Limited (collateral)	10,791,878	5.99%
6	Seylan Bank Ltd/The Galle Face Hotel Company Limited	10,365,500	5.76%
7	Bank of Ceylon - No 2 A/C	5,008,269	2.78%
8	National Savings Bank	3,975,017	2.21%
9	Associated Electrical Corporation	1,053,883	0.59%
10	Hotel International (Private) Limited	1,048,230	0.58%
11	Mrs. C.A.d.S. Woodward	757,708	0.42%
12	Sithlanka (Private) Limited	447,706	0.25%
13	Mr. K.N. Karunaratne	444,810	0.25%
14	Mr. K.K.Shujeevan	347,661	0.19%
15	Seylan Bank Plc/ARRC Capital (Pvt) Ltd	267,178	0.15%
16	Sunshine Holdings Plc	234,662	0.13%
17	Dr. G.S.Perera	151,379	0.08%
18	Mr. S. Abhishek	148,572	0.08%
19	Mr. S.M. Hassan Mohamed	139,146	0.08%
20	Cocoshell Activated Carbon Company Ltd	133,083	0.07%
	Sub Total	173,837,034	96.56%
	Balance Held by Others	6,193,908	3.44%
	Total	180,030,942	100.00%

TOP 20 SHAREHOLDERS (ORDINARY VOTING) AS AT 31ST MARCH 2020

	Shareholder Name	No. of Ordinary Shares	%
1	National Development Bank Plc/Ceylon Hotel Holdings (Pvt) Ltd	60,245,919	33.46
2	Ceylon Hotel Holdings (Pvt) Ltd	37,994,096	21.10
3	Employees Provident Fund	21,519,334	11.95
4	Rosewood (Pvt) Limited-Account No.1	18,763,003	10.42
5	Seylan Bank Plc/ARRC Capital(Pvt) Limited (Collateral)	10,791,878	5.99
6	Seylan Bank Ltd/The Galle Face Hotel Company Limited	10,365,500	5.76
7	Bank of Ceylon-No2 A/C	5,008,269	2.78
8	National Savings Bank	3,975,017	2.21
9	Associated Electrical Corporation Ltd	1,053,883	0.58
10	Hotel International (Private) Limited	1,048,230	0.58
11	Mrs. C.A.D.S. Woodward	757,708	0.42
12	Mr. K.N. Karunaratne	515,022	0.29
13	Sithlanka (Private) Limited	447,706	0.25
14	Seylan Bank Plc/ARRC Capital (Pvt) Ltd	267,178	0.15
15	Sunshine Holdings Plc	234,662	0.13
16	Rockport Limited	192,855	0.11
17	Mr. S. Abhishek	148,572	0.08
18	Mr. S.M. Hassan Mohamed	139,146	0.08
19	Cocoshell Activated Carbon Company Limited	133,589	0.07
20	Asha Financial Services Limited/Mr. C.N.Pakianathan	125,700	0.07
	Sub Total	173,727,267	96.50
	Balance Held by Others	6,303,675	3.50
	Total	180,030,942	100

Five Year Summary

Year ended 31st March	2021		2020		2019		2018		2017	
	Group Rs.'000	Company Rs.'000	Group Rs.'000	Company Rs.'000	Group Rs.'000	Company Rs.'000	Group Rs.'000	Company Rs.'000	Group Rs.'000	Company Rs.'000
Trading Results										
Turnover Net of Tax	423,572	6,435	1,023,144	8,326	1,633,512	8,562	1,543,087	8,447	1,514,277	9,906
Operating profit/(Loss) before Interest Expenses and other income	(237,842)	(11,343)	(240,399)	(18,970)	180,506	(18,151)	220,315	(10,879)	71,917	(152,306)
Profit/(Loss) before Taxation	(432,063)	(73,431)	(436,898)	(74,275)	256,424	(35,366)	68,896	(28,757)	(18,877)	247,643
Taxation Provision	46,837	-	23,022	-	32,595	-	41,474	1,583	39,669	37
Profit /(Loss) from continuing operations	(385,226)	(73,431)	(413,875)	(74,275)	223,829	(35,366)	27,422	(30,340)	(58,546)	247,606
Share Capital & Reserve										
Issued Share Capital	362,611	362,611	362,611	362,611	362,611	362,611	362,611	362,611	198,500	198,500
Capital, Revaluation & Translation Reserves	5,268,766	192,295	5,349,572	212,295	4,477,953	212,295	4,527,174	212,295	4,852,794	213,367
General Reserves	167,080	166,718	167,080	166,718	167,080	166,718	167,080	166,718	167,080	166,718
Accumulated Profit / (Losses)	1,229,398	(39,458)	1,448,391	34,345	1,675,342	107,912	1,347,682	152,747	1,630,981	355,060
Total equity attributable to equity holders	7,027,856	682,166	7,327,653	775,970	6,682,986	849,537	6,404,546	894,371	6,849,355	933,646
Assets Employed										
Current Assets	1,602,366	580,787	1,538,148	478,805	1,968,334	484,684	1,090,521	437,328	626,699	235,631
Current Liabilities	769,619	1,110,145	(436,297)	(934,808)	(1,060,465)	(1,013,787)	(957,423)	(931,857)	(826,460)	(665,410)
Working Capital	832,747	(529,358)	1,101,851	(456,003)	907,869	(529,103)	133,098	(494,528)	(199,761)	(429,779)
Property, Plant and Equipment	9,195,325	22	9,552,201	28	8,384,654	35	8,701,844	24	8,722,562	667
Non-Current Liabilities	2,262,955	7,343	2,459,596	6,901	1,721,825	7,000	1,794,672	6,535	1,027,574	6,243
Ratio & Statistics										
Current Ratio (Times)	2.1	0.5	3.53	0.51	1.86	0.48	1.14	0.47	0.76	0.35
Market Price per share	10.60	10.60	8.50	8.50	9.20	9.20	15.00	15.00	19.20	19.20
Earning/(Losses) per Share	(1.73)	(0.41)	(1.94)	(0.41)	1.14	(0.20)	(0.31)	(0.17)	(0.55)	1.38
Net Assets Per Ordinary Share	39.04	3.79	40.70	4.31	37.12	4.72	35.57	4.97	39.86	5.43

Notice of Annual General Meeting

CEYLON HOTELS CORPORATION PLC- PB 3283
No.327, Union Place, Colombo 2

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ceylon Hotels Corporation PLC will be held as a Virtual Meeting assembled at the Corporate Office No.327, Union Place, Colombo 2 on 24th September 2021 at 9.30 am via Audio/Video Technology for the purpose of conducting the following business.

1. To receive, consider and adopt the Annual Report of the Board of Directors on the affairs of the company, the Audited Accounts for the year ended 31st March 2021 and the Report of the Auditors thereon.
2. To re-elect Mr. Sanjeev Gardiner who retires by rotation in terms of Articles of Association.
3. To re-elect Mr Priyantha Maddumage who retires by rotation in terms of Articles of Association.
4. To re-elect Mr Kuvera De Zoysa who retires by rotation in terms of Articles of Association.
5. To re-elect Mr Lakshman Samarasinghe as a Director of the Company in terms of Section 211 of the Companies Act No.07 of 2007 by passing the following ordinary resolution.

   "RESOLVED that Mr Lakshman Samarasinghe who has reached the age of 79 years be and is hereby re-elected as a Director of the Company and 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 Director in accordance with Section 211 of the Companies Act No. 07 of 2007.
6. To re-elect Mr Mangala Boyagoda as a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007 by passing the following ordinary resolution.

   "RESOLVED that Mr Mangala Boyagoda who has reached the age of 70 years be and is hereby re-elected as a Director of the Company and 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 Director in accordance with Section 211 of the Companies Act No. 07 of 2007.
7. To re-appoint Messrs. KPMG, the retiring Auditors for the ensuing Financial Year and authorize the Directors to fix their remuneration.
8. To authorize the Directors to determine donations for the year 2021/2022 and up to the date of the next Annual General Meeting.
9. To transact any other business that may properly be brought before the meeting.

By Order of the Board of
CEYLON HOTELS CORPORATION PLC

Accounting Systems Secretarial Services (Private) Limited
Company Secretaries
Colombo, this 30th August 2021

Note:
A shareholder who is unable to attend the meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.

Notes

Notes

Form of Proxy

CEYLON HOTELS CORPORATION PLC- PB 3283
No. 327, Union Place, Colombo 2

I/We ....

(NIC No.) .... of..

being a member/members of Ceylon Hotels Corporation PLC, hereby ....

appoint:..of..

Mr Lakshman Samarasinghe	of Colombo	(or failing him)
Mr Sanjeev Gardiner	of Colombo	(or failing him)
Mr Priyantha Maddumage	of Colombo	(or failing him)
Mr Kuvera De Zoysa	of Colombo	(or failing him)
Mr Mangala Boyagoda	of Colombo	(or failing him)
Mr Kamantha Amarasekara	of Colombo	(or failing him)
Mr Ajith Devasurendra	of Colombo	(or failing him)
Mr Ranil Pathirana	of Colombo	(or failing him)
Mr Shalike Karunasena	of Colombo	

as my/our Proxy to represent and speak and vote for me/us* and on my/our behalf at the Annual General Meeting of the Company to be held on 24th September 2021 and at any adjournment thereof and at every poll which may be taken in consequence thereon.

I/We* the undersigned, hereby direct my/our* proxy to speak and vote for me/us and on my/our behalf on the resolution set out in the Notice convening the meeting, as follows:

		For	Against
1.	To receive, consider and adopt the Annual Report of the Board of Directors the Audited Accounts for the year ended 31st March 2021 and Report of the Auditors thereon.		
2.	To re-elect Mr. Sanjeev Gardiner who retires by rotation and is eligible for re- election		
3.	To re-elect Mr. Priyantha Maddumage who retires by rotation and is eligible for re- election		
4.	To re-elect Mr. Kuvera De Zoysa who retires by rotation and is eligible for re- election		
5.	To re-elect Mr Lakshman Samarasinghe as a Director of the Company in terms of Section 211 of the Companies Act No.07 of 2007		
6.	To re-elect Mr Mangala Boyagoda as a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007		
7.	To re-appoint Messrs, KPMG the retiring Auditors and authorize the Directors to fix their remuneration.		
8.	To authorize the Directors to determine donations for the Year 2021/2022 and up to the date of the next Annual General Meeting.		

In witness my/our* hands this ....day of...Two Thousand and Twenty One.

....
Signature

Notes:
* Instructions as to completion appear overleaf.
Please indicate with and "x" in the space provided, how your Proxy is to vote on the Resolutions. If no indication is given, the Proxy in his discretion will votes as he thinks fit.

Form of Proxy

INSTRUCTIONS FOR COMPLETION

1. Kindly perfect the Form of Proxy by filling in legibly your full name, address and the National Identity Card number and by signing in the space provided and filling in the date of signature.
2. The completed Form of Proxy should be deposited at Company Secretaries and Registrars, Messrs Accounting Systems Secretarial Services (Private) Limited, Level 03, No.11, Castle Lane, Colombo 4 not later than 48 hours prior to the date of the meeting.
3. If you wish to appoint a person other than the Chairman or a Director of the Company, please insert the relevant details at the space provided (above the names of the Board of Directors) on the Proxy Form.
4. If the Form of Proxy is signed by an Attorney, the relative Power of Attorney should accompany the Form of Proxy for registration if such Power of Attorney has not already been registered with the Company.
5. If the appointor is a Company/ Incorporated body this Form must be executed in accordance with the Articles of Association/ Statute.

Corporate Information

NAME OF THE COMPANY
Ceylon Hotels Corporation PLC

REGISTRATION NO.
P.B.3283

LEGAL FORM
A public limited liability company listed in the Colombo Stock Exchange

DIRECTORS
Mr. Sanjeev Gardiner
Mr. Lakshman Samarasighe
Mr. Priyantha Maddumage
Mr. Mangala Boyagoda
Mr. Kuvera De Zoysa
Mr. Ajith Devasurendra
Mr. Ranil Pathirana
Mr. Kamantha Amarasekara
Mr. Shalike Karunasena
Mr. Revantha Devasurendra (Alternate Director)

HOTEL MANAGEMENT COMPANY
Galle Face Group (Pvt) Limited

REGISTERED OFFICE
No.327, Union Place, Colombo 02

SECRETARIES
Accounting Systems Secretarial Services (Pvt) Limited
Level 3, No.11, Castle Lane,
Colombo 04

REGISTRARS
Accounting Systems Secretarial Services (Pvt) Limited
Level 3, No.11, Castle Lane,
Colombo 04

AUDITORS
KPMG
No.32A, Sir Mohamed Macan Markar Mawatha,
Colombo 03

INTERNAL AUDITORS
Ernst & Young Advisory Services (Pvt) Limited
201, De Saram Place,
Colombo 10

LAWYERS
F J & G De Saram
216, De Saram Place, Colombo 10

BANKERS
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Sampath Bank PLC
Cargills Bank Ltd
People's Bank

E-MAIL
info@ceylonhotels.net

WEBSITES
www.chcplc.com - corporate website
www.ekhohotels.com
www.chcresthouses.com
www.queenshotel.lk
www.hotelsuisse.lk

Designed & produced by
emagewise

Ceylon Hotels Corporation PLC
No.327, Union Place,
Colombo 02